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Barrie Stevenson  
Business Support Simplification Team  
Department of Trade and Industry  
Bay 194  
1 Victoria Street  
London SW1H 0ET

12<sup>th</sup> September 2007

Dear Mr Stevenson,

Social Firms UK welcomes the opportunity to respond to Business Enterprise and Regulatory Reform on 'Simplifying Business Support: A Consultation'. We support the move towards simplification of business support and inclusion of social enterprise as a core element of mainstream business support policy and delivery. We have provided an overview of what we believe to be the key factors in this consultation that are important to social enterprises (which includes Social Firms).

While we welcome the review of the business support system in England, we believe that the consultation paper does not fully cover the business support needs of a wide range of businesses or communities including social enterprise. Social enterprise is hardly referred to in the consultation. Furthermore, we believe that this consultation fails to align itself with wider public policy objectives including those established in the Office of the Third Sector's Social Enterprise Action Plan.

At present Business Links are generally not used by Social Firms, or other types of social enterprise, nor are they believed to have appropriate skills or understanding to identify Social Firms or enterprises and provide the unique support that such organisations require.

Social Firms, with their combination of business focus and social objective of creating paid employment for severely disadvantaged people, have been identified as having specific support requirements, particularly in the start up and pre-start up phases. These include participatory management structure, measuring and delivering social outcomes, balancing double or triple bottom line objectives, finance with regard to different governance and ownership models and legal structures.

We therefore recommend that the following factors be taken into consideration in conducting this review.

The business support model as outlined in the consultation needs to be easily understood and accessible, particularly for people and communities that do not have good access to specialist business support organisations.

Overall, delivery to social enterprises cannot be on the basis of prescriptive themes or products but on client-focused flexible and appropriate packages of support, particularly with a more developmental and holistic approach at the pre-start and start-up stage. Furthermore the current themes do not cover all areas of business support for social enterprise, or fail to recognise the relevance to social enterprise.

To minimise customer confusion, true partnerships between all providers are necessary within regions, as well as multiple access points for social enterprises (including Social Firms) through all quality-assured providers and two-way referrals.

There is a need for increased recognition and acknowledgement the role of third sector organisations in delivering business support as well as the private sector. A new system should build on what works, particularly for delivery of support by third sector and specialist social enterprise and/or Social Firm support organisations.

There is varying interpretation of the Information, Diagnostic and Brokerage model (IDB) by Business Links. This needs to be under the remit of national strategic oversight, and approaches or lessons learned can best be shared through this route across regions to ensure equality of services.

Social enterprises have been repeatedly identified by government as having a key role to play in tackling some of the most entrenched social and environmental challenges, setting new standards for ethical business and pioneering new approaches to public service delivery. We know that Social Firms, for instance, are currently delivering against an employment agenda for severely disadvantaged people. Consequently ensuring that social enterprises, including Social Firms, are able to access appropriate business support is imperative if this sector is to fully realise its potential. We would therefore urge that the recommendations in this letter are integrated into future plans regarding how the public sector should support business.

Yours sincerely

**S.Reynolds**

Sally Reynolds  
**Chief Executive**