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Evaluation of the Swindon and Wiltshire Growth Hub Pilot

A report for Swindon and
Wiltshire LEP
May 2015

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Executive Summary

Introduction

Wavehill was commissioned in March 2015 to undertake an evaluation of the Swindon and Wiltshire Growth Hub.

The Swindon and Wiltshire Growth Hub forms part of the Wave 2 Business Growth Programme which was opened to bids from successful Wave 2 City Deal areas for submission in November 2013.

The Swindon and Wiltshire programme is known locally as the Gateway for Growth Programme (G4G) and went live in January 2014 with an end date of March 2015 for grant disbursement with outputs to be reported through to December 2016.

The Evaluation

The evaluation has been commissioned to report on the initiative's economic impact, provide recommendations on delivery mechanism effectiveness and to capture good practice and lessons learnt.

The evaluation has involved a desk based review of relevant documentation and socio-economic data, consultations with key stakeholders and a survey of businesses that have participated in the G4G programme.

Context

The Wave 2 Growth Hubs (W2GH) programme seeks to intervene across three areas; bespoke business, innovation and trade support, management and strategic co-ordination of provision and the establishment of a one stop shop (a web portal). The G4G programme sought to deliver against these three areas by providing support across the Swindon and Wiltshire area. Traditionally business support provision has differed in the two areas, although in reality the industrial structure and make-up of businesses in the two areas are broadly similar.

Delivery

G4G involved the provision of a web portal (the Wiltshire Business Hub), one-to-one advice (building on the information, diagnostic, brokerage model that Wiltshire Business Support Service (WBSS) has developed) and grant aid of between £5,000 and £50,000 (with businesses required to put in at least double the amount of grant offered) targeted at businesses typically with 10-50 employees and with turnover in excess of £500,000.

The programme had to be delivered over very tight timescales, particularly in relation to the expenditure of grant aid which became the focus of the programme in the initial months.

The web portal has gained increased focus as the programme has progressed with it initially suffering from being Wiltshire-centric in the provision on the website. Efforts have been made to address this over recent months.

In terms of progress and performance, judgements are made difficult as job creation figures will continue beyond this initial timetable (through to 2016/17), however, the programme has performed well against targets and is operating close to profile against the number of businesses engaged, the level of grant awarded (which despite the timescales fell only £19,000 short of the £800,000 target) and private sector investment levered in.

The only area of significant shortfall related to the number of individuals in receipt of a recognised qualification, with the shortfall reflective a lower than anticipated demand for management and leadership qualifications amongst the businesses engaged.

Funding for the pilot ceased at the end of March 2015. However, an extension has been secured for the 2015/16 financial year albeit with a change in focus and no grant funding. The extension will also benefit from match funding from both Wiltshire and Swindon Councils.

Business Perspectives

Those in receipt of grant aid referred to its role in supporting a range of elements in their business, from software through to business coaching and infrastructure (both premises and equipment). In most instances (77% of respondents that were grant recipients) respondents felt that the works/activity would have gone ahead anyway, however the grant aid significantly accelerated the process, with 12 of the 15 respondents stating that it had accelerated the activity by at least a year.

The processes associated with the administering of grant aid were well received and those who ultimately benefitted from grants described support as being most impactful on job creation and business confidence, whereas advisory support was most impactful on business planning and management skills.

The businesses supported through the programme are typically on a strong growth trajectory with average turnover amongst respondent businesses projected to increase by 22% when their turnover for their last complete financial year is compared to their likely turnover at the end of their current financial year. This rate of increase rises to over 31% when specifically focussed on those in receipt of grant aid. Collectively this data suggests that the programme has been able to engage with businesses with strong growth prospects despite the tight timescales that they were working to.

Summary of Findings and Recommendations

The G4G pilot programme has been a major undertaking with challenging objectives over very short timescales. However, despite the tight timescales and the rather later engagement of the accountable body the programme was one of the first of the W2GH to launch. This is a reflection on the pragmatic approach of the project team and the fact that an existing infrastructure was in place, both in terms of support and process infrastructure that could be readily adapted for this programme.

Management and Monitoring

The infrastructure and learning derived from delivering previous programmes has helped to build a management and monitoring system that has worked highly effectively. This has been of particular benefit given the initial miscommunication around administrative and evidencing requirements for the programme. The G4G team have adapted well to these changing requirements resulting in high praise from the programme management team at the University of Lancaster to the monitoring and compliance systems that WBSS and Wiltshire Council have introduced.

Project Delivery

G4G Grant

The allocation of £800,000 towards grant funding for growth businesses of in excess of 10 employees has been the main focus of the G4G programme within the early stages of the programme in particular. The scale of funding and the fact that the support was being targeted at businesses who hadn't typically engaged in business support warranted this focus. Ultimately the team have successfully committed the vast majority of grant funding to eligible businesses within the Local Enterprise Partnership (LEP) area which is commendable. However, the majority of stakeholders do acknowledge that there may have been stronger businesses that may have provided a greater return from this support. However, the timescales severely limited the extent to which these businesses could be identified.

In hindsight the balance of grant versus operational funding was perhaps too heavily weighted towards the grant support (although it is understood that this may have been a stipulation from Department for Business Innovation and Skills (BIS) however, grant volume and the number of businesses targeted is an incredibly difficult balance to gauge.

The next challenge for the business support offer is, having engaged with this cohort, maintaining that engagement. In recognition of this issue it is understood that WBSS are in the process of defining what they hope will be a suitable and attractive offer of support for businesses of this scale.

There is also a danger that the provision of grants creates an expectation of grant aid in the future, with this in mind alternative forms of financing should continue to be considered, particularly for businesses of this scale/nature.

Diagnostic and Brokerage Offer

The diagnostic and brokerage offer was well placed for successful delivery in that it built upon existing business support infrastructure in Wiltshire in particular. However, delivering this offer in Swindon proved a far greater challenge with the focus mainly on the grant element.

The Portal

The emphasis on grant expenditure meant that the focus on the development of the portal was somewhat delayed and is widely viewed by stakeholders as something that remains very much work in progress.

Business respondents were keen for improved promotion of the Hub whilst stakeholders felt that navigation in particular could be improved. The branding of the portal as the Wiltshire Business Hub may dissuade those businesses based in Swindon from associating themselves with it particularly whilst the offer on the portal remains somewhat Wiltshire-centric.

The portal is benefiting from high levels of usage, however, the figures provided in isolation provide little basis on which to judge the success of the hub.

Recommendations

That web analytics should be provided on a monthly basis to show performance/change over time and to highlight the success/benefit of targeted marketing activities.

Further investment is required into the promotion of the web portal to increase business awareness.

Governance

The G4G programme represented the first business support initiative to operate across the Swindon and Wiltshire Local Enterprise Partnership (SWLEP) area and as such warranted representatives from the various administrative bodies and business representative bodies on the governance group. However, attendance at the governance group has been poor, this partly reflects a lack of clarity of role amongst national business support organisations and raising question marks over the willingness amongst some business representative organisations to collaborate at the local level.

Recommendation

That efforts are continued in bringing representatives of key local business support organisations and business representative organisations to governance groups of interventions of this nature.

Continuity of Business Support

The programme commenced with aspirations for effective referral mechanisms and a greater level of integration of support between the G4G programme and national business support. This was reflected in the expectation for national providers of support to provide in-kind match to the programme. Whilst the match funding was ultimately unforthcoming there was the additional challenge of referrals through data protection. This has led to a lack of sharing of contact data of those businesses that have been referred which, resultantly provides little insight into the prevalence or effectiveness of these referrals.

Recommendation

That the issues with data protection are overcome as a matter of urgency to ensure that customer details and journeys can be more widely shared amongst business support providers.

At the local level the number of referrals amongst business support providers has been rather poor with a sense that client ownership remains critical to some organisations which limits the willingness to refer to other organisations. The difference in the landscape of business support in Swindon and the focus on a Wiltshire led offer has meant that this has been a particular issue for Swindon-based businesses (with engagement limited to the work of one Business Manager).

Recommendation

That number of referrals into a business support initiative from other local business support providers/business representatives is included as an additional target for future schemes.

This lack of continuity and collaboration is a significant challenge to overcome and this programme has provided a useful insight into the scale of challenge that exists.

A further factor that may inhibit the continuity of business support is the confusion within the marketplace of where to go for support. The business survey found a high degree of participant businesses that could not recall receiving support through the programme despite the use of various terms with which they may have engaged. An apparent lack of awareness of who to go to for support (with emerging findings from a random business survey for Wiltshire and Swindon identifying that almost half of respondents (44%; 53/121) would search for business support on google) or a lack of understanding of from whom the support was gained will limit the ability to sustain a relationship with those organisation or to promote support via word of mouth from business to business. Unfortunately this challenge is likely to have been further complicated by the recent change in name from WBSS to Inspire.

Impact of the Support

There was an initial assumption that some of the outcomes delivered through the programme would be achieved through service delivery by the national helpline but the inability to share information on which businesses have benefitted from support means it is impossible to capture any figures to contribute to the outcomes. It was also assumed that the grant support would deliver a greater proportion of the target of jobs created than has been achieved, this has proved difficult as in some instances businesses have sought to employ initially on temporary contracts, which are ineligible for this output.

However, in terms of delivery against targets, most remain at or close to profile despite the lack of contribution from the national offer which reflects the hard work of the delivery team.

Those supported through the project appear to be on a strong growth trajectory with on average, a turnover increase of 22% year on year (rising to 31% when specifically focussed on grant recipients). This is impressive as there remain concerns that the programme struggled to engage those with the strongest prospects for growth.

In terms of calculating programme wide impact, the diversity in intensity of support makes it very challenging to estimate, however, analysis was undertaken on those in receipt of grants which suggested that £1.4m of gross value added could be attributed to grant investment with the expectation that this will rise to £4.2 as the benefits of the grants are likely to persist for a further two years. This equates to a cumulative return of £5.40 GVA for every public sector £1 invested which is broadly comparable than the returns achieved by other business support schemes, and given the context, particularly the timescales over which the programme has been delivered, is a useful return.

1. Introduction and Background

1.1 Introduction

Wavehill was commissioned in March 2015 to undertake an evaluation of the Swindon and Wiltshire Growth Hub.

The Swindon and Wiltshire Growth Hub forms part of the Wave 2 Business Growth Programme which was opened to bids from successful Wave 2 City Deal areas for submission in November 2013. The programme is funded through the Regional Growth Fund and is managed by Lancaster University on behalf of BIS.

The Swindon and Wiltshire programme is known locally as the Gateway for Growth Programme (G4G) and went live in January 2014 with an end date of March 2015 for grant disbursement with outputs to be reported through to December 2016.

1.2 The Evaluation

The evaluation has been commissioned to report on the initiative's economic impact, provide recommendations on delivery mechanism effectiveness and to capture good practice and lessons learnt. More specifically the evaluation had the following objectives:

- To understand and report on the initiative's net economic impact, in terms of sustainable job creation, private sector investment and less tangible benefits;
- To identify good practice and lessons learnt to influence future delivery and celebrate success;
- To provide practical feedback and recommendations on how programme governance could be improved for 2015/16; and
- To provide practical feedback and recommendations on how programme delivery could be improved for 2015/16 to boost economic growth and simplify the business support landscape.¹

¹ The Swindon and Wiltshire Growth Hub Pilot Evaluation Brief, February 2015

A number of success measures were identified by BIS and the extent to which these have been achieved will form the scope of this evaluation:

- **Improving management and strategic co-ordination:** a qualitative assessment of performance in co-ordinating local and national partners to deliver an efficient, high-quality service for local businesses;
- **Providing a high-quality one stop shop function:** including increasing awareness and uptake of public and private support at both the local and national levels and providing a high-quality service for businesses using the one stop shop service. To be measured through a mix of surveys of businesses using the one stop shop function, number of businesses acting on advice and conversion rates for referrals to national schemes;
- **Boosting economic performance:** primarily measured by monitoring jobs created or safeguarded and private sector investment leveraged.

