

Enterprise for All: progressing the agenda

A report by the Enterprise for All Coalition (EfAC)

Written by Andrea Westall



BTEG
BLACK TRAINING & ENTERPRISE GROUP

prime
SME self-employment & enterprise
www.primeinitiative.org.uk

cdfa
community development finance association

**SOCIAL
ENTERPRISE
COALITION**
THE VOICE OF SOCIAL ENTERPRISE

**national federation of
enterprise agencies**

PROGRESS

ABOUT EFAC – THE ENTERPRISE FOR ALL COALITION

The Coalition is a group of membership or representative organisations working with under-represented or disadvantaged groups or within disadvantaged areas in enterprise support and development. It shares with this Government the objective of an inclusive UK enterprise culture which benefits our economy and the well-being of all communities and individuals. It supports collaborative working through information sharing, joint research, events, lobbying and advocacy, communications and PR.

EFAC includes the following core members. Other partners are invited when appropriate to be involved in, endorse, or support, specific activities:



BTEG (Black Training & Enterprise Group) – aims to ensure fair access and outcomes for black communities in employment,

training and enterprise. It acts as a catalyst to enable black groups and individuals to play an active role in the economic regeneration of local communities through partnership with others. www.bteg.co.uk/

Jeremy Crook OBE, Director, BTEG:

“Studies continue to highlight the levels of economic wealth to be found within the BME community, as well as the financial contributions made by the UK’s BME entrepreneurs. However, despite many interventions, we still face the reality that many aspiring and existing BME businesses are unable to consistently access relevant business support services. This report aims to reiterate the importance of providing relevant enterprise services, and supporting those intermediaries, who are able to effectively reach, promote and encourage enterprise amongst all communities.”



CDFA (Community Development Finance Association) – is the trade association for Community Development Finance Institutions (CDFIs). CDFIs are sustainable, independent, financial institutions that provide capital and

support to enable individuals or organisations develop and create wealth in disadvantaged communities or under-served markets. www.cdfa.org.uk/

Bernie Morgan, Chief Executive, CDFA

“Our vision is to create a society where everyone has access to the finance they need to achieve their true potential. We know this is also a key objective for the Government as well. This report demonstrates how important it is that we work together to create a culture which supports ‘Enterprise for All’.”



NFEA (National Federation of Enterprise Agencies) – is the membership body for Local Enterprise Agencies, and other like-minded organisations in England. It responds to the needs of small and growing businesses

by providing a comprehensive range of quality services, in particular, for pre-start, start-up and micro businesses.

www.nfea.com/

George Derbyshire, Chief Executive, NFEA

“All the organisations represented in this Coalition share a single aim: to help people support themselves, their families and their communities, through the skills of enterprise. We all have unique reach into our client groups, be that geographic or sectoral, and look forward to building effective partnerships with anyone, in the public or private sectors, who shares our aims.”



PRIME (Prince's Initiative for Mature Enterprise) – recognises the importance or necessity of self-employment and starting a business to those aged 50+. It is dedicated to helping over 50s set up in business and

unlock their experience, talent and ability.

www.primeinitiative.org.uk/

Laurie South, Chief Executive, PRIME

“It is a sad reflection that our society is unable to recognise the hundreds of thousands of people aged over 50 – a group that includes women, ethnic minorities and disabled people, who are outside the labour market, and for whom enterprise represents an important means of regaining financial independence and self-respect. The recommendations in this report, if acted upon, will go a considerable way towards helping to remove the extreme differentials of finance and opportunity found amongst older people, and help to move so many from welfare and dependency.”



Prowess (Promoting Women's Enterprise Support) – a network of organisations and individuals who support the growth of women's business ownership. Their work includes raising awareness, sharing best practice, information transfer and advocacy.

www.prowess.org.uk/

Erika Watson, Executive Director, Prowess

“‘Enterprise for All’ is an aspiration which needs long-term nurturing and support. We shouldn't lose sight of the achievements of the enterprise agenda in the last five years – in the case of women's business ownership, we've seen some tangible growth. But there is so much more to do and much to gain. This report makes sensible and realistic recommendations and we look forward to working with our Coalition partners and others in achieving them.”



SEC (Social Enterprise Coalition) – is the UK's national body for social enterprise.

As the voice of the sector, SEC provides a platform for showcasing the benefits of social enterprise. We share best practice

and influence policy in order to create an enabling environment for social enterprise. www.socialenterprise.org.uk/

Jonathan Bland, Chief Executive, Social Enterprise Coalition

“Social enterprise offers a different way of doing business that combines social justice with economic prosperity. The importance of appropriate business support for social enterprise cannot be overstated and this report strengthens the argument for a major improvement in the nature and availability of support provided by the taxpayer.”

CONTENTS

Forewords	2
Introduction	3
Executive summary	4
Recommendations	6
Guidelines to ensure that regional and local business support delivers 'Enterprise for All'	8
Guidelines to ensure that Business Link Information, Diagnostics and Brokerage (IDB) delivers 'Enterprise for All'	9
How to simplify business support and achieve 'Enterprise for All'	10
1. Policy context	11
2. The economic and social case for 'Enterprise for All'	16
3. The difficulties in achieving this goal	18
4. Why and how should government be involved?	21
5. The views of our members	23
6. General versus specialist advice and support	30
7. A client-centred approach	33
Appendix One: The questionnaire	36
Appendix Two: Core offer guidelines	38
Appendix Three: A business lifecycle model	40
Endnotes	43

FOREWORDS



Sonja Scantlebury has spent most of her career as a social entrepreneur. She was helped to develop and grow her business – a specialist recruitment agency Accredited Services Limited – by an Enterprise Agency, the East London Small Business Centre (ELSBC) and the clients from Lloyds of London to whom gratitude must be extended.

She believes in the power of self-belief and breaking down boundaries. In 1998, she became the first high profile African-Caribbean business owner in the City of London. In addition, she is also a founder of Silverstone Tropical Foods, a family business which introduced the first sorrel based herbal teas into the international tea market in 1998. It supports the 'trusted market' by sourcing local farmers and business worldwide at a fair price. She enjoys working with disadvantaged communities and projects that seek to empower people to reach their full potential.

It's encouraging to witness the coming together of these organisations – CDFA, BTEG, PRIME, SEC, NFEA and Prowess – along with government involvement, to work with groups not often represented or recognised for their creative contributions to enterprise and development. This report highlights the daily challenges faced by individuals who are marginalised because of, for example, age, gender or ethnic background. It offers practical methods that could be easily adopted to ensure the possibility of 'Enterprise for All' – delivered jargon-free and understanding that everyone can be creative, enterprising, and self-sufficient, as well as being capable of making a considerable contribution to their local communities, both economically and socially.

'Enterprise for All' can really work and provide every individual with appropriate information at a

fair cost as well as the right contacts to meet all their needs, and at all stages of development of their enterprise. It is fitting that the Government plays a part in this expansion of possibilities, since it makes perfect sense, for example, to engage with single mothers from challenging backgrounds, who attend the Sure Start schemes.

In my opinion, in order for 'Enterprise for All' and the Government to reach all these groups, they will have to physically go out there to make themselves visible (for instance through staging a roadshow), so that people are aware of the available support.

This project has got my full support, as it is clear we are all working towards eliminating poverty and encourage individuals to develop their full potential and talent.

Sonja Scantlebury

The Enterprise for All Coalition (EfAC) came together in response to a rapidly changing enterprise policy environment at regional and national levels. As individual organisations, each involved in promoting the 'Enterprise for All' message, we have frequently collaborated and supported each other. It made sense to formalise the arrangement, with terms of reference which allow us to work together successfully while retaining our own identities and core missions.

The Coalition's principal targets are to influence the 2007 Comprehensive Spending Review (CSR) and the strategies of the Regional Development Agencies (RDAs) to ensure that the progress made in recent years on the enterprise agenda continues. And they hope also that the report will positively influence the current Business Support Simplification Programme as well as changes in the Small Business Service. There is a rich resource of knowledge and experience in the sectors we all work in – the responses of our members to the report survey illustrate this – and, in the midst of

rapid change, rationalisation and potential budget cuts, there is a danger that we lose momentum and valuable expertise in the process.

It may be clichéd, but there is a real risk that the 'baby will be thrown out with the bath water' if there is no appreciation of what has already been achieved within enterprise development, or of what needs to happen in the next few crucial years to ensure a truly enterprising society. This report puts the challenges into context and provides a backdrop for us to work in a positive partnership with Government, the RDAs and all other key organisations and agencies working towards 'Enterprise for All'.

The Enterprise for All Coalition (EfAC):

Black Training & Enterprise Group (BTEG);
Community Development Finance Association (CDFA);
National Federation of Enterprise Agencies (NFEA);
Prince's Initiative for Mature Enterprise (PRIME);
Promoting Women's Enterprise Support (PROWESS);
Social Enterprise Coalition (SEC).

INTRODUCTION

The Comprehensive Spending Review and current and on-going changes to publicly-funded business support, provide an excellent opportunity to ensure that 'Enterprise for All' is achieved. This report reviews the evidence which shows why it is important to support 'Enterprise for All', the difficulties in achieving this goal and the appropriate role of government. We believe that, through meeting diverse client needs, enterprise culture and take-up of all kinds of business support – public, private or third sector – by disadvantaged and under-represented people, groups and areas, will increase. As a result, we believe that the economic, as well as the broader personal and social, impacts of ensuring 'Enterprise for All' will be better met.

Section 1, 'Policy Context', sets out the landscape of current and future policy in England. We then consider 'The economic and social case' (2) for encouraging 'Enterprise for All': it goes far beyond increasing GDP. But we then point out 'The difficulties in achieving this goal' (3) and ask 'Why and how should government be involved?' (4).

As part of this review, we surveyed our members. Their comments have added considerable colour and thoughtful ideas to this report, as well as informing our recommendations. (See Appendix One for further details of the respondents and the questionnaire.) Their views are presented in Section 5. A discussion on 'General versus specialist advice and support' (6) leads to a way forward in this rather black and white debate. Section 7 suggests a 'Client-centred approach' to delivery support which avoids seeing people as, for example, 'women' or 'older' entrepreneurs rather than recognising people for their individual needs and skills.

This report focuses primarily on the situation in England but many of the recommendations are appropriate to policy design and delivery in other nations. They are also relevant for other policy areas, as well as the practice of all business service providers – not just the public sector.



After 30 years of precarious living as the 'drummer with the band', Mervin Thomas sensed the slide into long-term unemployment. A New Deal course, a business loan of last resort and he is now self-employed, teaching music and writing songs.

EXECUTIVE SUMMARY

‘Enterprise for All’ has been used as a positive phrase by this Government, virtually since it came to power. We believe that if an inclusive ‘Enterprise for All’ is really achieved then all those who would like the opportunity to set up a viable enterprise, can do so effectively. ‘All’ means all kinds of people, for example: women, ethnic minority, young and old, current and ex-offenders, the physically and mentally disabled. It also means people from all kinds of areas, such as: disadvantaged, rural, coastal, inner and outer estates.

The phrase also refers to creating a climate and culture in which enterprise is seen as a legitimate, appealing and appropriate choice of employment for everyone – regardless of their background and circumstances.

But enterprise is also an approach to life. One definition of entrepreneurship could be ‘getting resources together to make something happen’. The skills of entrepreneurship are valuable in anything a person does, from planning their own future to working in their community. That is why the term social entrepreneurship has arisen, as has intra-preneurship (innovating within an organisation) and public entrepreneurship (creating positive change within the public sector).

‘Enterprise’ should cover all kinds of organisational form and mission, from purely profit-oriented activities to those primarily having social or environmental aims (many are known as social enterprises).

This Government believes that by supporting ‘Enterprise for All’, thriving economies will develop in all parts of Britain and appropriate jobs will be created for all who want them. We know that enterprise is part of the way to create growing, productive and innovative economies as well as resilient and adaptive localities and people. It can therefore also respond to both the positive and negative impacts of globalisation.

‘Enterprise for All’ can also contribute to broader government and societal goals such as:

- citizenship and democracy – there is evidence from the US that people involved in local enterprise training can also become more involved in their local area (Home Office);

- health and wellbeing – enterprise can be seen as part of the well-being and happiness agendas by supporting core skills of empowerment, confidence and self-realisation, which directly promote health; or as being part of ways to innovate in the design and delivery of services; as well as new ways for disabled people to work safely and appropriately (DoH, DfES);
- education – enterprise training and experience can create core skills such as self-confidence and becoming more ‘can-do’, which are more widely applicable in society than just for business (DfES);
- addressing demographic change – providing more and appropriate options for people over 50 and for those at the end of their working lives to increase their financial security (DWP mainly and a core theme for the Comprehensive Spending Review).

As well as:

- the delivery of responsive public services;
- the improvement in resilience and confidence of people and places;
- helping people create their own life-chances and respond to challenges;
- increases in the number of people engaged in society and meeting economic, environmental and social needs;
- a stronger and more resilient third sector;
- creating new opportunities for work-life balance.

The difficulties in achieving this goal can be summarised as:

- a relatively poor (but improving) climate for entrepreneurship and enterprise within the UK;
- a poor and limited understanding by many people of enterprise in its broadest sense, its potential benefits and problems, as well as the lack of information on different forms of enterprise;
- specific external barriers to starting an enterprise, for example, finance, appropriate and sensitive business support, the benefit system, as well as the multiple effects of certain kinds of location;
- internal barriers such as confidence, background, current circumstances, or personality.

The Government intervenes in this agenda for two stated reasons: to address market failures and to ensure 'equality'. But despite recent policy initiatives, evidence shows that differences in successful entrepreneurial activity between some groups in society are widening and disadvantaged areas are not necessarily catching up. But these failures are not just blanket prescriptions for doing nothing, or just abandoning policies because they don't work or meet some narrowly defined criteria, but for increasing the likelihood of success.

Government needs to ask why certain groups, individuals or areas are unable, or are unwilling, to access available support to enable the start-up and success of different forms of enterprise. It also has to ensure that policies are designed from the point of view of the user to increase take-up by the right people and minimise take-up by those who do not need services and can pay for them elsewhere (deadweight).

Public money is well spent as an investment on those with the greatest barriers to starting a business or becoming self-employed but who are also likely to generate significant economic and social returns to the economy. Current public decision-making should not use narrow criteria of 'GDP growth' to decide on expenditure but look at the financial costs and benefits of the broad economic and social contributions of different kinds of entrepreneur and enterprise. In addition, public expenditure will be decreased by the amount of money saved in benefits and other public services. If another goal of policy is that of 'equality', then there are further reasons to support all kinds of business and all kinds of organisational form and individual motivation.

'Enterprise for All' should be included as an aim by all relevant departments (and other government-funded bodies such as RDAs) in the new Comprehensive Spending Review as well as being an overarching theme. It should be recognised for the full range of its benefits and dis-benefits; and be supported by appropriate funding. The regionalisation of Business Links, as well as the simplification of publicly-funded business support, also provides an opportunity to review the effectiveness and appropriateness of government intervention to support all types of new, potential and existing entrepreneurs and enterprises.

EfAC believes that since people have different identities and different needs which can differ at different stages of their own, and their business's, development, ultimately the client's choice and their needs are the only thing that matters.

Therefore, start from those needs, not from top-down policy initiatives that are dependent on statistical analysis of under-representation. We need joined-up networks of provision that allow for multiple entry points (public, private or third sector) and a high level of knowledge of appropriate alternatives between different providers within and between areas. Government can be a catalyst to appropriately understand needs in an area or across different groups and sectors, to enable targeting of resources and government support to help fill the gaps. Policy interventions will also need to be prepared to go to the client as well as the other way round.

Because of the commitment to diversity, and because people do not simply self-identify in the ways which government would like, we believe primarily in a client-centred approach to service delivery which:

- recognises and responds to individual needs;
- understands that appropriate resources are required for the different kinds of relevant support – from information to in-depth one-to-one coaching or peer networks;
- requires more demand-led policy and delivery, with users involved in creating appropriate responses;
- is not delivered **to** people but **with** them;
- is aware of how language can attract or dissuade people from using services;
- is aware that people self-identify differently. For example, they may see themselves as part of a group that isn't currently catered for;
- supports personal development and personal needs that affect, and are affected by, their enterprise goals;
- recognises that for some disadvantaged people, start-up can take a long time and requires appropriate support and funding;
- has an appropriate incentive scheme for providers that does not support 'quick wins';
- knows that specialist group support, while important, should also be able to respond to individual need.

RECOMMENDATIONS

Whilst enterprise is important to a vibrant economy, this report shows how enterprise and entrepreneurship are important to a much wider range of societal and individual outcomes than just the macro-economic goals of productivity or growth. For these reasons, along with that of a commitment to equality and diversity, there are both moral and practical arguments for ensuring that 'Enterprise for All' is met in reality and not just in rhetoric.

