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SME Competitiveness Project Summative Assessment Report

June 2023



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Date of document: Final

Version: 1

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Acknowledgements

We would like to thank the many individuals who gave their time to assist in the evaluation, all of whom were important in the writing of this report. This evaluation would not have been possible without all of these contributions.

List of abbreviations

CPI	Consumer Price Index
DLUHC	Department for Levelling Up, Housing and Communities
ERDF	European Regional Development Fund
ESIF	European Structural and Investment Fund
EU	European Union
GVA	Gross Value Added
LEP	Local Enterprise Partnership
NVQ	National Vocational Qualification
ONS	Office for National Statistics
PCR	Project Change Request
SME	Small and Medium-sized Enterprises
SBRR	Small Business Rates Relief
SWLEP	Swindon and Wiltshire Local Enterprise Partnership
TCA	Trade and Cooperation Agreement
VfM	Value for Money

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Executive Summary

The SME Competitiveness Project, led by Swindon and Wiltshire Local Enterprise Partnership (SWLEP), is a £2.38 Million project funded by the European Regional Development Fund (ERDF). The project falls under Priority Axis 3: Enhancing the Competitiveness of Small and Medium-sized Enterprises of the ERDF Operational Programme and was delivered in partnership with partners YTKO, University of Bath SETSquared, Wiltshire Council and Swindon Borough Council.

The project sought to overcome two identified market failures:

- A lack of information (where firms are unaware of the suite of business support options open to them).
- Co-ordination failure (where provision of support to business as a public good is not provided holistically across the stakeholder environment).

The original delivery model consisted of three distinct strands of support:

1. Pre-start, start-up and early stage support:

Delivered by YTKO and Growth Hub

2. Scale up support:

Delivered by SETSquared and Growth Hub

3. Support for ex-Honda employees:

Delivered by YTKO

Design and Implementation

The project was designed prior to the COVID-19 pandemic and launched as the

first recorded cases in UK were identified. As a result, the project has delivered against a particularly turbulent and challenging economic backdrop. This had several implications on the project design which was subsequently adapted to meet the changing needs of businesses.

The model proposed extensive use of the TEN centres as a mode to both engage businesses and also support them. The model also placed emphasis on scale-up and growth however, the initial period of implementation showed the need to focus support towards resilience and survival.

The project included a considerable focus on providing support for those affected by the closure of the Honda factory and the subsequent redundancies that would then ensue. This did not materialise as expected largely due to less than expected demand and the lack of opportunity for the delivery team to be onsite at the Honda factory to connect directly with potential beneficiaries to promote the opportunity.

Given these factors, the model required considerable adjustment both in emphasis and focus and in mode of delivery, early on within the implementation phase. Most notably, this included a shift to remote delivery of support; a shift to predominantly supporting business survival and resilience rather than growth; and reduced focus on Honda employees with the reallocation of funds to the general start up element of the project.

Project Progress

A Project Change Request (PCR) was submitted to the Managing Authority in October 2022 to reduce output targets due to the delivery challenges faced largely as a result of the COVID-19 pandemic. Following the submission, the

Managing Authority subsequently advised that a formal PCR was not necessary however the project could report progress against the new revised targets proposed in the PCR. These targets, alongside the projects performance against them, can be seen in table 1 below.

Table 1: Project performance

Target indicator	Original target	Agreed revised targets	Running total	Variation with original Target	Variation with agreed revised target
P11 - Number of potential entrepreneurs assisted to be enterprise ready	190	190	203	7%	7%
P13 -Number of enterprises receiving Information, Diagnostic and Brokerage support	441	374	411	-7%	10%
C1 - Number of enterprises receiving support	388	180	189	-49%	5%
C4 - Number of enterprises receiving non-financial support	360	180	181	-50%	1%
C5 - Number of new enterprises supported	210	105	78	-63%	-26%
C8 - Employment increase in supported enterprises	135	94.5	148	10%	57%
C29 - Number of enterprises supported to introduce new to the firm products	13	13	5	-62%	-62%

The table shows that the project has performed strongly against C8s – employment increase in supported enterprises and this was largely as result of the strong integration of SWLEP’s Growing Places Infrastructure Fund (GPIF) loan programme to the project. The project has also performed well against the pre-start indicator (P11) and the Information Diagnostic and Brokerage (IDB) indicator (P13). Indeed against most targets aside from C5 – number of new enterprises receiving support and C29 – number of enterprises supported to introduce new to the firm products, the project has delivered against its revised October 2022 target.

In addition to those outputs claimed, the project monitoring system also showed evidence of around 2,000 hours of support has been delivered to businesses that the team are unable to claim for. This was mostly due to the large number of businesses that only required a short intervention with the diagnostic, advice and guidance typically lasting 2-2.5 hours and hence under the threshold needed to claim a P13 output. Some outputs for supported businesses were unable to be claimed as the necessary paperwork had not been returned.

Delivery and Management

There was a clear governance structure in place for the programme and an operational steering group was established at the outset. As the project entered into its delivery phase, the steering group meetings became less frequent and delivery partners felt that this was a missed opportunity to facilitate greater collaboration between partners across the project.

Partners felt there was opportunity to better understand each other’s services and this, in turn, affected the volume and quality of referrals that took place.

The nature of dialogue between partners typically focused on reporting against progress rather than reflecting collectively on the design of services and how they could be adjusted to meet changing needs.

Service delivery did adapt to changing circumstances and many of these were highly effective. Notable changes that brought success have included the establishment of a series of virtual workshops through the Growth Hub, the creation of the Foundry in Swindon to deliver in-person Outset provision by YTKO and the rebranding of services away from innovation by SETsquared to better reflect the perceived needs of eligible businesses.

Outcomes and Impact

Job creation outcomes have been considerably boosted by referrals to SWLEP’s GPIF loan programme however more generally, the support provided has been well received by participants with high rates of satisfaction with provision.

Whilst the reasons for engaging with support differed between participants of each delivery partner there was a higher degree of consistency about the nature of benefits derived from the support. Participants spoke of barriers being addressed particularly around securing a clearer growth plan or strategy, improving their operational efficiencies and strengthened networks that supported routes to market.

The programme delivers well from a cost per outcome perspective and presents good value for money. This is primarily driven by the effective integration with other services as much as it is a result of the direct delivery of services offered through the SME Competitiveness Project.

More direct impact in relation to turnover and employment amongst surveyed businesses looks less impressive, however, by engagement with those in receipt of light touch support, any extrapolation of impact from survey responses is likely to be an underestimate.

Recommendations

Reflecting on the findings of the summative assessment several key recommendations were highlighted:

1. Develop extensive systems and processes in the implementation phase of a programme drawing on expertise across the partnership to ensure that all support is effectively captured.
2. Create a dedicated marketing budget to raise awareness and build traction and momentum of a service offer.
3. Hold regular operational steering groups with all delivery partners represented to build knowledge and understanding the various services on offer and to draw on knowledge and expertise in the management of externally funded initiatives.
4. Work closely with the local authorities over the coming months to share knowledge and understanding as and where relevant to ensure that the progress gained in engaging with and supporting businesses in the SWLEP area is not lost.

1. Introduction

1.1 Background

In April 2023, Swindon and Wiltshire Local Enterprise Partnership (SWLEP) commissioned Wavehill to undertake an evaluation of the SME Competitiveness Project. The project ran from January 2020 through to 30th June 2023 providing information, advice, brokerage and signposting to those SMEs looking to obtain the best solutions for business growth or start up. The services (a mixture of generalist and specialist support) have been delivered through workshops, one-to-one impartial advice, mentoring and the provision of resources. The project design consisted of three key elements:

- Support for start-ups
- Support for scale-ups
- Support for ex-Honda employees

The range of support delivered against a wide range of topic areas including:

- Starting out and business planning
- Employing new staff
- Developing new products
- Business growth guidance
- Tailored business support lead by a team of Business Navigators
- Brokerage to other support
- Innovation and scale up guidance
- Workforce skills opportunities

The SMEs Competitiveness Project has been delivered by a consortium of delivery partners and in doing so, seeks to create a continuum of support activities for start-ups through to existing, growth-orientated business. Delivery partners include:

- Swindon and Wiltshire Local Enterprise Partnership (Project lead)
- Wiltshire Council (compliance and audit)
- Swindon Borough Council
- YTKO (Start up support)
- SETsquared (Innovation and scale up support)

The project sought to deliver a continuum of specialist support services for start-ups through to existing businesses that are looking to grow or scale-up.

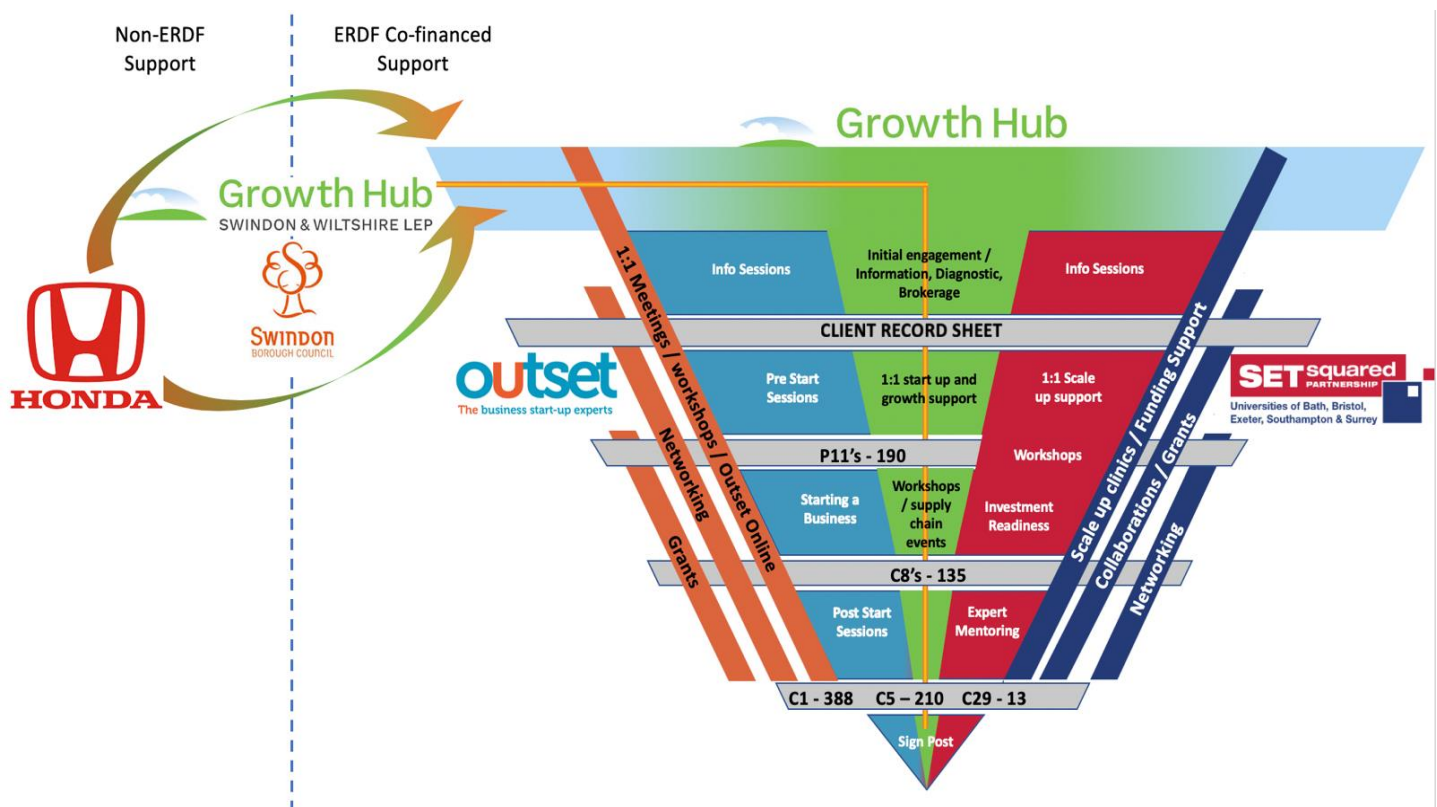
The pre-start, start-up and early stage support service was delivered jointly by YTKO and the Growth Hub through a suite of support that included the provision of information and a diagnostic of need, triage to respond to that need, the provision of ongoing client support and where required, one-to-one mentoring support and workshop delivery.

For those existing businesses seeking to grow with scale-up potential, services have been delivered through the University of Bath (via the SETsquared team), and the Growth Hub navigators.

Furthermore, the project was designed to provide dedicated support to employees at the Honda factory in Swindon who were facing the prospect of redundancy as a result of the factory's closure.

An overview of the delivery model, as set out in the project application is presented in figure 1.1 below.

Figure 1.1 SME Competitiveness Project – Overview



1.2 Targets

The original and revised targets for the SME Competitiveness Project are set out within table 1.1. below. They illustrate a relatively high number of P13 targets being delivered, which require three hours of support to fulfil with a further 388 C1 targets, essentially 12 hours of support.

The target for the number of potential entrepreneurs assisted to be enterprise ready (P11) (C5) primarily sits with YTKO whilst the number of enterprises supported to introduce new to the firm products (C29) sits with SETsquared.

Table 1.1: Original Targets for the SME Competitiveness Project

Target indicator	Agreed target at project launch	Revised targets
P11 - Number of potential entrepreneurs assisted to be enterprise ready	190	190
P13 - Number of enterprises receiving Information, Diagnostic and Brokerage support	441	374
C1 - Number of enterprises receiving support	388	180
C4 - Number of enterprises receiving non-financial support	360	180
C5 - Number of new enterprises supported	210	105
C8 - Employment increase in supported enterprises	135	94.5
C29 - Number of enterprises supported to introduce new to the firm products	13	13

1.3 Funding

The project secured £1.2m of ERDF funding, this was matched with funding from the various delivery partners as set out within table 1.2 below with the match funding provided by each partner as a mixture of cash and in kind funding.

Table 1.2: Funding structure of the SME Competitiveness Project

Funding contributions	Total
ERDF	£1,190,383
Public sector match funding	
SWLEP	£751,847
Wiltshire Council	£90,000
Set Squared	£158,153
Swindon Borough Council	£190,383
Total Public sector match	£1,190,383
Total Funding	£2,380,776

1.4 Project Updates

PCR requests were submitted during the project which sought to adjust the delivery of target indicators and costs associated with the project in response to progress.

PCR 1 January 2021

A PCR was submitted in January 2021. The purpose of this PCR was to extend the project by 6 months to reflect the delays experienced with the Grant Funding Agreement (GFA) being signed¹ and the early challenges to delivery presented by external influencers (namely COVID-19). The PCR was necessary to allow the project to be completed under the original budget over a slightly extended time period. There was no overall reduction in outputs, however there was some movement between delivery partners of outputs. There was some reallocation of the budget that was initially allocated to the Honda element of the project which was reallocated to the general start-up element.

PCR 2 October 2022- Submitted but not assessed

Mainly as a result of the challenges caused by the COVID-19 pandemic, by October 2022 the project was behind its profiled output targets. Following discussion with the Managing Authority, the a PCR was prepared which sought to reduce the output targets. However, following a change in Grant Manager at the Managing Authority, it was subsequently deemed a PCR was not necessary given the late stage of the project and the revised targets were agreed.

¹ Note: The initial ESIF application for the SME Competitiveness Project included a grant element. There was a period of negotiation through which it was decided that the grant funding element would not form part of the project. However, this caused a delay to the signing of the GFA and subsequent commencement of the project.

2. Methodology

2.1 Evaluation Aims

The evaluation has been commissioned to deliver a summative assessment of the SWLEP SME Competitiveness Project that complies with the requirements of summative assessments set out in the latest ERDF guidance.²

There are five topics of focus set out in the summative assessment evaluation guidance which are covered in the report:

1. The continued **relevance and consistency** of the project in light of any changes in policy or economic circumstances during its delivery period.
2. The **progress** of the project against contractual targets alongside any reasons for under over performance.
3. The experience of **delivering and managing** the project and any lessons which have emerged from this.
4. The **economic impact** attributable to the project – both the intended, and actual outcomes and impact.
5. The cost-effectiveness of the project and hence its **value for money**

2.2 Evaluation Approach

Wavehill adopted a mixed methods approach for the summative assessment of the SME Competitiveness Project. This commenced with an **inception meeting** and a subsequent **scoping meeting with delivery partners** to gain initial insight into the approach and delivery model that each applied through the project.

Alongside this, a review of the **project documentation and wider literature** was conducted to situate the project in its local context. This included reviewing the rationale from the business plan against any changes following the ERDF application to help determine continued suitability of the intervention. Further information on the project was also initially gathered from project documentation.