1.3 Methodological Approach

The evaluation has involved the application of the following research approaches:

- An inception meeting which acted as a scoping exercise for gaining an initial insight into the project and its success, to clarify timescales and the methodology and to finalise the key contacts with whom to engage;
- Desk based review of relevant documentation and socio-economic data for Swindon and Wiltshire;
- Consultations with key stakeholders in the management and delivery of the project and representatives of both the governance group and the grants panel;
- A survey of businesses that have participated in the G4G project either through the receipt of a grant, diagnostic and brokerage support or through their use of the Wiltshire Business Hub portal, alongside an addition survey of random businesses across Wiltshire and Swindon (available as an separate Annex to this report); and
- Analysis (including economic impact analysis) of the primary research.

The remainder of the report is structured as follows:

- Section 2: provides the context within which the project sits;
- Section 3: provides a review of the experience of project delivery based on the perspectives of the stakeholders engaged;
- Section 4: provides analysis of the survey findings;
- Section 5: summarises the findings of the research and includes a series of recommendations for future programme delivery.

2 Context and Programme Origin

2.1 Introduction

This section provides a brief overview of the origin of the Gateway for Growth programme alongside the socio-economic and policy context within which the programme sits.

Summary

- Gateway for Growth emerged from the Regional Growth Fund (RGF) programme through the Wave 2 Growth Hubs (W2GH) – a nationwide submission for round two of the RGF.
- The W2GH programme seeks to intervene across three areas; bespoke business, innovation and trade support, management and strategic co-ordination of provision and the establishment of a one stop shop.
- Whilst the landscape of business support provision differs between Swindon and Wiltshire, the industrial structure (sectoral breakdown) and make up of businesses within each industrial sector is broadly similar with any significant variance limited to specific sectors (ICT and Agriculture for example).

2.2 National Policy

2.2.1 Regional Growth Fund

The RGF was initially identified as a policy intervention in 2010 to address levels of dependency on the public sector for employment. The emphasis of the programme was therefore focussed on supporting the private sector to expand through the provision of government investment with a focus on job creation.

The RGF seeks to be a flexible fund awarded through a series of rounds on a competitive basis. The programme commenced in 2011 and is planned to run until 2017 with funding jointly administered by the Department for Business Innovation and Skills (BIS) and the Department for Communities and Local Government (DCLG).

2.2.2 Wave 2 City Deals Growth Hubs

The Wave 2 Growth Hubs (W2GH) programme represented a nationwide submission for round two of the RGF with the aim of supporting cities by creating a growth hub for their area, designed to promote economic prosperity and to work with local businesses, providing them with access to a national network of resources. The hubs would then serve as a single point of reference for SMEs.

Prior to the W2GH programme, there were only four regional Growth Hubs in the UK². The aim through W2GH was to create an additional 15 of these Hubs.

The opportunity to bid for the Wave 2 Business Growth Programme (W2BG) arose in October 2013 and was opened up to bids from successful Wave 2 City Deal areas for submission in November 2013. Whilst the programme is funded through the RGF it is being managed by Lancaster University on behalf of BIS.

The Wave 2 Growth Hub Programme is managed across two main groups at Lancaster University: The Knowledge Exchange and Research Group and the Programme Secretariat. The Knowledge Exchange and Research (KE&R) Group are responsible for leading the strategic direction of the programme. They provide supportive development of the Wave 2 Growth Hub (W2GH) network by bringing expertise and knowledge of “what works” with SMEs.

The Programme Secretariat based in Research and Enterprise Services at Lancaster University provide support and guidance to cities regarding Regional Growth Fund eligibility, process and procedures for claims and reporting and maintaining audit information.

The specific areas for intervening through the W2GH were across three main areas:

- **Create bespoke business, innovation and trade support:** the provision of resources to address serious gaps in the provision of business, innovation or trade support available to local businesses, this should not lead to overlap or duplication of existing schemes and, where possible, should be co-designed with national government or other LEPs (e.g. to benefit from collaboration in design and management) and use local funding to amplify/expand the provision of agreed national schemes;
- **Management and strategic coordination:** the provision of resources to improve the efficiency, effectiveness and responsiveness of the local business support offer by understanding customer needs, improving co-ordination with national support efforts, eliminating duplication, evaluating and continually improving performance and closing local initiatives that no longer offer best value for money;
- **Establish a one stop shop:** to raise awareness and increase uptake of public and private business support at both the local and national levels by providing a recognised local point of access for all businesses wishing to access business, innovation or trade support. Improve the impact of national policy by signposting or brokering access as appropriate and establishing close working relationship with government. Improve reach into the local private sector and ensure private sector ownership of business support co-ordination by giving local chambers of commerce a prominent role in the operation of the one stop shop.

² It is understood that the original four included; Greater Manchester Business Growth Hub, Lancashire Boost and the city growth Hub Bristol.

<http://www.lancaster.ac.uk/lums/business/business-growth/programmes/wave2/growth-hubs/>

In addition, the one stop shop function expected of all programme proposals was to commit to the following:

- Target all businesses with an ambition to grow, rather than focusing solely on priority sectors;
- Facilitate a single conversation with local businesses, raising awareness and uptake of public and private sector support at both the local and national levels;
- Provide a light-touch diagnostic and triage function that directs businesses to the most appropriate support;
- Ensure that any online portal:
 - Aligns with the national portal on gov.uk and links to national campaigns, such as the 'GREAT' SME campaign
 - Provides fast access to local and national support schemes
 - Makes full use of existing national assets, including web content, the Business Link helpline, mentoring resources etc...
- Complements and enhances national provision;
- Introduce an effective monitoring framework to measure performance, including awareness, uptake and effectiveness of schemes and share data and insight at a granular level with BIS to improve the effectiveness of business support policy; and
- Ensure an effective governance structure is in place with the option for representation from all relevant stakeholders, including the local chamber of commerce and central government representatives where appropriate. This will include ensuring key roles are appropriately resourced and that growth hubs/one stop shops have the capacity to deliver their objectives.³

2.3 Swindon and Wiltshire

The Swindon and Wiltshire area is home to around 690,000 people with approximately 25,400 businesses, 22% in Swindon and 78% in Wiltshire. There is significant disparity in productivity within the area with GVA per head in Swindon amongst the highest in the country outside London whereas in Wiltshire GVA per head is below the national average. However, demographic (i.e. a higher proportion of the population that are retired) and commuting factors contribute at least in part to this disparity and it is understood that GVA per hour worked or per FTE generates a far smaller variance.

³ Adapted from the Swindon and Wiltshire Growth Hub Pilot Evaluation Brief, February 2015

The Strategic Economic Plan for Swindon and Wiltshire Local Enterprise Partnership identifies a series of key sectors which in some cases may need proactively supporting in their growth where there are opportunities to capitalise upon or market failures to address.

The key sectors identified are:

- Advanced engineering and manufacturing;
- Military and defence;
- Health and Life Sciences;
- Information economy including digital industries and information technology;
- Professional and business services;
- Tourism;
- Land-Based industries including food.

Throughout the duration of the G4G pilot the strategy for the delivery of the next round of European Structural and Investment Funds has been developed. The strategy⁴ was published in 2014 and sets out the plans for spending EU funds in the LEP area over the 2014-2020 period. The strategy includes a thematic group for **SME growth** which includes an activity based around **competitiveness support for SMEs** (provision of start-up support and specialist business support services).

The strategy⁵ proposes that competitiveness support for SMEs should be delivered through a single business support service across Swindon and Wiltshire to address weaknesses in the local economy, particularly for SMEs and should provide access to general advice and start-up support as well as specialist services. It should also aim to support exporting, resource efficiency, process innovation and entrepreneurial activity.

Within the strategy it is proposed that all advice should be facilitated through a single hub in order to simplify the business support offer and customer journey. However, the interventions shall fall into two interlocking service areas:

- **Provision of general business support and start-up service**
- **Provision of specialist advice to support growth and resource efficiency**

It is stipulated within the strategy⁶ that the second element of the service (specialist advice) should build on the activity of the Gateway for Growth (G4G) pilot. In terms of the appropriate vehicle for delivery, the strategy suggests that these services should be delivered by a single operator to simplify the customer journey for beneficiaries, reduce marketing costs of the scheme, minimise double-handling of information and encourage supportive relationships.⁷

⁴ European Structural and Investment fund Strategy 2014-2020, SWLEP, May 2014 - <http://www.swlep.biz/resources/document635584925770976000.pdf>

⁵ European Structural and Investment fund Strategy 2014-2020, SWLEP, May 2014 - <http://www.swlep.biz/resources/document635584925770976000.pdf>

⁶ Ibid

⁷ Ibid

2.4 Business Support Provision

The approach to publicly funded business support differs significantly between Swindon and Wiltshire, particularly prior to the commencement of G4G which represented the first SWLEP wide approach to the delivery of business support.

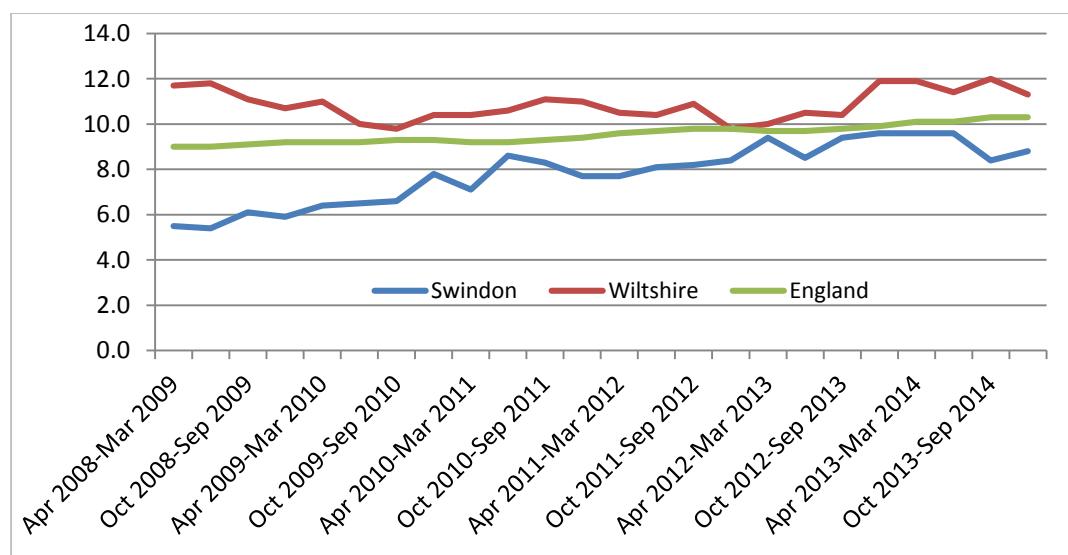
In Wiltshire, publicly funded business support to pre-start, start-ups and SMEs has largely been delivered through the Wiltshire Business Support Service (WBSS). WBSS typically offer an information, diagnostic and brokerage model in addition to the provision of a series of events and seminars. There is also a network of Enterprise Centres across the county (delivered through The Enterprise Network (TEN) project) that in addition to their roles as incubators, seek to act as hubs for the provision of business support, events and seminars in partnership with WBSS. In addition, Wiltshire Council delivers support to many of the county's leading employers through its Wiltshire 100 programme.

In Swindon, public sector intervention at the pre-start and start up level is primarily focussed on under-represented groups, those that are unemployed or reside in areas identified as suffering from socio-economic deprivation. There is also a significant account/relationship management provision for the swathe of large companies in Swindon who each play a major role in contributing to the economic prosperity of the borough.