We recognise that government has to prioritise resources. Therefore a call for extra money becomes predictable and just one amongst many. However, the impacts of various policy initiatives can only be ascertained if they are measured fully and not partially. We think that enterprise and entrepreneurship has been looked at too narrowly. Their broader implications for people and society have not been recognised or measured. This is not just a policy area but rather a state of mind and attitude to life which can realise many aims in society.

It must also be remembered that some interventions or political leadership need not cost very much. They are nevertheless important in enabling political agendas to be met. It will also require new ways of working, bending money and achieving goals across departments. This is joined-up government in action.

In future, we wish to work with government, RDAs and others, in enabling 'Enterprise for All' to be met appropriately and within resources constraints. There is much work to be done. However, to start with we believe that:

1. Given the importance and cross-cutting nature of this agenda, a Minister should specifically take 'Enterprise for All' within their remit.

This Minister should be in the DTI whilst recognising that this goal requires policy collaboration across a range of departments.

2. Building on the positive experience of creating a Women's Enterprise Strategy Group and an Ethnic Minority Advisory Group, we suggest that a cross-departmental working group on 'Enterprise for All' is set up, that can join together and create relevant policies across government.

3. The Government and RDAs should ensure that the phrase 'Enterprise for All' includes all types of organisation, and all forms of entrepreneurship - whether its aims are economic, social or environmental.
4. The Government and RDAs should ensure that all publicly-funded business support and enterprise initiatives are fully diverse in both design and access. They should also encourage all providers to adopt good diversity policies and practice in order to ensure increased take-up of services as well as more and stronger enterprises.
5. The broad economic, social, environmental and individual outcomes, beyond increases in GDP, of ensuring and achieving 'Enterprise for All' need to be understood by government and RDAs, linked to different policy goals and be fully evaluated in practice.
6. There should be a recognition that all kinds of entrepreneurship and enterprise have significant and different roles in developing and ensuring robust and inclusive economies or people. Policy at regional and national level should therefore move away from focusing primarily on high growth 'winners'.

We believe that the current policy prioritisation, even within an environment of reduced resources, towards potential high-growth business is flawed. Just focusing on high growth 'winners' whether by the DTI or by the RDAs, can lead to 'deadweight' and to lost opportunities to reduce for example, benefits, create fuller and appropriate employment, address issues of globalisation and insecurity etc.

7. Appropriate strategies for increasing 'Enterprise for All' need to exist beyond those targeted at young people.

We welcome the focus on young people and the work of Enterprise Insight in developing appropriate ways to engage people in entrepreneurship. We feel though that this approach needs to be extended to all ages. A multi-agency (public, private and third sector) collaboration will be needed in order to join together available resources, support and ideas.

8. Further research by the SBS analytical and research units is needed to enable government to better understand why and how people develop entrepreneurial skills, start and develop businesses, and access certain kinds of support.

The Small Business Service has acknowledged evidence gaps in understanding why people make the choices they do. It has already looked at the evidence base for business-led regeneration and the impact of Community Development Finance Initiatives (CDFIs). It also needs to look at the reasons why certain groups, individuals or areas are unable to access appropriate support to enable start-up and development of different forms of enterprise or why they do not even consider entrepreneurship. This approach may need to be carried out independently in different regions, localities, or among 'communities of interest' at all geographical levels, to ensure appropriate and contextualised responses.

9. We support the time and resources being put into disseminating the lessons of the Phoenix Development Fund but believe that they should also be appropriately incorporated into policy design and delivery by both the Small Business Service and by the regions and local government.

Good practice has developed in reaching different kinds of groups, particularly through the work of the Phoenix Development Fund. We particularly support the adoption of 'braided' delivery, as suggested in the evaluation of the Phoenix Development Fund, which mixes mainstream and specialist support in appropriate and contextualised networks, involving the public, private and third sectors, and incorporating strong two-way learning.

10. We would like a review of the current DTI PSAs, particularly PSA 6, within the next Comprehensive Spending Review, and where appropriate, align them to 'Enterprise for All objectives.

The current Public Service Agreement (PSA) 6 from the last Spending Review for the DTI is to:

Build an enterprise society in which small firms of all kinds thrive and achieve their potential, with (i) an increase in the number of people considering going into business, (ii) an improvement in the overall

productivity of small firms, and (iii) more enterprise in disadvantaged areas.

We'd suggest PSA 6 should be revised to become more inclusive, for example:

*Build an enterprise society in which small firms of all kinds, **with all kinds of aims, and set up by all kinds of people**, thrive and achieve their potential, with (i) an increase in the number of people **from all groups in society** considering going into business, (ii) an improvement in the overall productivity of small firms, and (iii) more enterprise in disadvantaged areas.*

11. PSAs across different departments need to be reviewed and altered to ensure that where appropriate 'Enterprise for All' statements and goals are stated. 'Enterprise for All' should also become a cross-government PSA with appropriate targets.
12. Statistics used for measuring the achievement of enterprise goals should be reviewed for their appropriateness. Where necessary new forms of data and statistics should be gathered or created.

We believe that measurement of success should not just be by currently available statistics. For example, the sample size of the Household Survey of Entrepreneurship is relatively small and only carried out every two years, supplemented by the Global Entrepreneurship Monitor which adopts different definitions. The Labour Force Survey is used to measure (iii) above. We do not think that this is adequate and that other approaches are reviewed. However, VAT levels are also problematic because they are partial. Measures such as The BETA Model show that there are other ways to look at enterprise activity within areas.¹ Business Link customer information within each region could be a key indicator of progress and take-up. There also needs to be disaggregation of statistics by a range of specific groupings, for example, women, ethnicity, age, disability.

13. While recognising the regionalisation of business support, and therefore funding allocations, the Comprehensive Spending Review should ensure that appropriate funding is directed where required to meet the goals of 'Enterprise for All'.

The kinds of issues that will affect levels of funding will be:

- the need to increase the number of entrepreneurs from under-represented and disadvantaged groups or areas. This goal will require extra funding on top of mainstream provision for, for example, pre-start awareness raising, one-to-one counselling etc.
- proper financing of delivery organisations to cover overheads as well as to provide appropriate outreach and marketing to ensure adequate and appropriate take-up and impact;
- assurance that there is the full range of appropriate providers of services in an area and that they are networked together;
- recognition that even with sensitive and diverse general support, there will be a need for specialist provision to be available in an area and funded appropriately (whether through contracts or via asset support to enable start-up) depending on client need;

Money relevant to ensuring the 'Enterprise for All' agenda is used in a variety of policies in different departments which could be used

more appropriately to benefit individuals and areas. A review will need to be undertaken to ensure that policies and relevant funding across government works together to promote 'Enterprise for All' and does not undermine it.

14. It is important that in the move to regionalisation, national initiatives both within and outside the public sector, are recognised, resourced, and linked to a specific contact within central government. We believe that a revised Small Business Service should, at the very least, guarantee and maintain quality of provision at all levels through national standards and be able to link up appropriate and available regional, local and national initiatives to ensure that their activities are complementary and collaborative.

With this move towards regionalisation, there is a need not to forget that many people do not self-identify on the basis of region but by national groupings and that there will still be a need for national initiatives, probably driven by a revised Small Business Service.

And that in all cases:

15. Incentives for successful delivery must be designed to work with, and not against, the goals of policy.

Guidelines to ensure that regional and local business support delivers 'Enterprise for All'

EfAC recognises many examples of good practice within the RDA network but is concerned that 'Enterprise for All' may not be sufficiently prioritised within some regional strategies. Although these guidelines are aimed at RDAs, further devolution by government will mean that local authorities will be delivering more business support and policy: many of these issues will also be relevant to them.

To ensure access and take-up by under-represented and disadvantaged people, both RDAs and central government, should:

- **recognise that there is no such thing as 'hard to reach groups' and engage with those who can reach and are part of these groups;**
- **reinforce the effectiveness of business support through appropriate marketing materials, information resources and outreach strategies in order to increase take-up and reduce the likelihood that most delivery goes to those people with the least need (deadweight);**
- **design services in such a way that they do not exclude people (such as appropriate timing, charges, background of staff);**
- **appropriately balance competition in delivery with collaboration between all appropriate partners in a region to ensure the effectiveness of initiatives;**
- **create clarity over who is responsible at the regional, sub-regional and local levels for leading on enterprise support;**
- **support greater partnering and brokerage, joint resource use, and clarity over shared goals, between all publicly-funded bodies (particularly those set up by local authorities and the Local Enterprise Growth Initiative (LEGI));**

- **commit to working in partnership and integrating with non-publicly funded organisations (particularly specialist) in order to ensure appropriate coverage and accessibility of services;**
- **ensure that publicly-funded delivery does not duplicate delivery by organisations who have a track record and are able to engage with their target group but work with them in partnership;**
- **incorporate the ‘Enterprise for All’ agenda into regional skills partnerships and broader regional economic strategies;**
- **promote information about services through the full range of intermediaries (public, private and third sector) as well as through appropriate materials and outreach;**
- **resist the temptation to develop new initiatives rather than build partnerships and support effective delivery.**

RDAs should ensure that they fully resource their measurement, research and evaluation functions in order to:

- **create mechanisms for sharing knowledge and good practice about what works to ensure the engagement of disadvantaged people, both amongst RDAs and between RDAs and other providers;**
- **deliver quality business support and advice which is accessible and appropriate to all with consistent quality standards across all advisers and publicly-funded enterprise support bodies;**
- **measure diverse needs for all kinds of enterprise support at regional and local level and by different groups;**
- **understand the importance of a full and appropriate market in mainstream and specialist support from public, private and third sector providers;**
- **enable ‘market-making’ or create provision where necessary to fill gaps.**

And specifically in delivery:

- **ensure that the language of all materials is jargon-free. Policy pronouncements and delivery options should be easy to understand and relevant;**
- **design contracts which are not simply output-based but are flexible enough to deliver appropriate outcomes and meet the needs of different groups and localities;**
- **there is a need for clarification of how support for various disadvantaged and under-represented areas, groups and people will be required in bids and not seen as optional add-ons;**
- **make sure that there is appropriate support for all stages of business development in a region, not just start-up;**
- **ensure appropriate funding which meets the guidelines set out by HM Treasury.²**

RDAs could also increase the effectiveness of their responses by:

- **helping to rationalise the aims and objectives of each publicly-funded delivery organisation to clarify and reduce some of the overlap;**
- **create and disseminate good practice in delivery;**
- **ensure that the upheaval caused by the new policies does not remove money and support from effective initiatives;**
- **ensure that the bureaucratic and reporting burden is proportionate to the size of the programme and its delivery body.**

And, in the move towards regionalisation, there is a need not to forget the fact that many people do not self-identify on the basis of region but by national groupings.

National initiatives both within and outside the public sector must be able to link up to appropriate and available regional initiatives to complement their activities.

Guidelines to ensure that Business Link Information, Diagnostics and Brokerage (IDB) delivers 'Enterprise for All'

Whilst our members generally support this approach, they wish to ensure that the needs of disadvantaged and under-represented people, are not ignored. The Enterprise for All Coalition is concerned that the core offer will only be appropriate to the needs of some, but not all, entrepreneurs.

The core offer must be clearer on the engagement of under-represented and disadvantaged people.

In order to deliver the IDB approach effectively, staff will have to be trained in diversity, the nature of the local area and its available resources, as well as ensuring that they have integrity and do not pass clients on to favoured deliverers.

All Business Link staff need to be trained in diversity; what is available in their areas in order to improve brokerage; and to understand specialist support needs; the full range of finance options; and be able to refer onto others with the expertise (even to do the full IDB if appropriate). They also need to ensure that the diagnostic function is associated with proper training to understanding the strengths and weaknesses of enterprises and entrepreneurs.

Currently most people in the groups we are concerned with do not use Business Links or have not heard of them. The best way for them to initially access support is via specialist or general organisations with appropriate and targeted outreach.

All Business Link activities must recognise and be linked to independent or specialist organisations from which people may ultimately access IDB.

Pre-starts and starts may need more support than just IDB. This should be funded and provided by the most appropriate delivery agents in the area in order to ensure 'Enterprise for All'.

A review is currently going on, for example, to see whether the IDB works for social enterprises and whether it will need to be adapted and run by other more experienced organisations in all or some areas.

More research is needed to see whether the IDB model works for different target groups, types of entrepreneur and enterprise, and needs.

A concern for EfAC is that the IDB approach could result in more activity being retained in-house by the Business Link rather than ensuring that the best deliverers offer appropriate services and access to all groups.

There is a need to clearly specify what activities will be done in-house by the Business Link and what is best brokered out to be done by others.

It is not clear how long the relationship with a client will last. In some cases, longer-term brokerage of needs which goes from pre pre-start right through to long-term sustainability and strategy, may be needed.

Government should recognise that brokerage needs to be more than just a one-off activity but part of long-term relations with users, if this is what is required and needed.

Also, our members feel there is a need to:

- **specify how much Business Links can add value to their offering to support the engagement of disadvantaged and under-represented people;**
- **make sure that all service planning, delivery and co-ordination uses good underpinning market information to create better understanding of the range and extent of needs;**
- **further consider whether service payment means that some people may not be able to access support from an IDB model;**
- **ensure that the IDB does not result in a loss of holistic support including one-to-one counselling or mentoring which may be needed by some people;**
- **evaluate and measure the success of IDB in ways which assess all the appropriate outcomes, including those of meeting the needs of under-represented and disadvantaged people;**
- **clarify what each of the components of delivery of IDB means and where their boundaries end;**
- **set out the core offer in ways that make it inclusive in practice and backed up by national standards;**
- **be able to track the progress of all businesses and provide ongoing support to ensure that the potential of the individual and business is reached.**

How to simplify business support and achieve 'Enterprise for All'

Our members want to see criteria for simplification which increase access to business support by all types of people and from all areas:

- **any resulting services should be flexible, and take account of diversity;**
- **the simplification approach should extend to the activities being undertaken by local authorities, regeneration partnerships, and other bodies, and not just involve the RDAs and central government;**
- **it is important to bear in mind that the key issue is not the number of services *per se* but delivery, design and access;**
- **simplification must ultimately make things easier for the client and be demand and not supply-led, based on actual need and use of services;**
- **ensure that this approach does not reduce support for particular groups;**
- **put information on all initiatives out through targeted intermediaries (public, private or third sector) and market it effectively to increase take-up.**

1. POLICY CONTEXT

'Enterprise for All' has been used as a positive phrase by this Government, virtually since it came to power. The goal – in essence part of 'opportunity for all' – is meant to be both economic and social. It is believed that 'Enterprise for All' will contribute to the development of an economy which is able to continuously grow and cope with ever-faster change – being competitive, productive and innovative.

'Enterprise for All' is also used to support a business approach to regenerating those disadvantaged areas which have relatively poor entrepreneurial culture and/or fewer businesses. Initially, most interest has been focused on inner cities, but the agenda is now extending to include other areas, particularly rural. There is also concern about access to appropriate business support by 'under-represented groups' – mainly women and ethnic minorities, although there is growing interest in the over 50s. Aiming to include all groups and areas within the entrepreneurial culture is also believed to create more economic opportunities overall and therefore help achieve full employment. However, the entrepreneurial climate in the UK is perceived to be relatively low compared to other countries. There is a broad commitment to increase the entrepreneurial skill-base and levels of positive attitudes, particularly amongst children and young people.

The Government is also keen to encourage more entrepreneurial activities in the third sector so that organisations become more sustainable. The initial inclusion of social enterprises within the Department for Trade and Industry, was part of an implicit, but rarely articulated and acted upon, view of enterprise which included businesses with social-missions, entrepreneurial not-for-profits, low or no-growth businesses (often disparagingly called lifestyle), and self-employment, rather than just a more narrow focus on growth, and often high-tech, businesses.

The Second Comprehensive Spending Review

On July 19th 2005, the Chief Secretary to the Treasury announced the launch of a second Comprehensive Spending Review (CSR) which will report in 2007. The aim of the Review is to identify where "further investments and reforms are needed to equip the UK for the global challenges of the decade ahead". It will cover how money is divided between departments for the years 2008–09, 2009–10 and 2010–11. Spending for 2007–8 will come from figures already announced in the 2004 Spending Review which focused partly on investing for opportunity and fairness as well as ensuring efficiency targets.³

The specific PSA Target 6 for 2004 by the DTI on enterprise was to:

Build an enterprise society in which small firms of all kinds thrive and achieve their potential, with (i) an increase in the number of people considering going into business, (ii) an improvement in the overall productivity of small firms and (iii) more enterprise in disadvantaged communities.

Specific money was targeted to meet part of this goal through the Enterprise Insight Campaign. The aim of Enterprise Insight is to promote entrepreneurship to young people on a “wide front covering the worlds of education, employment, community and leisure”. It focuses on helping create a more enterprising culture amongst young people (14–30) in the UK and was founded by the British Chambers of Commerce, Confederation of British Industry, Federation of Small Businesses and the Institute of Directors. They take a broad view of entrepreneurship exemplified by a quote in their recent Enterprise Report 2002: “An enterprising person is one who sees opportunity in all areas of life”. Enterprise Insight sees that this mindset is important in a changing world where “traditional command and control structures are becoming less appropriate for many organisations”.

