

22nd April 2009

Our ref: R00094

Freedom of Information Request - Business Link Services

Your request to SEEDA is:

- 1) I notice also that SEEDA has given £24 million to Business Link - under the freedom of Information Act, which applies to all publicly funded organisations, I would like to ask how this relates directly to the £1 and £4 equation - i.e. you imply implicitly that for every £1 invested, the companies return more than £4 into the economy. Clearly this is the case, so please explain how each £1 invested generates £4.
- 2) And if I go to the survey, its email address starts "surveymonkey" ...
Am I and my colleagues, and all my neighbours, really paying for this?

Information Provided

- 1) Business Link has worked 'intensively' with 17,945 businesses in the last 12 months (April 08 – March 09). Business Link has helped these businesses to set a goal for the growth of their business and to develop an action plan that will enable the business to achieve that growth. The goal is usually financial growth and Business Link takes a variety of financial data from each business in order to identify the current status of the business and to forecast the anticipated growth in 12 months time. Of the 17,945 that have gone through this action plan process, 3,049 businesses have already come back to Business Link to report on the success of their action plan. Collectively, this small group of businesses have grown financially by a few pounds short of £96 million. This £96 million is taken in the form of taxes and staff costs. We then divided the £96m by the £24m investment into Business Link which gives



us the £1 = £4 ratio. What we conclude is that this group of businesses that have taken support from Business Link have actually put back £96m or £4 for every £1 invested in the Business Link service, into the economy in taxes and staff costs (i.e. wages). This is a very conservative estimate as we know that there are still 14,896 businesses that have been through this action planning process, a good proportion of which we know will certainly have grown financially since working with Business Link. However, as we do not know exactly how much they have grown by, we do not use the statistics.

- 2) An important part of managing a public sector contract is evaluating its success – it is vital to understand exactly what has been delivered as a consequence of public expenditure. SEEDA is responsible for the delivery of Business Link in the South East and is striving to continually improve the service offered – this is not possible without the collective views of the businesses that Business Link works with and the businesses that do not work with Business Link. The survey link that you were sent contains a questionnaire that has been sent to thousands of business owners to ask their views on the current Business Link service to enable SEEDA to understand the success of Business Link and to make improvements to the service. SurveyMonkey is the survey tool that has been used by the team conducting the evaluation – it is a cost effective method of writing and conducting a survey and is frequently used by both public and private sector alike.