Supplementing the contextual review has been **analysis of the socio-economic situation** within the SWLEP area. Our interpretation of this analysis can be found in the following section.

A **beneficiary survey** has been undertaken, distributed online with telephone follow-up. The survey gathered feedback on the experience and perceptions of support and the perceived impact of this support on their business. The survey included framework of consistent questions for each delivery partner along with bespoke questions and answer options

² Summative Assessment Guidance ESIF-GN-1-033, ERDF, October 2020

specific to the support that a participant business received. A total of 107 responses were obtained through the survey with responses by delivery partner distributed as follows:

- 57 – Growth Hub
- 46 – YTKO
- 4 – SETsquared

Analysis of survey findings can be found in Sections 5 and 6 of this report.

Stakeholder consultations were undertaken by telephone or MS Teams with 13 stakeholders with either a strategic perspective or involved in the management and delivery of the project. The consultations explored project design, effectiveness of management and delivery and factors affecting project performance, impacts and added value.

The data gathered through the beneficiary survey and through analysis of quarterly claims has enabled the modelling of economic impact from the support. In turn this data has informed the assessment of the cost effectiveness of the project to enable **an assessment of the project's value for money**.

2.2.1 Methodological Limitations

The survey obtained lower than anticipated numbers of respondents in receipt of support through SETsquared. As a rate of response the numbers obtained from SETsquared participants equated to 15%, compared to 40% of participants who received support from YTKO

As organisations that are looking to rapidly scale up, those participating in the SETsquared offer are likely to have been particularly constrained with their time, reducing the likelihood that they would respond to the survey. The tight fieldwork window and the wider time frames for the summative assessment limited the ability for the evaluation team to chase these respondents.

With an under-representation of those businesses who theoretically exhibited the highest growth potential (and therefore secured SETsquared support) there is a heightened risk that some of the impact modelling in this report, where it relies on survey responses, underestimates the full scale of the impacts generated by participant businesses.

3. Context and Rationale

Summary

- Socioeconomic data shows underlying strengths in the economy of the SWLEP area with high employment rates and a high prevalence of businesses in priority sectors relative to elsewhere within the UK.
- The area is more exposed to recent challenges however particularly with energy costs and the increased challenges of international trade
- Data also shows that whilst entrepreneurial activity is relatively strong the extent to which these businesses scale is lower than anticipated.
- The area also suffers from a relative lack of high skills with a lower proportion of the working age population qualified to NVQ Level 4 than is typically the case across the UK
- Collectively these latter points provide a clear rationale for an intervention of this nature with the selected delivery partners.

This section reflects on the socio-economic context within the SWLEP area and the wider UK that informed the rationale for the project. It also reflects on how that changed over time in response to a series of external shocks, including the COVID-19 pandemic, Brexit, the war in Ukraine and the associated supply chain constraints and inflation and cost of living crises that subsequently ensued. This section also reflects on the policy context for the project.

3.1 Project context and rationale

In considering the rationale for this intervention, the European Structural Investment Fund (ESIF) application refers to the fact that productivity levels in Swindon and Wiltshire were slightly lower than the national average due to the sectoral mix and a number of large employment sectors being in low-value industries. It also refers to the challenges associated with having numerous high-output businesses that remain small despite having high growth potential. It is suggested that this was partly due to the proportion of smaller life-style businesses located predominantly in the area's market towns and rural areas.

In order to improve the contribution made by the region's most productive industries, including having the right environment to encourage spin-offs and tackle underperformance, a project of business support opportunities was required to help the region achieve its aspirations.

It was envisaged that the project would contribute to local and national strategies. The ESIF application refers to the ambitions set out in the Swindon and Wiltshire Local Industrial Strategy to support the inclusive development of the regional economy and boost productivity over the next ten to fifteen years. The project supports the aims of the Swindon and Wiltshire Economic Plan by enhancing and developing the innovation ecosystem to enable the growth of businesses by driving the take-up of business solutions to support productivity and competitiveness across the economy.

At a national level, it was envisaged that the project would contribute to the government's Industrial Strategy which set out the intention for the UK to be the best place to start and grow a business.

3.2 Market Failures

The ESIF application referred to (amongst other elements) the following primary market failures:

- A lack of information (where firms are unaware of the suite of support options open to them).
- Co-ordination failure (where provision of support to business as a public good is not provided holistically across the stakeholder environment).

3.3 Socioeconomic Context

The Swindon and Wiltshire region is largely rural in character with Swindon as the largest town and commercial centre with an additional network of market towns throughout Wiltshire. The area is well served by transport and communication corridors, including its situation within the M4 Corridor.

3.3.1 Employment

With a total population of 747,100 people living in Swindon and Wiltshire in 2021, 61.6 per cent are considered of working age (16-64).³ As of January 2022, the region enjoys slightly higher levels of employment, with 79.3 per cent in work compared to 75.5 per cent across the UK as a whole. Just over two thirds of those in employment are in full time jobs, which is slightly under the UK average.⁴

People living in Swindon and Wiltshire are more likely to be in managerial, professional, and manufacturing roles compared to those living in the UK. Conversely, there are relatively lower numbers of people in caring and other service occupations within the region as compared to the UK as a whole.⁵

In terms of employment and commuter flows, there is a high level of self-containment, with 78 per cent of residents who live and work within Swindon and Wiltshire.⁶ This is substantially higher than that of neighbouring LEAs, including those with major urban conurbations. This suggests the presence of a combination of large, established businesses, with good local travel links and a high proportion of residents willing and able to work from home or from a local office base.

³ [ONS \(2022\)](#) ONS Population estimates - local authority based by five-year age band:

⁴ [ONS \(2022\)](#) ONS annual population survey

⁵ Ibid

⁶ [SWLEP \(2022\)](#) Local Economic Assessment,

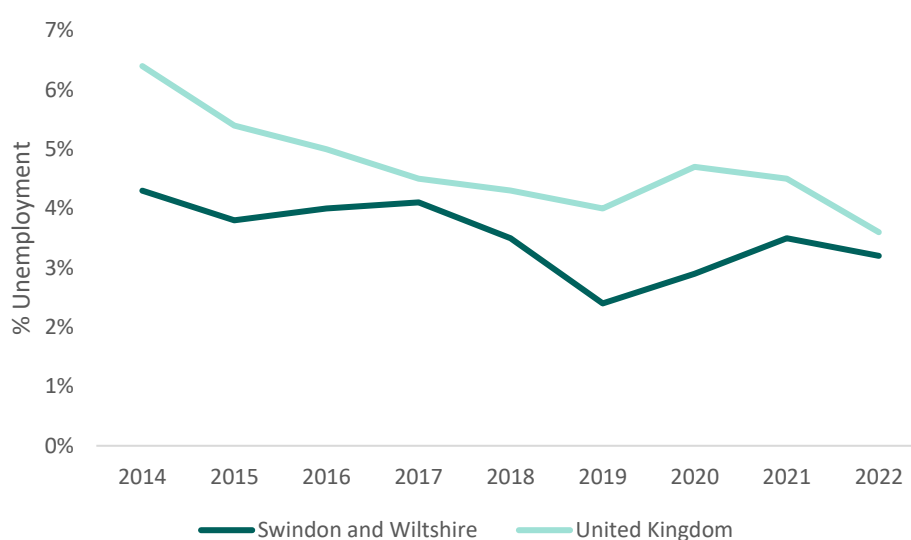
3.3.2 Earnings

Comparatively, the average gross weekly earnings of people living in Swindon and Wiltshire are slightly higher than those living in the UK and earnings growth has increased more rapidly than broader UK earnings trends over the last decade.⁷

3.3.3 Unemployment and Economic Inactivity

Swindon and Wiltshire have historically maintained lower levels of unemployment when compared to the United Kingdom. In 2019 this difference was considerably larger with much lower rates found in Swindon and Wiltshire when compared to the rate in the UK, although in recent years the difference has narrowed and in December 2022, an estimated 3.2 per cent of people in Swindon and Wiltshire were unemployed compared to 3.6 per cent across the UK.⁸ This suggests that the recovery of the labour market after the Covid-19 pandemic is less pronounced in Swindon and Wiltshire than typically found throughout the UK.

Figure 2.2: Rate of unemployment over time: Source ONS



In 2022 there was also relatively lower levels of economic inactivity within Swindon and Wiltshire, with 18.1 per cent not in employment compared to 22 per cent across the UK. Additionally, data from 2021 shows there are significantly fewer workless households in Swindon and Wiltshire, with 9.6 per cent compared to 14.1 per cent across the UK as a whole.⁹

⁷ ONS (2022) ONS annual survey of hours and earnings - resident analysis, Median earnings in pounds for employees living in the area.

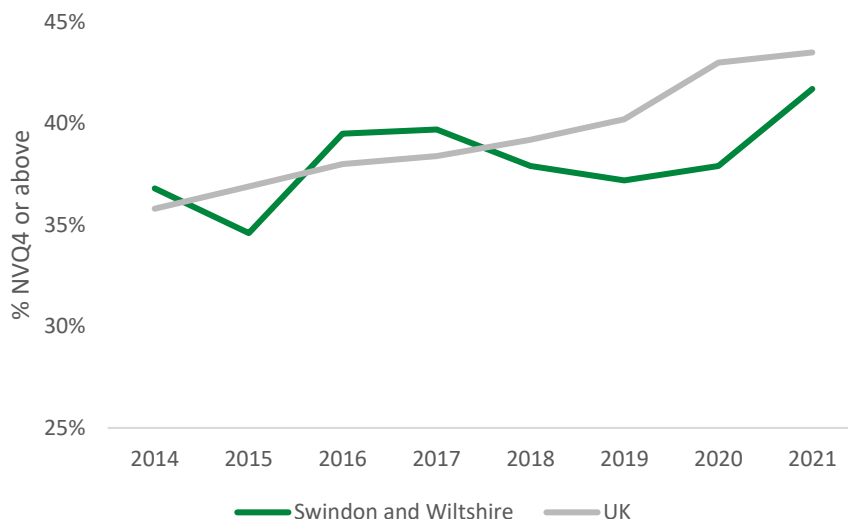
⁸ International Labor Organisation definition defines unemployed people as being without a job, have been actively seeking work in the past four weeks and are available to start work in the next two weeks. Data from [ONS annual population survey](#)

⁹ [ONS \(2019\)](#) ONS annual population survey

3.3.4 Skills

In terms of skills, there are slightly fewer people holding equivalent of NVQs 3, 4 and above than the UK as a whole in 2021.¹⁰ It is estimated that 41.7 per cent of people in Swindon and Wiltshire hold NVQ 4s or above for example, compared to 43.5 per cent of people across the UK.

Figure 2.3: Per cent of population aged 16-64 holding NVQ4 or above: Source ONS



Whilst this trend appears to fluctuate significantly (which is partly related to sample error), the issue of higher order skills and training was highlighted in the SWLEP's Skills Plan 2020-21. The strategy sets out to address imbalances in the supply and demand for skills, and to achieve a higher proportion of the workforce qualified to NVQ 4 and above.¹¹ The strategy determined that higher skills shortages existed in the region. Although steps are in place to rectify this in the form of business incubators and enterprise partnerships, the apparent skills shortage may in part linked to the absence of a higher education institute which may negatively impact on businesses ability to recruit and grow.

3.3.5 Productivity

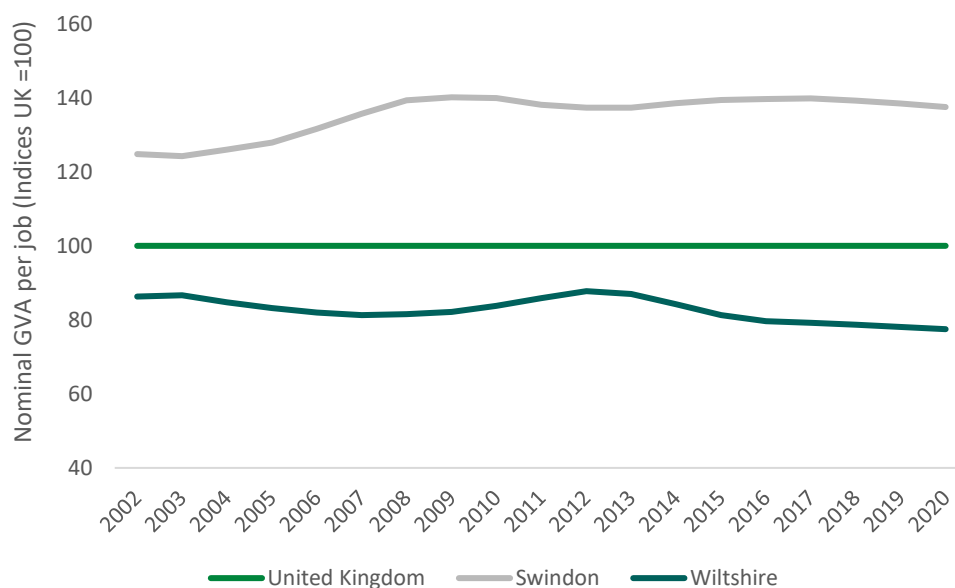
The region benefits from relatively high levels of productivity as measured by Gross Value Added (GVA). This is particularly evident within Swindon where the GVA per job is considerably higher than the national average and has remained so for the past two decades. Since 2002, Swindon has seen consistent productivity improvements relative to the UK as a whole. Conversely, the data suggests that the picture is the other way round for Wiltshire, where GVA per job is slightly lower than the UK as a whole. There have been fluctuations, but since 2002 gap in productivity has been widening:¹²

¹⁰ Ibid

¹¹ [SWLEP \(2020\)](#) Swindon & Wiltshire Skills Plan

¹² [ONS \(2019\)](#) Sub regional Productivity: labour productivity indices

Figure 2.4: Nominal (smoothed) GVA per job indices 2002 – 2020, indexed to UK 100



3.3.6 Business Demography

In 2022, there are estimated to be 29,195 businesses across Swindon and Wiltshire. Wiltshire contains almost three times more individual businesses compared to Swindon, 21,805 compared to 7,390. The profile of these businesses in terms of size distribution is broadly similar to that found across the UK and is dominated by microbusinesses. Where there are slight differences, Swindon has a higher proportion of large business with greater than 250 employees, but less smaller businesses when compared to both Wiltshire and the UK.

Table 2.1: Businesses by employee size in Swindon, Wiltshire and the UK (2022)

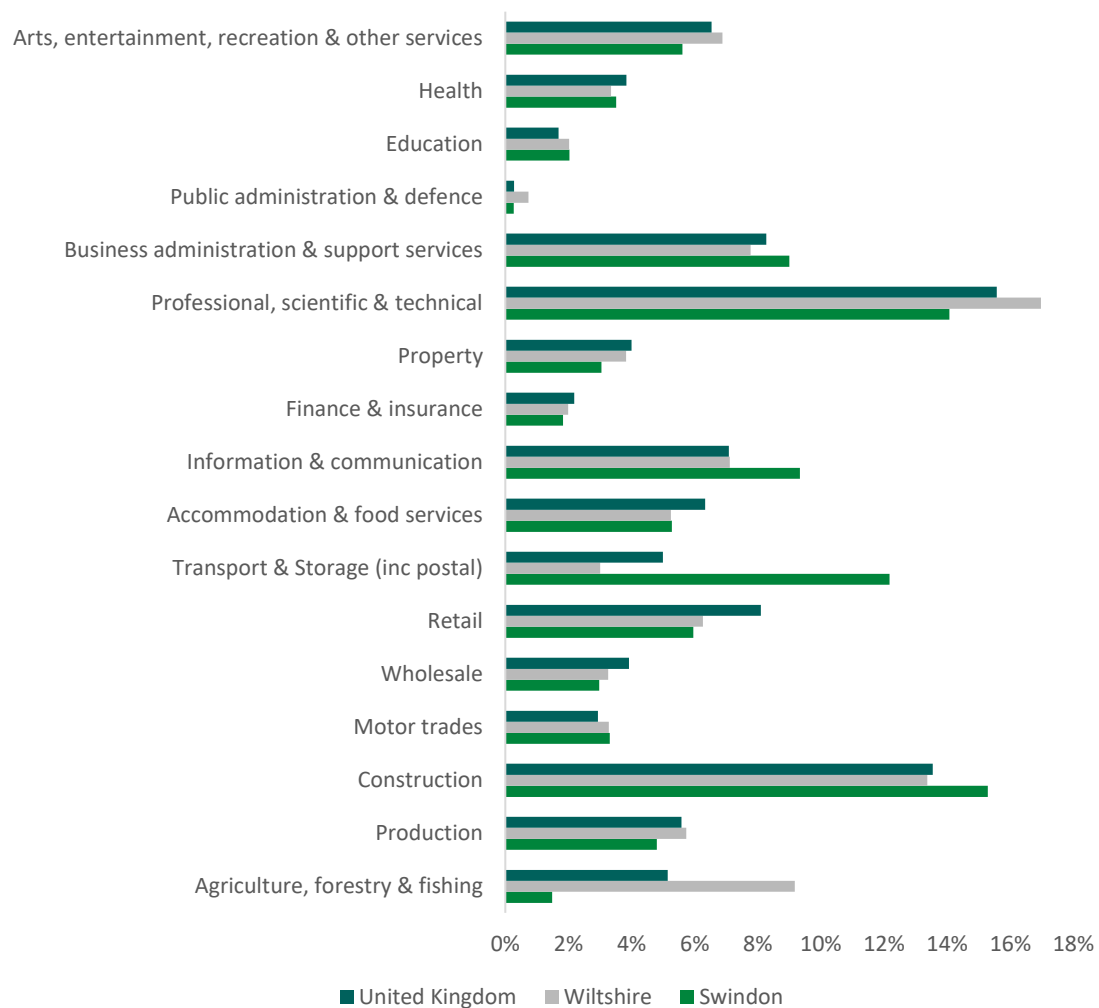
	United Kingdom	Swindon	Wiltshire
Micro (0-9)	89.5%	89.9%	89.9%
Small (10-49)	8.6%	7.7%	8.3%
Medium (50-249)	1.5%	1.7%	1.5%
Large (250+)	0.4%	0.7%	0.3%

3.3.7 Sectoral Dynamics

The focus of businesses across the region broadly compares to the national average. The data shows that when broken down by local authority area, Wiltshire has a concentration of businesses engaged in agriculture, forestry and fishing and a proportionately high number in the professional, scientific and technical sectors, collectively businesses in these sectors

account for 29 per cent of all businesses. In contrast, Swindon is rich with businesses with operations in the construction, information and communications and transport and storage industries which collectively represent 39 per cent of all businesses in the area. It is worth pointing out that Wiltshire has a higher than average presence of businesses in the area of public administration and defence due to being the home of military establishments.