The next CSR will be developed by individual departments considering their own policy and spending priorities, all of which must be measurable. All departments will also have to address cross-cutting themes which are “long-term challenges and trends” namely: demographic and socio-economic change, globalisation, climate and environmental change, global uncertainty and technological change. Enterprise is relevant to all these issues, as well as to most of the specific reviews which are also taking place to inform the CSR: counter-terrorism and security; mental health and employment outcomes; sub-national economic development and regeneration; supporting housing growth; the future role of the third sector in social and economic regeneration and children and young people.

General policy

The Treasury states that: “An environment that encourages enterprise and supports people who take opportunities and risks is a crucial ingredient of productivity improvement.” Its website lists relevant policy issues including improved support for small and new business; promoting a step change in the UK’s enterprise culture; and “extending the enterprise culture

throughout the country by tackling the obstacles to business growth and investment in Britain’s most disadvantaged areas”. The key focus is on disparities of economic wealth and prospects between different areas in the UK.⁴

At the 2006 Barclays Trading Places Awards, Alastair Darling provided a foreword in the event programme on behalf of the DTI:

“The Government is committed to creating an environment in which enterprise is seen as an option for everyone. Our long-term aim is to create an environment and culture, which not only encourages everyone with the desire to start or grow a business, but also ensures that they have access to appropriate help and support. Enterprise needs to be seen and understood as a positive and worthwhile activity at any stage of life...”

One of the stated aims of the Small Business Service (SBS), located in the Department for Trade and Industry (DTI), is to: “Make special efforts to release the enterprise of ethnic minority groups, women entrepreneurs and others who have such potential to contribute to UK business.” In 2004, the SBS published *The Government Action Plan for Small Business* subtitled ‘Making the UK the best place to start and grow a business’. The most relevant theme is that of ‘More enterprise in disadvantaged communities and under-represented groups’.⁵ The Action Plan committed the Government to joint working across departments and agencies in order to achieve greater impacts.

In 2005, the Regional Development Agencies (RDAs) in England became responsible for funding and delivering Business Link services. Business Link (BL) is a brand name given to certain kinds of publicly-funded business services, sometimes by different organisations in an area.^{6,7} The stated reasons were to devolve these elements of publicly-funded business support from central government to better fit with regional economic strategies. This move was also part of a broader aim to simplify support and make it more cost effective. The ownership of the Business Link brand, however, stays with the DTI.

As a result of this announcement, most RDAs have already tendered for, and accepted, Business Link delivery partners within their areas, ranging from single to multiple consortia. Many BLs are also in the process of linking this new area of responsibility with other priorities and activities in their region.

Other publicly-funded players within regions and localities are responsible for business support to a greater or lesser extent aimed at under-served groups or disadvantaged areas. Local authorities are currently taking forward proposals under the Local Enterprise Growth Initiative (LEGI); Learning and Skills Councils (LSCs) have their own programmes; Government Offices can provide funding and RDAs have a range of activities. The SBS believes that ideally all these should be linked together through the Business Link brand so that there is a clear set of entry points and an approved level of service. Some RDAs are already recognising the need to work with other streams of related activity such as the local-authority LEGI (see below for details). It is likely that with further devolution, local authorities will take on more enterprise policy and business support. Mechanisms for joining up regional and local policy will therefore become even more important.

Some RDAs are also taking the opportunity to link this new responsibility with the Treasury's goal to simplify business support. The 2006 Budget announced the reduction of the number of business support initiatives from 3000 to around 100 by 2010 in response to concern that the current set-up was confusing to clients.⁸ The goal is to simplify and rationalise delivery. As part of this simplification, the SBS will be restructured, made smaller and more directly linked to the Treasury. Service delivery will go to the regions and it will focus primarily on policy and research work.

The Business Link role is changing to one of purely providing Information, Diagnostics and Brokerage (IDB). This is to ensure that Business Links are not advising and delivering simultaneously, thus creating potential conflicts of interest. It also introduces consistency and quality into the 'offerings'. The SBS has created principles for the scope of the offering which will be delivered in an appropriate way by each RDA as well creating a legal and operational backing for the IDB.⁹

The outline of the core offer is set out in Appendix Two. The table sets out the kind of services that the Business Link brand can deliver to each of six customer segments following the Business Link segmentation model. This table is designed to show the "full anticipated extent of the Business Link offer to SMEs" and "it is not anticipated that any other additional services will be available under the Business Link brand". The SBS also notes that "the precise blend of services will be determined by each RDA, taking into account their regional budget and priorities laid out in their Regional Economic Strategy and Corporate Plan".

The segmentation and associated targets per year are as follows: pre-start (3.3 million adults), start-up (444,000), lifestyle (1,550,000 SMEs), growth (1.1 million SMEs), steady-state (730,000 SMEs) and corporate-growth (95,000 SMEs). There are several categories of activity: promotion, workshops and events, customer relationship management, brokerage, diagnosis and information. Each Business Link consortium will also provide a comprehensive website as well as central services such as seminars, conferences and events.

The SBS is concerned about the quality of delivery of BL business support as well as access for all. It has talked about ensuring that there is 'no wrong door' for accessing the IDB model in order to join up government-funded services under the BL brand. This concept has, however, developed into the 'limited preferred door', recognising that businesses might access support through other publicly-funded services, for example, the Manufacturing Advisory Service (MAS).¹⁰

But beyond economic issues, the Government is also committed, as part of its fairness agenda, to a new Commission for Equality and Human Rights, which will help realise its vision of "a fairer, more inclusive and prosperous Britain". It argues that this means that everyone has equal opportunities by "removing unfair barriers" and that "delivering prosperity for all means harnessing the skills and potential of every member of society, whatever their background".¹¹ Fairness for all "is the basis of a healthy democracy, economic prosperity and the effective delivery of our public services".¹²

Disadvantaged areas and under-represented groups

A key focus for policy has been the relatively low level of enterprise in many disadvantaged areas (except where the number of businesses is higher than average, in some areas, generally in London). UK policy is mostly based on work by Professor Michael Porter of Harvard Business School.¹³ Porter established the Initiative for a Competitive Inner City (ICIC) in 1994 to "spark the revival of inner cities by bringing market-based approaches to economic development in these distressed areas". Related policies are that of City Growth (led by the SBS) and retail-led regeneration developed in the US and delivered in the UK as the Under-served Markets project by Business in the Community.¹⁴ Both of these initiatives look at strategies of regenerating inner cities through realising economic opportunities in areas and people, not addressing their deficiencies. This approach is similar to that

West Midlands Regional Women's Enterprise Unit – www.rweu.co.uk

The Regional Women's Enterprise Unit (RWEU) in the West Midlands is a pioneering project dedicated to encouraging women to start-up in business. Key partners are the Women's Business Development Agency (WBDA), Women in Rural Enterprise (WiRE) and Prowess. The RWEU aims to assist all women in the West Midlands, to access 'gender-friendly' business support, advice, guidance, mentoring and training, to enable them to establish or grow their businesses. Women will be offered access to relevant business support, regardless of their social or financial disadvantage, race, ethnicity or previous business background.

Crucially, the RWEU is an integral part of Advantage West Midlands's Business Support Service. As such, it will work with other business support providers across the region to ensure that a consistently high level of support is delivered to women throughout the West Midlands. Funded by Advantage West Midlands, the European Social Fund and the DTI's Small Business Service, the RWEU is the first of its kind in the UK and is modelled on a successful project based in the United States.

The RWEU's objectives include to:

1. promote awareness of enterprise as a career option for girls and women.
2. ensure access to women-friendly enterprise support to all aspiring and existing women entrepreneurs.
3. ensure that these services are as inclusive as possible and that they reflect the cultural diversity of the region.
4. ensure that support services are consistent in their quality and reach throughout the region.
5. ensure that support services conform to nationally recognised standards of excellence.
6. ensure that best practice, wherever it is developed, is shared with support agencies throughout the region.
7. help women's enterprise support organisations to both build their capacity to deliver services and to achieve best practice status.
8. encourage innovative training, business support and products.
9. build and maintain support networks across the region.

being developed towards parts of the third sector (supporting community and organisational asset development, as well as social entrepreneurship, rather than just giving grants).

Further policy resulted from the Policy Action Team 3 (PAT 3) deliberations of the Treasury in 1999 which led to the Social Investment Taskforce and Community Investment Tax Relief (for investment in financial organisations addressing the difficulties of enterprises accessing finance in disadvantaged areas).¹⁵ Another result of PAT 3 was the Phoenix Fund, which developed into the Phoenix Development Fund and the Phoenix Challenge Fund. The Development Fund was set up in order to encourage "enterprise in disadvantaged communities and in groups under-represented in terms of business ownership". Funding ended in March 2006 and the lessons from its projects are being disseminated. Other policies have focused on areas of disadvantage, including targets for Business Links on the take-up of business support.¹⁶

One of the most recent and large-scale consultations, with a following action plan supported by funding, was the Local Enterprise Growth Initiative (LEGI), announced in the 2005 Budget and aimed at local government. Seen as a "means of achieving sustainable economic development, growth and regeneration in some

of the most deprived areas of England", the LEGI focuses on encouraging new business starts as well as:

- supporting sustainable growth – and reducing the failure rate – of locally-owned business in deprived local areas;
- attracting appropriate long-term inward investment and franchising into deprived areas.¹⁷

Given the stubbornness of various disadvantaged areas to public policy intervention, the 2006 Budget also announced a review of the effectiveness of sub-national interventions which will be part of the CSR.¹⁸

There has been rather less direct focus by policy on disadvantaged groups of people at a national level. Women and ethnic minority groups appear to have received more of the attention and policy initiatives. Because of statistics showing that UK businesses are about twice as likely to be started by men as women, engaging women has been seen as a way to improve the economy. A Women's Enterprise Task Force was announced in the 2005 Pre Budget Report to "drive the women's enterprise agenda forward across Government and into the regions". Although, at the time of writing, the Task Force has not yet been launched, it is supposed to build on the work of the Women's

Enterprise Panel and the Strategic Framework for Women's Enterprise, published in 2003.¹⁹ Currently, as announced in the 2006 Budget, RDAs from five regions are running Women's Enterprise pilot projects, including the establishment of a Regional Women's Enterprise Unit in the West Midlands (see case study). The pilots will be evaluated by the SBS and the Task Force and best practice shared.

With regard to ethnic minorities, in July 2000, the SBS established the Ethnic Minority Business Forum (EBMF). It exists to "advise ministers on the right help and advice ethnic minority businesses need for growth and success".²⁰ Recently the EBMF and the SBS published a report which included an Action Plan that will inform future activities: *The Ethnic Minority Business Forum: The Way Forward 2005–8*.²¹

However, different projects tackle specific group issues at a regional or local level. These are (or at least were) funded by a combination of the Phoenix Fund, Business Link, RDA or European funding. A Phoenix Fund evaluation pointed to good practice in meeting needs and encouraging take-up of services by many under-represented groups, for example, the physically disabled, those with mental health problems or refugees (see Section 6 for further details of this evaluation). Examples of groups supported were much wider than just the national focus on women and ethnic minorities.

The third sector

With the recent 2006 Cabinet reshuffle and changes in departmental structure, there is now a Minister for the Third Sector, based in the Cabinet Office and an ongoing Third Sector Review as part of the CSR. Government's interest in the third sector is varied, seeing it as contributing to "building strong and vibrant communities, encouraging voluntary participation in the local community and through delivering public services".²² The third sector is said to comprise the following kinds of organisation: voluntary and community organisations, charities, social enterprises, faith groups, cooperatives and mutuals.²³

Social enterprise (including most co-operatives and mutuals) also overlaps with mainstream business. It is believed to have roles in supporting the goals of productivity and competitiveness, contributing to socially inclusive wealth creation, regeneration by individuals and communities, reforming public services and creating active citizenship.²⁴ Ed Miliband has assured social enterprises that the

business focus, and their related inclusion by Business Links and RDAs, will not be lost by the move of the Social Enterprise Unit from the SBS to the Cabinet Office.²⁵ Additionally, it is recognised that other third sector organisations may also need access to appropriate business support.

Related policy themes

Broader policy issues which are the remit of other departments than the DTI or HM Treasury, can be partly addressed by the achievement of 'Enterprise for All' or need to be addressed to ensure its achievement. Examples include:

- benefits reform – to ensure that people can move easily into self-employment and business ownership and therefore save money for the public purse (DWP);
- citizenship and democracy – there is evidence from the US that people involved in local enterprise training can also become more involved in their local area (Home Office);
- health and wellbeing – enterprise can be seen as part of the well-being and happiness agendas by supporting core skills of empowerment, confidence and self-realisation, which directly promote health; or as being part of ways to innovate in the design and delivery of services; as well as new ways for disabled people to work safely and appropriately (DoH, DfES);
- education – enterprise training and experience can create core skills such as self-confidence and becoming more 'can-do', which are more widely applicable in society than just for business (DfES);
- addressing demographic change – providing more and appropriate options for people over 50 and for those at the end of their working lives to increase their financial security (DWP mainly and a core theme for the Comprehensive Spending Review).

As well as:

- the delivery of responsive public services;
- the improvement in resilience and confidence of people and places;
- helping people create their own life-chances and respond to challenges;
- increases in the number of people engaged in society and meeting economic, environmental and social needs;
- a stronger and more resilient third sector;

2. THE ECONOMIC AND SOCIAL CASE FOR 'ENTERPRISE FOR ALL'

- creating new opportunities for work-life balance.

Why would encouraging 'Enterprise for All' have benefits economically or socially to the UK? We all know that more entrepreneurship and new start-up businesses can increase:

- growth;
- innovation;
- productivity and competitiveness.²⁶

A natural extension of these arguments is to show, for example, that women's representation in entrepreneurship is about half that of men and that increasing their involvement would by implication increase the UK's Gross Domestic Product (GDP). The CBI recently argued, in a similar way, that the UK could receive a "£568 billion boost" if more businesses were started by women, ethnic minorities and people outside London and the South East.²⁷

It must be remembered, however, that not all new businesses or entrepreneurs, will help to increase productivity or growth. In fact, if 'Enterprise for All' is pursued, we don't know whether the outcome will be increased or decreased productivity in all areas and for all groups, depending on who actually becomes entrepreneurial and how or why they do so. As we will see below, there is a range of broader possible outcomes which may or may not conflict with the average macro-economic results described above.

Enterprise is also increasingly important as the economy undergoes ever-rapid change and communities and individuals are affected in different ways (dimensions of globalisation). New starts and support for existing businesses can therefore also help to:

- regenerate disadvantaged areas;
- create resilient communities and support adaptation for change (for example, by creating a more diverse economic base and increasing competitive pressure for change and innovation).²⁸

Whilst short-term economic impacts can be realised from engaging people in poorer areas and supporting the creation of more, and more successful, businesses which also benefit the area, much of the impact is longer term. It is about continuing growth and adaptation in a changing economy. This approach is behind much of the effort to encourage young people from disadvantaged areas to consider enterprise as a viable option.

Enterprise can also reduce public expenditure which can therefore reduce taxes or increase spending on priority issues. An example would be that of saving money on benefits while increasing individual wealth. This kind of analysis follows the Social Return on Investment approach developed in the US, then by the new economics foundation in the UK, which looks at outcomes (costs and savings) from the point of view of different stakeholders. In the case of government, this

New Entrepreneur Scholarship (NES)

NFEA manages the New Entrepreneur Scholarship programme, which is a partnership between local enterprise agencies, the Princes Trust and the Association of Business Schools. It provides personal counselling, structured training and on-going support to would-be entrepreneurs resident in the 15 per cent most deprived localities in the Index of Multiple Deprivation. Those who complete a satisfactory business plan at the conclusion of the programme are eligible to apply for financial support for their new businesses up to £1,500. The objects of the programme are not only to encourage new entrepreneurship, but also to create role models of successful enterprise in deprived areas, to introduce people to the world of higher education and to promote social inclusion. This year the programme, funded by the Learning and Skills Council, will offer over 1,000 places. Latest research shows that 91.5 per cent of scholars who had completed the programme were actively involved in establishing a business. www.nesprogramme.org/

means that outcomes can be calculated in terms of long, medium and short-term savings to the public purse (relative to costs) rather than choosing policy on the basis of cost-benefit comparison of options: “How much would you be prepared to pay for x?”.²⁹

The discussion can be broadened out even further by including social enterprise and enterprising voluntary sector organisations, which can also:

- enable individuals to access appropriate work or business opportunities who would otherwise have difficulty in achieving full employment, as well as address poverty of income and wealth;
- address the provision of appropriate goods and services within a community if they are not provided adequately;
- reduce the need for grants and increase the impact of third sector organisations.³⁰

While it is possible to ascribe economic outcomes to the public purse and society from these actions, they tend to be a bit negative. For example, ‘Enterprise for All’ potentially saves money on benefits, on health, or on regeneration programmes. But there are different motivations for starting an enterprise, for example, some do so to make money; others to address need; others for flexibility; and yet others to realise their potential. Many of these outcomes are harder to ascribe a monetary value but no less important (and may have long-term economic value).