2.5 Business Demography

In terms of the industrial structure and make-up of businesses in the two areas, self-employment rates as illustrated in figure 2.1 below highlight that Wiltshire experiences rates of self-employment significantly higher than those found in Swindon or indeed England. Over the five-year period there has been a narrowing in the disparity between self-employment in Swindon and that in Wiltshire with the prevalence of larger businesses within Swindon is likely to have a deflationary effect on the self-employment rate.

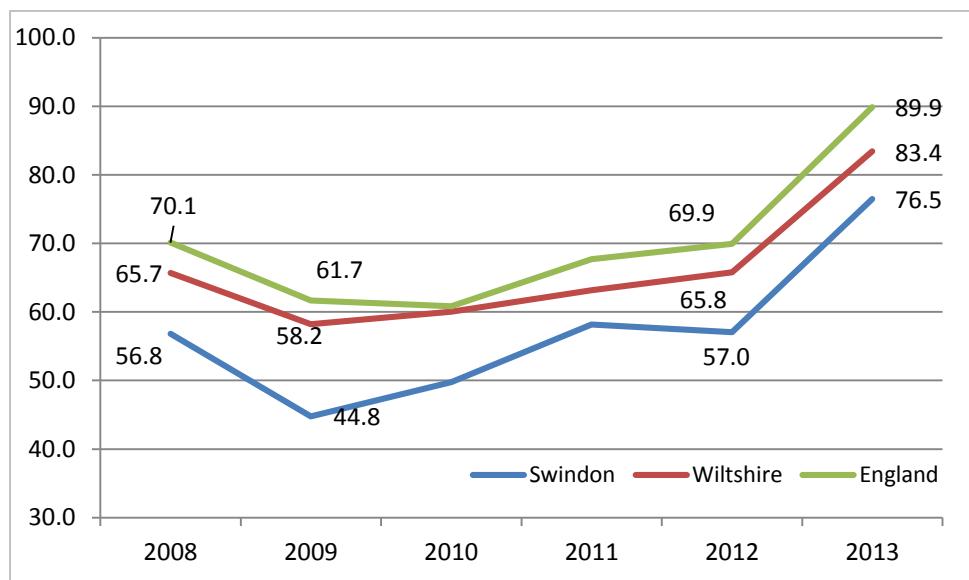
Figure 2.1: Self-employment rates amongst the Working Age Population



Source: Annual Population Survey/Local Labour force Survey

Figure 2.2 below considers entrepreneurial activity further through an analysis of business birth (registration) rates. The data illustrates an improving rate of entrepreneurial activity in Wiltshire and Swindon. However, the rates remain below the national average. Swindon's rate has improved significantly from a very low base in 2009. To contribute to the data that forms part of this analysis requires a business to register for VAT or to commence a PAYE scheme therefore the fall in Wiltshire's performance relative to England suggests a greater prevalence of lifestyle businesses within the county.

Figure 2.2: Start Up Rates per 10,000 of the Working Age Population



Source: ONS Business Demography and Annual Population Survey

2.5.1 Business Stock

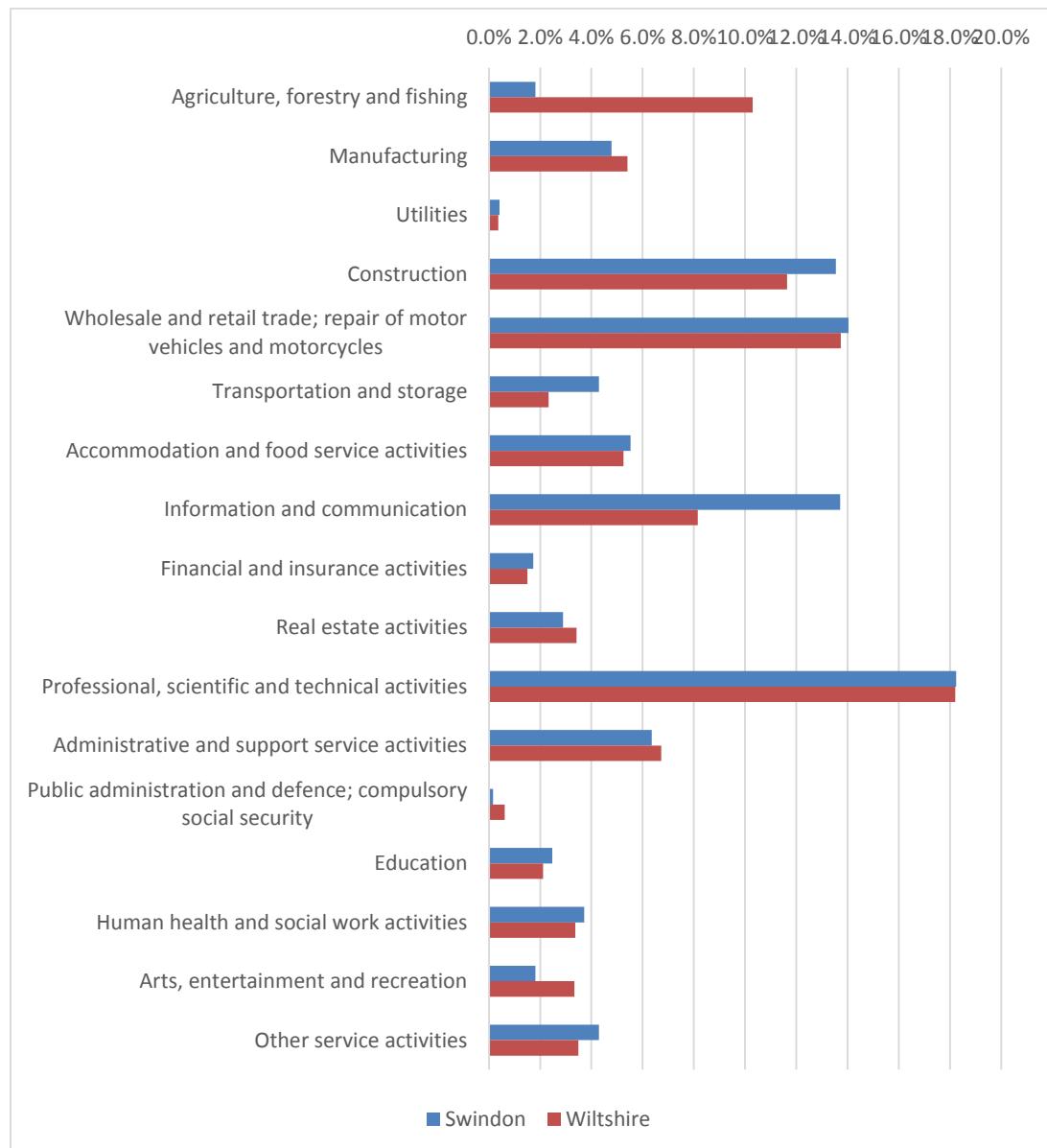
Both Swindon and Wiltshire have experienced growth in the stock of businesses in their area over the last few years. The number of businesses according to the IDBR in Swindon has grown by in excess of 15% over the 2011-14 period, compared to growth of 6.5% across Wiltshire. By comparison, England has experienced growth of 9.5% of the same period of time.

However, whilst the rate of growth in business stock is more rapid in Swindon (which appears to contradict the lower business birth rates above) from a stock per person perspective the borough is starting from a low base, as in 2014 there was estimated to be one business for every 12 residents of a working age in Wiltshire compared to one business for every 23 residents of a working age in Swindon⁸.

⁸ Mid-year population estimates (2013) for 16-6 years and UK Business Activity, Size and Location for 2014, ONS

In terms of the industrial breakdown of that business stock, figure 2.3 below illustrates that in many broad industrial sectors the proportionate breakdown of businesses in the two areas is similar. The most significant discrepancies exist within Agriculture (which is far more prevalent in Wiltshire than it is in Swindon) and the Information and Communication (ICT) sector (which is far more prevalent in Swindon than it is in Wiltshire).

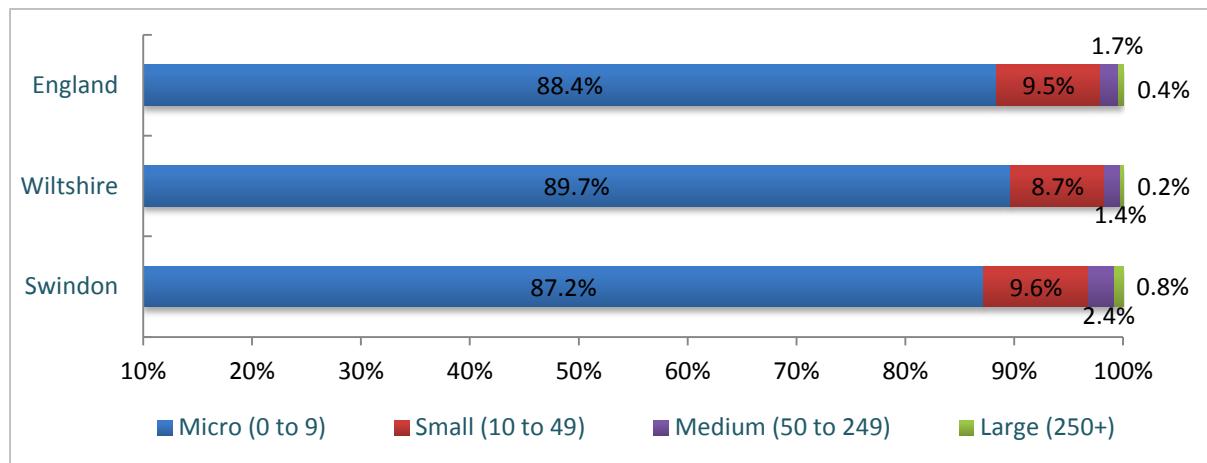
Figure 2.3: (Broad) Industrial Breakdown of Business Stock in Swindon and Wiltshire



Source: Business Counts – Interdepartmental Business Register (IDBR)

In considering the nature of that stock, figure 2.4 profiles the size of the businesses in each area. It illustrates, as expected, a greater proportion of businesses of a medium to large size in Swindon (3.2% of all stock) compared to Wiltshire (2.6%) and the national average (2.1%). For small businesses (those employing 10-49 employees) who were (along with medium-sized businesses) the focus of the Gateway for Growth programme there is a slightly greater proportion in Swindon (9.6%) compared to Wiltshire (however in reality these differences are marginal).