Figure 2.5: Proportion of Enterprises by Broad Industrial Sector – 2022, Source ONS

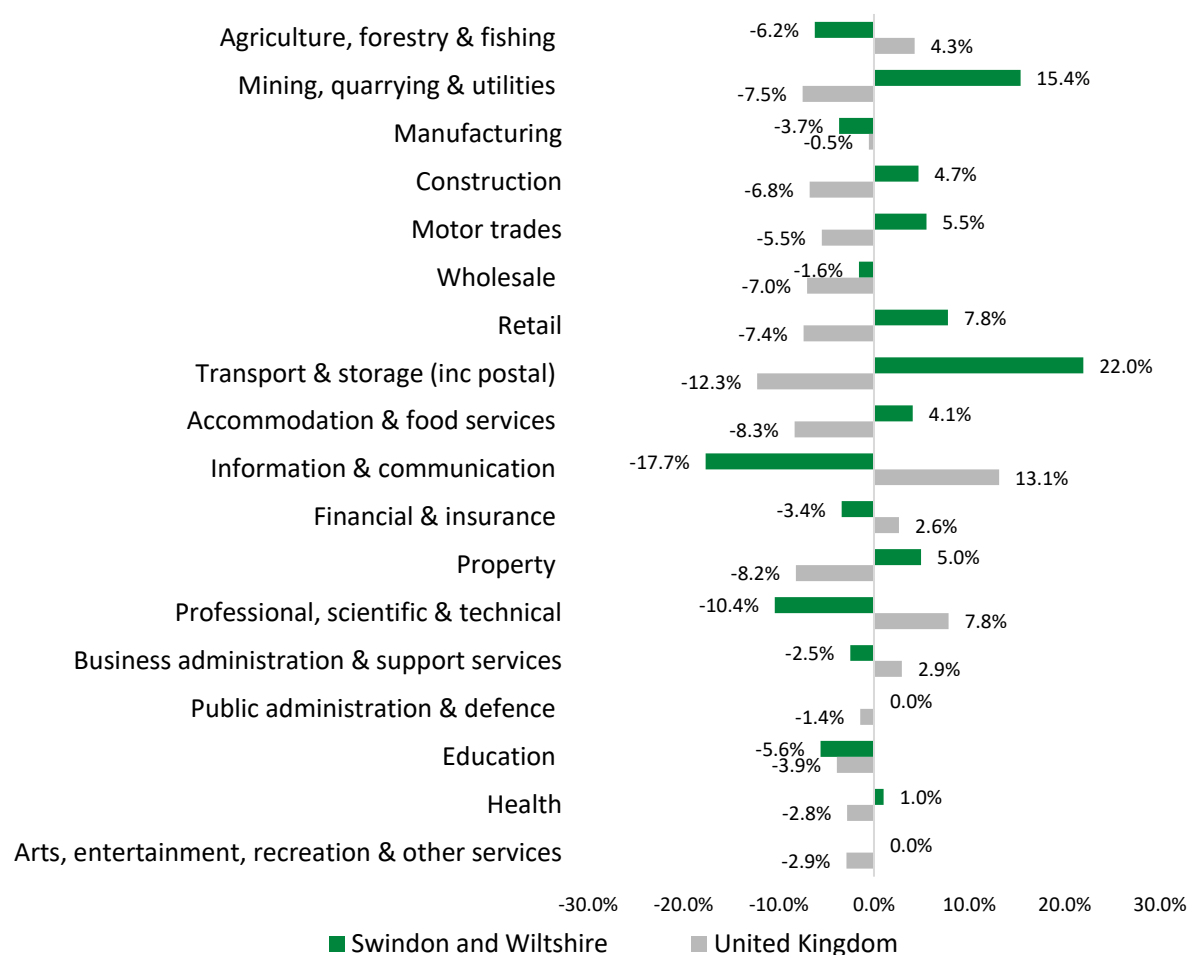


In understanding trends in the size of businesses in SWLEP a total of 1,355 businesses were dissolved between 2020 and 2022 and 780 gained. Overall, this meant a 2 per cent reduction in the business stock. During the same period, the UK experienced a growth in the number of businesses of 0.6 per cent. This figure is likely due to Covid-19 and the challenging economic environment posed as well as changes to work patterns including hybrid working and remote working arrangements. A significant proportion of business closures were in the agriculture, forestry & fishing, information & communication and

professional, scientific & technical, where there has been a 6, 10 and 18 per cent reduction respectively in the stock, or 1,170 businesses.¹³

In terms of reflecting broader UK trends, the picture is mixed with few similarities. Differences between SWLEP and the UK are most stark for mining, quarrying and utilities (although the low total stock of businesses within this sector means any slight change in number will be seen as a high proportional change) and transport and storage, where SWLEP have experienced an increased in businesses in these sectors in the years compared. In contrast to the UK where growth trends are strong, SWLEP has experienced a reduction in the number of businesses in information and communication and professional, scientific and technical industries.

Figure 2.6: Change in the number of Businesses by Broad Industrial Group 2020-2022



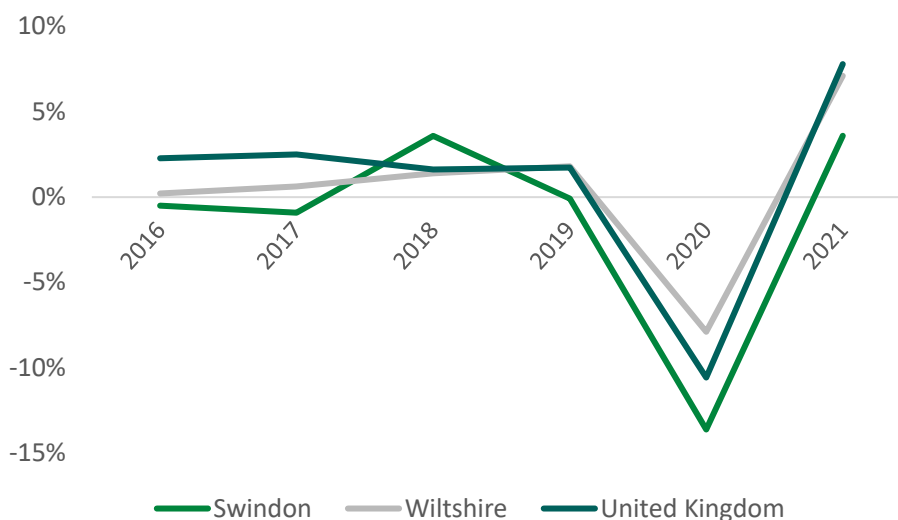
3.3.8 Total Output (GVA)

Looking at estimates of regional GVA, the value generated by Swindon and Wiltshire has recovered in alignment with the UK more broadly. Recent contractions in GVA experienced

¹³ [ONS \(2022\) Inter Departmental Business Register - UK Business Counts - enterprises by industry and employment size band](#)

during Covid-19 were more acute in Swindon where GVA dropped by 14 per cent. The latest available data suggests that in 2021, total GVA increased in Swindon and returned to pre-pandemic levels but continued to trail that of Wiltshire and the UK.

Figure 2.7: GVA Percentage Change in Chained Volume Measures in 2019 Money Value, Pounds Million

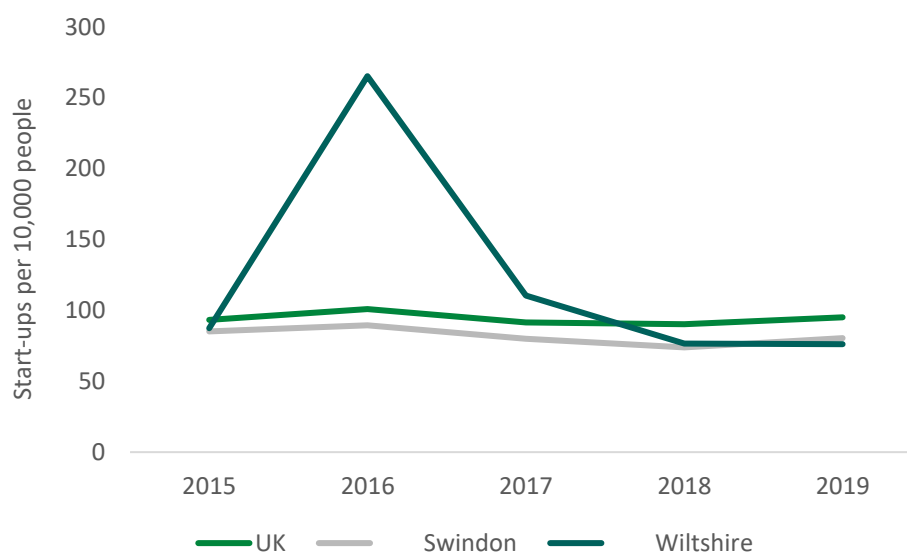


3.3.9 Entrepreneurial Activity

One proxy for understanding dynamism and entrepreneurial activity within a region is to look at the number of business start-ups. Relative to the size of the working age population, over time Swindon has seen slightly lower numbers of start-ups in comparison with the UK as a whole. This may be accounted for, at least in part, by the prevalence of larger employers in Swindon that provide stable and attractive employment opportunities that reduce incentives to take risks in establishing new businesses for some.

For Wiltshire, the picture is more mixed. In 2016, Wiltshire saw a spike in new start-ups, with 265 new businesses per 10,000 people of working age. The 2016 data appears to be an anomaly and was initially picked up in the local economic assessment. The assessment suggested at the time that “based on local intelligence and in discussion with local stakeholders, it is reasonable to assume this has been caused by the presence of a business in Warminster which has registered a large number of companies with a local address”. Despite the issues in 2016 data, there is evidence to suggest start-up rates in Wiltshire have returned to previous levels which are slightly under the national average.

Figure 2.8: Number of new enterprises per 10,000 people of working age (18 to 65 in 2019)



A cautious interpretation of the data suggests that there may be barriers to people establishing new businesses.

3.3.10 Start-up Survival Rates

Another lens from which to explore the dynamics of entrepreneurialism within a region is to explore business survival rates. This specifically explores the numbers of start-ups that remain operational in the subsequent 3 years following inception in 2018. This serves as a proxy for understanding the effectiveness of start-ups to navigate business challenges and to establish themselves. Business start-up survival rates are commonly impacted by the support of the wider business community and opportunities for entrepreneurs to thrive, as well as access to a much-needed talent pool.

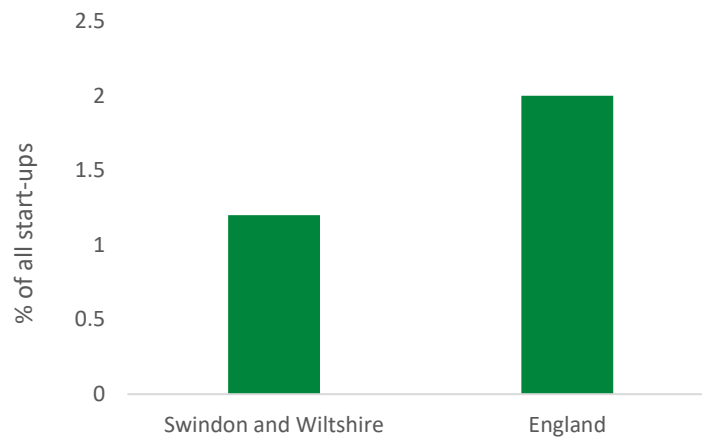
Within Swindon and Wiltshire, the proportion of businesses who survive their first year is the same as rates experienced in the UK. The same is also true in the second year, where survival rates are around 75 percent.

3.3.11 High Growth Start-ups

Another important indicator of entrepreneurial activity includes the proportion of start-ups that scale quickly from less than £500k turnover per year to greater than £1m in under three years. Data suggests that, within Swindon and Wiltshire, scaling can be a challenge relative to businesses located across England as a whole. Between 2015 and 2018, for example, 1.2 per cent of start-ups were high growth, compared to 2 per cent across England.¹⁴

¹⁴ [Enterprise Research Centre \(2019\)](#)

Figure 2.9: Start-ups Scaling <£500k to £1m + in 3 years 2015-18



This suggests that whilst start-up and survival rates are relatively good in Swindon and Wiltshire, growth trajectories may not be as positive as they could be. This should be interpreted with caution, however, as the only available data relates to Swindon and Wiltshire as a whole. This suggests that there may be a need for scale-up support within the region, helping businesses to establish themselves more firmly and to expand their operations and provides further justification for the scale up support offered by SETSquared as part of the SME competitiveness project.

3.4 Policy context

The ERDF programme operates within the broader context of local and national policy that inform and shape the business support landscape, including in determining the objectives and focus of support, investment, and grant funding opportunities. The policy landscape is itself shaped by broader socio-economic trends and political developments, such as Brexit, the Covid-19 pandemic, the war in Ukraine, high levels of inflation and the cost of living crisis. These developments have served to raise the profile and importance of business support.

3.4.1 Local Policy

Local policy responses to business support are determined, in part, by SWLEP. Within the LEP's 2020 Local Industrial Strategy, for example, it set out a vision for the region, including in promoting and supporting the inclusive and clean economic growth agendas.¹⁵ The strategy placed a particular focus on delivering improved connectivity, greater exporting power and more innovation from our high-tech sectors, universities and Research and Development assets.

¹⁵ [SWLEP \(2020\) Industrial Strategy 2020 to 2036](#)

In order to achieve the stated objectives set out in the strategy, business support plays an important role. ERDF is viewed as an important element of the overall strategy, providing and coordinating support aimed at building and strengthening the business environment. The focus has been on expanding start-up and scale-up support and improving the overall competitiveness of SMEs. Another objective for ERDF is to improve the productivity of low-output sectors, increasing the proportion of innovation-active businesses, and encouraging technological diffusion. Further, the strategy views ERDF as important in supporting the business community to manage the impact of the COVID-19 pandemic on their economic viability and survival, as well as in navigating changes to the business environment presented by Brexit.

A key element of support offered through the ERDF is to provide businesses with a package of bespoke support tailored to their needs. The project provides advice, guidance, and funding across a range of areas, from starting a business to employing new staff, growing a business to launching new products. The project is ERDF funded and delivered via SWGH along with partners YTKO, SETSquared, Swindon Borough Council and Wiltshire Council.