The range of individual and community social outcomes beyond general and individual economic outcomes include:

- the benefits of starting a business on individual wellbeing – confidence, can-do, flexibility;
- potential increases in community activity and hence voice and engagement resulting from increased personal confidence or the mission of the enterprise or from corporate social responsibility;
- improving the physical environment;
- providing satisfaction in employment.³¹

Of course there is a flip side. Enterprise will increasingly need to take account of environmental constraints, both in its own behaviour and also with other organisations and with government. Some people have little choice but are ‘pushed’ into starting up their own business. There is also a need to recognise the importance of trust and respect in relationships with other businesses

and people, rather than adopt what is seen by the media as the negative attributes of being entrepreneurial – to caricature – ‘a ruthless pursuit of self-interest’. There are enough examples around of social entrepreneurship and business ethics to open up the concept of ‘Enterprise for All’ and also link positively and not negatively to broader government values.

It is clear, therefore, that there are both economic and social reasons for adopting a broad view of ‘Enterprise for All’. Nobody has yet calculated the true and full benefits of doing so. Even if you could, the next Section shows the problems in achieving this aim.

3. THE DIFFICULTIES IN ACHIEVING THIS GOAL

The range of issues or barriers that individuals will have can be simple or wide and complex. They can range from finance, to disability issues, to family concerns. What this means is that every individual, and equally every business, will have their own range of particular needs.

The reason for focusing on under-represented groups, or those who are disadvantaged or from disadvantaged areas, is because there may be some different or enhanced difficulties which make it harder for these people to start-up, develop or grow, their business. The SBS argue that the reasons for under-representation of some groups and areas are:

- culturally derived differences in preferences and attitudes to risk;
- inequalities in resources and opportunities available.³²

A key problem for the Coalition is that, while there is a range of disadvantaged and under-represented groups, women and ethnic minorities seem to be attracting more of the current attention (though not necessarily funding resource) and Enterprise Insight is only focused on young people. Other groups that have had limited attention (although they were addressed through Phoenix Fund projects) are: current and ex-offenders, the disabled (physical and mental), older people, refugees and the long-term unemployed. These groups need greater understanding and inclusion in policies. Other groupings of people, whether demographic or sectoral, may also need extra and different support.

The label of under-represented group has, however, tended to be applied to those characteristics of business owners or the self-employed who appear to be represented less than average in certain kinds of business activity. The same is true of disadvantaged areas. But we know that reality is more complex. With regard to groups:

- there are those disadvantaged areas that have greater than average start-ups; and they may or may not also have successful businesses;
- even if an area does have a large number of businesses, they may not employ local people or the money created may not be spent in the local community;

- not all people characterise themselves by the identity given by the statisticians or government, for example, black and ethnic minority (BME), disabled, women, older. They therefore may not wish to go to any service marketed in this way;
- under-representation may just reflect those groups which are politically expedient rather than actually exist. There has been, for example, a tendency to only focus on women, ethnic minorities and disadvantaged areas rather than look at other potential groupings such as disability, age, ex-offenders, the long-term unemployed, etc;
- people with the characteristics of certain groupings may not require the services that are offered because they are able to deal with these issues themselves. A key point is that these groups are only based on averages and therefore many people classed in such a way may not have exactly the same issues as what is, in effect, a stereotype;
- under-representation in one part of business development may not mean under-representation in another, for example, start-ups, growth, or sustainability;
- there might be sub-groups who are more or less represented within one particular group. For example, the SBS notes that the ethnic minority population engages in entrepreneurship at the same rate as the white population. However, there are differences between different minority groups – 22% of people with a Pakistani background start a business compared to only 8% of black people. Indian and Chinese men and women are over-represented in self-employment but black, mixed race and Bangladeshis of both genders are under-represented.³³

Under-representation, in this case average engagement in enterprise or access to services, may not even be the core issue and rationale for involvement. For example, amongst older people, we do know that there is less entrepreneurship now in the over 45 age group than at other ages. But the key reasons for wanting to encourage more people to start in business are to increase financial security, as a way off Incapacity Benefit, and also to meet unmet demand from people wanting the right kind of support to enable them

Mutual Aid Fund

The Mutual Aid Fund (MAF) is run by the London Rebuilding Society (LRS), a Community Development Financial Institution (CDFI). Before the development of the Mutual Aid Fund, LRS investigated a little understood area – that of the seedbed of social enterprises (which may develop into charities or micro-businesses as well) with no formal structure, regular income, permanent premises or paid staff. Their main problems were that of progressing from informality to formality, becoming a stable organisation with paid staff and creating a company structure.

MAF now works with self-help community organisations and people, for example, refugee groups or women who have suffered domestic violence. They provide financial services through Community Investment Intermediaries (CII) – voluntary organisations trained and financed to become financial intermediaries. These CII are membership-based development organisations which use asset-building to empower their members and reduce their dependency on the State and grants. MAF enables LRS to increase its outreach, reduce transactions, increase deal flow, mobilise investment from communities, lever in private capital and minimise the risk of lending to the ‘unbankable’.³⁶

to adopt this way of working. We don’t know if the result of true ‘opportunity for all’ would be greater than, the same, or less entrepreneurship than other groups. The arguments are therefore less about under-representation and more about enabling people to achieve their aims, tackle discrimination, and at the same time address the numbers on Incapacity Benefit or in poverty. This may be the reason why some groups say that their initiatives are based on ‘disadvantaged’ rather than ‘under-represented’ groups.

In the case of older people, nearly 50 per cent of the 2.7 million people on Incapacity Benefit are aged over 50 and research shows that generally 8 out of 10 people on benefits get back into the labour market within six months, whereas the figures are reversed for the over 50s.³⁴ We also know that despite the current Government’s focus on young people through Enterprise Insight, the 45–54 and the 55–64 age groups show lower enterprise levels than younger ages even though the 55–64 year olds show a lower fear of failure than any other age group.³⁵

It is fundamentally important to know what is being referred to – and then ask why this grouping makes sense. Using groups as a way to target money and resources is one argument but this approach can fail if the way in which this is operationalised is not one which resonates with the actual needs of complex individuals. Delivery of any support service has therefore to be sensitive to different entry points and forms of self-identification and ultimately provide choice and start from the needs of the individual. Appendix Two sets out a business lifecycle model illustrating different entry points and showing support for those requiring little support and those requiring more.

It is also important to go beyond just looking at a snapshot in time and look at trends and understand why these are happening.

The CBI recently addressed the question of whether or not the Government has achieved its targets of encouraging “more enterprise in disadvantaged communities and under-represented groups”. Despite the number of schemes aimed at these goals, the CBI notes that the Government is failing to meet some of its targets. Using government statistics they make the following observations:

- the percentage of women within self-employment has fallen from 27.8 in 2000 to 26.7 today;
- the percentage of ethnic minorities working for themselves has fallen from 7.4 in 2000 to 7.0 and could fall further, while it has grown in the white population;
- start-up rates in deprived areas remain below the UK average (although different statistics tell different stories);
- a fifth of Chinese and a quarter of Bangladeshis believe that they have the skills, knowledge and expertise to start a business compared with half of white people.

Simplifying greatly, the general difficulties in achieving the goal of ‘Enterprise for All’ come under four main headings and grouped issues:

- a relatively poor (but improving) climate for entrepreneurship and enterprise within the UK (which may be even more the case for certain areas and certain people);
- a poor and limited understanding by many people of enterprise in its broadest sense, its potential benefits and problems, as well as



Nneka Chendo, Management Information Systems Officer at Blackburne House assists Mariam al Sharmeri with a funding application. Blackburne House Group is a training-led organisation and social enterprise, which delivers high quality training, education and consultancy services for women.

the lack of information on different forms of enterprise (groups or areas may be more or less likely to have access to this information, to role models, to peers or to good practice examples). Extending this knowledge may encourage more people to start entrepreneurial activity of whatever form because they see a way to do so which fits with their needs or that allows entrepreneurial skills to be embedded in whatever they do;

- specific external barriers to starting an enterprise, for example, finance, appropriate and sensitive business support, as well as the multiple effects of certain kinds of location;
- internal barriers such as confidence, background, current circumstances, or propensity.

4. WHY AND HOW SHOULD GOVERNMENT BE INVOLVED?

General policy design and delivery

Government tends to be involved in policy areas where the market is not meeting fully, appropriately, or at all, needs which are believed to be important to policy goals. In economic terminology, this is often known as **market failure**. The costs (measured not just economically but also in societal terms) of addressing the need have on balance to be more positive than negative. The Government also argues in a SBS paper that another rationale for involvement in this area, is that of **equality** of access to services and to entrepreneurship.³⁷

But we must remember that government failure can also occur, whether that is in the design of policy or, more likely and more important for this report, in delivery. These failures are not just blanket prescriptions for doing nothing or just abandoning policies because they don't work, or meet some narrowly defined criteria, but for increasing the likelihood of delivery success.

Government can create practical policies to:

- meet need directly if it is not being provided;
- help to create or enable markets that bring supply and demand together;
- subsidise those elements of non-governmental activities that meet policy goals and would not happen otherwise or would happen to a lesser extent.

Other issues that government has to bear in mind relate to:

- who already is delivering services appropriately and what are the gaps;
- who should deliver the services that they fund or develop;
- should government initiatives be supported in perpetuity or act as a beacon or pilot of good practice to show what is viable and possible by both the third or the private sector?

The role of government is to ensure the best use of resources to address market failure and deliver politically-defined outcomes. But this depends on appropriate measurement. If you

measure outcomes by just GDP growth, innovation, productivity or competitiveness you might get one allocation of money for societal benefit – if you take a wider view of outcomes, you might create another.

Government has also to ensure that policies are designed from the point of view of the user to increase take-up by the right people and minimise take-up by those who do not need the services and can pay for them elsewhere (deadweight). Also, government must ensure that the incentives for those delivering services do not reduce the effectiveness of the policy concerned.

Why 'Enterprise for All'

Government has accepted the positive reasons for supporting an entrepreneurial culture or supporting enterprise success by removing barriers to people and organisations. It has asked why there is a relatively low enterprise culture both nationally, in certain areas, and by certain groups and individuals. But it also needs to ask the related question of why certain groups, individuals or areas are unable, or are unwilling, to access available support to enable the start-up and success of different forms of enterprise.

Overall there are probably a few reasons for the negative trends identified by the CBI in their recent report (see Section 3):

- trends in wider society;
- service delivery by providers from all sectors creating barriers directly or indirectly to take-up of services;
- certain people wanting to do things in a different way to government needs. For example, not all people want to be entrepreneurs for very positive reasons as well as misperceptions;
- government-funded activities being focused in the wrong place.

It is not the aim of the report to look in depth at the relative truth of these explanations or the interactions between them. However, the questionnaire with our members very clearly

indicates that much publicly-funded business support has a tendency to be delivered in the wrong way or funded inappropriately. More research will need to be done into the relative effects of different working methods and types of intervention.

There has also been a poor ability to react to actual or latent user demand. There has been a tendency to create top-down solutions and tell people what they should know, delivering solutions in a supply-side way or generally being patronising. This kind of attitude and delivery method is probably behind comments from our members in the questionnaire such as: “advisers should all have run a business”, “they don’t understand all my issues”, or “I feel intimidated by advisers or receptionists.” (Appendix One sets out details of the questionnaire).

The focus of policy

The fundamental goal of policy is to understand the economic, social and environmental implications and outcomes of what is proposed and use politically-chosen, financial, and evidenced priorities to decide between different courses of action.

There used to be an academic, and then policy, debate about supporting start-ups or supporting growth businesses (particularly high-tech). The reasons for promoting growth businesses are that they are the ones that generate most of the new jobs and most of the innovation: removing any barriers would therefore be the best use of government funding.³⁸ Alternatively, for supporting the development of more new businesses of whatever type, arguments include:

- increasing the pool of potential growth businesses;
- many growing businesses are rich enough and savvy enough to pay for their own support. Public money could be wasted (classic deadweight argument);
- it is hard for government to ‘pick winners’;
- any so-called lifestyle (low or no-growth) business is just as legitimate a goal for people, and contributes to the UK economy.³⁹

As a result, public money may be well spent on those least likely to start a business or become self-employed because their internal and external barriers are relatively greater, not fully realised by current provision, and likely to generate significant economic and social returns to the economy.

Clearly the answer of who, when and how to support, is not simple. It depends on available money and specific market failures in different areas and for different people and different sectoral needs. Unfortunately these arguments tend to miss out existing businesses which are not high tech and high growth but are equally important to the economy or to society. They may also have a range of different unmet needs. If another goal of policy is that of ‘equality’, then there are further reasons to support all kinds of business and all kinds of organisational form and individual motivation.

Designing and targeting policy

There is a difference between asserting that deprived areas have on average less entrepreneurship and designing policies that really work for the area concerned. It is unwise to make blanket prescriptions since run-down inner cities are not the same as ex-coal, steel or textile areas often with limited entrepreneurial culture or remote coastal towns dependent on low-paying tourism or isolated rural areas with limited markets and low populations.⁴⁰

LEGI and localisation have been positive responses in the sense that they have focused on more contextualised and appropriate delivery but, along with the moves to put the ‘customer’ first, these approaches must also be balanced with ensuring equality of access across the board and a level of acceptable standard across delivery.

Before acting, government is concerned with the two difficult issues of *deadweight* (supporting those who could have got support from the private or third sector) which we have already discussed and *displacement* (just moving activity from one place to another or from one firm to another). Both are legitimate concerns. Moving activity may sometimes be beneficial (for example, if economic activity moves from a place which has over-heated and where there is inflation to one which is struggling). And a final point for all policy is to look at the law of unintended consequences – what might happen as a result of your intervention that is both positive and negative, which you have not planned for or thought about.

5. THE VIEWS OF OUR MEMBERS

We used an open-ended questionnaire to ask our members to consider the impact of changes to enterprise policy. The findings are not statistically significant since respondents were asked for their opinions and because the response rate, while large enough to be extremely useful and representative, was not big enough for quantitative analysis. The qualitative responses, however, were critical in developing our views and recommendations since they confirmed many comments and ideas from all the partner organisations in EfAC.

The findings can be grouped under several headings:

- promoting ‘Enterprise for All’;
- regionalisation of Business Link support;
- simplification of publicly-funded business support;
- the Business Link core offer;
- funding trends.

We asked our members how they thought that government should promote an inclusive ‘Enterprise for All’, by increasing the entrepreneurial culture or by creating and designing appropriate support policies in order to ensure access and engagement by people from under-represented or disadvantaged groups and disadvantaged areas.

Promoting ‘Enterprise for All’

Many people thought that there should be clarification of the term ‘Enterprise for All’, for example:

- some felt that it should only be about promoting enterprise *opportunities* to ensure that people or organisations are not being pushed by policy initiatives into enterprise when they are not ready;
- others thought that ‘enterprise’ should refer to all kinds of organisation, not just ‘mainstream growth business’;
- entrepreneurship means developing skills such as confidence, perseverance, and creativity, which can be beneficial in whatever you do.

Members felt that there should be greater joining up of policy and practice at all levels:

- regional-level joining up of relevant publicly-funded initiatives including those of Learning and Skills Councils (LSCs), local authorities (LAs), Business Link Organisations (BLOs) – led by the regional development agencies (RDAs);
- ensuring that all strategies, whether national, regional or local, are written with appropriate resources and clear responsibilities for action. More specifically, there is a need to sort out leadership and resources at the local and regional level so that there is clarity over who is in charge, what they are trying to achieve, and where the resources should come from;
- a recognition of, and partnership with, successful initiatives in the private and third sector.

Entrepreneurial culture could be increased in the following ways:

- recognition that all kinds of entrepreneurship and enterprise have significant and different roles in developing and ensuring robust and inclusive economies as well as creative, engaged and motivated people;
- a positive PR and educational programme to encourage people to formalise their businesses;
- different approaches and language needed for different target groups and sub-groups and within different contexts and culture. It was particularly noted that BME support organisations are not linked up to many policy changes or to RDAs and BLs and therefore do not feel included or able to benefit;
- “better national and regional publicity identifying the support that is already available through a variety of sources and accessible through the Business Link network”;
- changes to a benefit system which still creates substantial barriers to people becoming self-employed or setting up their business;
- a removal of the tendency for policy to predominantly focus on high-growth ‘winners’;
- adequate funding to ensure that those who want to start their own businesses as well as develop established businesses can do so – whether through subsidised or free initiatives for those who would not or cannot access mainstream support;

- by noting that enterprise is not just for young people and should be promoted more widely.