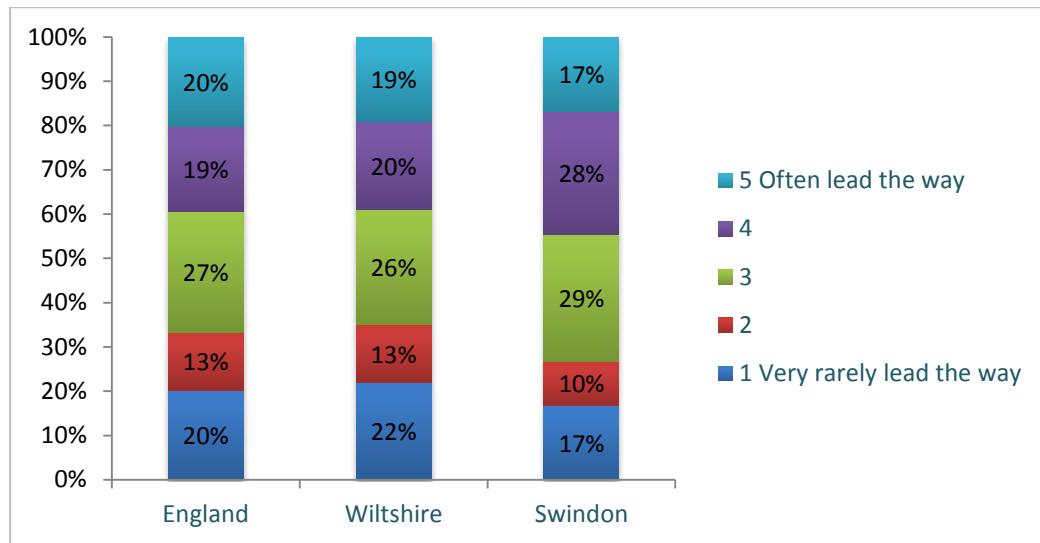
Figure 2.4: Business Stock by Employment Size Band



Further evidence of trends amongst businesses can be identified through analysis of certain questions within the national employer skills survey. The survey includes a series of “positioning” questions for businesses including the question analysed in figure 2.5 overleaf where business are asked to speculate on their level of innovation. The figure illustrates that Swindon businesses more often perceive themselves as leading the way in terms of developing new products, services or techniques than in Wiltshire or England with 84% rating themselves as at least three out of five (compared to 65% of respondent businesses in Wiltshire). However, analysis of patents data (and specifically the number of patents per 100,000 of the population) describes the area as a whole as innovative⁹ so the data needs to be treated with some caution.

⁹ Disaggregated data is available for Swindon (see centre for cities) which suggests that Swindon’s level of patents doesn’t out-perform Swindon and Wiltshire’s thereby suggesting relatively similar rates of patents across the LEP area

Figure 2.5: Business Approach: Where establishments see themselves on a scale from one to five - where one is their establishment very rarely leads the way in terms of developing new products, services or techniques and five that they often lead the way

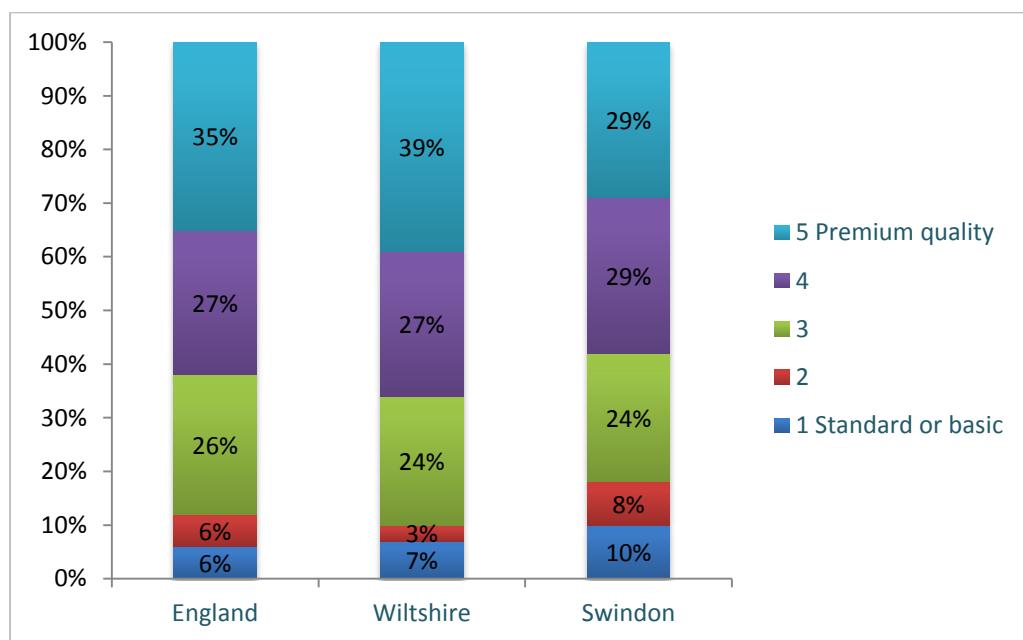


n=75,255 England, 762 Wiltshire, 240 Swindon

Source: UKCES Employer Skills Survey (2014)

Conversely, when asked about the “quality of services”, responses suggests that businesses are more likely to be providing standard or basic products in Swindon than they are in Wiltshire with Wiltshire more likely to offer premium quality services than in either England or Swindon.

Figure 2.6: Where establishments see themselves on a scale from one to five – where one is competing in a market for standard/basic products or services and five they a competing in a market for premium quality services



n=75,658 England, 640 Wiltshire, 198 Swindon

Source: UKCES Employer Skills Survey (2014)

2.5.2 Summary

The landscape of public funded business support has differed significantly between Wiltshire and Swindon, however, the socio-economic analysis presented above shows that the needs of the two areas are broadly similar. The industrial profile is similar, outside of the ICT and Agriculture sectors and start up and self-employment rates are converging and whilst lifestyle businesses appear to be more prevalent in Wiltshire, most elements of business activity show only marginal variances. Collectively therefore the data suggests that a consistent approach to business support across the entire SWLEP would seem possible, and indeed, appropriate.

3 Project Delivery

3.1 Introduction

This section provides an overview of the experiences in delivering the project from the initial application. It draws primarily on the perspectives of those engaged as part of the stakeholder consultation process.

Summary:

- Gateway for Growth involved the provision of a web portal, one to one advice and grant aid.
- The programme suffered from very tight timescales, particularly in relation to the expenditure of grant aid which became the focus of the programme in the initial months.
- The web portal has gained increased focus as the programme has progressed although perspectives on its usefulness amongst stakeholders are varied.
- There was an initial lack of clarity on the administrative requirements of the programme which were ultimately more rigorous than anticipated, however, strong administrative systems within the programme team (Wessex Association of Chambers of Commerce (WACC) and Wiltshire Council) have proved very successful in dealing with these.
- The programme has provided an opportunity to trial the delivery of a consistent business support offer across Swindon and Wiltshire.

3.2 Gateway for Growth Delivery Model

3.2.1 Delivery Model

The model set out within SWLEP's W2GH application (branded the Gateway for Growth Programme) centred on the provision of a web based portal as the one stop shop, whilst those businesses those showing growth potential gained direct support from Business Managers. For direct support, the three Chambers of Commerce (Wessex Chamber of Commerce, Business West and Swindon Thames Valley Chamber of Commerce) were considered important routes to engagement. Furthermore, those businesses showing growth potential could also potentially access grant aid through the Gateway for Growth grant. The support to businesses was undertaken with the intention to focus on three work streams (with the assumption that national delivery partners would play a role in this delivery):

- Developing new markets (Exporting) – (It was expected that UK Trade and Investment (UKTI) would take a lead on delivering this strand);
- Developing new products/processes (Innovation) – It was expected that the Manufacturing Advisory Service (MAS)/Innovate UK would take a lead on delivering this strand); and
- Developing Leadership/Management capacity (Leadership & Management)

For those with more modest growth ambitions the portal would be the primary access point which through a subsequent telephone would diagnose issues for the business at point of contact and then refer the business to any necessary local or nationally available business support. The portal would build on emerging infrastructure established by WBSS whilst events would be used to build the profile of the scheme amongst businesses. As mentioned earlier within the report, the diagnostic, brokerage system was already in place, however—the additional investment enabled a strengthening and tweaking of this model with an enhanced focus on more intensive support to those businesses that showed the strongest growth orientation.

In terms of direct, intensive business support, the project aimed to support at least 350 “growth” businesses between January 2014 and March 2015.

Support would take the form of:

- Access to grant funding (£800K) in the form of individual grants of £5K-£50K matched on a 2:1 business/public sector basis.
- Free diagnostic meeting(s) with a team of qualified Business Managers providing referral access to national programmes, regional resources and/or local (commercial) assistance.

The nature of support offered to individuals would be a combination of advisory support through revenue funding (primarily via the public sector match of the existing Wiltshire Business support Service) and grant aid for capital works. SWLEP put in £50k match for a Business Manger to work in Swindon.

In terms of the nature of businesses that were being targeted with “direct support”, as stated earlier they needed to show growth potential and there was also a desire to target “mid-sized enterprises”¹⁰ (described as those with 10-50 employees and typically with turnover in excess of £500,000) who were seen to offer the greatest potential to deliver growth to the local economy through organic development, innovation and product/service development or/and access to new markets.

3.2.2 Application

The launch of the programme and the associated announcement for bid submissions were perceived as extremely short. Following submissions the announcement of SWLEP’s successful application was accompanied by a desire for the project to commence only a few weeks later. Reportedly, confirmation of SWLEP’s success was provided on the 28th November 2013 whilst delivery was expected to commence on the 1st January 2014. When the seasonal break is factored in, this equated to only two to three weeks preparation time which was widely felt to be far too short for a project of this scale.

¹⁰ Although officially these would be described as small businesses based on SME definitions

3.3 Project Commencement

Whilst the bidding process had primarily been driven by SWLEP and WACC it became increasingly apparent for the need of Wiltshire Council as the Accountable Body for the project. The council were therefore brought in just prior to the commencement of the programme but this did create some initial operational delays in terms of setting up the grant scheme criteria and the monitoring and evidence systems for the project.

The tight timescales associated with award and delivery led to the project commencing without the eligibility criteria for grants being fully in place. G4G was launched through several means, including events at Centre Parcs (Longleat) and in Swindon where businesses were invited to attend to find out more about the funding and the eligibility criteria.

Delivery commenced with expedience, reflecting the fact that the £800,000 of grant associated funds need to be awarded and spent by March 2015 thereby providing a very small window for this element of the project. Unfortunately this did lead to one or two isolated instances where a business that thought they may be eligible for the funds were ultimately ineligible. However, it did provide the opportunity to commence delivery immediately from launch.

During project delivery it became apparent that the levels of public sector match funding for the project would need revising down. Initially it was assumed that UK Trade and Investment (UKTI) and the (then) Technology Strategy Board (TSB) would be putting in match funding of £200,000 for the programme to reflect the fact that referrals would be made to these teams. However, after some discussion and deliberation it became clear that this funding would not be made available as in UKTI's instance all of their resource had been already matched to European funding. With regards to TSB the G4G team were unable to engage with them locally and it became apparent that they would not be active in the programme, something that anecdotally has been experienced across other W2GH areas and was likely related to a change in their emphasis and name (they are now called Innovate UK).

In terms of public sector match this left £50,000 of match funding from SWLEP which paid for the appointment of a Business Manager to cover the Swindon area and £250,000 of match from Wiltshire Council through the realignment of their existing business support provision from WBSS.

3.4 Governance

The programme was overseen by a Governance Group which included representatives from SWLEP, Wiltshire Council (as accountable body), WACC, UKTI, Thames Valley Chamber and private sector representatives who meet quarterly and were tasked with:

- Appraising the performance of the programme at regular intervals and oversee the sustainability of the programme deliverables as stated in the overall and quarterly delivery plans;
- Identifying opportunities arising from the programme that maximise aspirations as set out in the SWLEP Strategic Economic Plan;
- Acting as the formal link between the Programme, SWLEP Board, media and delivery partners;
- Providing assurance reports and updates to the SWLEP Board and external stakeholders/funders as required;
- Reviewing the grants criteria, overall process map and to critique the programme risk register.

The aim was to also have representatives from the other Chambers of Commerce (Swindon Chamber and Thames Valley Chamber) however, they are yet to attend, and private sector representatives two of whom unfortunately resigned from the group. Collectively these issues provided something of an imbalance in representation with the majority of governance group representatives from Wiltshire. However, Swindon Borough Council were recently invited to attend the group and did indeed attend the last meeting and plan to continue to regularly do so.

The Grants panel included a representative from SWLEP and several private sector representatives. The grant panel typically met on a monthly basis to review the grant applications. However, the panel would be cancelled if one or two members were unable to attend. A postponement would then impact on the grant applications which some found frustrating when this did occur.