3.4.2 Covid-19

On 23rd March 2020, as a result of the COVID-19 pandemic, the British public were instructed by the Prime Minister to stay at home other than for a limited set of specific purposes. Over the subsequent 15-month period, lockdowns and social distancing requirements were implemented, although the regulations differed in different periods. This period witnessed substantial disruption to daily life and economic activity. A broad package of support for businesses was developed in response, including:

- A Coronavirus Job Retention Scheme that will see HMRC pay 80 per cent of furloughed workers' wages, up to a £2,500 per month cap for at least three months.
- A Self-Employment Income Support Scheme that will pay self-employed individuals up to 80 per cent of their profits for three months, up to a £2,500 per month cap.
- A new Coronavirus Business Interruption Loan Scheme that will see banks offer loans of up to £5m to support SMEs. The Government will cover the costs of interest on these loans for the first six months. The scheme was extended to larger businesses from 20 April. A simplified scheme, Bounce Back Loans, launched on 4 May.
- Cash grants worth:
 - £25,000 to the smallest businesses in the retail, hospitality or leisure sector.
 - £10,000 for all business in receipt of Small Business Rates Relief (SBRR) and Rural Rates Relief.

The aftermath of the coronavirus pandemic and impact of restrictions imposed by the Government placed significant pressure on businesses for several months. The pandemic disproportionately impacted wholesale and retail; transportation and storage; accommodation and food services; arts, entertainment and recreation; and other services.

The pandemic also led to a large drop in employment which remains an issue for some sectors who are experiencing recruitment difficulties. Covid-19 has made it more difficult for

businesses in SWLEP to recruit staff.¹⁶ Similar experiences have unfolded nationwide where labour supply and employment are below pre-pandemic levels because of a rise in economic inactivity. These are more pronounced amongst businesses in the accommodation and food services (35.5%) and construction (20.7%) industries¹⁷ which when considering the economic make up of Swindon and Wiltshire, suggests that they may have avoided some of the worst effects. Conversely, changes to working patterns and behaviours such as hybrid/remote working have led to greater competition for local labour as businesses in areas such as London are able to offer higher wages combined with infrequent visits to London offices.

3.4.3 EU Exit

On 24 December 2020 the UK and EU agreed a new Trade and Cooperation Agreement (TCA) to govern future trading relationships between the UK and the EU. As of March 2022, three years since the UK left the EU, the implementation of the Trade and Cooperation Agreement (TCA), which outlines a different basis for market access, has proceeded at different speeds.

A number of new processes and costs were introduced that businesses must now take into account when trading between the UK and the EU which has led to some productivity losses associated with an increase in non-tariff barriers between UK and EU trade.¹⁸ In some cases, this has required exporting and importing businesses to recalibrate their operations, and to prepare for additional paperwork and costs. As a result, following the transition period, overall UK trade volumes fell with UK goods imports falling more than UK goods exports to the EU. UK services trade with the EU has fallen by more relative to 2019 levels than non-EU trade with much of this decline attributed to the impact of the pandemic, particularly in sectors such as travel and transport. UK service exports to the EU and rest of the world have recovered to around 5 and 10 per cent below 2019 levels while imports of services from the EU are still down by over 30 per cent.¹⁹

Brexit has led to raised trade barriers with the EU which poses a significant risk to Swindon especially given its presence of international manufacturing companies many of which are integrated into the EU single market. As such, Swindon may be increasingly exposed to reductions exports and imports and where agreement among common regulations is not in place incur financial burdens associated with increased customs declarations, certification cost and audits to ensure compliance. Overall there remains significant uncertainty both around some of the outstanding elements of our future economic relationship with the EU as well as the response of firms and households to the new trading arrangements.²⁰ It is however expected that the EU exit is likely to create a further squeeze on the already tight

¹⁶ [SWLEP Annual Report 2021/22](#)

¹⁷ [House of Commons Skills and labour shortages](#)

¹⁸ [Office for Budget Responsibility 2023 Brexit Analysis](#)

¹⁹ [House of Commons Statistics on UK-EU](#)

²⁰ Ibid

labour market due to a decline in international migration and policy responses may be required to mitigate these.

3.4.4 Cost of living crisis

Since February 2022, the UK and Europe have experienced a global energy and food supply shock attributed to intensification of Russia's invasion of Ukraine. The result of this saw European wholesale gas prices rise ten-fold from pre-pandemic levels, and prices remain up to four times higher in the medium term. High energy costs have contributed to an increasing number of firms going out of businesses and between May and June 2022 company insolvencies in England and Wales hit a 13-year high.²¹ The Office for National Statistics (ONS) says there were 5,629 insolvencies in the second quarter of 2022, the highest number since 2009. At present, whilst they have fallen from their peak, high energy prices remain a major concern for businesses.²² Higher energy prices may have had a larger effect on businesses in Swindon when considering its high concentration of industrial and manufacturing businesses, many of which are likely to contain energy intensive production processes.

Inflation

A combination of strong demand from consumers for goods following the reopening of the economy since Covid-19, and higher costs for businesses, partly reflecting supply chain bottlenecks alongside higher energy prices meant higher prices for goods. Inflation rose sharply during 2021 and most of 2022. For example, UK consumer prices, as measured by the Consumer Prices Index (CPI), were 8.7% higher in April 2023 than a year before, down from 10.1% in March 2023.²³ Added to this, the April outturn follows seven consecutive months where double-digit inflation was recorded.

Rising prices have also impacted the price of essential materials, products, and services more generally. Around 4 in 10 (41%) trading businesses reported a rise in the price of goods or services bought in December 2022²⁴. Given Swindon's sizeable industrial and manufacturing sector, issues such as these are likely to place pressure on business costs and lead to shortages of certain goods. Industries are facing a variety of cost increases such as increased shipping costs and wage inflation, with many having to absorb these or consider what proportion of the increased costs can be passed on to consumers. These challenges may be of particular concern for those in Wiltshire, many of which are either micro or smaller businesses with less financial resources, and those that are unable to pass these onto consumers without losing substantial revenue.

²¹ See [ONS 2022](#) rising business insolvencies and high energy prices

²² Ibid

²³ [ONS 2022](#) Consumer price inflation April 2022

²⁴ [ONS 2023](#) Business insights and impact on the UK economy

4. Design and Implementation

Summary

- The project was designed prior to the COVID-19 pandemic but launched as the first cases were being recorded in the UK. Consequently, it suffered from a challenging start which required the delivery to be reshaped to remote delivery.
- The nature of the support businesses required during his period was often in the form of a short sharp intervention. As a result, many did not meet the 12 hour threshold to be claimed as a C1 output. Therefore, despite supporting a large volume of businesses, progress against the C1 output was initially slow.
- The project brought together partners with familiarity with ERDF funding and was designed to provide a continuum of support from pre-start through to scale-up.
- The collaboration amongst partners suffered however, initially as a result of the pandemic, with infrequent steering group meetings and little collective discussion that may have aided the pivoting of service delivery to respond to the issues encountered.
- Some frailties in the capture of hours of support and associated evidence combined with some participants not reaching the necessary threshold to count for an ERDF indicator affected progress against target.
- The project sought to reduce targets considerably in response to the challenges faced. It has subsequently performed well against the revised targets presented to DLUHC in October 2022. Furthermore, for some indicators, most notable, employment creation, the project has surpassed original targets.

This section explores the design of SME Comp in greater detail and reflects on the management, implementation and promotion of the project. It also analyses progress against targets.

4.1 Design

In terms of the design of the SME Competitiveness Project, the partnership drew heavily on the experience of YTKO in delivering ERDF funded initiatives and they led the writing of the application for funding.

The application included a considerable focus on support to those affected by the (at the time) imminent closure of the Honda factory and the redundancies that would then ensue.

Stakeholders acknowledged that the biggest issue with the design of the project related to the timing with the delivery model developed prior to the COVID-19 pandemic. The model proposed extensive use of the TEN centres as a mode to both engage businesses and also support them. The model also placed emphasis on scale-up and growth however, the initial period of implementation showed the need to focus support towards resilience and survival.

The model therefore required considerable adjustment both in emphasis and focus and in mode of delivery, early on within the implementation phase.

4.1.1 Growth Hub Navigators

The project was designed with SWLEP operating as the lead partner and with funding providing three additional Growth Hub navigators for the hub. Navigators provide a greater depth of support through the project than is typically offered through the Growth Hub, reflecting the enhanced resource enabled by ERDF funding.

In addition, the Navigators were tasked with holding, and supporting one to many events to provide support and raise awareness of the project with the raising of awareness also influenced by the re-engagement of previous contacts of the Growth Hub.

Furthermore, Navigators were tasked with delivering half day workshops across a range of topic areas that supplemented (rather than overlapped) the support services provided by YTKO and SETsquared. It was also intended that the Navigators would provide a point of contact for supported businesses including mentoring to maintain their momentum towards and through start up and scale up. Indeed it was intended that the Navigators would focus more on 'mainstream' individuals and early stage businesses, and then refer into the specialist YTKO service as appropriate for disadvantaged and under-served client groups, or into the SETsquared growth support component if they find a business with scale-up potential (see below).

At the outset of the project it was envisaged that support would also be made accessible through the TEN network of offices in Swindon and Wiltshire. The centres would offer regular 1:1 support sessions and workshops plus networking and drop-in sessions. However the arrival of the COVID-19 pandemic and the associated social interaction restrictions led to the transition to remote service provision only. Some stakeholders described this as having a considerable impact on initial progress with the project which led to what was described as a slow start in delivery of Growth Hub support.

The pandemic also led to the award of a 'Child Project' SWLEP to deliver grant provision to businesses in response to the pandemic. This led to a high volume of applications to sift through for the team whilst also seeking to progress SME Comp.

4.1.2 YTKO

YTKO were contracted to deliver their Outset support service, focused on disadvantaged individuals and under-represented client groups who are looking to start a business, and sustainability support for businesses up to 3 years old.

The marketing of this provision was designed to be closely intertwined with that of the Growth Hub with a similar onboarding process of enrolment, data capture and diagnostic (if that was not already captured through the Growth Hub delivery model).

As set out in the project application, the YTKO service offer included a range of preparation support for those individuals prior to starting their business, through start-up provision through to the effective, sustainable growth. A series of workshops and service modules are

offered supplemented by one-to-one business support and advice from an enterprise advisor, expert seminars and masterclasses and peer to peer networking opportunities.

At the time of the application, it was anticipated that around 15% of Outset clients might either be facing redundancy or had recently been made so. A specialist offer had been set up for this target group based on the assumption (linked to the Honda factory closure) that this client group might present considerable functional expertise, high educational levels, a lot of work experience and understanding, and redundancy packages to fund a new business and therefore, would not fall within the typical 'mainstream' start-up.

Redundancy numbers of 4,000-5,000 were expected at Honda with the majority being made redundant in 2021. There was an assumption that ~25% of the staff being made redundant would consider starting up companies and as part of Honda's redundancy support provided by Penna (third party HR provider that Honda out-source all their HR requirements to) all individuals would be able to attend half day enterprise workshops. This provision (outside of the ERDF programme) would outline what might be available through YTKO and the Growth Hub navigators so that subsequent support beyond that initial half day could be accessed by clients.

Aside from the redundancy support the YTKO element of service can be broken down by the stage each participant is at in their entrepreneurial journey.

Pre-start and potential entrepreneurs

For this cohort support includes a three-day online workshop which covers the key elements of how to plan and create a sustainable business. It covers the basic knowledge and capabilities that beneficiaries looking to start their own business require.

Following the three-day workshop, those that were still looking to progress were offered one-to-one support.

Early-Stage Support

Support for early stage businesses was targeted at business owners that had the foundational skills covered in the 'pre-start and potential entrepreneur' support, but needed continued support to develop their knowledge, capabilities and confidence. This element was delivered through online virtual workshops on themes including marketing, business strategy, business planning and finance.

The Foundry- Early-stage Growth Support

In the latter stages of the Project, the Foundry was set up at the Workshed in Swindon is used for the delivery of face to face business support for small and micro businesses seeking to grow. This element of support sees businesses recruited in cohorts with access to:

- free desk space in the foundry building for a period of 10 weeks;
- structured business support focused on needs of the business
- networking events
- an outset advisor present on site to provide drop-in support and guidance.

4.1.3 SETsquared

The SETsquared element of the support focussed on businesses seeking to scale-up and was led by the University of Bath . Provision included:

- Specialised business growth support for scale-up companies
- Business reviews by world class industry and entrepreneur mentors
- Opportunities to link SMEs to global corporate firms to secure opportunities for investment alongside access to an established investor network and investor platform.

It was also expected that their involvement in the project might provide the opportunity to draw on the support offer within the wider £5m SETsquared Scale-Up Programme

Support offered through the project would comprise of up to four workshops and 12 hours of SME support. The workshops would involve investigating options to help business growth and through SETsquared resources enable participant businesses to unlock the innovation led growth of scale-up companies.

The project was initially delivered under two strands:

Innovation Workout- the support was intended for businesses that were looking to scale up and was delivered by mentors online. The workout gave beneficiary businesses the opportunity to revisit and scrutinise their business models and consider alternative financial models, develop new and existing products and identify new funding streams.

Entrepreneur Workout- the support was aimed at early-stage businesses develop their idea to a pitch-ready proposition. The project was built on Strategyzer’s Business Model Canvas and supported beneficiaries to review their business model, value proposition, customer segmentation, channels for winning customers and revenue model, helping you to build a strong foundation for a profitable and successful business

For SETsquared the pandemic restricted the ability to do any outreach due to the lack of events being held. Again the focus of their support shifted to helping people “to build resilient and robust business models in the context of uncertainty and challenging conditions.” SETsquared described how companies were much more focused on just getting through the immediate crises in front of them however others who maybe found themselves with more time than usual were more receptive to support.

During the latter phases of the project, the activities delivered by SETsquared changed to the Business Strategy Workout. The service was rebranded in response to a perception that local businesses were not readily associating with “innovation” for their business and that businesses were not ready to scale. The content was changed again for the last session and that incorporated content from both Innovation and Entrepreneurs workout due to the mix of businesses that were suitable for both.

4.1.4 COVID-19 enforced changes to approach

The adaptation to service delivery in a remote digital manner across the project in response to the pandemic was seen as largely successful. The removal of social restrictions led to a re-establishment of face to face provision but that is now blended with the remote offer. In doing so the service model offers a greater degree of flexibility which for clients with other commitments (including caring for others) has been well-received.

4.1.5 Aligning to other provision

With the Growth Hub a central element within the SME Competitiveness Project, stakeholders reported good alignment with other business support provision. Both the Growth Hub Manager and the Navigators are required to have a strong familiarity with other provision available and therefore were able to signpost to relevant support including (for example the Innovation for Growth Fund delivered by the University of the West of England) and target 2030 if enquires related to energy efficiency

The Growth Hub Manager designed a playbook that mapped out customer journeys which, in turn, would inform navigators based on diagnostic question of the various options of support available. With referrals there was always a need to understand the implications for outputs as part of this process.

A key referral offer for the project was SWLEP's Growing Places Infrastructure Fund (GPIF) loan offer. Navigators would refer businesses to this support and then work with the businesses following receipt of that loan to assist them in their growth. The SME Competitiveness project gained considerable successes through referral to this provision, particularly in relation to job creation.

Furthermore, the Growth Hub was able to leverage the skills and expertise that sat elsewhere within the organisation, drawing on a Digital Navigator (initially a specialist in introducing cloud and digitalisation technologies to business and subsequently one with expertise in digital marketing and leveraging the beneficial effects of social media) and environmental (green) specialists for sector or topic specific provision.

4.2 Management and governance

The SME Competitiveness project was led by SWLEP with support from delivery partners as mentioned earlier in this section. At the outset of the project, an operational steering group was formed and initially met regularly. As the project moved into the flow of delivery, these meetings became less frequent.

There was a sense from several stakeholders of the importance of an operational steering group. Most could not recall the existence of these meetings or felt them to be too infrequent and some representatives of delivery partners had never met each other. Clearly the pandemic had restricted the ability to meet face to face (and indeed some staff may have been furloughed for some of this time) however several stakeholders highlighted the

importance of having a operational steering group and felt that virtual meetings could still have been possible when social interactions were precluded due to the restrictions in place.

“There was a lot of feedback in the early stages of the project, we did evaluations for every client, there were rigorous processes up front. I think COVID knocked this and the meetings became more sporadic with people out of the loop or furloughed. We have meetings, just not a formal meeting with all delivery partners.” (Stakeholder)

Dialogue with the lead organisation typically took place between two organisations with an emphasis on reporting back outputs and not collectively as a group. Whilst in some regards, it was felt that group discussions around performance were not necessary due to the varying directions different delivery partners took in delivering their elements of the project in the early stages and in response to COVID-19. Some stakeholders felt that this undermined the extent of collaboration that occurred within the project.

