



# **Business Resource Efficiency advice and the role of Business Link**

## **Findings of the 2007/8 Business Resource Efficiency Pilot Conclusions and recommendations for the future**

A report by the Regional Development Agencies  
Executive Summary

October 2008

England's **nine** Regional Development Agencies are:

Advantage West Midlands  
East of England Development Agency  
East Midlands Development Agency

London Development Agency  
Northwest Regional Development Agency  
ONE NorthEast

South East England Development Agency  
South West of England Regional Development Agency  
Yorkshire Forward

## **Executive Summary**

### **Introduction**

The report, *Business Resource Efficiency Pilot*, sets out the activities and findings of a pilot programme run by the nine English Regional Development Agencies, in partnership with Business Link, from April 2007 to March 2008. The programme (referred to in this report as the BRE Pilot) aimed to provide advice and onsite audits on resource efficiency for 10,000 businesses, across all regions.

This report also sets out conclusions and makes recommendations that RDAs and Government should consider for the future, taking into consideration the rapidly-changing public sector landscape (e.g. the current Delivery Landscape Review by Defra) and the likely impact on support for and advice about resource efficiency for businesses.

### **What is business resource efficiency?**

Business resource efficiency is about how organisations can effectively manage their use of resources such as raw materials, energy, water, transport or even the workforce, in order to minimise waste and the amount of material used. Business resource efficiency can help reduce costs and ensure they comply with environmental legislation requirements. With growing supply chain and consumer pressure to reduce environmental impact, it is a key commercial consideration. Businesses that are resource efficient save money, increase their competitiveness, and reduce their impact on the environment.

### **Background**

#### **How it started**

The BRE Pilot programme was developed following an announcement from the Chancellor of the Exchequer in the 2006 Budget. He committed the RDAs to running a pilot programme in conjunction with Business Links, in order to help streamline advice for businesses on resource efficiency. This approach would be consistent with the Government's proposed Business Support Simplification Programme (BSSP), now underway. The task offered a significant opportunity both for Business Link to demonstrate its growing role as the primary gateway for business support, and for the RDAs to call upon their regional expertise to swiftly roll out an effective programme, calling upon existing single pot and BREW funding, i.e. at no extra cost.

#### **Business Link and the RDAs**

The nine Regional Development Agencies are responsible for managing Business Link a national service that offers impartial and authoritative information and brokerage to businesses. The RDAs, who are playing a leading role in the organisation, design and delivery of the Business Support Simplification Programme (BSSP) are responsible for the provision of business support at a regional level, working tendering for and managing services such

as Business Link to ensure that publicly-funded support for business is simple to understand, easy to access and fit for purpose.

### **How Business Link works**

The fundamental principle of the Business Link model is that it does not offer direct advice to businesses. Instead, via a process known as information, diagnostics and brokerage (IDB) it analyses a business's individual requirements and introduces the business to a range of organisations and information that can then help them to find solutions to their specific needs.

### **Business Link and business resource efficiency**

Business Link Advisers are, and are meant to be, generalists. They do not therefore usually have specialist knowledge of resource efficiency. Regional Business Link providers hold a wide-ranging knowledge bank of the public and private sector support and resources available on a range of business issues. Although this may include resource efficiency, Business Link Advisers have not traditionally had a major role in this area nor had they, up to now, created strong links with the national support providers such as WRAP and Envirowise. Resource efficiency was, in most cases, not seen as a mainstream part of the IDB process – but this varied from region to region, as was highlighted by the BRE Pilot.

### **The approach**

Regional variations in the approach to BRE, with some Business Link providers having already made BRE more a part of the mainstream IDB process than others, meant that there was no common starting point for the BRE Pilot programme. Commonality came in the form of the OPE (One Planet Economy) Group. This cross-RDA group created the framework for the BRE Pilot programme, including setting timescales and targets for delivery and evaluation.

A baseline for the level of discussions between a Business Link Adviser and a business was drawn up by the OPE Group in the form of outline questions. Although these were adapted and amended by some RDAs, the questions covered key areas such as energy expenditure, and whether businesses had monitored energy consumption, explored renewable energy options, minimised transport use, and could identify waste and recycling streams. It also asked about environmental compliance, policies and COSHH and risk assessments. It closed by ensuring that priorities for action were identified, and proposed solutions and actions were also laid out.