3.5 Progress in Delivery

Table 3.1 overleaf summarises the key output measures for the G4G pilot. It illustrates the expectation that job creation figures will continue beyond the initial timetable. The table illustrates that the programme has fallen slightly short on the number of businesses engaged and very slightly short on the grant awarded but within 10% tolerance levels. However, the level of private sector funding levered into the programme has surpassed expectations. Furthermore, the number of jobs created is currently ahead of profile.

Finally, the only core target where a significant shortfall is evident is for the number of individuals receiving a recognised qualification, it should be noted that the extent of referrals to learning provision, specifically for management and leadership training were revised down when it became apparent that the level of demand for this form of support was lower than anticipated with participants businesses more interested in softer, flexible learning rather than participation in more formal leadership and management training. Furthermore, a target within the application for safeguarded jobs was removed from the project, its original inclusion as a target, is in hindsight felt to be something of an oversight as the emphasis of this project is on job creation rather than on safeguarding jobs for organisations that are in danger of contraction.

Table 3.1: Progress to Date (end of March 2015) Against Core Programme Outputs

Key outputs/results/impacts	2013/15		2015/16	2016/17
Core targets	Cumulative target	Actual	Target	Target
Jobs created	90	120	50	100
No. businesses engaging with the project	350	309	400	500
Grant awarded	£800,000	c.£781,000 ¹¹	-	-
Private sector investment levered	£1.6m	£1.84m ¹²	-	-
Supplementary target				
No. individuals receiving recognised qualification	100	23	-	-

Other additional measures of progress includes:

- 155 referrals to national/regional/local solution providers;
- 179 businesses intensively assisted (grant application, diagnostic support, solution provider referral, etc...);
- 24 grant contracts approved.

3.6 Project Delivery

3.6.1 Diagnostic and Brokerage

The diagnostic and brokerage offer built on the model of service delivery offered by WBSS. The diagnostic where both need and opportunity (in terms of growth) is identified can lead to the provision of mentoring and coaching from specialist advisors, with the support then being purchased by the business.

¹¹ Estimated grant spend based on feedback at Governance Group in May on approved applications

¹² Based on data contained within the claims Progress monitoring report

Where the business showed significant growth potential and appeared eligible, they were presented with the opportunity to secure a grant via Gateway for Growth. It should be noted that engagement with potentially eligible clients for the grant was often proactive by the Business Managers through the use of their existing CRM systems and their knowledge of strong businesses within the field (in addition to the reactive approach through the events and via the portal and WBSS) this has been explored further through the business survey in section 4.

3.6.2 Gateway for Growth (G4G) Grant

With such a large proportion of the budget targeted at grant investment in growth potential businesses the primary focus for the project team over the first six months was on engaging target businesses that would benefit and deliver on the desired outcomes through the grant support. The launch of the grant scheme was also aided by the fact that Wiltshire Council together with WBSS had developed systems and processes from previous grant schemes (most recently the Rural Economy Grant and the Specialist Business Advice Grant) that could be adapted and enhanced to reflect the requirements of the G4G grant.

In terms of the target cohort, typically Business Managers felt that the grant would only typically garner interest from those businesses with a turnover of up to £25m as beyond this they would be able to self-finance works.

The grant aid was highly effective at gaining the attention of businesses of this scale – a cohort that typically proves challenging to engage by business support providers, however, it was acknowledged that it was difficult to sustain any relationship borne out of brokerage alone if the business was ultimately ineligible or unsuccessful in gaining the grant or indeed once the grant had run out.

A diagnostic would initially be undertaken by a Business Manager to identify the nature of funding a business needed and the potential return that would be gained from that funding, particularly in terms of job creation. In relation to the grant itself, the Business Managers felt that the ability to use the grant funding to pay for machinery or equipment was a significant departure from previous grant aid as it gave a business something tangible from the financial support received.

Grant Process

The process for applying for a grant following the initial engagement and diagnostic with the Business Manager involved working with the business in the development of the application. The application was then sent through to the financial team at WBSS for an appraisal (primarily) from a financial perspective. This initial appraisal was then sent through to Wiltshire Council's (as the accountable body) compliance team.

If approved by the compliance team the application was taken to the grants panel for review. Stakeholders estimated that between 60 to 70% of grant applications that were ultimately completed were successful.

One challenge associated with appraising the applications related to the applicants' ability to pay for the works themselves. If an applicants' business was seen to be in rude financial health then it was hard to justify awarding a grant if the business was clearly in a position to pay for the works themselves. At the other end of the spectrum, if a business was seen to be struggling financially, there would be question marks over their ability to provide the match funding for a scheme and again this could lead to rejection.

Grant Success

The tight timescales associated with the grant money provided significant constraints on the ability to identify and engage the strongest prospects for the funding. Inevitably this led to a targeting of businesses that were looking to grow but perhaps not of the scale or of the emphasis originally aspired to within the application. This was met with varying frustration by a number of key stakeholders who felt that, were additional time available, a far more strategic approach to business engagement could have been achieved, focusing for instance, on identified key sectors and those with the highest growth potential within the LEP area. This perhaps influenced the relatively low success rate at grant appraisal stage with some panel representatives expressing surprise at the general quality of some submissions.

The very fact that WBSS had built a strong presence within the Wiltshire business sector enhanced the potential for delivering this level of grant aid to eligible businesses, by way of example, of the 24 who ultimately successfully secured grants, 19 were based in Wiltshire. Without this existing infrastructure it is highly unlikely that the programme would have been able to commit that level of grant aid.

In Swindon the lack of a previous extensive business support model meant that the relationships had to initially be established. It is therefore commendable that the Business Manager in Swindon secured five successful grant applications and secured grant investment for businesses within the borough of £180,000.

Once the grant was fully committed, support to this target cohort of businesses was centred on the diagnostic and brokerage model once more but this brings limited appeal to businesses of this scale who are typically already aware of the available support on offer and for some it simply limited to the identification of commercial support offer that was of most use.

3.6.3 Web-Portal

The web portal was set up as Wiltshire Business Hub (<http://wiltshirebusinesshub.co.uk/>) with the aim of acting as a gateway to all available national and local business support. Whilst the portal is a key element of the programme it was side-lined somewhat at the start of the programme to focus on the launch and initial delivery of the grant scheme.

When the portal was first developed it was felt to be dominated by Wiltshire provision with little evident for Swindon which was a reflection of the fact that WACC were centrally involved in the programme whilst there had been limited involvement at the service delivery level from Swindon representatives.

The web portal has been continually refined and developed through the programme and includes a host of information on different elements of support that are available both at the local and national level. The navigation of the website places an emphasis on channelling users who need support to enquire via a single phone number. A lack of a registration form for information may be a missed opportunity in respect of capturing potential businesses for a CRM system, however, stakeholders preferred the focus on the telephone number as it would enable a full diagnosis to then be undertaken with the client.

Stakeholders remain of the opinion though that the portal has an inherent Wiltshire bias to support provision although this may be a reflection of the extent of support available within each authority area and also due to the fact that the hub does not have Swindon in its title. It should be noted that there has never been a complaint about the exclusion of Swindon in the title and some perceive Swindon to still be part of Wiltshire, however, the inclusion of Swindon may assist in addressing that bias and would bring it into line with the terminology used for the LEP.

Stakeholders have also queried the usability of the portal with several describing it as fairly difficult to navigate and the evaluation team, having trialled the website on several occasions, would concur with this judgement. A further challenge for the portal is ensuring that it remains both contemporary and reflective of the latest business support provision that is available, by way of example the Gateway for Growth grant remained (at the time of writing) advertised on the portal despite the programme having closed several weeks ago,.

The comprehensiveness of the website will no doubt be aided by the business support simplification research being undertaken (also funded through this programme) which will help identify the breadth of support available and any duplication in the offer.

Analysis of usage of the portal has found that there are, on average 2,500 unique visitors to the portal per month and a total of 10,000 unique website users to date.

Users tend to, on average, stay on the portal for around three and half minutes and access, on average, 3.42 web pages per visit. There have been 2,600 clicks through to national programmes from the portal whilst there are about 25 referrals from initial engagement through the website portal per month.

In isolation the figures make it difficult to provide a clear judgement on how successful therefore that the portal has been although the portal is clearly benefiting from significant usage. The provision of web analytics over a series of months (to identify trends in usage over time) may assist in judging its performance and progress in becoming the portal for Wiltshire and Swindon.

3.7 Partnerships and Referrals

3.7.1 Local Referrals

A critical success factor in the delivery of this programme was referred to as the strategic management and co-ordination of business support. The portal is clearly the vehicle for achieving a greater sense of co-ordination, however, it also requires strengthened partnerships and referrals of increased frequency amongst business support providers. In Wiltshire, where the WBSS has cemented itself as the leading provider of local business support, the extent of partnership and referral activity is perhaps less necessary (but of great importance), in Swindon, where the Business Manager was seeking to build relationships and identify companies that had previously had no engagement, referrals would be critical to the extent of success achieved. However, the reality was that very little in the way of referrals came forward from local support providers with Business West referring two businesses and Forward Swindon offering a similar number of referrals whilst no referrals were secured from either the Swindon or the Thames Valley Chambers of Commerce.

3.7.2 National Referrals

There has been limited engagement with national publicly funded business support providers with changes in provision and structure amongst key organisations at the national level and a lack of clarity of the role these providers could play in terms of both governance and match funding hindering progress.

Where referrals have been from the Wiltshire Business Hub or Business Managers to the national business support offer and equally where national providers have referred down to the local offer, an inability to share contact details has severely impacted on judging the effectiveness of these referrals. A lack of contact sharing due to concerns associated with data protection means there is no way of tracking or following-up on a referral and therefore no way of identifying whether a referral was fulfilled, whether it was an appropriate referral or whether the process of referral has been handled well.

Despite these frustrations, relationships with national providers have reportedly strengthened throughout the delivery of the programme and there is now talk of co-location of service provision, with, for example enterprise centres being used as a touch down point for Innovate UK staff. It is felt that these relationships would benefit from some level of formalising further to ensure that service delivery is more of a collaborative approach going forward.

3.8 Continuity of Business Support

The G4G programme represented the first business support programme co-terminus with the SWLEP boundary. In being so it has sought to bring about a greater level of continuity in public sector business support provision. Whilst there has been continuity in approach the intervention has sat within two very different existing structures for publicly funded business support at the local level. Whilst the differences are apparent, the needs and nature of businesses within the two locations are largely similar thereby suggesting greater continuity can be achieved.

The model is clearly Wiltshire-centric, partly due to the existing publicly funded support infrastructure and also due to WACC leading on the project and this has created many challenges for service delivery in Swindon where a different model of service is delivered compared to that of WBSS. As a result this reportedly limited the scope for referring Swindon based businesses to locally based support. However, stakeholders were quick (and right) to highlight that this was a pilot programme and a very useful learning experience particularly given the imminent arrival of the European Structural and Investment Fund programme (see section 2 for further details on those plans).

3.9 Programme Monitoring

The programme was initially coined as “light touch” from a monitoring and administrative perspective by BIS. However, following programme commencement it emerged that the monitoring requirements would be reflective of European Regional Development Fund (ERDF), an approach which is administratively bureaucratic.

The transition to this requirements placed a greater than anticipated burden on the delivery team to ensure that processes and systems were adherent to the requirements which may have led to an under costing of the level of administrative resource required.

Despite the increase in tasks, stakeholders were widely complementary of the monitoring administrative systems applied by the programme team (within WACC and Wiltshire Council) which several described as both rigorous and comprehensive in nature.

Business Managers are regularly engaging with the supported businesses to identify any further support needs and also to capture any further jobs created and whilst capturing supporting evidence on these has proved challenging, significant progress towards targets is being made.