Furthermore, some stakeholders felt they did not have a full understanding of what other delivery partners were delivering. This was felt to have affected cross-referrals amongst partners which were typically described as either limited or one-way in nature. Improved dialogue could have aided delivery partners in the pivoting of their service offer to better meet demand in response to the changing socio-economic and political context through the project. Several stakeholders they reflected on this lack of collaborative engagement as a missed opportunity, not only in relation to referrals but also in resultantly failing to draw on previous experience and expertise in delivering European funded projects.

Stakeholders did however feel that from a quality and compliance perspective the project had been managed well. If there were any queries in relation to the claiming of expenditure or outputs, then these were felt to have been handled well. That being said, one of the challenges faced by the delivery team related to the gathering of necessary evidence to contribute towards target indicators. This was reported to be particularly problematic early on within the project and necessitated the retrospective gathering of evidence to ensure target indicators could be captured.

4.3 Performance and Progress

4.3.1 Progress against target

Table 4.1 below presents performance against target in the weeks leading up to the completion of the project (with data reflecting performance as of mid-June 2023).

The table presents targets agreed at project launch alongside those included within the PCR submission of October 2022. The table includes the extent of variation when comparing the running total with the October 2022 target, and those with the original targets. Those in green have met target, those in yellow have not met target but are within the 15% variation. Finally, those indicators highlighted in red are where current performance is over 15% short of target and therefore delivering against target with the limited time remaining would appear particularly challenging.

The table shows that the project has performed strongly against C8s – employment increase in supported enterprises and has also performed well against the pre-start indicator (P11) and the IDB indicator (P13). Indeed against most targets aside from C5 – number of new enterprises receiving support and C29 – number of enterprises supported to introduce new to the firm products, the project has delivered against its revised October 2022 target.

Table 4.1: Performance against targets at project close

Target indicator	Original target	Agreed revised targets	Running total	Variation with original Target	Variation with agreed revised target
P11 - Number of potential entrepreneurs assisted to be enterprise ready	190	190	203	7%	7%
P13 -Number of enterprises receiving Information, Diagnostic and Brokerage support	441	374	411	-7%	10%
C1 - Number of enterprises receiving support	388	180	189	-49%	5%
C4 - Number of enterprises receiving non-financial support	360	180	181	-50%	1%
C5 - Number of new enterprises supported	210	105	78	-63%	-26%
C8 - Employment increase in supported enterprises	135	94.5	148	10%	57%
C29 - Number of enterprises supported to introduce new to the firm products	13	13	5	-62%	-62%

Against original targets some indicators remain short, some significantly so (particularly C1, C4, C5 and C29) however this reflects the socio-economic context within which the project has operated. The service offer pivoted to look for different target groups and markets, enhancing for example provision to refugees from Ukraine.

There were also instances early on within the project where there was a lack of clarity around eligibility for certain target indicators. One example mentioned related to individuals starting in business as a sole trader and whether these could be captured as a C8 (employment increase) – ultimately it was found that these were ineligible for that indicator after an initial lack of clarity regarding this.

Evidence gathering during the project had been problematic and this was compounded by a service offer that did not easily conform to fulfilling the thresholds necessary to count towards the achievement of target indicators. The team described how they had a large proportion of participants that they would typically describe as “once and done” clients,

those who would be in receipt of an initial diagnostic, would receive advice and guidance and would then, furnished with that advice, implement their response. The team may secure a further half hour call to catch up on implementation but then no further engagement. Unfortunately the entire duration of this support would be typically 2-2.5 hours and therefore insufficient to meet the P13 target indicator.

The team use the comprehensive HubSpot system to gather their management information and that includes level of support for participant businesses. The evidence within HubSpot suggests that around 2,000 hours of support have been delivered to businesses that the team are unable to claim against an ERDF indicator (typically a P13) either because they have not fulfilled sufficient hours of support, or the necessary paperwork was not returned by the beneficiary. .

Against this context stakeholders acknowledged that there is an inherent risk that target hours may influence behaviour, the project had commenced focussed on responding to client needs but the support needs required, and the requirements of target indicators are not necessarily always aligned.

4.4 Promotion and engagement

4.4.1 Marketing approach

The project has primarily used social media and free marketing opportunities including the business newsletter from the LEP and promotion through the Growth Hub more generally to promote the project. The project did not include a dedicated marketing budget which limited the extent to which proactive marketing could be undertaken and necessitated the close alignment and integration of marketing with the Growth Hub (which in many respects represents an efficient use of resources). Essentially, however this may have limited the extent of traction that the SME Competitiveness Project gained with promotion of the offer somewhat reactive through a Navigator responding to an enquiry and promoting the offer as part of that response.

The project also drew on an existing customer base (the database of the Growth Hub which includes prior contacts) to promote the project which expanded considerably following Covid-19 as businesses reached out for support in response to the pandemic. SME Comp also benefitted from initial enquiries to local authorities for support who then referred directly to the SME Competitiveness project.

Gaining traction through marketing to Honda employees and ex-employees also proved challenging, and particularly so as a result of COVID. The delivery partners on the SME Comp project were unable to gain access to the site nor were they able to gain access to contact details to promote the service directly to employees due to data protection restrictions. This severely constrained the ability to gain access to this potential market.

The use of the Foundry initially came about as a potential route to engaging with the Honda audience. The facility already existed with incubation provision and workspace and YTKO were able to offer new additional support. This gained significant traction and created

momentum and was described as one of the biggest successes for them in reaching their audience. Elsewhere events were trialled but gained limited attendance and so outreach engagement visiting community facilities was also used to engage with the market.

SETSquared anticipated referrals to come through the Growth Hub route and whilst they did, at least one third of the referred businesses were not looking to scale and some of them were not operating within the target area. To boost awareness of their offer, SETSquared attended online events and sponsored the Swindon Tech College to help promote awareness of the offer and gain market presence.

There was reportedly some scepticism to the SETSquared offer from businesses who were unclear as to why Bath University through SETSquared was seeking to deliver support in the LEP area. Given their lack of existing footprint in the area, stakeholders described gaining profile and presence within the market in the SWLEP area proved particularly challenging.

Improvements

Reflecting on the marketing approach stakeholders acknowledged that in hindsight and dedicated marketing budget for the LEP would have been beneficial. The lack of that provision was not particularly impactful in the early stages of the project but, following the pandemic, businesses were in recovery mode and were not looking for generic support. At this point, promotional activity would likely have helped market engagement.

The integration with the Growth Hub promotion diluted the emphasis on SME Comp somewhat and in hindsight stakeholders felt more tailored, targeted approaches for promotion should have been adopted.

4.4.2 Beneficiary Survey Findings

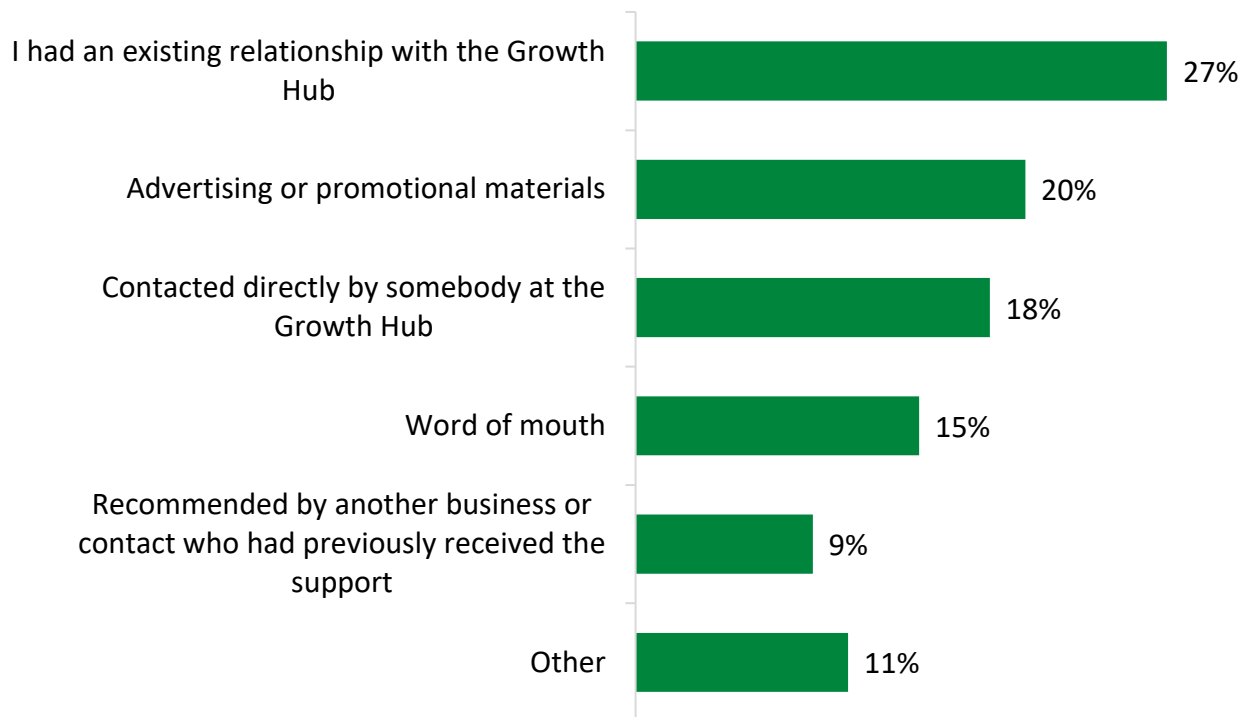
To complement the findings of the stakeholder consultations, the survey issued to beneficiary businesses as part of the evaluation sought to understand how businesses were initially engaged into support.

Respondents listed a wide range of direct and indirect channels through which they were engaged. Engagement into the Growth Hub's support (see figure 4.1) appears to have been reliant on strong pre-established networks, the most common engagement route was through pre-existing relationships with the Hub. However, indirect methods have also been successful in engaging participants, 20 per cent of businesses first heard about the support from advertising and promotional materials. Many of the businesses that answered 'other' were also engaged indirectly through internet searches or advertising at Chamber of Commerce meetings.

The most common engagement route for YTKO support recipients (see figure 4.2) was through a referral from the Growth Hub or SWLEP. Similarly to the Growth Hub support, the second most common engagement route was through advertising and promotional materials. A quarter of respondents cited other engagement routes into the support, these included referrals from the job centre, the federation of small business and

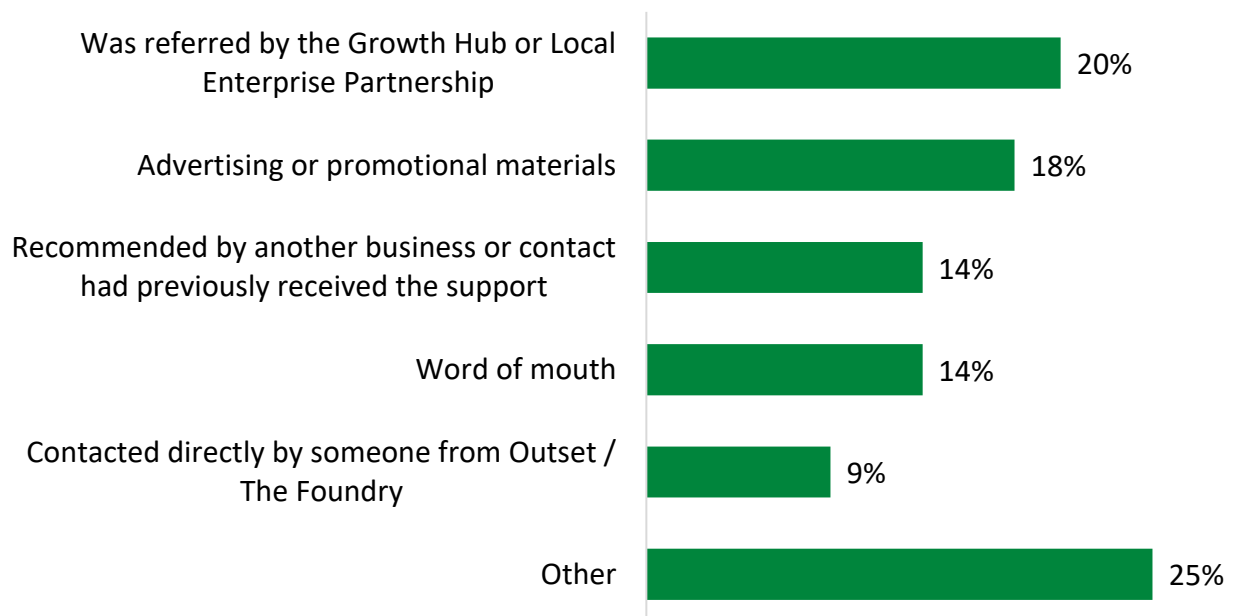
recommendations from businesses that had attended similar support offered by Growth Hubs in different LEPs.

Figure 4.1: Engagement route for Growth Hub support recipients



Source: Wavehill, Growth Hub Beneficiary Survey, (N=55)

Figure 4.2: Engagement routes for YTKO support recipients



Source: Wavehill, YTKO Beneficiary Survey, (N=44)

5. Service Delivery

Summary

- Respondent beneficiaries valued the support they received highly and reflected on how the support through the Growth Hub had aided their marketing plans and their ability to network.
- Amongst those in receipt of support through YTKO, participants were particularly satisfied with the ongoing one-to-one support they received. Participants typically would have preferred further support if it were available.
- Stakeholders reflected on the workshops that were established and the alignment with other service provision. However they reiterated that greater collaboration would have aided the customer journey through increased referrals and likely strengthened the relevance of the support offer.

This section reviews the reflections from stakeholders and beneficiaries of the services and activities delivered through the SME Competitiveness Project.

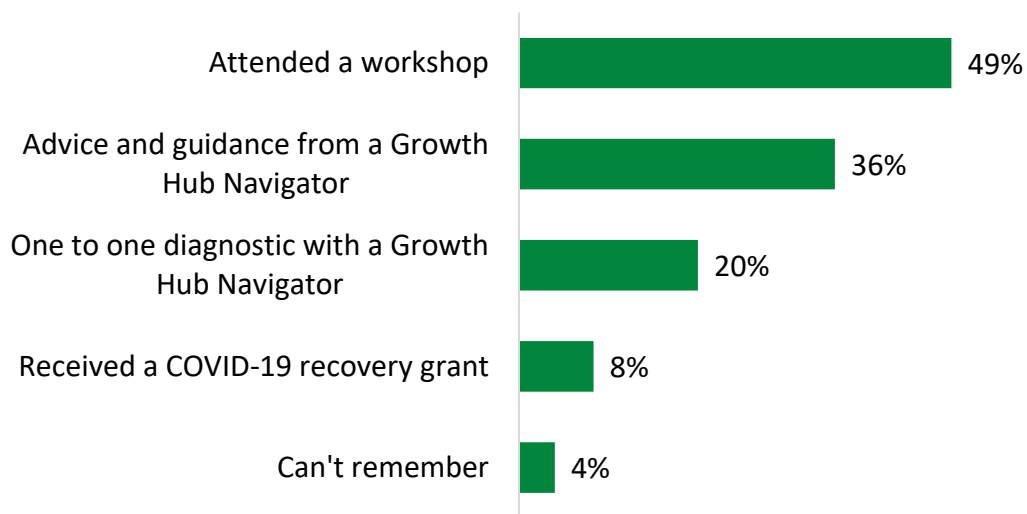
5.1 Activities

5.1.1 Growth Hub Activities

Among the Growth Hub beneficiary businesses, the most common activity was attending a workshop, however a significant proportion of businesses also received advice or a one-to-one diagnostic from a Growth Hub Navigator. Further qualitative evidence collected indicates that the advice covered a broad range of topics based on the business' needs, such as developing peer-to-peer, receiving a financial diagnostic or support in hiring new staff through the Kick-start project. A small proportion (8 per cent) of businesses reported that they had received a COVID-19 recovery grant, survey responses indicate that these were primarily used either to support cash flow²⁵ or purchase ventilators for their premises.

²⁵ Note: The delivery team confirmed that none of the COVID-19 recovery grants administered by the project were specifically to support cash flow. The findings in the table draw on the survey responses and it is possible businesses may have misremembered or confused with other COVID-19 grants they received.