A target of engaging with 10,000 businesses on BRE over a 12-month period (April 2007-March 2008) was set. This broke down to 1,000 per region except in the South East, which was given a target of 2,000 businesses. Engagement, or 'an assist' was defined as providing a BRE advice service, that, as a minimum, would consist of a diagnosis of a business's needs and aspirations, carried out by a Business Link Adviser. This would usually take place on site and may, if applicable, result in referral to one or a number of providers of specialist support on resource efficiency. Variations in 'assists' to SMEs resulted from the fact that, due to differences in the allocation of funding, varying levels of 1:1

RE support were available in each of the regions . This resulted in e.g. some SMEs receiving an in- dept RE audit 'assist' , while others received a light touch (advice only) 'assist'.

## **Mainstreaming BRE**

The regional variations in the service offered by Business Link on BRE offered the programme an excellent opportunity to examine the various methods for offering BRE advice to businesses. All regions now aim to make BRE part of their mainstream Business Link offering. The approach to this has varied. Some regions have called upon specialist resource or consultants. These have been employed in a range of ways, either in providing specialist coaching for Business Link Advisers, (South West Regional Development Agency [SWRDA], East Midlands Development Agency [*emda*], Yorkshire Forward and ONE North East) or by being placed as specialists within Business Link teams – as was the case with the South East England Development Agency (SEEDA)'s new Sustainable Business Advisers, or in the North West, where its Environment Connect specialist service was embedded into the Business Link as a result of the BRE Pilot.

Other regions adopted tools that were incorporated within the IDB model, with the East Midlands Development Agency (*emda*) adopting a resource efficiency diagnostic tool which provided an in-dept assessment of a company's resource use, highlighted areas for improvement and encouraged businesses to apply for grants for resource efficiency improvements. The East of England Development Agency (EEDA) adopted a lighter touch approach to their green business review and similarly, Advantage West Midlands (AWM) focused on using events while London focused on thoroughly embedding resource efficiency within its Business Link's initial diagnostic, as well as its onsite questionnaire.

During the period of the BRE Pilot, all regions also ran some form of specialist events and workshops on the subject of business resource efficiency. Yorkshire Forward, for example, held workshops for smaller companies, as did SEEDA and *emda*. For some regions, these events comprised their entire marketing activity. Others such as SWRDA additionally raised awareness about business resource efficiency issues through an effective email campaign, or, like the London Development Agency (LDA), encouraged participation through its website. *emda* ran a resource efficiency communications campaign using novel images. There were also examples of targeting key sectors (food, drink and land-based industries for SWRDA) and sharing effective collateral (*Quick wins* guides, developed originally by SEEDA but adapted by SWRDA).

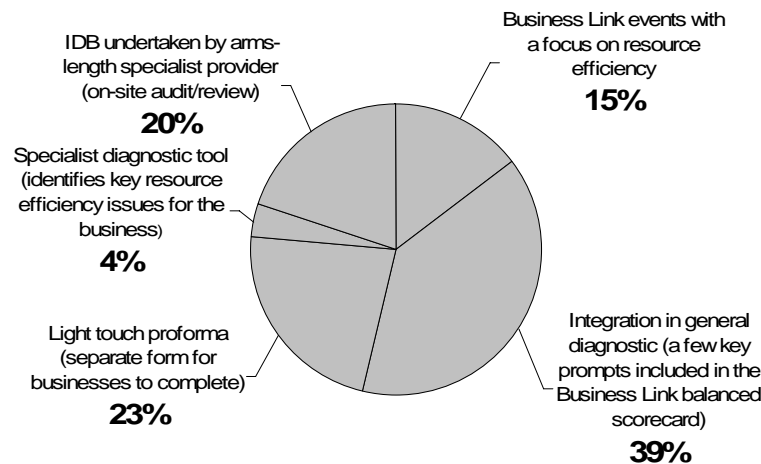
## **Outcome and benefits**

### **Targets**

The BRE Pilot met and indeed exceeded its target of engaging 10,000 businesses by over 25%. In all, 13,128 businesses across all the regions were given BRE support, with all but three RDAs beating their individual regional targets. This was despite only five RDAs operating their pilot programmes for the full 12 months. (The work of developing the definition of the service and creating training materials and discussions on how the pilot should be

undertaken, meant in some cases that the pilot work did not begin in earnest until November 07.)

The chart below highlights the breakdown of BRE 'assists' delivered. Where RDAs had already invested in 1:1 BRE support to complement national delivery bodies, this resulted in a fifth of businesses supported receiving an on-site audit and the follow up support to help implementation.



## Knowledge

The BRE Pilot programme has prompted an overall increase in the level of understanding of resource efficiency principles and available support, both among Business Link Advisers and among businesses.