In turn, University of Lancaster as the programme managers have closely monitored the progress in delivery of G4G with audits conducted on each claim and have been very pleased with the responsiveness of the G4G team who they describe as both *“driven and committed”* with *“excellent levels of file keeping”*.

3.10 Stakeholder Perceptions of Success and Impact

Stakeholders were asked to reflect on the success and impact of the programme – there was a perception that perhaps half the grant recipients, who were within a cohort that the publicly funded business support providers had little or no previous engagement with had recognised the benefit of working with the programme. Resultantly, it has led to a perception of greater visibility of the business support offer to these larger companies.

However, it was also recognised that further refinements were required in relation to the proposition for the small and medium sized (as opposed to start-up and micro businesses) businesses as once the grant aid ran out several stakeholders, including Business Managers felt that the traditional brokerage model was limited in its perceived usefulness.

In terms of the grant aid, it was felt that the provision had accelerated the delivery of growth plans but that in all likelihood the returns from this investment are likely to fully emerge over the coming months or in the next year or so.

In relation to the portal, most stakeholders are of the view that this remains work in progress with further investment required to make it more usable and navigable for businesses and to more effectively tie in other public sector support provision.

3.10.1 Lessons Identified

A number of lessons were picked up through the stakeholder consultations including:

- The need for involvement from the Accountable Body at the bidding stage. In doing so this can ensure that processes and procedures in relation to compliance are closer to fulfilment once (if) an application is approved;
- The need for longer delivery time for grant schemes, the challenge of incurring spend over a short timescale has led to some frustrations regarding the quality of some of the applications that ultimately came forward;
- The value of a Programme Compliance Officer and of the monitoring and administrative systems for the programme as a whole;
- The benefit of launching on the back of existing infrastructure (primarily the Wiltshire Business Support service);
- The importance of strong partnerships and recognising the effort required to establish relationships;
- The need to review the specifics around referrals to ensure that data can be shared which in turn would increase the usefulness of support available; and
- The need for clarity regarding the level of compliance required for a programme prior to commencement in order that the administrative demands can be appropriately resourced.

3.11 Future Plans

The team have secured an extension for the Hub for the 2015/16 financial year albeit with a change in focus and no grant funding. The agreed delivery themes are:

- Marketing and communications to support market penetration;
- Portal maintenance and development;
- Events to support public sector procurement transformation;
- Strategic business engagement focussing on priority sectors;
- Business support mapping;
- Programme management, monitoring and evaluation; and
- Business support service delivery including skills brokerage (match)

For the extension, match has once again been secured through the alignment of business support delivery across Wiltshire, however, significantly, £80,000 of match has been secured and aligned through Swindon Borough Council's Skills Brokerage Programme. However the lack of clarity for the extension, combined with the closure of the grant aid has unfortunately led to some stakeholders fearing that the G4G programme may have lost its momentum.

A key influencer on future support provision will be the series of interventions funded through the European Structural and Investment Funds. Section 2 summarised the proposals for these elements as outlined within the ESIF strategy.

Some of these elements align closely with the initial proposals for the extension of the Hub described above thereby strengthening the possibility of a high degree of continuity once EU funding becomes available (likely by the next financial year).

4 Business Perspectives

4.1 Introduction

As part of the evaluation, the evaluation team attempted to engage with businesses who were recorded as benefiting from the G4G pilot programme (either via a grant, through the diagnostic and brokerage support or from the web portal).

Summary:

- The engagement of participant businesses in a survey has proved challenging with businesses (that had not received grant aid) typically struggling to recollect receiving support.
- Grant aid supported a range of elements from software through to business coaching and infrastructure (both premises and equipment). In most instances, (77% of respondents) the works associated with grant aid would have gone ahead, however, the grant aid significantly accelerated their investment (in most instances by at least 12 months).
- Grant aid was described as being most impactful on job creation and business confidence whereas advisory support was most impactful on business planning and management skills.
- The businesses supported through the programme are typically on a strong growth trajectory with average turnover amongst respondent businesses projected to increase by 22%.
- Grant support is estimated to have led to the generation of £1.4m GVA for grant recipients to date with the expectation that this will rise to at least £4.2m. This equates to a cumulative return of £5.40 GVA for every public sector £1 invested.

4.2 Challenges of Engagement

The engagement of participant businesses has proved to be particularly challenging with many businesses (aside from those in receipt of a grant) struggling to recollect receiving support, despite references being made to Business Managers (by name), WBSS, Inspire (the new name for WBSS), or the portal (Wiltshire Business Hub). This finding suggests that a business customer is largely unaware of from whom the support has been received which may not be an issue to that business if they are satisfied with the support on offer but does create challenges when trying to attribute any value derived from support to a particular support provider.

A total of 61 businesses that engaged with the support were surveyed. Of the 238 provided to the evaluation team, 34 of the businesses provided could not recall receiving support whilst 16 had refused and 15 contacts had wrong numbers. Therefore securing 61 business responses to the survey equated to a response rate of 33%.

Of those who responded to the survey:

- 34 (56%) had sought a G4G grant only
- 5 (8%) had sought a G4G grant and other support
- 22 (36%) had received either advice or business engagement support but no grant

Of those that responded to the survey 36%; (22/61) were a member of Wessex Chamber of Commerce with the proportion rising to 44% (17/39) of those that had sought a G4G grant.

4.2.1 Grant Programme

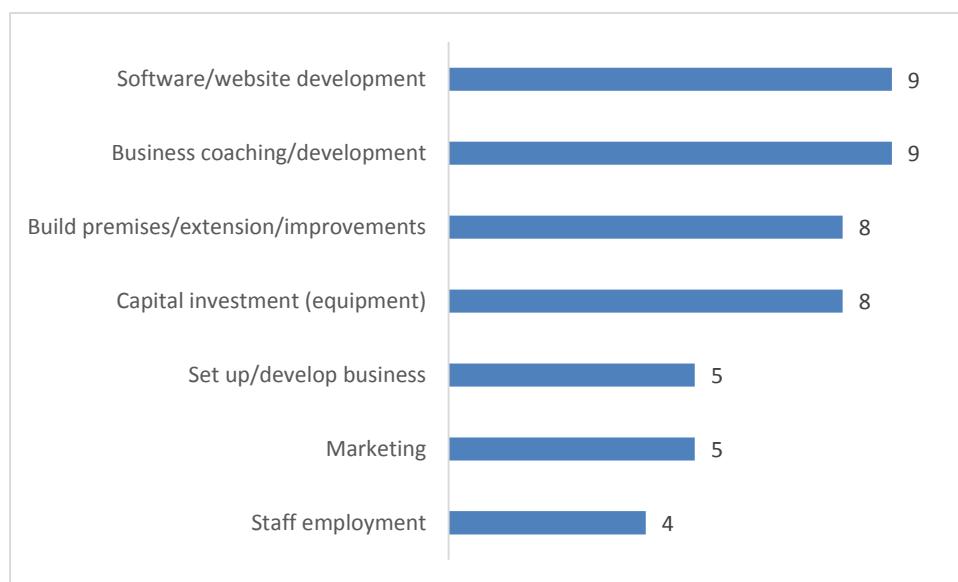
Of the 39 that had sought a G4G grant 22 (56%) were successful, 11 were unsuccessful and a further six made initial enquiries but decided not to apply. 23 of the 39 (59%) proactively engaged about the grant, whilst five heard about it at an event and four saw the grant advertised and just two respondents sought a grant could recall receiving support from WBSS previously.

In terms of grant promotion, 43% (17/39) of respondents described the promotion of the grant as good or very good, 31% (12/39) acceptable whilst 26% (10/39) described it as poor.

In relation to the grant process, 87% of respondents (34/39) could recall having a discussion with a Business Manager about their business needs and the vast majority (91%) felt that this engagement with their Business Manager met their expectations either to some extent (11/34) or to a great extent (20/34).

Respondents were asked what they planned to use the grant support for. Figure 4.1 below illustrates a wide range of uses for the grant, including, website development, business coaching or capital investment in either premises or equipment:

Figure 4.1: Briefly summarise what you planned to use the grant funding for?



n=39 (multiple answers allowed)

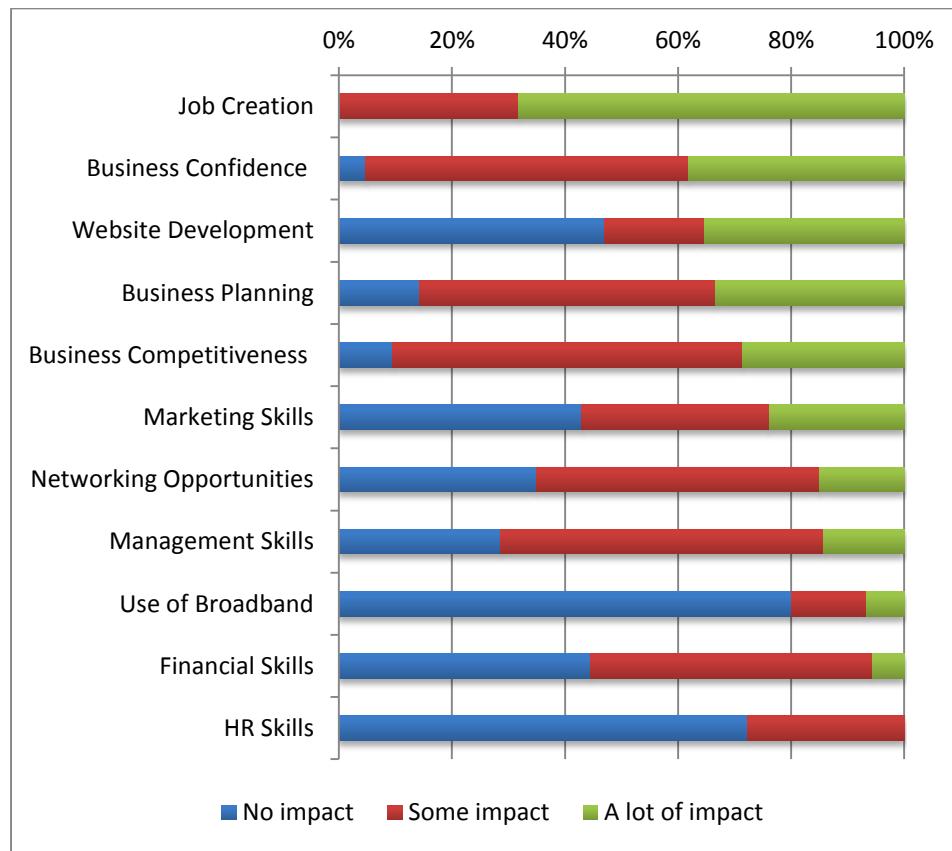
Grant Recipients

The average (mean) rating (out of four with four being very good) in terms of the administration process was 3.3 with applicants who were successful in gaining a grant were very positive about the support they received through this process (with 18 out of 21 who felt able to respond rating the support as four out of four).

Whilst 17 of 22 (77%) grant recipients perceived that the works would have taken place without the grant, 15 of these 17 respondents felt that that the process would have been delayed with 12 of the 15 respondents estimating the length of delay as being at least a year.

In terms of impact arising from the grant, figure 4.2 below illustrates the grant having an impact across a range of elements with the greatest impact assigned to job creation and business confidence. Impact associated with website development and broadband was most closely related to the nature of grant aid received.

Figure 4.2: What impact has the grant support had on your business in terms of...?



n=22

Eight of the respondents (36%) felt that the grant had enabled them to break into new geographical markets (the majority of which were overseas markets), 18 (82%) felt it had enabled them to develop new products or processes whilst 15 (68%) respondents felt that the support had helped to strengthen their business leadership and management capacity. Comments as to why they felt this way included the following:

New Products and Processes

Investment in equipment to help production efficiencies, development investment equipment and software training for the development team and finally, a small investment in website translation.