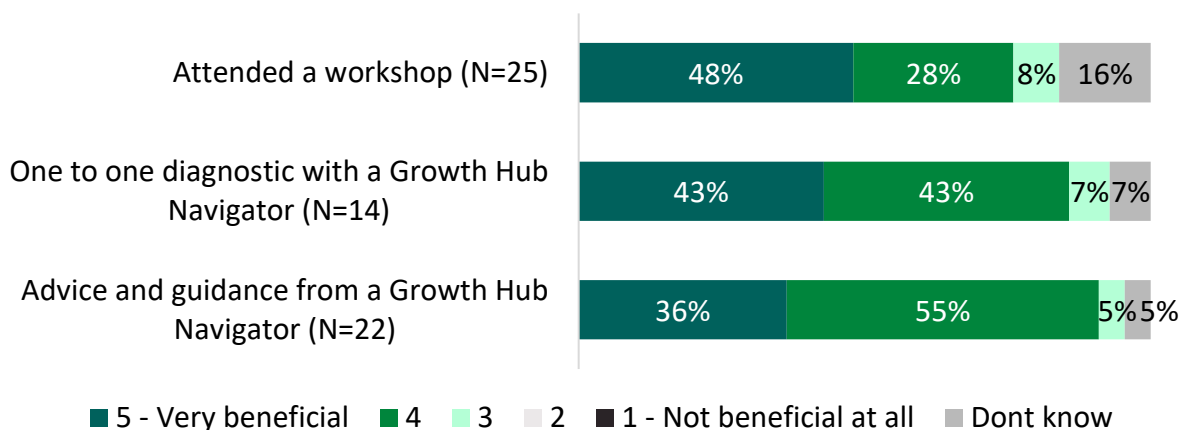
Figure 5.1: Activities undertaken by Growth Hub support recipients



Source: Wavehill, Growth Hub Beneficiary Survey, (N=59)

Businesses expressed a high degree of satisfaction with each of the Growth Hub’s support streams, with at least 76 per cent of businesses rating the support a four or five out of five when asked about the benefit to the business. Although all types of support were very positively received, advice and guidance from the Growth Hub navigators was rated the highest in term of received scores of 4 or 5 for benefiting the business.

Figure 5.2: Businesses satisfaction with Growth Hub support activities

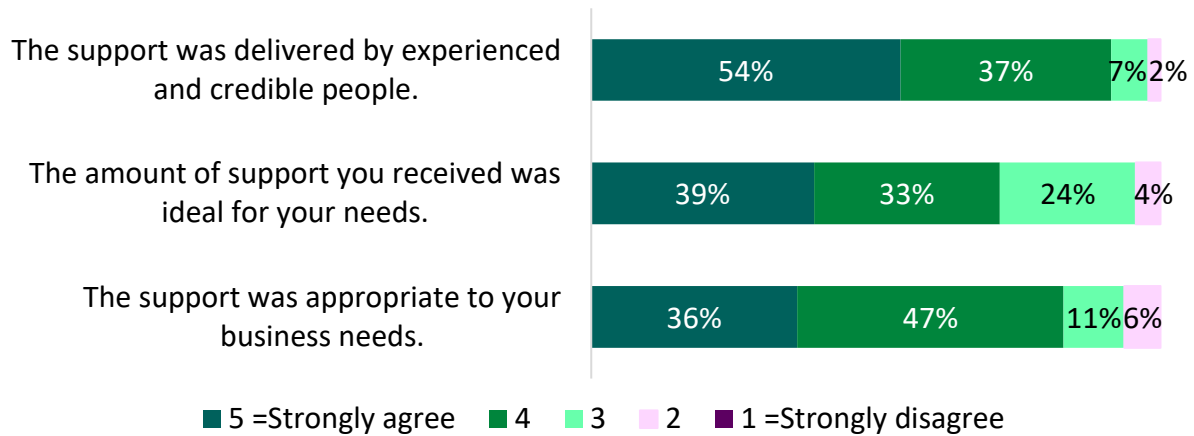


Source: Wavehill, Growth Hub Beneficiary Survey

Further qualitative evidence collected in the survey highlights that businesses benefitted in a wide range of ways as a result of the support. The most commonly cited benefits were improvements to their marketing plans. A large number of businesses also noted that the ability to expand their network to meet similar businesses was also a benefit of the support. Many other benefits were listed by a smaller number of businesses, these included improvements to the way they measure their environmental impact, enhancements to their businesses plan and internal data analysis, bolstered confidence and support to access further funding.

When asked further questions about their satisfaction with the activities delivered by the Growth Hub, a majority of respondents (shown in figure 5.3) felt the support was delivered by credible people and the amount and type of support they received was appropriate for their needs.

Figure 5.3: Further questions on businesses satisfaction with Growth Hub support

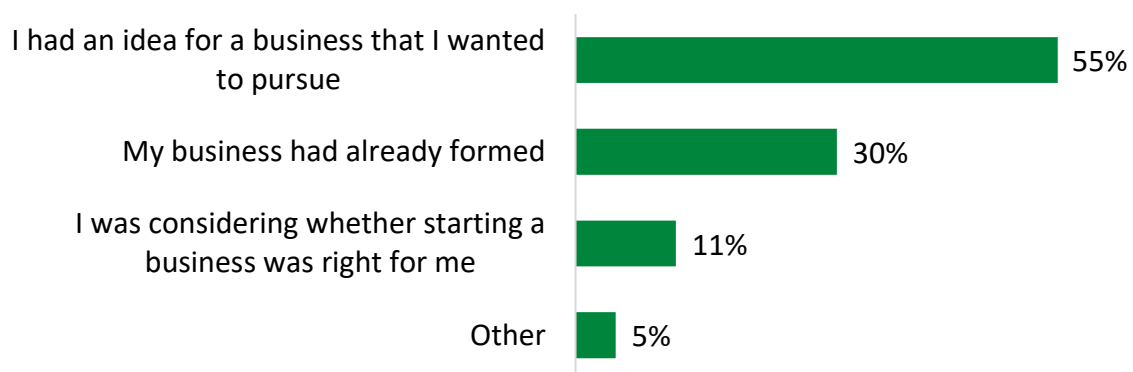


Source: Wavehill, Growth Hub Beneficiary Survey, (N=46)

5.1.2 YTKO Activities

YTKO’s role within the SME Competitiveness Project was primarily to support start-up businesses and prospective business owners. The table below shows that a majority of the respondents that received support from YTKO had yet to start a business but were eager to pursue an idea.

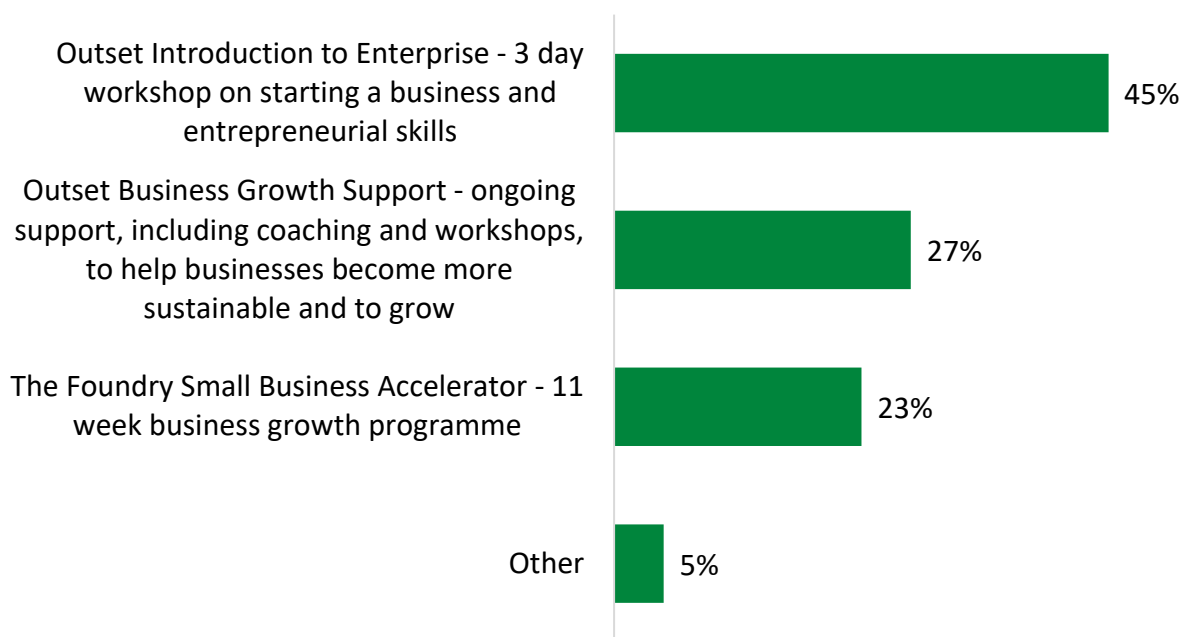
Figure 5.4: Respondents’ situation before receiving YTKO support



Source: Wavehill, YTKO Beneficiary Survey, (N=44)

The most common form of support accessed by respondents was the three-day workshop on starting a business and entrepreneurial skills. Roughly one quarter of respondents also took part in the ongoing support and 11 week business growth project delivered at the Foundry, illustrating its popularity despite being introduced in the latter stages of the project. Those who received other support mentioned short introductory sessions in order to receive small pieces of advice.

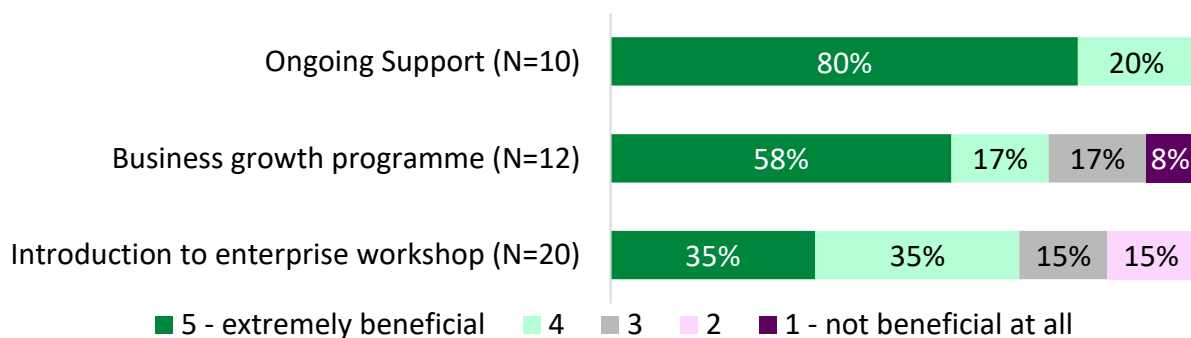
Figure 5.5: Activities undertaken by YTKO support recipients



Source: Wavehill, YTKO Beneficiary Survey, (N=44)

Respondents expressed a great deal of satisfaction for each stream of support offered by YTKO. As shown in the figure below, all respondents noted that the ongoing support was either beneficial or extremely beneficial. Satisfaction was also high for the business growth project and introduction to enterprise workshop with 85 per cent and 70 per cent of respondents feeling they were beneficial respectively.

Figure 5.6: Respondent satisfaction with YTKO support activities



Source: Wavehill, YTKO Beneficiary Survey

Respondents were asked to explain why they felt each support strand was or was not beneficial.

- Ongoing Support:** Respondents were most positive about the networking opportunities they were given through the ongoing support, allowing them to share challenges and solutions. A number of businesses also highlighted the support's role in changing their mindset about starting or running a business and playing a large role in increasing their confidence.

- **Business Growth Project:** Respondents referred to the valuable advice provided at the session, particularly relating to good practice around financial management and legal requirements. Many businesses felt the business growth project provided a good opportunity to network with similar business and share knowledge. Among a few businesses that reported lower levels of satisfaction with the support, it was either felt that the session took up too much of their time or that their business was not suited to the support provided.
- **Introduction to enterprise workshop:** Respondents felt that the mentors were very supportive and able to address issues specific to their business and highlight some of the challenges in running a business. The advice provided in the sessions was generally felt to be well geared towards people starting their business journey with enough signposting to other session and support for businesses that wanted to pursue a particular aspect further. Criticisms of this support strand were mainly focussed on the support being inappropriate for people with a bit more experience of running a business or the duration of the sessions (either too long or too short).
- **General Improvements:** Some respondents took the opportunity to suggest ways in which the support could improve overall. These included lengthening the time period that businesses could access ongoing support from YTKO, providing simpler introductions for people who were brand new to starting a business, and embedding some progression and accountability into the support by asking businesses to slowly develop their plan stage-by-stage across the duration of the support.

Overall, 82 per cent of respondents were satisfied with the support they had received with 67% noting that they were very satisfied with the support. Among the small numbers of respondents that were dissatisfied, it was noted that the session generally lasted too long or that they struggled to access support beyond the sessions. This reflects stakeholder concerns associated with delivering the threshold number of hours only to meet a target indicator, particularly when targets were so challenging to achieve.

5.2 Reflections on Activities

5.2.1 Strengths of provision

When stakeholders were asked to reflect on the strength of the project some spoke of strengthening relationships amongst the partners. There was also recognition of the quality of service delivered the knowledge of the advisor and the support providers.

Stakeholders also spoke of the rapid and successful transition of service provision in response to the pandemic.

The design and development of workshop provision and the refinement of these over time was also flagged as a key success of the project. A key legacy of the project has been the development of workshop content for a suite of topic areas including, social media, search engine optimisation, action planning and wellbeing for the workplace.

Finally the alignment with other service provision and particularly the GPIF loan programme. It is understood that 90 per cent of those who have taken out a loan were initially in contact with a Navigator. GPIF has generated a high level of jobs for the project, helping to deliver against that target indicator.

5.2.2 Potential improvements in provision

Partners reflected on the challenges of ERDF and a degree of concern about how targets may at times influence behaviour. Services were shaped around fulfilling key target indicators with 'performance' suffering based on indicators through the inability to sustain engagement beyond 3 or 12 hours. There was also some concern that post 12 hours of support there was little incentive (from a target perspective) to sustain engagement all of which risked deviating provision away from client need. Indeed, as outlined earlier in this section, one of the criticisms from beneficiaries of the project was the inability to receive follow-up or ongoing support.

Similarly capturing the hours delivered more effectively, particularly in the early stages of the project would have helped and also trialling other provision in response to changes in demand and delivery at an earlier stage were also cited, specifically the workshops that were delivered and the different vehicles for service provision. The project did well in realigning the mode of delivery but in hindsight could have been project could have been more rapid in its restructure of what it delivered to better meet the changing needs, in a turbulent socio-economic environment, of the client group.

As outlined earlier, closer alignment amongst the partners within the consortium would have likely benefitted the project. Sharing experience, challenges and working collaboratively to identify solutions and to better understand services that would aid referrals.

Less than a quarter of Growth Hub survey respondents felt that there were aspects of the support that could be improved. Businesses that did offer suggestions for improvement, expressed a desire for more funding opportunities, sector-specific support workshops and more opportunities to network with the other businesses receiving support during the workshops. One business noted that there was too much paperwork involved in the initial sign-up process. This issue was echoed by several stakeholders who found the level of bureaucracy associated with form filling particularly burdensome.

6. Outcomes and Impact of Support

Summary

- Growth Hub beneficiaries were most commonly motivated to engage with the service to develop their core business skills.
- Businesses spoke of a wide range of barriers that they faced with a lack of access to capital the most significant.
- Business described obtaining a growth plan/strategy or addressing operational inefficiencies as the most commonly addressed barriers that they faced.
- YTKO beneficiaries were most likely to be seeking mentorship, advice and guidance and to develop their business skills.
- Similarly to those in receipt of Growth Hub support, YTKO beneficiaries described having strengthened networks, improved operational efficiencies and a growth plan as key outcomes from the support they received.
- Impact and value for money has been modelled against management information. From a cost per outcome perspective the project delivers good value for money. Turnover performance is undermined by a lack of response from SETsquared participants and responses from the Growth Hub participants regardless of the intensity of support they received. So these should be treated with considerable caution.

6.1 Perceptions of Progress

6.1.1 Growth Hub beneficiaries: Progress against objectives and barriers

To gain a better insight into the project's outcomes, businesses were asked about their initial motivations for seeking support through the SME Competitiveness Project and the Growth Hub, a wide range of answers were given. The most common motivations were around developing core businesses skill such as marketing, finance and strategy as well as a desire to seek out mentorship, advice and guidance.