Most regions undertook some form of training for Business Link Advisers, either on an informal basis by in-house or contractor specialists, or by embedding specialist mentors within the teams (full time in the South East and South West, and as shadow advisers in Yorkshire and Humber and the East Midlands.) In the East Midlands, a full Small Firms Enterprise Initiative (SFEDI)-compatible competency model was developed that enabled the design and implementation of formal training (accredited by a professional body – IEMA) for Business Link Advisers. This approach is also now being adopted by Yorkshire Forward and considered by Advantage West Midlands. All regions emphasised that the aim of training was to build confidence and competence, not turn their generalist Business Link Advisers into specialists. Knowledge about resource efficiency is just one area in a vast array of information that Business Advisers are required to handle. Knowing how to identify, prioritise and refer key environmental issues is important and these skills once learnt need to be maintained and updated.

## **Learning points**

The BRE Pilot threw up many useful learning points for Business Links and RDAs and has helped inform the recommendations for the future (see below). One size, for example, does not fit all. Small and medium-sized enterprises have different needs to micro businesses, and for the latter the investment of time to complete the diagnostic process may not equate to financial payback. The benefits of resource efficiency need to be clearly set out in easily-comprehensible terms relating to risks, financial and competitive advantages they can bring. The issue is still not widely understood nor, as yet, driven by necessity. However, the feedback from the Business Link Advisers indicates that awareness of business resource efficiency and its benefits is now considerably higher as a result of the activities of the BRE Pilot, both among Business Advisers who feel better informed, and among businesses e.g. 62% of SMEs involved in the South West BRE Pilot, said they would make improvements to operations in next 12 months, as a result of the Business Link's intervention.

During the short timescale of the BRE Pilot, useful links, partnerships and information-sharing have been created and there is seen to be much greater potential for improved co-ordination. Helpful relationships have been created between Business Link and national BREW partners such as Envirowise. Yet this Pilot has also shown that the 'plethora of overlapping national and regional support programmes' (Ellis/Healy report 2006) can cause confusion. This will be addressed by the effective implementation of the BSSP, including the adoption of the resource efficiency product descriptor. Given the way that the landscape has changed even during the course of this pilot, with the withdrawal of 1:1 support for smaller businesses by the national support providers, some of the lessons learned about improved communication between Business Link and national delivery bodies, ensuring a smoother, more even and more accurate flow of referrals to those national providers, are no longer current – but may yet be relevant going forward. The BRE Pilot indicates that regional flexibility, and localised follow up support, plays a critical role in enabling SMEs to continue to take action following interaction with national programmes such as Envirowise.

## **Evaluation procedure**

RDAs and Business Link completed an evaluation proforma asking for feedback on the good and not so good points of the IDB in relation to the BRE Pilot.

Although Business Link carried out customer satisfaction surveys in some regions, due to time constraints, a collective evaluation of these alongside follow up from audits was not undertaken.

## **Conclusions drawn from the BRE Pilot**

The BRE Pilot has been an excellent catalyst to bring resource efficiency support closer to the mainstream. Through RDA-directed integration with the Business Link service, resource efficiency messages have reached a wider business audience. Business Link Advisers have greater understanding of the issues, and some tools and mechanisms are now in place to continue to

ensure their work will continue to encompass the resource efficiency theme. Some quick wins have been achieved in the course of the project, but there are plenty of longer term opportunities for development, especially as all regions have committed to develop the process further. This will require architecture and funding to develop key systems and support. And as Business Link cannot go further than their IDB model, there is a need to define further roles and responsibilities in delivering solutions to businesses, particularly in terms of regionally specific follow-up solutions (in accordance with BSSP requirements). RDAs have the mechanisms in place to aid this process, which should be determined through the ongoing discussions on BSSP and the Resource Efficiency Product. The BRE Pilot has shown there is an opportunity, and a willingness, to create a consistent level of support to help businesses in the English regions to become more resource-efficient, creating savings, aiding competitiveness, alongside protecting the environment.

### Case study



### Duvet manufacturer helped to tackle rising energy costs

Snug Ltd is one of the UK's leading manufacturers of duvet and bedding. The company's success hinges on its continued investment in research, technology and manufacturing to create innovative, high quality products at value for money prices. Having invested in automated production facilities, the next step for the company was to tackle its rising energy costs, which topped £120,000 in 2006-07, and reduce its carbon footprint. Snug Ltd was signposted by Business Link in the North East to the Midas project.