New software which is key to our production process and has seen a fundamental shift in the production processes.

The whole process of our ways of working have been affected for the better, everything has been improved and is more organised.

Business Leadership and Management

It's been a major project which has demanded management and leadership skills to get the project planned, undertaken and completed.

Part of the grant was for business coaching which helped to improve our skills with regards to running a business, new theories to put into practice and business planning.

Unsuccessful Applicants

Eight of the ten unsuccessful applicants could recall receiving feedback as to why their grant application was unsuccessful, although six of the eight felt the feedback to be unhelpful. Six of the unsuccessful applicants have been able to progress with their works, with two of these having been able to progress with the entirety of their plans despite the lack of grant support. The remainder are looking for alternative sources of funding to complete their works (if they have been able to progress part of it) or to commence the works.

4.2.2 Business Support/Co-ordination Advice

Respondents who received business advisory support were asked as to the specific area of their business that they gained support for. Figure 4.3 below illustrates a wide range of advisory support with planning and strategy related support most commonly referred to.

Figure 4.3: What kind of support have you received?



n=27

When asked how they found out about the support, 14 respondents (52%) referred to someone calling them to tell them about it. This would typically be a Business Manager, WACC in several instances, UKTI. A further five respondents found out about the support through their attendance at an event/seminar.

In terms of the nature of support received through the G4G programme, the most common method of support was one to one meetings (which 85% of respondents referred to), whilst advice over the phone (37%), events (30%) and seminars (30%) also proved popular means for communication.

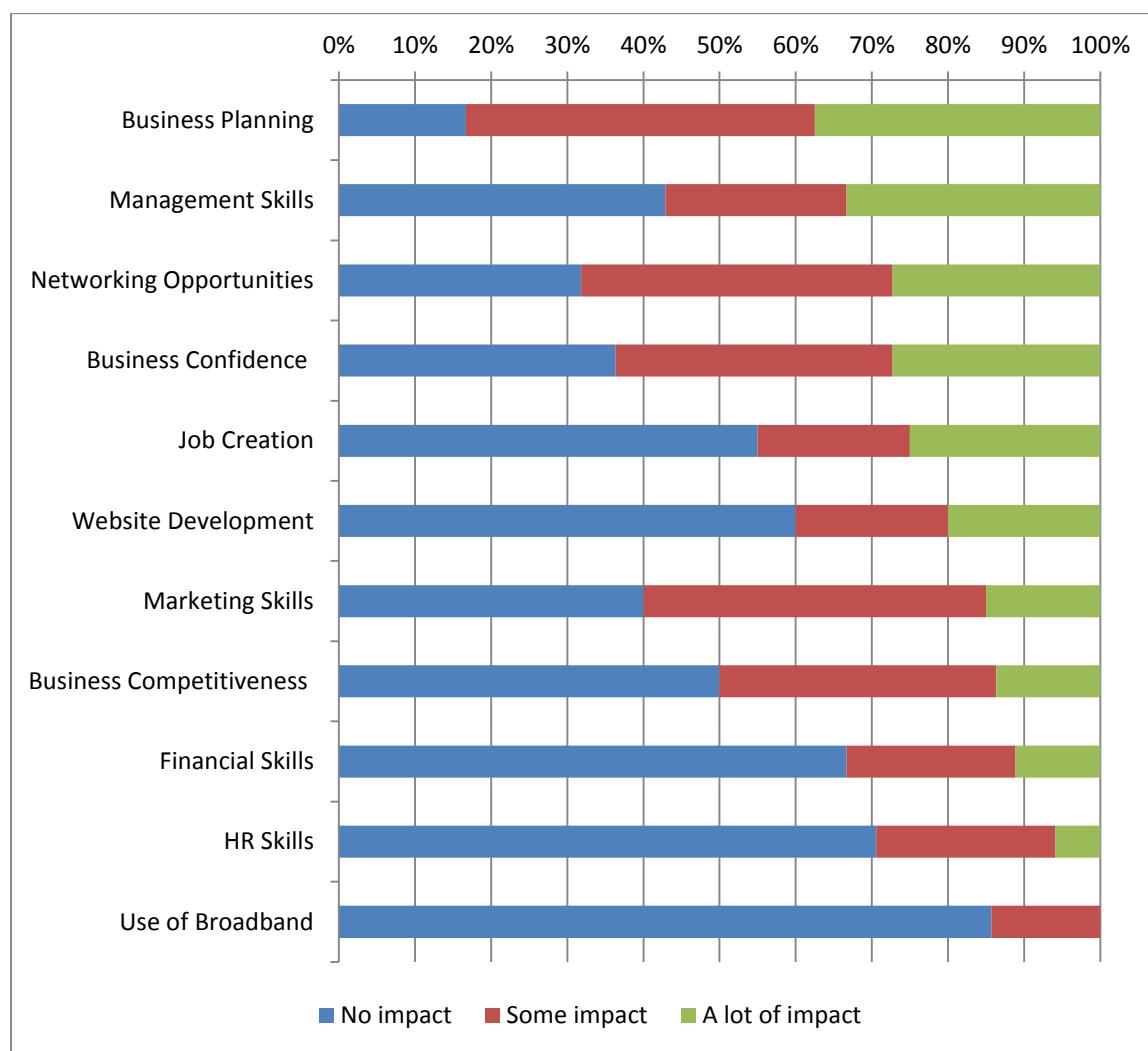
Respondent businesses were asked to rate the quality, range, relevance and usefulness of the support that they had received. The mean average responses provided a high degree of consistency as illustrated by table 4.1 overleaf. The lower ratings that were received (typically those where a rating of five or less was given) most commonly related to the perception that the respondent business had been in receipt of a low level of support and were therefore only willing to provide a lower rating.

Table: 4.1 On a scale of 1 to 10 [1 being poor and 10 being excellent] how would you rate the support you have received from Wiltshire Business Support Service, in terms of:

	Average (Mean)
The quality of the support that you received	7.81
The range of support that you received	7.22
The relevance of the support you received	7.59
The usefulness of the support you received	7.37

When asked to rate the level of impact the support had on their business against the same series of indicators asked of the grant recipients, a different pattern of impact areas is evident with Business Planning and Management typically perceived as benefitting most from the support received.

Figure 4.4: What impact has the support had on your business in terms of...?



n=27

Once again, businesses in receipt of advisory support were asked whether it had enabled them to break into new geographical markets, five respondents suggested it had with five respondents also stating that the support had enabled their business to develop new products and processes. A more popular response was secured when asked whether the support had helped strengthen a business' leadership and management with 11 respondents (41%) confirming it had.

Furthermore, when asked if they would refer others to WBSS 25 of the 27 respondents (93%) confirmed that they would.

4.2.3 Wiltshire Business Hub Website (the portal)

All respondents to the survey were asked questions about the Wiltshire Business Hub website and when asked if they were aware of it, 28% (17/61) confirmed that they were. Respondents were asked to give the website a rating (out of four), seven respondents gave the website a rating of zero, primarily because whilst they were aware of it, they had not used the website.

Others that had used it gave differing views on its usefulness with one describing it as easy to navigate round whilst another felt it to be confusing, on the whole it is fair to say there was little consensus in the portal's usefulness.

Those respondents who were aware of the Hub were asked for their opinion on how effectively the hub is promoted. Whilst two respondents described it as good, the remainder described it as either acceptable (nine respondents), poor (two respondents) or very poor (four respondents). Given that these are only those survey respondents that are actually aware of the portal it is likely, were the question to have been asked of all businesses surveyed, that the number citing poor or very poor would have increased further.

Respondent businesses were asked what improvements could be made to the Wiltshire Business Hub website, comments included the following:

Having proactive alerts so if something is going on that would be relevant to us to let us know.

I'd like it to provide an online space for people to network and to share good practice and that sort of thing.

It's around kind of revisiting what's there and having a bit of a tidy up. Specifically I think making it a little more personalised would help, improving the contact forms to make it feel and look a bit more welcoming.

Something a little more interactive so you can share experiences, ways of working and support with other businesses in Wiltshire.

Think about where their catchment area is, at the moment it's no use to us.

4.3 Economic Impact from the Support

4.3.1 Turnover Performance

The average (mean) turnover amongst those respondent businesses who had completed a financial year since receiving support and were willing to provide details on their turnover (33 of the 61 respondents) stood at £3.16m, whilst the median average was £1m.

When those same respondent businesses were asked for their expected turnover for the current financial year the mean average rose to £3.87m, an increase of 22%, similarly the median turnover also rose, 30% to £1.3m. When the analysis of turnover change is specifically focussed on those in receipt of grant aid the rate of increase in turnover rises to 31% (from a mean average turnover of £1.66m to £2.31m).

4.3.2 Attributing Impact to Turnover Change

Previous Financial Year

Where businesses had initially engaged with the programme in their previous financial year they were asked if the support had an impact on their business performance in that previous year. Nine of the 34 respondents who had completed a financial year since engaging with the Gateway for Growth programme felt that it had impacted upon their turnover in that previous year, seven of these businesses felt the support had a positive impact on their turnover, however, two of these businesses felt the support had a negative influence on their turnover.

All those who felt the support had an impact on their turnover (either to increase or decrease the turnover) described the extent of this impact as marginal and typically between 0-20% of their turnover during that financial year. However, if for instance the mid-point of the 0-20% estimate of attribution was taken (i.e. 10%) and applied to those business' turnover who felt their turnover would have been lower with the support they had received, it equates to the support of around £3.8m of turnover amongst participant businesses (and £1.2m amongst those in receipt of grant support). This is likely however to be an over-estimate, particularly for those in receipt of advisory support only, and future requirements for turnover of businesses of this scale should consider requesting more detailed estimates of additionality based on turnover change (for example a ten percentage point parameter).

Current Financial Year

When asked about their current financial year, 21 of the 61 respondents (34%) believe that if they had not received support via G4G their turnover at the end of the financial year would be lower. Once again the perceived change in turnover influenced by G4G was small with all respondents describing the influence as between 0-20% of the turnover they had secured. However, applying the same approach as that described above would lead to a potential influence on turnover amongst participant businesses of around £7.5m (of which £3.75m is associated with those in receipt of grant support). Once again though, significant caution should be taken with this figure as some respondent businesses may have been estimated a percentage point influence far closer to the lower end of the 0-20% margin which would have a substantial effect on that return, particularly with those in receipt of advisory rather than grant support. However despite this, the importance of the support to companies of a significant size is evident from these response.

4.3.3 Employment

Respondent businesses were asked if they currently employ anyone with 95% (58/61) confirming that they do. On average (mean) a respondent business employed 23 full time staff and six part time staff.

Thirty-four of the 57 respondent businesses (60%) have increased their employment since receiving support through G4G (whilst the number of employees amongst two respondent businesses has unfortunately fallen). Respondent businesses that had seen a change in employment were asked to estimate the number of employees by which their business had increased or decreased by since receiving support. Amongst those who responded to the survey, the net change in employment was an increase of 122 full time staff (79 of these amongst those in receipt of grant aid) and 30 part time staff (nine of these amongst those in receipt of grant aid) since first receiving the support.

Once again, respondent businesses were asked to estimate the extent to which the support had influenced the change in employment. The range of estimations were far broader than those for turnover with some businesses attributing the change employment entirely down to the support they had received. The estimations by respondent businesses of the extent to which employment change could be attribution to G4G support were included within the equation to enable an estimate of net additional employment to be calculated. The application of this process led to the attribution of 40 additional full time staff and 6 additional part time staff to the support received through G4G. However 38 of the net additional full time posts and four of the additional part time posts were attributed by those in receipt of grant support.