There is a need for changes in the design and type of support available, such as:

- recognition of the role of one-to-one business counselling for many people who do not like groups and need forms of intensive support;
- a more decentralised approach to policy design and delivery which better enables front-line business support staff to design and develop support strategies for their target audience, rather than adopt top-down, and not necessarily relevant, support strategies;
- ensuring that personalised support is available which focuses not just on technical business support but on developing an entrepreneurial mind-set and culture and on appropriate networks and peer groups which provide alternative sources of information and advice. These approaches may also require additional resources from government to target non-traditional groups.

Government should understand better how other policies can work to support or undermine an 'Enterprise for All' culture. Examples of this approach are that of looking at the problem of over-indebtedness amongst low income families, benefit traps, or poor advice from guidance agencies or individuals such as Disability Advisers.

It was felt that there should be a greater understanding of need by:

- broadening the general measurement of enterprise away from the limited approach of purely VAT-registered businesses to look at all enterprises in an area and increase local business research to understand and create the best ways to meet their needs and the needs of all individual entrepreneurs;
- making sure that the Government realises that deprivation can exist at the neighbourhood level and not be reflected in a local authority deprivation rating. There will therefore need to be appropriate support available for those people who may not benefit from initiatives that are targeted in a certain way, for example, LEGL. One respondent said: "At the moment business support does have a bias – against the poor in wealthy areas."

And a greater understanding of current funding trends by those in Government that a reduction in European funding and the demise of the Phoenix Fund will make it harder for those providing forms

of publicly-funded support needed by under-represented or disadvantaged groups or people living in disadvantaged areas.

Members felt that there should be greater communication by Government about what it is doing to ensure that resources are not used needlessly by those who believe that they have to set up their own organisations to address need, when they are not necessarily required. Government should also avoid too many changes in contracts and policy, all of which can result in severe, and often unpredictable, impacts on enterprise support.

And to increase take-up, members suggested:

- more funding provision for outreach work, delivered through local organisations where appropriate, to ensure take-up of activities and to reduce deadweight;
- business support should be provided by qualified advisors with nationally recognised qualifications to reduce the perception and reality of poor quality services;
- ensuring that specialist organisations exist and are appropriately supported;
- strategies aimed at encouraging increased take-up by certain groups or within certain areas do not necessarily need to be led by the local Business Link if they are not best placed to do so.

Regionalisation of support

With RDAs taking on the co-ordination and delivery of Business Link branded activities, the landscape of business support will, and is, changing. While RDAs may well have a range of specific sectors for which they provide services and support, members felt that they also must ensure that they are not ignoring the needs of people who do not come into these categories. The SBS has assured us that there will be both generic and specific advisers within BLs who will be using the new IDB approach and this could go some way towards addressing different client needs.

Most respondents to our questionnaire felt that they did not yet know what the implications would be "until we see what the delivery contract looks like". Several respondents took the view that it did not matter who takes the lead responsibility but rather it is 'what' they do that matters and the nature of the service. There were also two opposing views as to the impacts of regionalisation – it would be more appropriate and could adapt

better to local need or it could actually reduce or destroy “local knowledge, flavour and offering” through a rationalisation of delivery. Probably the outcomes will involve both and therefore needs careful managing.

The results of the regionalisation of support could and should lead to less confusion and synergy amongst projects and longer term funding which will enable sustainability for programmes – a key issue at the moment for many providers. There was a feeling of potential contentment from members if there is “the commitment of a stronger presence taking government policies forward whilst working collaboratively with other bodies”. Some argue that this regionalisation has been good when the RDA has recognised the need for specialist services. There is also an argument that this regional overview will enable the RDA to “raise awareness of what is actually already available, identify gaps and market failure in particular areas and ensure these are filled”.

The rationalisation of delivery through RDAs could also be beneficial if it means that overheads are reduced. But members worried that there could be a danger of RDAs top-slicing their budget. The IDB, however, should have a lower cost base.

There was also concern that this approach would not result in an appropriate network of providers in an area and this would create unnecessary competition rather than collaboration and hence decreased take-up of services. For example:

- local government and other bodies outside the RDA or BLs might not link up and then the possibilities for true joined-up policy would be lost;
- too many new initiatives rather than building partnerships and recognising and understanding effective delivery. “RDAs should not reinvent the wheel and they should look at track record and achievement of local providers particularly with regard to outreach and diversity or recruitment.”
- a lack of communication about what is being done so that there is little room for collaboration between organisations, rather a push towards competition for resources by potential providers;
- worry that regional competitiveness may serve as a barrier to examples of effective practice being shared between RDAs;
- the danger of a consortium approach to delivery means that those who are not in that consortium may be ignored, even if they are good at delivering to various groups;

- there is a need for clarification of how support for various under-represented groups will be required in bids and not just seen as optional add-ons.

Our members pointed to a variety of issues or difficulties that could arise, or have arisen, with this approach. These include:

- concern that RDA tenders have been very “restrictive and output-based”;
- “There is too little overall control from government to ensure that there is equal access to services, for example, meaningful targets for different groups.”
- a danger for national organisations that they are less clear on who to refer businesses to for support than when there was a national brand. It was felt that there is a need for some national co-ordination to ensure that such organisations can “get a clear picture of who is doing what and how we can put our companies in touch with the right providers”;
- constant staff changes in the RDA mean that often people do not know about diversity and therefore resources have to be used to enable them to develop their expertise;
- a need for more money in business support rather than just changes in contract providers;
- the need for strategies to be truly regional. Different areas within regions have more or less power to influence agendas. One organisation noted that as a result, the RDA is not “promoting subsidiarity and decentralisation” but rather “feels like a very centralised, un-transparent organisation that is delivering the Government’s agenda and targets, rather than a contextualised programme of economic development”. Another respondent noted that there could be a total dismantling of the current business support infrastructure and that the group that has won the regional contract is biased to understanding and delivering to another part of the region. There was therefore concern over coverage and access;
- there was a lot of concern about the remit of RDAs being primarily economic which determines how they distribute resources. Some promote a ‘trickle-down approach’ which is different to the interests of many specialist organisations. In one region, it was noted that there was a bias towards growth and high-growth companies;
- ensure that the move to saving money through greater amalgamation does not lead

to inappropriate policies which restrict their appropriateness and hence take-up. One member said, for example, that: “Our type of client needs greater one to one support whereas the RDA has driven the Business Links to move away from that to group discussions.”

- the time taken to sort out delivery priorities and funding may mean that some specialists may be forced to stop delivering completely, compounded by an erosion in general public funds for support;
- there could be more bureaucracy and red tape;
- advisers may put less emphasis on customer needs for running a business;
- a worry that if smaller delivery organisations do not work as part of a larger group they will be lost in the economy of scale that is being promoted by RDAs;
- concern that the RDAs are applying their delegated budget in a way which is skewed towards achieving their contractual outputs rather than focusing on the good of the region and its sub regions.

Respondents were also asked about whether their RDA was carrying out initiatives that were particularly useful for the ‘Enterprise for All’ agenda. The overwhelming response was unfortunately ‘no’ although there were examples which indicated some good regional responses: understanding different needs; establishing resources to enable social enterprise to develop in the sub-regions or creating a regional social enterprise business support model which links to a regional Business Link gateway; or a significant focus on women entrepreneurs.

An example of specialist provision for social enterprises in a region is that created by RISE (the voice for South West social enterprise) and set out in the case study.

Respondents thought that the following activities could be carried out by RDAs to increase the effectiveness of achieving ‘Enterprise for All’:

- help to rationalise the aims and objectives of each publicly-funded delivery organisation to clarify and reduce some of the overlap;
- better availability of good practice in delivery, co-ordinated by the RDA;
- ensure consistent quality standards and qualifications for business support providers;
- remove target-driven funding which drives the wrong behaviours;
- promote the benefits of an enterprise culture through education and economic strategies not just support, for example, through Regional Skills Partnerships;
- commitment to working in partnership with non-publicly funded organisations (particularly specialist) in order to ensure appropriate provision of services;
- ensure that the upheaval caused by the new policies does not remove money and support from effective initiatives;
- ensure that the bureaucratic and reporting burden is proportionate to the size of the programme and its delivery body.

Specialist regional provision for social enterprises

RISE has been funded by the South West RDA (SWRDA) to develop a regional model to deliver a business support service to social enterprise (to be available in April 2007). This follows from the drawing together of a number of pieces of research (both regional and national) that demonstrated the need and demand for a specialist approach to social enterprise support, together with a growing need to reduce the ‘postcode lottery’ in supply across the region.

The work so far has looked at adapting a number of existing specialist diagnostics that can be used to create a more comprehensive service: the first is a ‘gateway’ or access point where a number of simple questions will be asked to find out whether the organisation is, or has the potential to become, a social enterprise (this can be delivered by information staff in many organisations including Business Link and Community Voluntary Services (CVSs)).

Once through the gateway the social enterprise will be referred onto the regional service where a more comprehensive diagnostic will be carried out by trained and accredited social enterprise advisors. This diagnostic is based on an adaptation of the ‘Perform’ tool developed by the C3 Equal Partnership in the West of England. Social enterprises will also have access to a number of planning tools. All of this work will be carried out remotely or by telephone before organisations are brokered to a local specialist service.

Simplification of support

The SBS made clear to us that the figure of 3000 business support schemes could be interpreted differently in different areas and by different schemes. It may refer to both initiatives and to numbers of providers, particularly through devolution.

Some of our respondents thought that it was too early to say what the impact would be but many thought that in theory it was a good thing. The positive effect of this approach is that of integration and reduced confusion and the bad, a one-size-fits-all solution which may not work for the needs of the client. The overall view was that: “It should be the opportunity to review existing provision, agree on best practice, merge and align schemes and organisations as appropriate to achieve better results and more coherence.”

It was noted that the plethora of schemes seemed to do with constant policy tinkering rather than an overall plan. The concern over initiativitis was well made by one respondent: “We have witnessed the increasing fragmentation of business support services ... coupled with a proliferation of small and often under-funded ‘projects’ of limited capacity. There is a tendency for these to duplicate the easiest bits of the development process and to ‘stand alone’ from other services. This has been evident for some time and has been driven partly by some agencies’ simple needs to survive, but also by the emergence in the sector of new players – such as FE colleges ... and intensive, longer term development and support *as part of a planned development process* is the exception rather than the rule ... not only is the support environment unintelligible to potential users – which we knew – it is increasingly unintelligible to the providers too! How this can/should be rationalised while retaining the best, increasing ‘reach’, quality and access is the key issue.”

The current confusion was seen as prohibiting access to business support but a reduction in initiatives could “inevitably see a reduction in business support organisations” and potentially the number of recipients, for example: “these publicly-funded support schemes need to be represented in each of the most under-privileged areas”. There was concern that niche support could get squeezed out, meaning that certain people, particularly the kinds of people who are served by our members, would not be beneficiaries.

Successful bidders for the delivery of initiatives were believed to be larger corporate providers which could widen the “gulf between local businesses with local and often specialist needs and those that can offer them the best advice”. “A generic solution for a complex problem is not necessarily a clever one.”

There was also concern that a reason for the reduction might well relate to cost-cutting and decision-making based on a narrow cost-benefit basis rather than recognising the potential and actual broader impacts of a range of schemes. But it was also noted that these changes should not mean that providers should be fearful of the future if they deliver quality support and can prove their impact and demonstrate their outcomes.

A range of views were expressed on how members thought that any form of simplification should ensure access to business support by all types of people and from all areas:

- the offerings must be flexible, and take account of diversity. There is also a need not to be too prescriptive about ‘de-proliferation’ since the important issue is better ‘integration’ with both public and private and third sector delivery agents (particularly true for ensuring a ‘braided’ approach to delivery);
- this simplification should be extended to local authorities and not just involve the RDAs;
- the key issue is not the number but the delivery and design of schemes, which requires an inclusive partnership in both strategy and delivery;
- “Knowledge, experience, track record of successful engagement and outcomes with a particular group are essential” and should not be lost;
- appropriate diagnosis of need and appropriate and available services will become extremely important;
- outreach into the community;
- simplification must ultimately make things easier for the customer and be demand and not supply-led;
- ensuring that this approach does not reduce support for particular groups;
- put information out via intermediaries and market it effectively.

The Business Link core offer

The brokerage approach is clearly attractive to respondents to ensure that the complex multiple needs of clients are met. It should enable improved co-ordination of appropriate services and improved information provision, diagnosis of needs and brokerage of relationships. However, many found it hard to see this approach working in the context of pre-starts and start-ups who need much more, and different, support.

This model may also create difficulties in engaging people who are disadvantaged or from under-represented groups. One respondent summed up the general view extremely well: “The one gateway approach through Business Link is unlikely to reach some under-represented entrepreneurs especially those in disadvantaged areas, ‘hard to reach’ individuals and ‘non typical’ entrepreneurs (social, cooperatives, lifestyle, some women, some rural). A diversity of entry points and ways to reach these people would be more appropriate.” It is interesting that one member from a Business Link noted that: “financial and resource restrictions mean that the in-depth brokerage service has to be focused on those businesses that will most benefit ... increasing in intensity for businesses with real potential to grow”. The latter approach may be true for addressing the goals of increased GDP but not necessarily increasing successful enterprise by those who need more advice and support to even start.

Success is related less to the design of the policy and more to actual delivery and appropriate relationships between organisations. If done right it can indeed increase take-up amongst all groups:

“We have found that it is a very difficult model to adopt if it is done properly – ie if the partnership approach is a true partnership, with equal rights and equal responsibilities. However, we also believe that it is only if this purist approach is taken and adhered to by all that any real benefits will accrue. The use of this model ... has seen the take up of services among all groups increase significantly.”

Our members were generally very supportive of the IDB approach but had some comments about the implications, both positive and negative:

- this approach could save money and therefore more funding could go to deliverers of appropriate services as well as broader approaches to ensure a more entrepreneurial and successful culture and economy;

- organisations may have to merge or risk dying as the funds are targeted tightly or regionalised.

Training for all staff was raised as a critical issue for the appropriateness and success of this approach:

- “A true attempt to understand needs, as well as give answers. Business Link should not waste time trying to get advisors up to a level of understanding to advise, but invest in the diagnostic function, so they can effectively signpost. If the Business Link is truly to be a one-stop shop, then the training must primarily be in knowing what is out there, and being able to “diagnose” which organisation/training would be of most use. And evaluation procedures should feed back into this.”
- the IDB model must ensure that it is able to understand the full range of finance options and not just loan or debt finance, for example leasing or forms of growth finance such as equity;
- BL officers will need to be trained to understand specialist needs and refer on to others with the expertise to do the full IDB, if appropriate;
- “providing specialists for particular communities and areas who could identify what special difficulties apply and have all the links with the business support network to help these groups. In particular they might have access to funding to enable particular groups to more easily take advantage of the core offer.”

But training would not be enough and there was a need to:

- signpost callers to advice agencies that have a firm understanding of their needs;
- “Access to the services through marketing and locations accessible to target groups. It is not through having equality policies which are taken as a measure that the service is accessible to all. The only measure is the number and background of people using the service.”

Our members felt that there are several other issues that will need to be further developed both to ensure that the IDB approach works and engages with a broad range of people and their needs:

- clarification on what each of the components means and where their boundaries end;
- how much Business Links can add additional value, for example, events targeted at under-represented and minority groups to raise

- awareness of services and actively support those who are working with particular groups;
- specifying the core offer in ways that make it inclusive in practice and backed up by national standards;
- the danger that this approach will further remove a core need for information about procurement. BTEG noted particularly that its members “are confused on who leads on this, business support agencies or the RDAs”.
- whether this approach will be truly open to all or whether its implementation is going to be diverted to already engaged organisations;
- a comprehensive package from pre-start to international growth;
- delivery of support in a non ‘time critical’ manner;
- the wrong approach to pricing may turn off people from accessing any form of support and some may need completely free advice. One member noted that “our clients have no money for fees and can no longer go on the three day Business Link start-up courses”;
- “Business Link should have more appropriate links to local areas being served.”
- business brokers need to create champions in communities;
- there is a need to track the progress of all businesses and provide ongoing support to ensure that potential is reached.

There was concern that two issues had been omitted from inclusion in the IDB:

- counselling for some which is expensive and long-term;
- a range of specialist provision for all aspects of business start-up.

Our members also noted the current difficulties with Business Links which would have to be rectified in any changes:

- inappropriate targets and funding, for example, one organisation was funded for how many organisations or entrepreneurs came through the door, with little support for full overheads;
- not understanding businesses well and the different needs of different groups or of available advice (particularly in the case of social enterprises or rural business);
- uncertain quality of advice and support;

- a presentation and way of working that may turn some people off, for example, women;
- a primary focus on those who already have clear intentions to set up and grow their businesses;
- no or little support for informal businesses to become legal;
- a lack of engagement with the existing support structures (private or third sector).