Figure 6.1: Business motivations for undertaking support with the Growth Hub

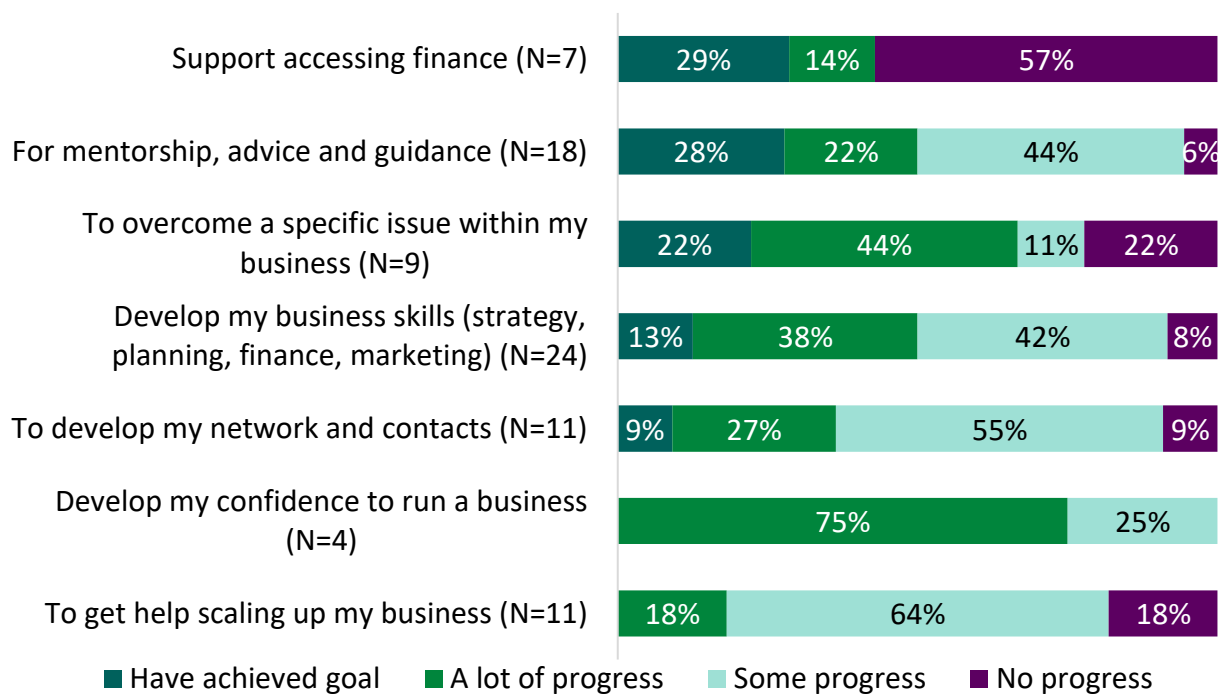


Source: Wavehill, Growth Hub Beneficiary Survey, (N=59)

Since receiving the support, a majority of respondents have made progress against most of the initial motivations they set out for receiving support.

- The most commonly cited motivation (developing business skills) has seen good progress with 92 per cent of businesses reporting to have made at least some progress and 13 per cent noting that they had achieved their goal.
- A high proportion of respondents have reported making at least some progress against all but one of the targets, with the greatest progress seen against the desires to developing confidence and seek mentorship, advice or guidance.
- Support to access finance appears to have a the most polarised responses, with the highest proportion of people noting they had achieved their goal and the highest proportion of people noting they had made no progress at all. This result could be due to small sample size.

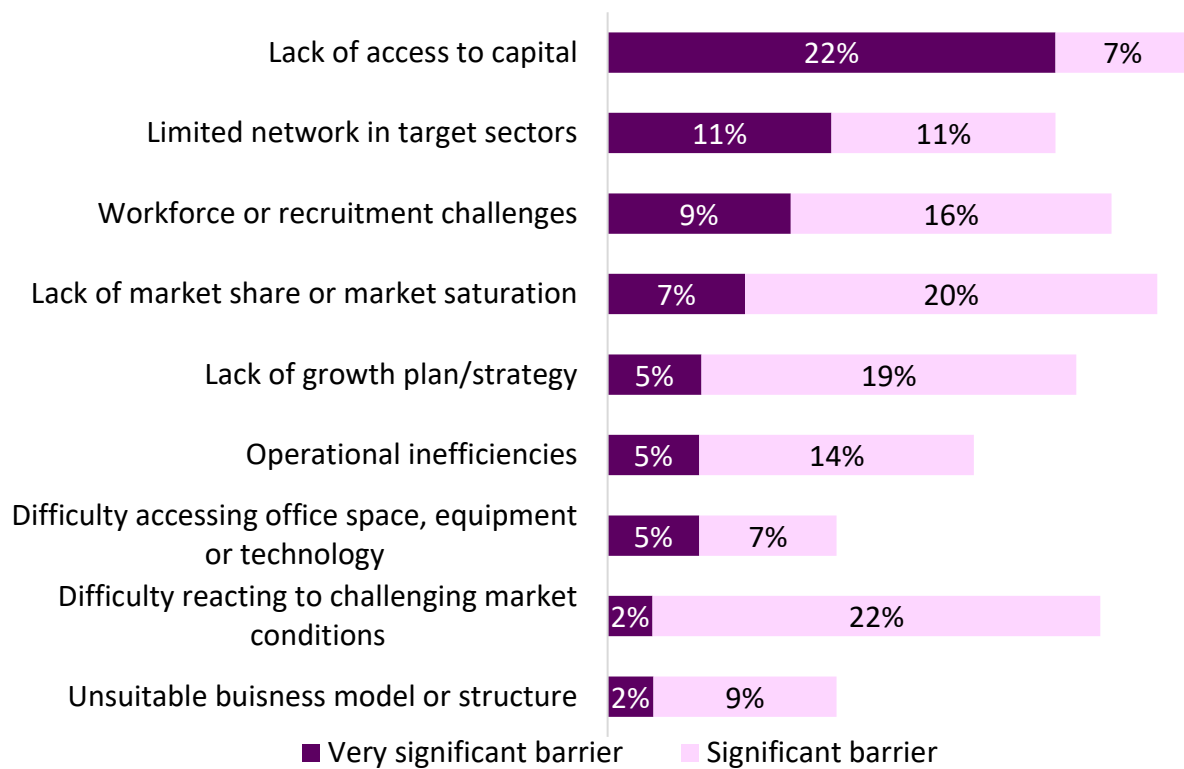
Figure 6.2: Business progress against their initial motivations



Source: Wavehill, Growth Hub Beneficiary Survey

Businesses were also asked about the barriers to growth they were experiencing before receiving support from the Growth Hub. The figure below highlights the wide variety of barriers to growth reported by businesses. Among the 59 respondents, 63 per cent reported having at least one significant or very significant barrier to growth.

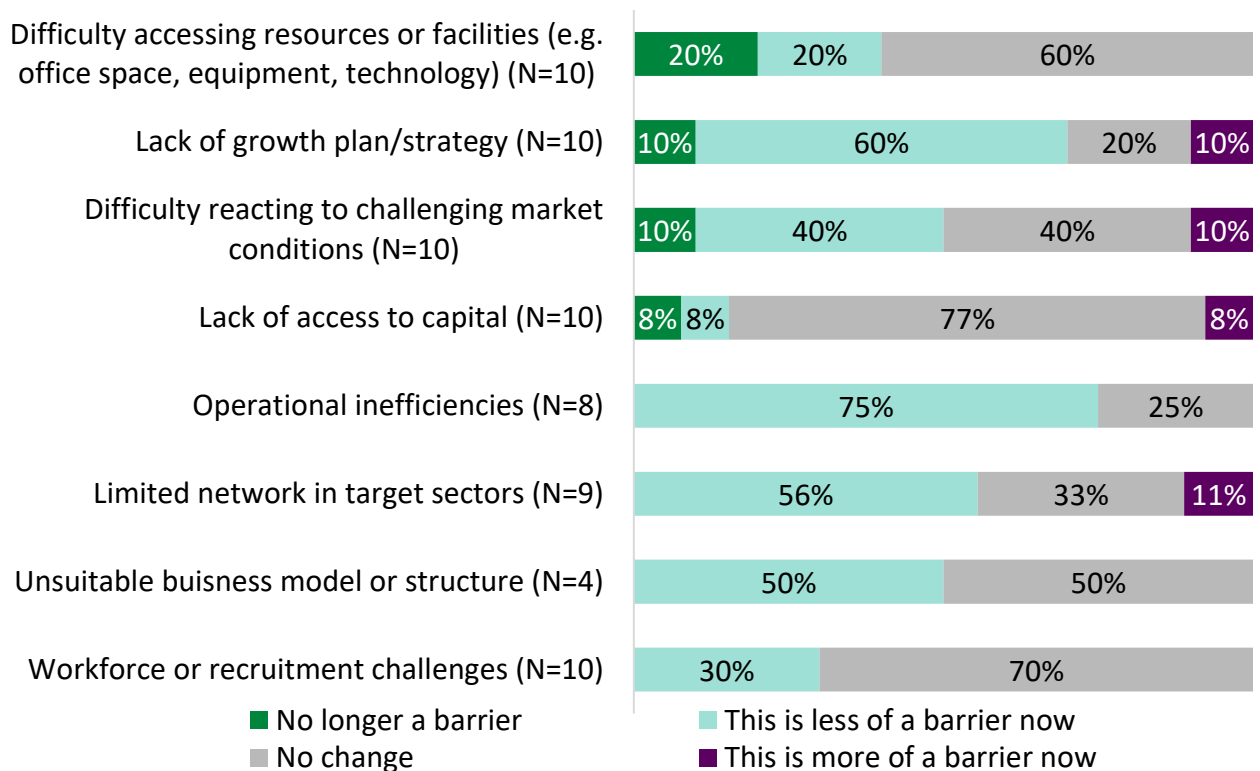
Figure 6.3: Businesses' barriers to growth before receiving Growth Hub support



Source: Wavehill, Growth Hub Beneficiary Survey, (N=59)

Since engaging with the support offered by the Growth Hub, a moderate amount of progress against these barriers has been achieved, with 41 per cent of businesses noting that at least one of their significant or very significant barriers has reduced or completely been removed following the support. Some barriers remain, however, in many ways the project is limited in its ability to address these.

Figure 6.4: Progress against barriers to growth among Growth Hub beneficiaries



Source: Wavehill, Growth Hub Beneficiary Survey

Overall, survey evidence indicates that the support offered by the Growth Hub has been generally successful in offering business the support that they needed through the workshops and the one-to-one navigator advice. Where sustained barriers exist, (workforce or recruitment challenges, access to capital and accessing resources or facilities) the project offer, in reality, is limited in its ability to address them. The support appears to offer a good deal of additionality too, with 78 per cent of businesses reporting that they would not have undertaken similar activities if the Growth Hub support was not available.

6.1.2 YTKO beneficiaries: Progress against objectives and barriers

Respondents were asked about their initial motivations for seeking support through the SME Competitiveness Project and YTKO, a wide range of answers were given. The most common motivation was a desire for general mentorship, advice and guidance. However, over half of respondents were also seeking to develop their businesses skills and develop their confidence to run a business.

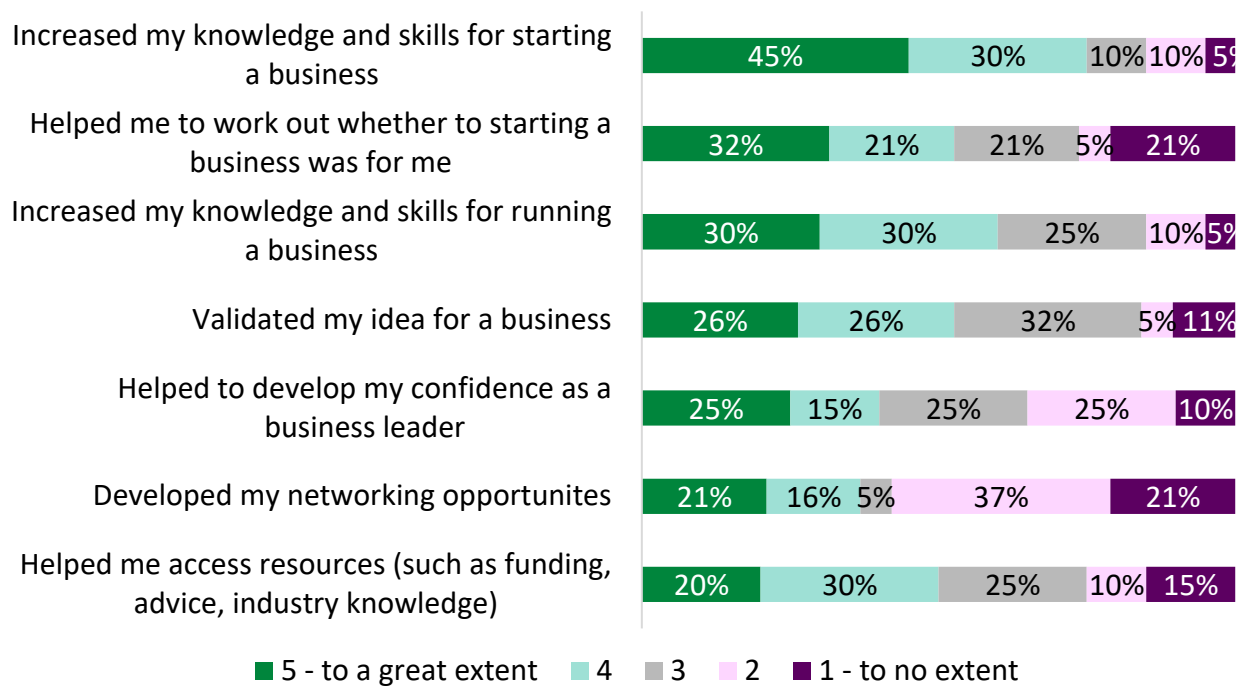
Figure 6.5: Respondents' motivations for seeking support from YTKO



Source: Wavehill, YTKO Beneficiary Survey, (N=46)

When asked whether receiving the support from YTKO had impacted any of the initial motivations for receiving support, a majority of businesses felt that support has impacted most of the initial motivators as shown in Figure 6.6, below. The greatest impact can be seen on those businesses that were seeking to increase their knowledge and skill for starting a business.

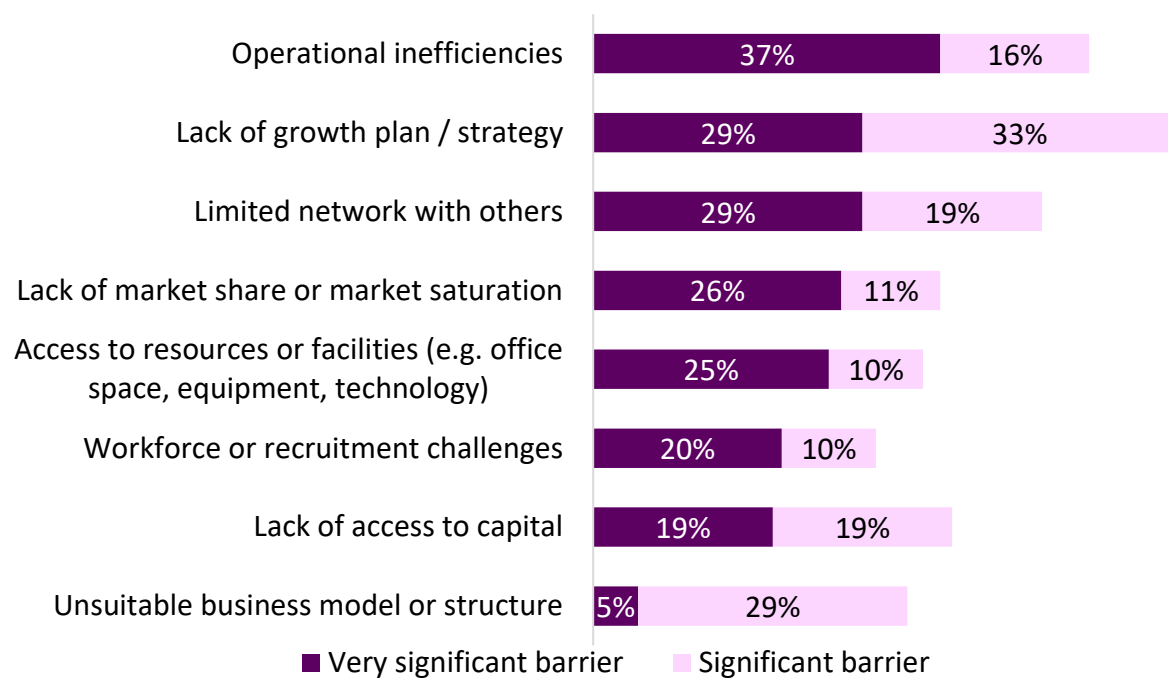
Figure 6.6: Impact of the support on the reasons initially noted for seeking support



Source: Wavehill, YTKO Beneficiary Survey, (N=20)

Respondents were also asked about the barriers to growth they were experiencing before receiving support from YTKO, the figure below highlights the wide variety of barrier to growth reported by businesses. Among the 21 respondents to this question, 90 per cent reported having at least one significant or very significant barrier to growth.