4.4 Calculating Programme Wide Impacts

4.4.1 Programme-wide Net Additional Employment

Typically the net additional figures associated with turnover and employment would subsequently be “grossed up” to reflect all businesses supported through G4G rather than merely those who responded to the survey. However, it is inappropriate to apply this approach in this respect as there has been such a range of support (in intensity) received by businesses, ranging from business advice to a large grant. Furthermore, the survey involved consultation with 92% of those businesses in receipt of a grant (22 of the 24 who benefitted from benefitting from a grant) but has only surveyed around 30% of those in receipt of the wider support through the programme.

Therefore a more sophisticated method to grossing up the returns has been applied for, firstly those in receipt of grant aid and then secondly for those in receipt of advisory support. For those in receipt of grant aid, if these impacts were reflective of the entire group of businesses in receipt of grant aid it would equate to net additional employment of 41 full time staff and four part time staff. For those in receipt of advisory support it would equate to 16 additional full time staff and 16 additional part time staff.

4.4.2 Programme-wide Net Additional Turnover and GVA

For turnover, whilst the parameters for self-attributing turnover were likely to be too great for advisory support they are likely to be more appropriate for those in receipt of grant aid (given the far greater intensity (in terms of financial resources) of support offered by the grants) and would therefore appear a sensible judgement to base gross impacts upon. Grossing up estimates of turnover change amongst grant recipients suggest a total increase of £1.3m for the last complete financial year of all businesses that were in receipt of grants and forecast turnover increase for the current financial year of £4.1m.

To gain a true net additional impact on the Wiltshire and Swindon area there is a need to factor in displacement, leakage and the multiplier effects and also to calculate this turnover as GVA. Due to the low number of organisations in receipt of grant support, benchmarks of displacement, leakage and multiplier¹³ have been applied to this calculation to identify the net additional turnover associated with the grant support for both financial years and can be attributed to the Swindon and Wiltshire area which equates to £4.4m.

Further research has been undertaken to estimate the “persistence rates” – essentially the length of time that support of this nature persists in impact positively on a recipient business. For support to businesses a conservative estimate of three years has been made, it is therefore reasonable to assume, given planned growth trajectories of recipient businesses that the net additional turnover associated with grant support would triple to around £13.2m.

Gross Value Added (GVA) Calculations

¹³ Research to improve the assessment of additionality, BIS research paper (2009)

The GVA associated with attributed turnover change has been calculated through the application of turnover: GVA ratios using Annual Business Survey data¹⁴. The application of these ratios enables an estimate of the net additional GVA associated with the grant aid. To date an estimated £1.4m of net additional GVA can be attributed to the grant aid for the Swindon and Wiltshire area with the expectation that this will rise to at least £4.2m of GVA over the next two years.

This equates to an expected return on investment of at least £5.40 of GVA for every public sector £1 invested.¹⁵

Summary of Economic Impact

- The range of support intensity has meant that economic impact analysis has focussed on those in receipt of grant aid only.
- Net additional employment attributed to the support stood at 41 full time posts and six part-time posts amongst those in receipt of grant aid.
- Net additional turnover attributed to the grant aid for the last complete financial year (where a business has completed a financial year since receiving the support) and for the current financial year is estimated as £4.4m (when displacement, leakage and multiplier effects are factored in).
- It is expected that this will increase to at least £13.2m in two years' time – the length of time over which the benefits from grant support are expected to persist.
- The influence on turnover equates to net additional GVA (cumulative) of £4.2m or an expected return of at least £5.40 of GVA for every public sector £1 invested.

¹⁴ <http://www.ons.gov.uk/ons/rel/abs/annual-business-survey/2012-regional-results/index.html>

¹⁵ To place this in context cumulative GVA returns on investment for the 2002-2006 period funded through the RDAs and supporting businesses on average secured a return on investment of c. £7.30 for every £1 invested – see: Impact of RDA spending – National report, DBERR (2008) – it should be recognised that these schemes operated in a very different economic environment which may have boosted the return gained.

5 Summary of Findings and Recommendations

The G4G Pilot programme has been a major undertaking with challenging objectives over very short timescales. The challenging timescales were a factor in the programme from project application, through to approval, through to project commencement and then continued to be so throughout project delivery.

5.1.1 Project Commencement

Despite the tight timescales and the rather later engagement of the accountable body the programme was one the first of the W2GH to launch. This is a reflection on the pragmatic approach of the project team and the fact that an existing infrastructure was in place, both in terms of support and process infrastructure that could be readily adapted for this programme.

5.1.2 Management and Monitoring

The infrastructure and learning derived from delivering previous programmes has helped to build a management and monitoring system that has worked highly effectively. This has been of particular benefit given the initial miscommunication around administrative and evidencing requirements for the programme. Where there is a shifting of goal posts in terms of eligibility and evidence there is increased risk of ineligible or insufficient data being captured. However, the G4G team have adapted well to these changing requirements resulting in high praise from the programme management team at the University of Lancaster to the monitoring and compliance systems that WBSS and Wiltshire Council have introduced.

5.1.3 Project Delivery

G4G Grant

The allocation of £800,000 towards grant funding for growth businesses of in excess of 10 employees has been the main focus of the G4G programme within the early stages of the programme in particular. The scale of funding and the fact that the support was being targeted at businesses who hadn't typically engaged in business support warranted this focus. Ultimately the team have successfully committed the vast majority of grant funding to eligible businesses within the LEP area which is commendable. However, the majority of stakeholders do acknowledge that there may have been stronger businesses that may have provided a greater return from this support. However, the timescales severely limited the extent to which these businesses could be identified.

In hindsight the balance of grant versus operational funding was perhaps too heavily weighted towards the grant support (although it is understood that this may have been a stipulation from BIS) however, grant volume and the number of businesses targeted is an incredibly difficult balance to gauge.

The next challenge for the business support offer is, having engaged with this cohort, maintaining that engagement. There has been a shift in the WBSS contract with Wiltshire

Council which includes a greater focus on supporting businesses for at least 12 hours which would naturally lead to an increased focus on relationship building. However, Business Managers felt that the current offer for those businesses with in excess of 10 employees was limited. In recognition of this issue it is understood that WBSS are in the process of defining what they hope will be suitable and attractive offer of support for businesses of this scale.

There is also a danger that the provision of grants creates an expectation of grant aid in the future, with this in mind alternative forms of financing should continue to be considered, particularly for businesses of this scale/nature.

Diagnostic and Brokerage Offer

The diagnostic and brokerage offer was well placed for successful delivery in that it built upon existing business support infrastructure in Wiltshire in particular. However, delivering this offer in Swindon proved a far greater challenge with the focus mainly on the grant element.

The Portal

The emphasis on grant expenditure meant that the focus on the development of the portal was somewhat delayed and is widely viewed by stakeholders as something that remains very much work in progress.

Business respondents were keen for improved promotion of the Hub whilst stakeholders felt that navigation in particular could be improved. The branding of the portal as the Wiltshire Business Hub may dissuade those businesses based in Swindon from associating themselves with it particularly whilst the offer on the portal remains somewhat Wiltshire-centric.

The portal is benefiting from high levels of usage, however, the figures provided in isolation provide little basis on which to judge the success of the hub.

Recommendations

That web analytics are provided on a monthly basis to show performance/change over time and to highlight the success/benefit of targeted marketing activities.

Further investment is required into the promotion of the web portal to increase business awareness.

5.1.4 Governance

The G4G programme represented the first business support initiative to operate across the SWLEP area and as such warranted representatives from the various administrative bodies and business representative bodies on the governance group. However, attendance at the governance group has been poor, this partly reflects a lack of clarity of role amongst national business support organisations and raising question marks over the willingness amongst some business representative organisations to collaborate at the local level.

Some progress has been made in this regard with Swindon Borough Council in particular increasing their level of engagement as the pilot progressed and indeed contributing match funding for the extension. However, amongst business support and business representative organisations less progress is apparent.

Recommendation

That efforts are continued in bringing representatives of key local business support organisations and business representative organisations to governance groups of interventions of this nature.

5.1.5 Continuity of Business Support

The programme commenced with aspirations for effective referral mechanisms and a greater level of integration of support between the G4G programme and national business support. This was reflected in the expectation for national providers of support to provide in-kind match to the programme. Whilst the match funding was ultimately unforthcoming there was the additional challenge of referrals through data protection. This has led to a lack of sharing of contact data of those businesses that have been referred which, resultantly provides little insight into the prevalence or effectiveness of these referrals.

Recommendation

That the issues with data protection are overcome as a matter of urgency to ensure that customer details and journeys can be more widely shared amongst business support providers.

At the local level the number of referrals amongst business support providers has been rather poor with a sense that client ownership remains critical to some organisations which limits the willingness to refer to other organisations. The difference in the landscape of business support in Swindon and the focus on a Wiltshire led offer has meant that this has been a particular issue for Swindon-based businesses (with engagement limited to the work of one Business Manager).

Recommendation

That number of referrals into a business support initiative from other local business support providers/business representatives is included as an additional target for future schemes.

This lack of continuity and collaboration is a significant challenge to overcome and this programme has provided a useful insight into the scale of challenge that exists. However, the aspirations set out within the next ESIF programme for business support delivery will seek to tackle this challenge through the provision of a consistent offer of support. This aspiration, contrary to some perspectives, would appear entirely appropriate given the high degree of consistency in the structure of the business population in both areas.

A further factor that may inhibit the continuity of business support is the confusion within the marketplace of where to go for support. The business survey found a high degree of participant businesses that could not recall receiving support through the programme despite the use of various terms with which they may have engaged. An apparent lack of awareness of who to go to for support (with emerging findings from a random business survey for Wiltshire and Swindon identifying that almost half of respondents (44%; 53/121) would search for business support on google) or a lack of understanding of from whom the support was gained will limit the ability to sustain a relationship with those organisation or to promote support via word of mouth from business to business. Unfortunately this challenge is likely to have been further complicated by the recent change in name from WBSS to Inspire.

Impact of the Support

There was an initial assumption that some of the outcomes delivered through the programme would achieved through service delivery by the national helpline but the inability to share information on which businesses have benefitted from support means it is impossible to capture any figures to contribute to the outcomes. It was also assumed that the grant support would deliver a greater proportion of the target of jobs created than has been achieved, this has proved difficult as in some instances businesses have sought to employ initially on temporary contracts, which are ineligible for this output.

However, in terms of delivery against targets, most remain at or close to profile despite the lack of contribution from the national offer which reflects the hard work of the delivery team.

The target for jobs created demands a significant increase but, in reality, jobs will continue to be created as a result of the investment of the grant. Forecast growth in turnover and employment for the remainder of this financial year amongst surveyed businesses is far greater than that achieved at the end of their last financial year which suggests, if the relevant information can be secured, further job outcomes for the programme.

Those supported through the project appear to be on a strong growth trajectory with on average, a turnover increase of 22% year on year (rising to 31% when specifically focussed on grant recipients). This is impressive as there remain concerns that the programme struggled to engage those with the strongest prospects for growth. It is also interesting to note that those in receipt of grant aid most typically referred to job creation and business confidence when describing the impact on their business as a result of the support. Conversely those in receipt of advisory support were more likely to refer to impact in relation to business planning and management skills.

In terms of calculating programme wide impact, the diversity in intensity of support makes it very challenging to estimate, however, analysis was undertaken on those in receipt of grants

which suggested that £1.4m of gross value added could be attributed to grant investment with the expectation that this will rise to £4.2 as the benefits of the grants are likely to persist for a further two years. This equates to a cumulative return of £5.40 GVA for every public sector £1 invested which is broadly comparable than the returns achieved by other business support schemes, and given the context, particularly the timescales over which the programme has been delivered, is a useful return.



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