However there were some beacons of good practice, for example: “there are initiatives ... under equality and diversity which ensure that the minorities and isolated are aware and have access to all services provided through Business Link”. “We use a mobile advice centre to take the service out to isolated rural communities, and have dedicated members of staff focused on driving the BME and women enterprise areas of activity.”

One respondent summed up the overall view that:

- “Under the IDB model you are only as good as the providers and the resource put behind them.”

Trends in funding

Very few people were able to put hard evidence behind the anecdotal view that there was reduced funding for ‘Enterprise for All’. There were several different responses as to whether resources had changed over the last five years. Generally these indicated that funding was understandably variable, depending on the specific activity that they undertook. One noted that funding for independent organisations was very poor. This was supported by another respondent who argued that the Government was not ‘independent’ friendly and gave money to other public agencies perhaps because they could ‘talk the language’.

These comments need to be further investigated. We do know that European and Phoenix funding is decreasing or ending and this, together with current policy changes, has contributed to a great deal of uncertainty in the funding climate. Some programmes and organisations have had to close or reduce their activities. Planning for the future becomes difficult for all.

While we cannot state a clear statistic, most of the organisations who replied to this question, would not turn clients away and would rather subsidise what they do out of other activities if government support reduces. There is anecdotal evidence though that clients are being turned

away from Business Links and that promotion and marketing is being reduced or not done in order to 'cap' demand at manageable levels. Concerns were expressed by many that funding for Business Links was generally low and potentially going down, which could result in, for example:

- a disappearance of a grant to help with start-up costs for organisations delivering on an 'Enterprise for All' agenda;
- the unit cost of provision being reduced to meet increased contractual obligations in Business Link Operators;
- programmes such as those working in deprived communities ending;
- no extra money for outreach;

- unaffordable services in some disadvantaged areas.

There was also concern that:

- "Partnerships can be thrown together for bids and are rarely genuine and productive."
- "Little mainstream funding appears to be being provided for social enterprise development and that what there was had come from Phoenix and Equal."
- we don't actually know the level of un-met or inappropriately met need. One member noted that if they put someone on the ground to work with people, this approach tends to result in better understanding of need and the creation of new and appropriate services.

6. GENERAL VERSUS SPECIALIST ADVICE AND SUPPORT

There has always been a difficult question about the appropriateness or otherwise of specialist and general support, either at different stages of a business's development (pre-start or growth for example) or for different elements of a business or individual's needs (such as confidence, networking, legal advice). Our members reflect the full range of views on this issue. For example:

"Our enterprise agency is against discrimination in any way; our Memorandum and Articles of Association enable us to help any client who wants to start or has started a business in our area, and our aim is to help the client in the way that they want if it is possible. We do not drive our agenda – our clients do. I am totally against segregating groups from mainstream services; they need to be more integrated rather than the reverse."

However, others felt that there was a danger in the 'one size fits all' approach and that this would not work for all clients. For example:

"In social enterprise support, they simply don't have the expertise and as a result

people are dissuaded from starting social enterprises, or social enterprises fail that could be saved, or people are offered one model (currently sexy new Community Interest Companies – CICs) rather than a range of models that might suit their needs better."

EfAC believes that since people have different identities and different needs which can differ at different stages of their own, and their business's, development, ultimately the client's choice and their needs are the only thing that matters. The answer is therefore to start from those needs, not from top-down policy initiatives that are dependent on statistical analysis of under-representation. We need joined-up networks of provision that allow for multiple entry points (public, private or third sector) and a high level of knowledge of appropriate alternatives between different providers within and between areas. This approach will require understanding of specific needs in an area or across different groups and sectors, to enable targeting of resources and government support to help fill the gaps.

Engaging older people

In Yorkshire and the Humber PRIME has contracted with the Business Links to:

- employ a 3rd Age Enterprise Support Champion to increase engagement with potential 50+ entrepreneurs across Yorkshire and Humber;
- improve penetration rates for mainstream business support;
- work with each of the Business Links, drawing on resources and expertise most appropriate to local programmes and opportunities;
- facilitate enterprise-related learning opportunities for older people.

PRIME is providing recruitment and awareness-raising and personal development for people in the region aged 50 plus. The potential entrepreneurs will then be far more enterprise ready when they are passed on to the Business Links. This is a recognition by Business Links that specialist help is more effective in reaching a disadvantaged target group, and is a practical example of the 'braided' system in operation.

But increasing take-up and engagement with under-represented groups and areas needs new ways to do things. One example is that being undertaken by PRIME in conjunction with the Business Links and is shown in the case study.

When the SBS looked at this issue, they noted that "There is a body of evidence that highlights the specific problems and distinctive needs of various disadvantaged groups and advocates the case for selective and targeted support designed to complement generic offerings."⁴¹

Specialist provision can be created because:

- general support is not appropriate for different groups of people – by age, sector, disability or ethnicity, for example. These reasons can relate to the inability of the staff member to understand or deal appropriately with the client's circumstances, or business needs. Clearly, one solution is to encourage diversity training for all general providers. Specialist providers argue that sometimes it is impossible for someone to be both general and yet know, and respond appropriately to, the specifics of context and motivation. Overall "The advisors must have working knowledge of the type of business they are advising on and the ability to translate the information to help the people achieve their goals.";
- clients do not want to access general support in its current form, for example, because of perceptions or for personal reasons. Some of these problems can clearly be changed and others cannot, for example, religious reasons for gender segregation. Therefore there may be a need for gender groups within both general provision or specialist provision. The choice between general or specific could be dependent

for the individual on other factors such as the availability of a crèche or the quality of the advice given or the usefulness of the networks;

- clients do not always know what is available. One answer is to improve outreach and marketing and another is to use providers who are plugged into the culture of different groups in order to encourage them to use their or others' support.

Some people do not want to be sent all over for different forms of advice and support and would rather have long-term support from the same agency, as and when it is required.

It is also true that many people (although how many is a moot question and it is clearly not all people) do not want to be in a certain group and may not like the potentially negative discrimination. This issue requires that all general provision is flexible for the needs of different individuals and promoted using appropriate language, whether generally or to different groups.

There are those who believe that their group is different even if it isn't objectively. But it is important to note that that this belief may be a good enough reason to require specialist support particularly if otherwise that person or group of people would not seek help (this is particularly true of people in creative industries, for example). Often specialist groups can be a good source of networking and peer learning. Whether this need for sectoral division is for all or some activities is again a question whose answer is up to the individual, balanced with what is feasible and affordable.

On the other hand, some people want to have the experience of mixing with people from different sectors and backgrounds to mirror the environment

in which they will find themselves when they enter business – for all activities or for some.

It is likely that more specialist support will be needed at the pre-start stage where there are significant issues for people wanting support with personal development, ideas creation or networking, before starting their business. However, different stages of development might generate their own needs for specialist support, for example, some ethnic minority businesses have a tendency to focus on local economies and have needed support to grow their markets.

The interim report of the Phoenix Development Fund pointed out the clear relationship between specialist and general provision.⁴² There was concern that separate development would be hard with the future change in funding regimes and the role of RDAs but that mainstreaming would also be difficult because “of the inability of the major players in business support to deliver the type or reach of service provided by the specialists”. They believe that full mainstreaming of the lessons learned would be “unlikely to raise significantly the levels of entrepreneurship in disadvantaged areas or under-represented groups”. They argued rather for a ‘braided’ approach which creates a single system of mainstream and specialist support with the “potential to strengthen linkages, integrate funding and outcomes, stimulate strong two way learning relationships and to enable the specialist agencies to spread their markets beyond their immediate localities”.

The author notes that in some Phoenix funded pilots this approach was being adopted with brokerage by the RDA and Business Links. But he warns that “considerable energy would be needed to implement such an approach to reach communities and groups across the country. Policy makers need to challenge the myth of ‘sustainability’ for community-based business support organisations ... If government wishes to pursue an ‘Enterprise for All’ policy then it will have to find ways of paying for these forms of specialist support for enterprise development. The unit costs are likely to be higher than for mainstream business support, but the gains to the public purse from activating parts of the population that are not working and often claiming benefits are considerable.”

The Phoenix Development Fund supported a wide range of initiatives targeted at under-represented groups and disadvantaged areas and people in order to increase enterprise and take-up of appropriate support.⁴³ These approaches ranged from outreach to training, incubation, business

networks, new technologies and business centres. The final evaluation concluded that these projects were successful at reaching under-represented and disadvantaged groups. It noted from a survey of the projects receiving funding that:

- new innovative approaches were used to create outreach to those not served by mainstream business support provision;
- the best projects had clear reasons for intervening and were designed appropriately;
- the mainstream has not as a result been transformed yet and most projects are not funded by mainstream monies;
- the capacity of providers was increased by the support but there appears to be little if any follow-on support or resultant sustainability of projects.

The author recommended that:

- there is a need to develop regionally-based inclusive services and that each strand of support should have clear objectives: disadvantaged areas, under represented groups and disadvantaged people;
- there should be a simplified funding system for inclusive business support led by the RDAs;
- specialist providers and mainstream support should be linked by a ‘braided’ structure;
- services should be more accessible, people centred and proactive;
- a need for more networking, knowledge capture, and exchange of experience.

In conclusion, then, the author of the Phoenix Fund Evaluation believed that:

- the right mix of specialist and general provision depends on the nature of the service as well as the area targeted and a clear understanding and response to individual needs and preferences;
- all service planning, delivery and co-ordination will require good market information that understands the needs and attitudes of all;
- all delivery must be diversity ‘proofed’ whether by public, not-for-profit, or private sector providers;
- increasing the number of under-represented groups and entrepreneurs in certain disadvantaged areas will require extra funding, whether tackled through mainstream or specialist funding provision;
- in some circumstances, specialist provision has been proven to be better than general support in engaging with those who are least likely to consider entrepreneurship or seek advice beyond friends and family.

7. A CLIENT-CENTRED APPROACH

Given that there seem to be negative trends for certain kinds of people adopting entrepreneurship and setting up successful businesses, we need to look at, and understand, the reasons. Unlike the recent CBI report, we do not think that these negative trends necessarily show that government schemes have not been working or that there is a need for a whole new set of policy activities. We recognise that this agenda is difficult and will involve all players – public, private and third sector – in true partnership. We end the report with this section on ensuring client focus because this is the solution to all good delivery and policy-making.

In order to meet the challenges of ‘Enterprise for All’, we asked our members to answer several questions about how to ensure that all entrepreneurs have the right support at all stages of their, and their organisation’s, development. Appendix Three illustrates the business lifecycle model and shows the fundamental differences in intensity of support between those that need a small amount of help to those who will need more – often those served by our members.

Overall, the overwhelming response was that any support offered, by both public and other providers, should be sensitive to all forms of diversity and need, even if they are fundamentally focused on one particular dimension, for example, age. Whilst this issue will require further research, our members offered a range of methods to ensure that current policies and initiatives are better able to meet the different elements of client need, hence improving take-up of services and increasing the entrepreneurial climate.

One comment came up time and time again: “A one-size-fits-all approach will not work.” This phrase may sound clichéd but it is the way in which deliverers of support services are being asked to deliver and respond to need.

Members suggested that:

- outreach is critical to engage people and needs to be funded appropriately. This approach will also tackle and reduce deadweight since it is designed to work for people who otherwise would use little or no support;
- support providers need to recognise that many entrepreneurs, particularly sole traders are isolated and disillusioned. Short project-focused

support will not address this issue, rather they need networks to increase confidence and legitimacy;

- language is important. There should be an effort to reduce jargon and make both policy pronouncements and delivery materials easier to understand;
- focused and targeted promotion directly to individual groups is needed to address the generic and particular barriers faced by each group. A variety of media will be needed to support this effort, not just leaflets or a website;
- more use could be made of sector champions in delivery so that groups are created in different ways to reflect how some people identify themselves or their business. It is important to note that these groupings may be different for marketing, who delivers and their experience, networks for contact with other like-minded people, as well as the content of any service. Of course, some people would rather have more diverse experiences to challenge them, learn about other ways of doing things and reflect their future business environment;
- there is a need for more personal development support (see Appendix Three for examples). One respondent said: “Given the opportunity to admit it – men lack confidence too and it is by nurturing the entrepreneurial spirit *together* with others, in small groups, in our experience – *ignites* the passion and dreams to start businesses and it carries on through the struggles. This is when business support is needed and has true value. There are some very crucial ‘early start-up’ steps that given *special* attention can bring greater results.”;
- drop in days can be aimed at different groups;
- if support is tailored to each group, it still should also be able to engage with and gain the trust of each individual;
- it can take a long time to set up enterprises and there is a need to provide the necessary and appropriate long-term funding and support. There has been a tendency to withdraw funding if delivery organisations do not meet their targets for start-ups which can further lead to focusing on ‘quick wins’ and not those who really need support – another example of deadweight.

Entrust's Equality and Diversity Policy

Entrust is committed to eliminating discrimination and encouraging diversity amongst our workforce. Our aim is that our workforce will be truly representative of all sections of society and each employee feels respected and able to give of their best. To that end the purpose of this policy is to provide equality and fairness for all in our employment and not to discriminate on grounds of gender, marital status, race, ethnic origin, colour, nationality, national origin, disability, sexual orientation, religion or age. We oppose all forms of unlawful and unfair discrimination.

All employees, whether part-time, full time or temporary, will be treated fairly and with respect. Selection for employment, promotion, training or any other benefit will be on the basis of aptitude and ability. All employees will be helped and encouraged to develop their full potential and the talents and resources of the workforce will be fully utilised to maximise the efficiency of the organisation.

We are committed to:

- Creating an environment in which individual differences and the contributions of all our staff are recognised and valued.
- Ensuring every employee is entitled to a working environment that promotes dignity and respect to all. No form of intimidation, bullying or harassment will be tolerated.
- Ensuring that training, development and progression opportunities are available to all staff.
- Equality in the workplace is good management practice and makes sound business sense.
- Reviewing and reporting to all staff all our employment practices and procedures to ensure fairness.
- Monitoring and reviewing this policy annually by the HR and Facilities Manager.

Any breaches of our equality policy will be regarded as misconduct and could lead to disciplinary proceedings.

A key issue for the Coalition was represented in this quote:

"In our opinion the difference tends to be more marked at the pre-start phase rather than the support provided to established businesses. In other words, the weight of support and concern over diversity is acutely critical at the stage at which people want to be inspired and are considering the pros and cons of running their own business."

In general, there is a need to understand how different groups see themselves rather than try to shoehorn groups or people into provision with language that they might have problems with. For example:

- "Evidence suggests that our clients do not think of themselves as businesses and do not see Business Link as a source of support. We have to work with these groups where they are and not expect them to behave in a way that suits the service providers."

Incorporating diversity within the organisation

Many members offered examples from their own delivery about how to incorporate diversity within delivery even if that delivery is primarily focused on a target group. For example:

- "By trying to get the diversity mix into the teams, the issue then goes away. If it isn't in your heart, putting it in your mission statement won't save you.";
- "Our service is an individual service: we always seek to understand what our client needs and provide it the best way we can, rather than have any standard programme.";
- "Our team has a diversity of background, culture and experience to broaden our thinking and appeal to clients.";
- "train staff and work with other support organisations in supporting individual groups."

Some mentioned that diversity was also specifically found within their policies and procedures. One example of an Equality and Diversity Policy was that created by Entrust in the North-East (see case study).

Many organisations mentioned that they were a Prowess Flagship status organisation and therefore had values, practice and a mission showing commitment to diversity. Diagram 1 illustrates the four areas that need to be covered by organisations to qualify for best practice standards in women-friendly provision.⁴⁴

Diagram 1. Best practice areas in women-friendly provision

INCLUSION <ol style="list-style-type: none"> 1. Outreach 2. Access 	CLIENT FOCUSED <ol style="list-style-type: none"> 3. Segmented market knowledge 4. Listening organisations 5. Regular face-to-face service 6. Promotion of clients' businesses
EQUALITY <ol style="list-style-type: none"> 7. Some women only provision 8. Women business support professionals 9. Commitment to diversity 	QUALITY <ol style="list-style-type: none"> 10. Established programmes 11. Significant impact 12. Effective partnerships 13. Coherent range of services <ul style="list-style-type: none"> ● pre-enterprise ● business training or counselling ● access to finance ● ICT ● networking or mutual support

Changing the culture of provision

Demand needs to be met appropriately and diversity of all recognised and respected. This approach to policy is behind calls for devolution of responses and calls for greater autonomy in delivery (albeit with certain national standards to ensure quality). It is also part of a greater societal shift towards the loss of deference and the human right of 'respect for all'. It requires 'humility' by deliverers that they don't know everything and all suggestions have to be contextualised to the circumstances of each individual.

There is a tendency for all kinds of provider, including government, to focus on barriers and not opportunities. If you are an entrepreneur, by your very nature, you will find ways round any difficulties to achieve your aims. Indeed, a definition of entrepreneurship applies in all contexts and for all people – 'bringing together resources to make something happen'.