Operating to the Business Link IDB model, Midas uses the regional service provider register to broker in technical consultancy. Snug received a free evaluation of its energy, waste and water usage to identify where efficiencies could be made. Potential energy savings of ~£28,000 were identified. Since then, Snug Ltd has begun the process of upgrading its lighting and has compiled an energy action plan to implement the other recommendations made in the Midas report. The next stage of the plan will be to conduct staff training to raise awareness and deliver further efficiency savings.

The Midas project has diagnosed over 920 companies and assisted over 300 to undertake further activity via the support of a service provider. It is estimated to have saved regional businesses £10m gross (2006 to date). The project ended in September 2008 but, in line with BSSP, it is intended to migrate this activity to Business Link North East.

### Next steps

Post BRE Pilot and removal of RDA-BREW funding, each RDA is continuing to mainstream resource efficiency activities and the majority (6) has retained the annual target of engaging with 1,000 businesses. However, levels of funding, and prioritisation of the business resource efficiency agenda, vary from region to region.

This report makes recommendations on the future role of Business Link in business resource efficiency. The BRE Pilot took place during a time of major change and review of policy and funding for business support, and this change continues. For example, BREW funding programme ceased in April 2008 with knock-on effects for delivery bodies. When Defra-funded delivery bodies were also no longer able to offer 1:1 support (with some exceptions), this has left a gap in 1:1 business resource efficiency support for smaller businesses in some regions. It has reduced some of the ability for Business Link to broker support for businesses from delivery bodies such as Envirowise. However, with Business Link likely to be the main business support channel under the BSSP, there should be greater impetus for it to embed BRE within the centre of its core IDB service. The recommendations for the migration of BRE IDB to Business Link, naturally, cross over with the wider BSSP agenda. As such, they are part of a range of issues that Defra and the RDA's should work together to address.

#### **Operational level recommendations:**

- agreement is needed on the diagnostic elements of BRE required during the IDB process
- differences in interpretation between diagnosis and delivery need to be settled
- BRE marketing and communications materials are pooled as a shared national resource, able to be adapted to regional needs
- Diagnostic tool kits are also pooled to develop standards and share best practice.
- An agreed level of competency for Business Link Advisers is established (such as that developed by *emda*), and all gateway staff are trained to be able to handle BRE enquiries
- BRE support brokered by the Business Link IDB process is initiated at regional level

#### **Policy-level recommendations**

- the 'Improving your Resource Efficiency' product offer under the BSSP, needs to ensure that business resource efficiency support, both regionally and nationally, is cohesive and above all delivers against business need
- that the Defra Delivery Landscape Review and implementation should result in a simplified national agency approach. The BRE Pilot highlighted confusion amongst stakeholders and Business Link as to the relative role of each of the various national delivery partners. The RDAs

should, through continued close working with Defra, be able to clearly define a national and regional delivery programme

- That the draft action plan contained in this report is delivered by a task and finish group of RDAs, Defra, DECC ,Business Link and relevant delivery bodies
- That a standardised approach to measuring outputs and impacts is adopted by both regional and national programmes – so that the impacts of publically funded BRE support can be both monitored and reported to Defra/DECC consistently.

### **Draft action plan**

This report presents a draft action plan to help national and regional partners work more closely together during the development and deployment of business resource efficiency support via the Business Link IDB approach. Subject to agreement by all parties, and the securing of resources for co-ordination and delivery, the action plan would build on the good practices and learning points highlighted by the BRE Pilot. Its main elements address the recommendations above and include:

- Effective and co-ordinated provision of marketing and information materials
- Training to help frontline support staff, regionally and nationally;
- Tighter, clearer definitions of the levels of diagnostics, with a sharing of best practice on diagnostic toolkits;
- Work with Defra to develop clarification and standardisation of national indicators to measure the economic and environmental outcomes that have been achieved as a result of BRE support;
- Competency frameworks for Business Link staff, following agreement on resource efficiency competency levels. This would cover consideration of accreditation and pooling of current best practice resources;
- Future solution provision in the context of the Defra Delivery Landscape Review – aiming at reducing complexity, developing further the Resource Efficiency Product, and clearly defining roles;
- Creating standardised brokerage and referral systems between Business Link and the national and regional support providers;
- RDAs, working with Defra, to establish a minimum level and standard of support for businesses in relation to both IDB and delivery, identifying any additional funding and resources and agreeing on the delivery.

A copy for the full report can be found on [www.eeda.org.uk](http://www.eeda.org.uk)

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