There are those who do not want to talk about problems and barriers and would rather emphasise the fact that people involved should only be helped if they are motivated. This is a very positive agenda and works with people's 'attributes' rather than their 'deficits'.

Others take the opposite view and look for clear market failures – and ways to address them by removing barriers through appropriate interventions, such as:

- encouragement for those who would not even have considered enterprise ie pre pre-start – to help promote an entrepreneurial culture;
- removing actual or perceived barriers to starting a business – ranging from legislation compliance to access to finance;
- removing actual or perceived barriers to growing a business;
- succession plans so that economic activity is not lost;
- support with formalising informal activity.

We need to realise the potential in all people and work **with** them – not for them or by telling them – to challenge and address barriers or opportunities. This will mean a significant change in attitude and delivery by most advisers and those running and delivering government-funded programmes (or indeed any type of provision). This approach ranges from information provision to more in-depth coaching and mentoring. The tendency for delivery organisations has been to focus on delivery and less on market-making (whether by inclination or because of a lack of funds) with the result that only those people that walk in the door, or see the communications that are provided, are offered advice.

APPENDIX ONE – THE QUESTIONNAIRE

The questionnaire was sent out to members of the Coalition during July 2006 as part of the research for this report. There was a total of 34 responses. Because of the potential respondent biases caused partly by those who responded who were already up-to-date with policy changes, as well as the low response rate from the time of year (summer), we cannot make statistically significant quantitative conclusions from the results. We can, however, use the suggestions as well as potential opportunities and problems they identified, to

begin to inform a constructive dialogue with government over the implications of current policy changes for achieving 'Enterprise for All'.

We are also aware that, at the time of writing, members of the Coalition did not know that the core offer had been agreed. Responses to the relevant question, however, reflected the need to develop appropriate delivery to ensure that policy objectives are met.

The people who took part, and to whom great thanks are given, were:

Allison Ogden-Newton	Social Enterprise London (SEL)
Alun Severn	Birmingham and Solihull Social Economy Consortium (BSSEC)
Amrit Choda	Minority Ethnic Women into Business Start-up (MEWBS)
Andrzej Warhaftig	Enterprise Enfield
Bob Dow	Business Link Devon and Cornwall
Bob Marchant	The Enterprise Fund Ltd
Christine Fiddler	JCF Limited
Colin Willman	Federation of Small Businesses (FSB)
David Nicholls	Business Link for Cambridgeshire
Jim Brown	Baker Brown Associates
John FitzGerald	Bristol and Avon Enterprise Agency
John Goodman	Co-operatives UK
John Hall	Street North East Ltd
Juliette Green	Women's Wisdom
Kate Slavin	Entrust – Tyne and Wear Enterprise Trust Ltd
Kath Tatlock	Business Support Network: Women in Business
Kevin Horne	NWES – Norfolk and Waveney Enterprise Services
Lucy Findlay	RISE (the voice for South West social enterprise)
Mel Hilbrow	St Albans Enterprise Agency (STANTA)
Michele Giddens	Bridges Community Ventures
Mick Drake	Lincolnshire County Council Economic Regeneration
Mike Lewis	Gloucestershire Development Loan Fund
Nick Temple	School for Social Entrepreneurs
Nicky Stevenson	The Guild
Peter Grigg	Enterprise Insight
Peter Lovell	North London Enterprise Credit Union Limited
Polly Gibb	Women in Rural Enterprise (WiRE)
Ron Batty	Chester le Street and City of Durham Enterprise Agency
Steve Walker	Aston Reinvestment Trust (ART)
Stuart Annett	Business Link Somerset
Sue Stockdale	Mission Possible Ltd
Viv Lewis	social enterprise and cooperative development ltd (secod)
Will Pratt	InBiz Limited
Richard Tyas	First Enterprise Business Agency

The questionnaire

- 1a) How do you think that the Government should promote the 'Enterprise for All' agenda?
- 1b) What could it be doing that it is not doing now?
- 2a) What do you feel about the implications for your organisation (as well as other specialist support organisations and mainstream providers) about the RDA taking lead responsibility for delivering publicly-supported business support in your region?
- 2b) What else could or should your RDA be doing to ensure 'Enterprise for All'?
- 3) Do you have examples of good practice by your RDA in delivering an 'Enterprise for All' agenda?
- 4a) What are your views about the Business Link approach to business support at present, particularly with reference to your area and your organisation?
- 4b) Do you have examples of successes and failures in how Business Links currently ensure the take-up of services (or sign-posting) by under-represented people?
- 5a) What do you think the Business Link core offer should include?
- 5b) How do you think that the Government should ensure that this offer is appropriate to the needs of under-represented groups and disadvantaged areas?
- 6a) What do you feel about the implications for your organisation (and others) of reducing the number of publicly-funded business support schemes from 3000 to 100?
- 6b) How do you think that any simplification should ensure engagement and access to appropriate business support by groups who are currently under-represented in take-up of such services?
- 7) Do you have evidence about how your organisation is able to increase the numbers of enterprises from certain groups, and increase the quality of enterprises, better than more general public and private mainstream support? Any available good case studies will also be very useful. (We would like to present the costs and benefits of specialist support as well as look at the cost per entrepreneur/enterprise of such support.)
- 8) How do you meet questions of diversity in the way that you work? Do you include it in your mission statement and in the way in which you approach the specific and different needs of individuals in practice?
- 9) There is evidence that support for under-represented entrepreneurs could be declining. Please answer the following questions as best you can.
 - a) How many clients have you had to turn away in each of the last 5 years?
 - b) Have resources from government (including RDAs) changed over the last 5 years and if so in what way? Please spell out what you have got in each of the last 5 years.
 - c) Do you know how many requests for information or services you have had in each of the last 5 years?

APPENDIX TWO – CORE OFFER GUIDELINES

In their preamble to the Business Link Core Offer proposal, the Small Business Service states that:

“The table illustrates the full anticipated extent of the Business Link offer to SMEs – it is not anticipated that any other additional services will be available under the Business Link brand. The precise blend of services will be determined

Content	Pre-Start – 3.3m adults	Start-Up – 440,000 per yr	Lifestyle – 1,550,000 SMEs
Promotion / Stakeholder Mgmt	<ul style="list-style-type: none"> National promotion activity National stakeholders/partners 	<ul style="list-style-type: none"> National promotion activity National stakeholders/partners 	<ul style="list-style-type: none"> National promotion activity National stakeholders/partners
Workshops & Events	<ul style="list-style-type: none"> Initial start up workshop Workshops/events for core subject areas (finance, VAT, business planning etc) and target start ups 	<ul style="list-style-type: none"> Initial start up workshop Workshops/events for core subject areas (finance, VAT, business planning etc) and target start ups 	<p>Workshop/events to:</p> <ul style="list-style-type: none"> Promote access to services of OGDs Support the development of networks, including learning networks and sector/cluster specific groups Demonstrate good practice
Information	<ul style="list-style-type: none"> National telephone number National start up pack – handbook, CD ROM 'How to' guides/'No-nonsense' guides Good practice guides Case studies Web-based information services (incl. national website and regional/local websites to reflect national content, where appropriate) Access to OGDs helpdesks (eg HMCE, UKTI, DEFRA) Local information re: sources of funding Local information on sectors/markets 	<ul style="list-style-type: none"> National telephone number National start up pack – handbook, CD ROM 'How to' guides/'No-nonsense' guides Good practice guides Case studies Web-based information services (incl. national website and regional/local websites to reflect national content, where appropriate) Access to OGDs helpdesks (eg HMCE, UKTI, DEFRA) Local information re: sources of funding Local information on sectors/markets 	<ul style="list-style-type: none"> National telephone number 'How to' guides/'No-nonsense' guides Good practice guides Case studies Web-based information services (incl. national website and regional/local websites to reflect national content, where appropriate) Access to OGDs helpdesks (eg HMCE, UKTI, DEFRA) Local information re: sources of funding Local information on sectors/markets
Diagnosis	<ul style="list-style-type: none"> Online self-assessment diagnostic of business need (to be selected/developed) Online self-assessment diagnostic re attitude/suited to enterprise & enterprise skills (to be selected/developed) Initial telephone diagnostic 	<ul style="list-style-type: none"> Online self-assessment diagnostic of business need (to be selected/developed) Online self-assessment diagnostic re: attitude/suited to enterprise & enterprise skills (to be selected/developed) Initial telephone diagnostic Based on need & appropriateness, face-to-face diagnostic with adviser to assess business ideas & skill needs Based on need & appropriateness, face-to-face specialist diagnostic re: (eg finance, IPR, technology etc) to be agreed with key partners. (eg IIP, ICT, Basic Skills etc) 	<ul style="list-style-type: none"> Online self-assessment diagnostic of business need (to be selected/developed) Online self-assessment diagnostic re attitude/suited to enterprise & enterprise skills (to be selected/developed) Initial telephone diagnostic Based on need & appropriateness, face-to-face generalist diagnostics and workforce development diagnostic with advisor (offered reactively) Based on need & appropriateness, face-to-face specialist diagnostic (eg sectoral, family business) to be agreed with key partners (eg IIP, ICT, Basic Skills etc)
Customer relationship mgmt	<ul style="list-style-type: none"> Relationship management 	<ul style="list-style-type: none"> Relationship management Account management offered, based on needs – light touch 	<ul style="list-style-type: none"> Relationship management Account management offered, based on needs – light touch
Brokerage	<ul style="list-style-type: none"> Info & sign-posting to professional services Brokerage, based on need: eg professional services, training solutions, finance, skills, services (based on national register of consultants and referral to specialist teams – minimum of three suppliers provided) 	<ul style="list-style-type: none"> Info & sign-posting to professional services Brokerage, based on need: eg professional services, training solutions, finance, skills, services (based on national register of consultants and referral to specialist teams – minimum of three suppliers provided) Referrals to OGD services, including WFD/skills specialists 	<ul style="list-style-type: none"> Info & sign-posting to professional services Brokerage, based on need: eg professional services, training solutions, finance, skills, MBI/MBO specialists and Corporate Recovery practitioners (based on national register of consultants and referral to specialist teams – minimum of three suppliers provided) Referrals to OGD services, including WFD/skills specialists

by each RDA, taking into account their regional budget and priorities laid out in their Regional Economic Strategy and Corporate Plan.

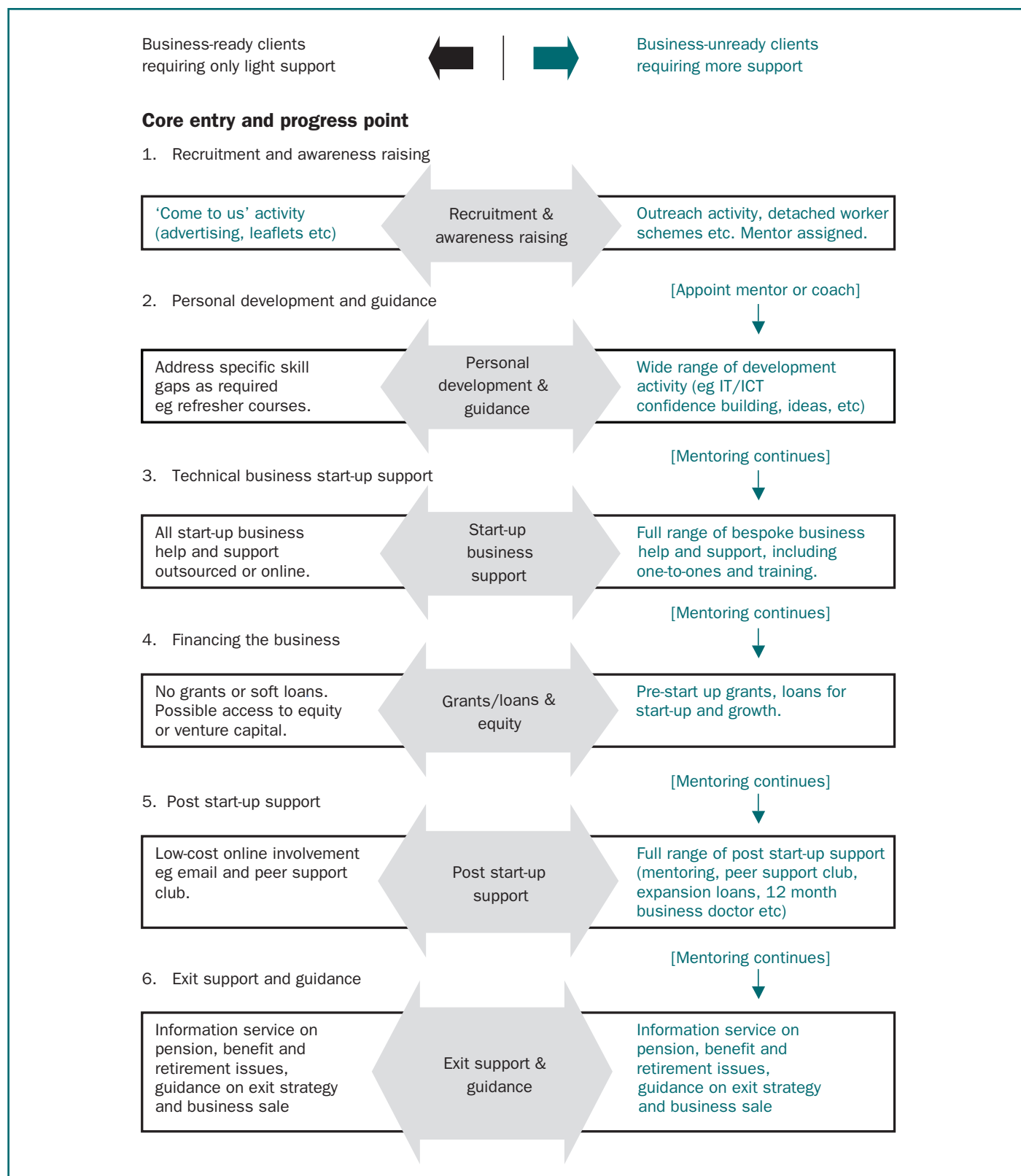
The table is intended to be used as a guide for service delivery and as the basis for service, content and marketing communications development. It is not intended to form the basis of a customer charter ... Whilst national consistency is desirable, there is no necessity to use the same service elements to support the core offer described overleaf. For example, it will be up to RDAs to prescribe specific diagnostic tools to be used in their region, as appropriate."

Growth – 1,100,000 SMEs	Steady-State – 730,000 SMEs	Corporate-Growth – 95,000 SMEs
<ul style="list-style-type: none"> National promotion activity National stakeholders/partners 	<ul style="list-style-type: none"> National promotion activity National stakeholders/partners 	<ul style="list-style-type: none"> National promotion activity National stakeholders/partners
<p>Workshops/events to:</p> <ul style="list-style-type: none"> Promote access to services of OGDs Support the development of networks, including learning networks and sector/cluster specific groups Demonstrate good practice Promote growth issues – innovation, technology 	<p>BLs to offer events to:</p> <ul style="list-style-type: none"> Promote access to services of OGDs Support the development of networks, including learning networks and sector/cluster specific groups Demonstrate good practice 	<p>Offer workshops/events to:</p> <ul style="list-style-type: none"> Promote access to services of OGDs Support the development of networks, including learning networks and sector/cluster specific groups Demonstrate good practice Promote growth issues – innovation, technology
<ul style="list-style-type: none"> National telephone number 'How to' guides/'No-nonsense' guides Good practice guides Case studies Web-based information services (incl. national website and regional/local websites to reflect national content, where appropriate) Access to OGDs helpdesks (eg HMCE, UKTI, DEFRA) Local information re: sources of funding Local information on sectors/markets 	<ul style="list-style-type: none"> National telephone number 'How to' guides/'No-nonsense' guides Good practice guides Case studies Web-based information services (incl. national website and regional/local websites to reflect national content, where appropriate) Access to OGDs helpdesks (eg HMCE, UKTI, DEFRA) Local information re: sources of funding Local information on sectors/markets 	<ul style="list-style-type: none"> National telephone number 'How to' guides/'No-nonsense' guides Good practice guides Case studies Web-based information services (incl. national website and regional/local websites to reflect national content, where appropriate) Access to OGDs helpdesks (eg HMCE, UKTI, DEFRA) Local information re: sources of funding Local information on sectors/markets
<ul style="list-style-type: none"> Online self-assessment diagnostic of business need (to be selected/developed) Online self-assessment diagnostic re attitude/suited to enterprise & enterprise skills (to be selected/developed) Initial telephone diagnostic Based on need & appropriateness, face-to-face generalist diagnostics and workforce development diagnostic with advisor Based on need & appropriateness, face-to-face specialist diagnostic (eg sectoral, family business) to be agreed with key partners (eg IIP, ICT, Basic Skills etc) 	<ul style="list-style-type: none"> Online self-assessment diagnostic of business need (to be selected/developed) Online self-assessment diagnostic re: attitude/suited to enterprise & enterprise skills (to be selected/developed) Initial telephone diagnostic Based on need & appropriateness, face-to-face generalist diagnostics and workforce development diagnostic with advisor (offered reactively) Based on need & appropriateness, face-to-face specialist diagnostic (eg sectoral, family business) to be agreed with key partners (eg IIP, ICT, Basic Skills etc) 	<ul style="list-style-type: none"> Online self-assessment diagnostic of business need (to be selected/developed) Online self-assessment diagnostic re: attitude/suited to enterprise & enterprise skills (to be selected/developed) Initial telephone diagnostic Based on need & appropriateness, face-to-face generalist diagnostics and workforce development diagnostic with advisor Based on need & appropriateness, face-to-face specialist diagnostic (eg sectoral, family business) to be agreed with key partners (eg IIP, ICT, Basic Skills etc)
<ul style="list-style-type: none"> Relationship management Full account management, based on needs (no. of days tba as part of the charging framework, opportunity for client to purchase more at agreed rate) 	<ul style="list-style-type: none"> Relationship management Account management offered, based on needs – light touch 	<ul style="list-style-type: none"> Relationship management Full account management, based on needs (no. of days tba as part of the charging framework, opportunity for client to purchase more at agreed rate)
<ul style="list-style-type: none"> Info & sign-posting to professional services Brokerage, based on need: eg professional services, training solutions, finance, skills, services (based on national register of consultants and referral to specialist teams – minimum of three suppliers provided) Referrals to OGD services, including WFD/skills specialists 	<ul style="list-style-type: none"> Info & sign-posting to professional services Brokerage, based on need: eg professional services, training solutions, finance, skills, MBI/MBO specialists and Corporate Recovery practitioners (based on national register of consultants and referral to specialist teams – minimum of three suppliers provided) Referrals to OGD services, including WFD/skills specialists. 	<ul style="list-style-type: none"> Info & sign-posting to professional services Brokerage, based on need: eg professional services, training solutions, finance, skills, services (based on national register of consultants and referral to specialist teams, – minimum of three suppliers provided) Referrals to OGD services, including WFD/skills specialists

APPENDIX THREE – A BUSINESS LIFECYCLE MODEL

Appendix Three is adapted from a paper prepared for the Coalition by Laurie South of PRIME. It shows a stylised model of the business cycle showing different entry and development points. Those people on the right-hand side of the model are not business-ready and will require a quality

and intensity of help which is greater than those on the left-hand side who are already business-ready. In fact those on the left-hand-side will not necessarily require any help at all at some of the entry and development points.



The business lifecycle model illustrates key entry and progress points at which help and support could be offered. Different people with different experiences will need different help and will therefore enter the lifecycle at different points. The model emphasises the need for a more flexible approach which enables people with different needs to enter at different points, and re-emphasises the need for a 'braided' approach to support, appropriately combining generic and specific activities.

Each stage requires access to appropriate mentoring. All the evidence suggests that mentoring or coaching can be a crucial element in progress. It is particularly important that a mentor is appointed with whom a person feels confident and at ease. This is far more likely to happen if the mentor shares the same background characteristics as the mentee. For example PRIME has been working with the Blind Business Association Charitable Trust (BBACT) and therefore is able to offer a visually impaired business mentor to anyone over 50 wanting to start a business who has a sight disability. While affinity is not the determinant of a good business mentor relationship, an empathy with the issues and concerns of the mentee, is extremely important. There has been a tendency to view mentoring and coaching as something to be provided after the business has started. The Coalition would argue that a mentor appointed at the earliest possible stage of contact would greatly enhance the opportunities for enterprise of those it seeks to assist.

The details of the core entry and progress points found on the diagram above are set out below:

Core entry and progress point 1: **Recruitment and awareness raising**

For many of the groups represented by the Enterprise for All Coalition, self-employment is not perceived to be a natural choice which is open to them. People of different ethnic minorities, gender, age, class or disability, for example, may find it difficult to access support because:

- (i) they are discouraged by enterprise role models who suggest entrepreneurship is the preserve of a certain strata of society;
- (ii) their cultural experiences have not prepared them for a consideration of enterprise;
- (iii) they do not know where to go to find help;
- (iv) the people running enterprise support do not understand their particular concerns;

- (v) they are not given enterprise-related information when they are seeking information, advice and guidance through Jobcentre Plus or other agencies because they do not themselves understand enterprise.

The Coalition takes the view that there should be a range of awareness-raising and recruiting events available. Programmes should be delivered by people with whom the groups feel a sympathy and rapport. The events and programmes should be delivered in a way and in a place that is inclusive, promotes participation, and adopts an encouraging and supportive manner with examples drawn from, and related to, the experiences of its clients.

Vehicles of engagement will include:

- outreach workers;
- events geared to specific groups with role models drawn from that group;
- programmes that help individuals to diagnose whether self-employment is appropriate for them;
- workshops that help people understand what is involved in starting a business.

Core entry and progress point 2: **Personal development and guidance**

Many groups and communities cannot benefit from publicly-funded technical support in business start-up unless they have attained a degree of enterprise-readiness. This development has to be delivered in a non-threatening environment through people who are sympathetic to their particular needs, experiences and cultures.

Different people will require different mixes of:

- confidence building and assertiveness training;
- development of business ideas;
- ICT skills;
- financial literacy;
- vocational skills and accreditation where appropriate;
- basic skills.

Personal development needs to be delivered in a relevant way within a sympathetic environment by organisations that have an empathy with the particular needs of the different groups.

Core entry and progress point 3: **Technical business start-up support**

The Enterprise for All Coalition recognises that some people will benefit from being part of

mainstream provision, as long as the mainstream understands particular needs. In some cases this understanding can be acquired by training provided to the organisation by a specialist agency. In other cases, a specialist embedded within the organisation can be a champion for a particular group. However, it is also recognised that specialist enterprise support agencies can provide for the needs of different groups, for example, women, ethnic minorities, various disabilities, or age. This is particularly true when there is a requirement for specialist provision to cater, for example, for a particular disability; when there are cultural sensitivities; or when particular groups feel more comfortable working with their peers. Research shows that such specialist support attracts an almost entirely new customer base who would not otherwise use enterprise support.⁴⁵

While it is easier contractually to offer timed 'classes', this form of delivery is not appropriate for all groups that have tended to be disenfranchised from enterprise. For some people, simply coming to terms with some aspect of running a business could prove difficult if it is outside their experience or cultural norms. While the areas of expertise to be gained may be the same for all, to expect everyone to benefit from a timed 'class' is inappropriate. People with different experiences will require different levels of support and coaching. It is here that specialist support agencies may be more efficient because they cater specifically for a more homogenous group.

The members of the Coalition realise that many people fall into more than one group. For example an older woman from a black minority ethnic group with a disability has a different range of needs to a single white man in his late 30s. This knowledge and understanding can be used to inform mainstream provision as well as to provide appropriate provision where necessary.

Core entry and progress point 4: Financing the business

Each organisation in the Coalition has anecdotes and evidence of those that find difficulty accessing finance to start or grow a business. Members of the Coalition recognise that raising money to start or expand a business can be a major obstacle for some people. On the demand side, some groups (such as women, people from ethnic minorities and older people) are both unfamiliar with different financial products, under-confident and risk averse, about accessing finance from the formal sector. This is often compounded by a lack of credit history or impaired previous credit behaviour.

On the supply side, banks are governed by decision-making frameworks which rely on strong credit histories, specific behaviour and access to assets to secure lending which are often not available from these groups. Many of these customers may also remain unappealing to the formal financial institutions because of a perception, or actuality of, high transaction costs and low profitability for the bank.

Core entry and progress point 5: Post start-up support

If enterprise is to flourish it is vital that post start-up support is available. The groups supported by members of the Coalition are certainly likely to feel isolated in the vulnerable period during which their business is struggling to reach take-off. They may also find it particularly difficult to use any offer made by Business Link if there is no evidence that Business Link understands their needs and presents a welcoming and inclusive face.

Post start-up support could include:

- a 12-month business health check;
- networks of people with similar experiences and backgrounds;
- local and regional advertising particularly through a shared web-system;
- local acknowledgement and recognition.

Core entry and progress point 6: Exit support

While it may seem initially irrelevant to consider exit support as part of the business lifecycle, many of the Coalition's clients have succeeded in starting and developing very successful businesses but need support and advice about how they leave. Exit support is needed long before a person leaves the enterprise. The support may be in terms of pensions advice (and the Coalition members have rarely seen a business plan which includes pension provision), or advice on how to prepare a business for a sale. There are many other options between straightforward pension provision and business sale, but the key issue is to ensure that people are not precipitated into an old age of poverty after they cease trading.

ENDNOTES

- 1 For further details see www.betamodel.com/
- 2 The Treasury paper *A Summary Guide: Improving Financial Relationships with the Third Sector* is highly relevant to EfAC. It includes ensuring proper contribution to overheads, and medium-term contracts rather than short-term.
- 3 Further details of the new Comprehensive Spending Review and previous Reviews, are on the Treasury website: http://www.hm-treasury.gov.uk/spending_review/spend_index.cfm
- 4 http://www.hm-treasury.gov.uk/documents/enterprise_and_productivity/enterprise_and_innovation/ent_entinn_index.cfm
- 5 <http://www.sbs.gov.uk/sbsgov/action/layer?topicId=7000000084&r.li=7000030522&r.s=a>
- 6 Business Links have their own website: <http://www.businesslink.gov.uk/>
- 7 It is important to note that the brand and a specific organisation do not necessarily go together. Organisations that deliver Business Link services might also be delivering other publicly-funded initiatives or their own support.
- 8 http://www.sbs.gov.uk/SBS_Gov_files/finance/Budget2006.pdf
- 9 Told in conversation to EfAC by the SBS.
- 10 The Manufacturing Advisory Service aims to address the practical needs of British manufacturers by delivering hands-on advice and assistance from experts in a wide range of manufacturing disciplines. www.mas.dti.gov.uk/
- 11 For further details, see the summary on the Women and Equality Unit website: www.womenandequalityunit.gov.uk/equality/project/project.htm
- 12 As stated in the White Paper published in May 2004, *Fairness for all: A New Commission for Equality and Human Rights*.
- 13 Porter, M (1995) 'The Competitive Advantage of the Inner City', *Harvard Business Review*, May-June. This builds on Porter's *The Competitive Advantage of Nations* (1990).
- 14 www.sbs.gov.uk and www.bitc.org.uk
- 15 HM Treasury (1999) *Enterprise and Social Exclusion*, National Strategy for Neighbourhood Renewal: Policy Action Team 3.
- 16 More details on the Phoenix Fund and its legacy can be found on the SBS website: <http://www.sbs.gov.uk/>
- 17 HM Treasury, SBS and ODPM (2005) *Enterprise and Economic Opportunity in Deprived Areas: A Consultation on Proposals for a Local Enterprise Growth Initiative* (2005).
- 18 For a summary of Small Business Announcements made in the 2006 Budget: http://www.sbs.gov.uk/SBS_Gov_files/finance/Budget2006.pdf
- 19 For further details: <http://www.sbs.gov.uk/sbsgov/action/search?resultPage=1&expression=women>
- 20 Further information is on the SBS website: <http://www.sbs.gov.uk/sbsgov/action/layer?r.l1=7000000100&r.s=tl&topicId=7000013938>
- 21 You can find details of the Ethnic Minority Business Forum on the SBS website: www.sbs.gov.uk
- 22 These roles were set out in a summary paper on the CSR given to participants at a Social Enterprise Coalition consultation event on 24 July 2006.
- 23 For further details of the Office of the Third Sector see: www.cabinetoffice.gov.uk/thirdsector/
- 24 Details of the Government's work in relation to social enterprise can currently be found at <http://www.sbs.gov.uk/sbsgov/action/layer?r.l2=7000000168&r.l1=7000000166&r.s=m&topicId=7000000412>
- 25 For further details on the move of the Social Enterprise Unit to the Cabinet Office see the SBS website: <http://www.sbs.gov.uk/sbsgov/action/detail?type=RESOURCES&itemId=7000031637&r.li=7000032225&r.pp=11&r.l1=7000000412&r.s=p&r.pt=global>. Ed Miliband made a commitment to keep an enterprise focus within the third sector at a meeting with social enterprise representatives in spring 2006.
- 26 See for example, evidence presented in the Global Entrepreneurship Monitor reports: www.gemconsortium.org
- 27 CBI (2006) *Boosting enterprise across the population: Enabling the enterprise revolution*, CBI.
- 28 See for example the SBS paper *Encouraging More Enterprise in Disadvantaged Communities and Under-represented Groups*, Evidence Base Section 6, 2003 – available under Key Publications and Reports on the SBS website.
- 29 For further details of these different approaches to valuation and measurement, see, for example, Materials and Explanations on www.proveandimprove.org. This is aimed at social enterprises but relevant to all organisations and activities.
- 30 The Social Enterprise Unit produces a range of publications and materials: www.sbs.gov.uk/socialenterprise/ (This website may change since the Social Enterprise Unit has now moved to the Cabinet Office under the Office of the Third Sector.)

- 31 A wide range of indicators are illustrated in the 2002 SBS report *Measuring enterprise impacts in deprived areas*, URN 03/870 by Lyon *et al.* The types of measurement set out there can also be used for individuals in under-represented and disadvantaged groups.
- 32 *Encouraging More Enterprise in Disadvantaged Communities and Under-represented Groups* by the SBS.
- 33 See reference in footnote 32 above.
- 34 Data relates to that available in 2004 when a paper *Towards a 50+ Enterprise Culture* was published by PRIME.
- 35 Statistics come from the *Global Entrepreneurship Monitor* for 2005: www.gemconsortium.org
- 36 London Rebuilding Society: www.londonrebuilding.com
- 37 *Encouraging More Enterprise in Disadvantaged Communities and Under-represented Groups* by the SBS.
- 38 An example of this approach would be the work of David Storey in, for example: Storey D (1994) *Understanding the Small Business Sector*, Routledge, London.
- 39 See arguments presented in for example Westall A and Cowling M (1999) *Agenda for Growth*, IPPR and Gavron R, Cowling M, Holtham G and Westall A (1998) *The Entrepreneurial Society*, IPPR.
- 40 Westall A, Ramsden P and Foley J (2000) *Micro-entrepreneurs: Creating Enterprising Communities*, IPPR and **nef**.
- 41 This comment was made in the 2003 SBS paper *Encouraging More Enterprise in Disadvantaged Communities and Under-represented Groups*.
- 42 Evaluation of the Phoenix Development Fund, Interim Report to the SBS, 2004, by Freiss, available from the SBS website www.sbs.gov.uk under Research and Statistics.
- 43 *Evaluation of the Phoenix Fund Final Report* was carried out by Peter Ramsden of Freiss and is available from: <http://www.sbs.gov.uk/sbsgov/action/layer?r.l1=7000000166&r.s=tl&topicId=7000000170>
- 44 For further details of how each of these areas is women-friendly, look at the Prowess publication *Business Support with the 'F' Factor* published in 2005.
- 45 Annex D US National Women's Business Council, *Analyzing the Economic Impact of the Women's Business Center Program*, September 2005 www.awbc.biz/images/pdf/WBC_Executive_Summary.pdf



When ill-health meant he could no longer work as a scaffolder on the North Sea oil rigs, Bill Patterson refused to become one more Incapacity Benefit case, was fortunate in finding enterprise support and now runs his own sandwich shop with his wife.



Mary Cox turned her dancing into a business opportunity. She could have put away her leggings but, with enterprise support, she still radiates energy, inspiration and joy but has the added zest from running her own business.



About our sponsor – Community Development Banking at NatWest & The Royal Bank of Scotland

“The six organisations in the Enterprise for All Coalition (EfAC) are all focused on ensuring ‘Enterprise for All’ is a reality across the UK and we are delighted to be supporting this report.”

Community Development Banking at NatWest & Royal Bank of Scotland works with organisations dedicated to delivering social, economic and physical renewal in marginalised communities and areas of under-investment. Working in partnership with these organisations, we have teamed-up with HM Treasury (Enterprise Team) and other relevant policymakers to initiate a rolling programme of events to promote the importance of enterprise to regeneration, and tackling poverty and unemployment. This is proving very successful at engaging local people, entrepreneurs, business support providers, Local Strategic Partnerships, voluntary and community organisations, local authorities, Regional Development Agencies, government offices and relevant central government departments.

www.enterpriseforall.info/

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About the author

Andrea Westall is an independent Policy Analyst, Researcher and Writer. Together with the most appropriate people and organisations, she helps create practical and inclusive solutions for economic, social or environmental issues. Andrea has been Deputy and Acting Director of the new economics foundation (nef); Director of the Policy Unit for the Foundation for Entrepreneurial Management in the London Business School; and a Senior Research Fellow with the Institute for Public Policy Research (ippr). Andrea has also worked in publishing, television, journalism, and for a charity educating the public about the environment and development.