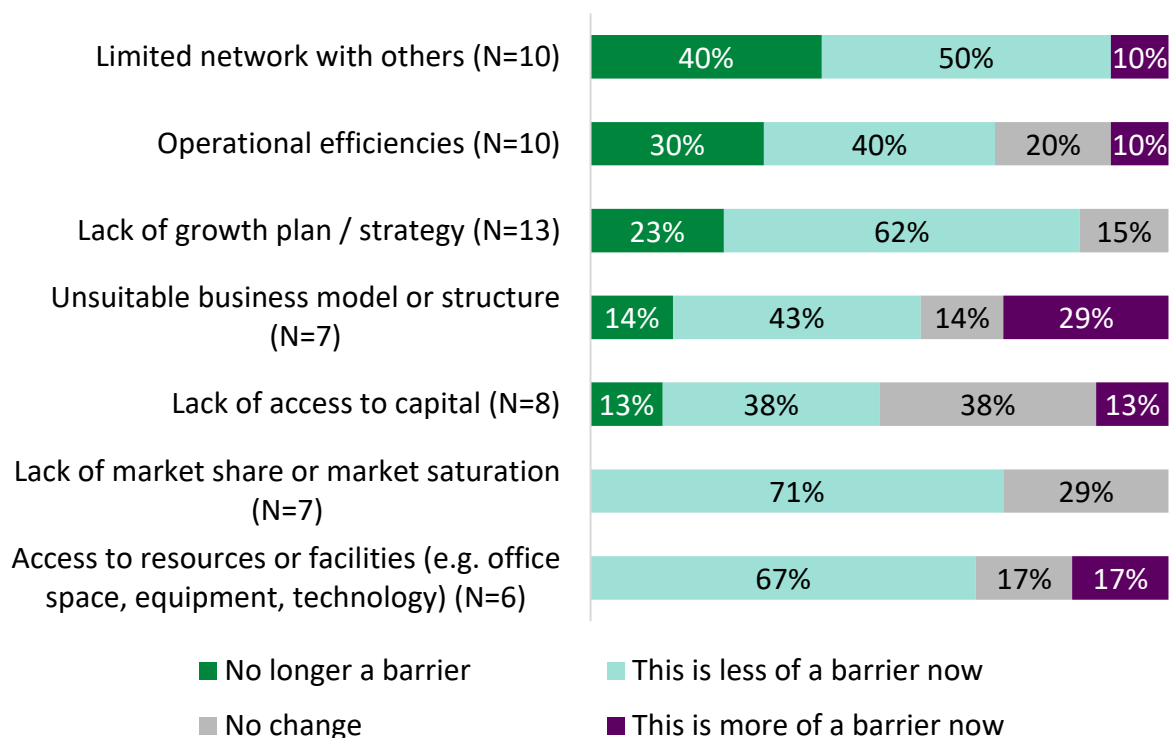
Figure 6.7: Businesses' barriers to growth before receiving YTKO support



Source: Wavehill, YTKO Beneficiary Survey, (N=21)

Since engaging with the support offered by the YTKO, strong progress to overcome these barriers has been achieved, with 85 per cent of businesses noting that at least one of their significant or very significant barriers has reduced or completely been removed following the support. As illustrated in the figure below, respondents have primarily made progress by reducing the barrier as opposed to completely removing it. A great deal of progress has been made against the barriers of a limited network and operational efficiencies, with 40 per cent and 30 per cent respectively noting that they are no longer a barrier. These results should be interpreted with caution when assessing project-wide impacts given the small sample size.

Figure 6.8: Progress against barriers to growth among YTKO beneficiaries



Source: Wavehill, YTKO Beneficiary Survey

Overall, survey evidence indicates that the support offered by the YTKO has been generally successful in offering business the support that they needed through the workshops and the one-to-one navigator advice. Respondents have praised the trainers for their approachability and useful advice. The support appears to offer a good deal of additionality too, with 65 per cent of businesses reporting that they would not have undertaken similar activities if the YTKO support was not available.

6.1.3 Stakeholder perspectives

Stakeholders were asked for their reflections on the wider benefits of the services provided. For SETSquared where the low rate of response meant business feedback was largely excluded from the survey findings, there was a sense that the support had played a considerable role in boosting networking activities. Indeed several of the delivery partners referred to the networking activities that arose after workshops and service delivery. WhatsApp groups were typically established enabling informal networking to continue beyond the project .

More widely stakeholders spoke of a changing attitude towards business support amongst participant businesses. They were not seeing a greater willingness to actively engage in support and more widely recognised the value it could bring. Similarly the project was felt to have raised the profile of business support in the SWLEP area and strengthened levels of collaboration with other service providers within the area.

6.2 Impacts

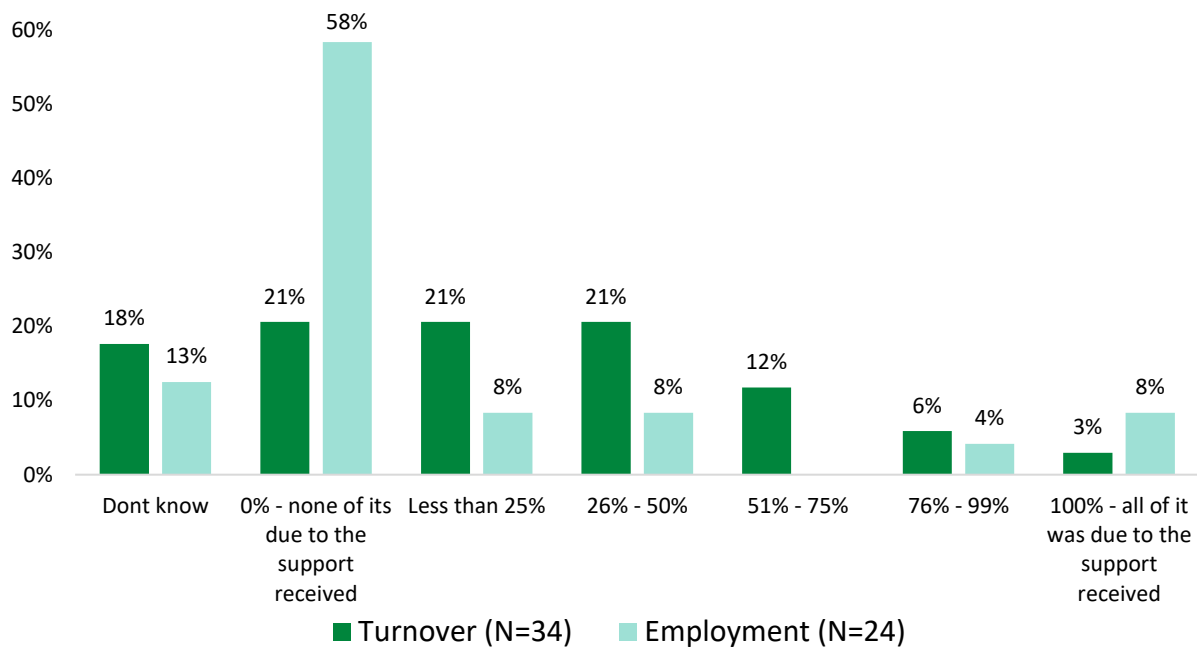
The available body of evidence presents several methodological challenges when assessing the project's total impact. Conventional GVA and employment modelling based on beneficiary survey responses are likely inadequate tools for measuring impact in this case, due to the high likelihood of a biased sample as outlined in the methodological limitations at the start of this report.

None of the businesses that received support from SETSquared provided sufficient data to model economic impacts. Since these businesses were identified as having high growth potential, they likely would have accounted a large proportion of any net GVA, or employment created by the SME Competitiveness Project.

Among respondents that received support from the Growth Hub or YTKO, the survey modelling exhibits comparatively low returns on investment. This can likely be explained by the low levels of benefits reported by survey respondents that were attributable to the support they received. When respondents reported an increase in either turnover or employment, they were asked how much was attributable to support they had received through the SME Competitiveness Project. The figure below shows that for both turnover and employment increases, participants' self-reported belief that these gains came as a result of the support they had received were low.

Figure 6.9 shows 58 per cent of respondents indicated that any changes to employment were not attributable to the SME Competitiveness Project support and this could be down to a number of reasons. For example, it's likely that respondents had also accessed other Growth Hub or LEP services which may have influenced employment changes as well as employment changes being driven predominantly by other factors specific to the business.

Figure 6.9: Perception of turnover and employment gains attributable to support



Source: Wavehill, Growth Hub and YTKO Beneficiary Surveys

It should also be noted that the beneficiary survey was sent to all Growth Hub support recipients regardless of the number of support hours they received. This provides some indication as to why attribution rates may be so low for turnover and employment and offers further reason why conventional survey modelling may not be an appropriate indicator for modelling the entire project's impact.

When looking only at the 32 survey respondents that provided sufficient data to undertake economic modelling, the project has helped generate £238,376 in net additional GVA and a net increase of 0.5 FTE jobs. Looking ahead, the project is expected to create an additional £87,000 in net additional GVA and additional 0.6 net FTE jobs in the surveyed businesses in the future.

Typically these figures would be extrapolated to reflect the entire population of supported participants, however the low response rate amongst SETsquared participants (who would typically be the most growth orientated of the client group supported) and the fact that job creation numbers were driven by those supported through the GPIF loan offer means that, from an impact perspective, beneficiaries engaged in the survey are not representative of the supported population. As a result reported management information data has been used to model employment related impacts from the project.

6.3 Value for Money

Value for money (VfM) has been assessed based on outputs delivered by the end of the project and impact modelled using management information data (for employment impacts) combined with the beneficiary survey (for GVA impacts) against the final ERDF project spend. The project's VfM is assessed on a cost per outcome (Cost effectiveness) and cost-benefit basis.

6.3.1 Cost per output

Table 6.1 below provides a breakdown of the project's cost per target indicator compared with the DLUHC's 2014-2020 ERDF guidance²⁶ as a useful benchmark to provide an indicator of value for money. Although these are comparatively old benchmarks, preliminary analysis of more recent costs-per-output conducted in 2021 provide relatively similar benchmarks.

Table 6.1: Cost per output against ERDF 2014-20 benchmarks.

Output	Total (Feb 2023)	Current Unit Cost		Benchmark
		Cost per output (ERDF spend only)	Cost per output (Total public spend)	ERDF guidance median public spend cost ²⁷
C1	185	£6,202.29	£12,404.58	£10,200
C8	138	£8,305.03	£16,629.33	£25,700
P13	410	£2,798.59	£5,597.19	N/A
P11	203	£5,652.33	£11,304.67	N/A
C4	180	£6,374.58	£12,749.15	£10,200
C5	75	£15,298.98	£30,597.96	£17,600
C29	6	£191,237.25	£382,474.51	£28,000

Source: Project Monitoring Information and DLUHC (formerly DCLG) Unit Cost Benchmarks

From a cost-per-indicator perspective the project appears to have performed relatively similar to the ERDF benchmarks, exhibiting unit costs slightly above the median benchmarks for C1, C4 and C5 and a unit cost below the median benchmark for C8. For these targets, the project has demonstrated reasonable value for money. The unit costs for C29 far surpass the median and mean ERDF benchmark costs for introducing a new product (£28,000 and £94,000 respectively), however the project is challenged by the fact that C29 indicators are only delivered through a fraction of project investment and therefore benchmarking the delivery of those indicators against total investment artificially inflates these figures considerably.

²⁶ DLUHC, [England ERDF Programme 2014-20: Output Unit Costs and Definitions](#), 2013

²⁷ Mean figures are heavily skewed by small number of high unit cost outliers, therefore median costs have been shown to more accurately reflect an 'average' cost per output.

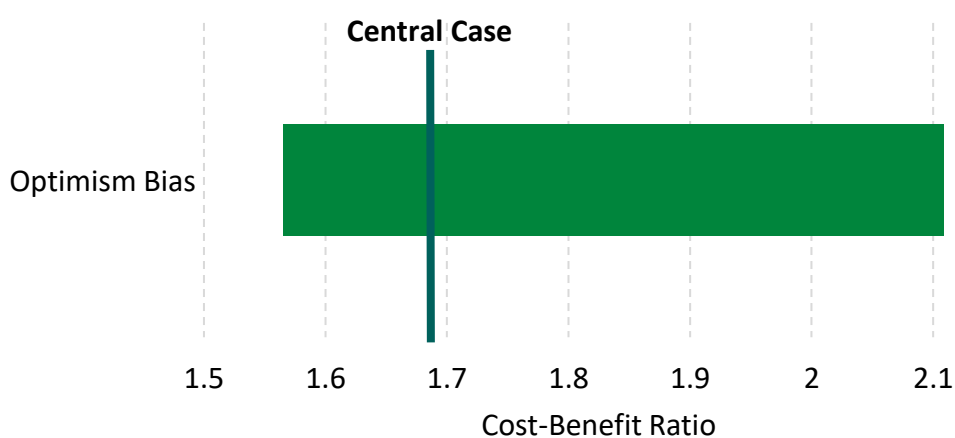
6.3.2 Return on Investment

Due to a lack of alternative information sources, GVA impacts have been modelled using data collected in the beneficiary surveys. Section 6.2 highlights some of the key criticisms that should be taken into account when interpreting these results.

The analysis of the project's return on investment was undertaken before delivery has ended, therefore there is scope for the final figure to increase as delivery continues. Currently, for every £1 of ERDF funding, an additional £1.20 in net GVA is generated by the project, rising to £1.69 when future impacts are anticipated. However, the project was only part-funded by the ERDF, when considering every £1 of public money spent on the project, an additional £0.60 on net GVA is generated by the project, rising to £0.84 when future impacts are accounted for.

Sensitivity testing has been undertaken on the optimism bias applied to estimated future impacts. Currently, the estimates applied to the turnover to GVA impact model based on survey data apply a 20 per cent optimism bias on reported future impact, therefore assuming only 80 per cent of the future impact expected by beneficiaries will be realised. Sensitivity testing considers two scenarios whereby 60 per cent and 100 per cent of estimated future impacts are realised. Both cases reflect a modest value for ERDF money.

Figure 6.10: Sensitivity Testing the project's cost benefit ratio



6.3.3 Summary

When assessed against cost-per-output and cost-benefit VfM criteria the project exhibits a modest value for money with some evidence potentially indicating poor VfM, in particular when evaluating the cost per output of introducing new to firm products. Modelling based on current outputs suggests that the project is generating £1.69 of net additional GVA for every £1 of EDRF investment.

It should be highlighted that these assessments are based on self-reported data from the sub sample of businesses that provided sufficient information to undertake analysis. Furthermore, none of the high growth businesses supported by Set-Squared provided

sufficient data to undertake economic modelling, likely excluding a small number of businesses that were very likely to experience turnover and employment growth as a result of the support offered by the project. Further evidence is necessary to form a more robust conclusion about the project's value for money.

6.4 Case Studies

6.4.1 Workplace Wellness Occupational Health Services

Based in Bradford-on-Avon, Workplace Wellness provide tailored occupational health services for organisations that are driven by an ethos to keep workforces happy, healthy and safe. Although the team already had extensive experience providing support and health checks to businesses in a wide range of industries such as education, manufacturing, retail and mining, they sought support from the SME Competitiveness Project to further develop the company's internal strategy and assess their finances.

Workplace Wellness were specifically aiming to develop their business management skills relating to planning, finance and marketing as well as expand their network of businesses. After being signposted to the Growth Hub, Workplace Wellness received one-to-one support and business diagnostic from a Growth Hub navigator. The one-to-one support helped the business strengthen their network and improve their financial planning; they were also supported to engage with the Government's kickstart project to expand the business. Workplace wellness noted that the diagnostic had been particularly beneficial in addressing multiple needs and allowing them to access further support through the peer networks formed with other businesses that were receiving support.

“The peer network was invaluable. We met a local business who have delivered a bespoke data management system for us, we've received support from a financial advisor and the Kickstart support has given us a great new employee.” **(Workplace Wellness)**

Workplace Wellness are now in a stronger position following support from the Growth Hub through the SME Competitiveness project, estimating a 10% turnover increase as a direct result of the support. As well as receiving support to improve their internal management skills, the business has been able to secure a grant to improve their marketing, access local services through newly formed peer networks and hired a new employee through the Kickstart programme.

6.4.2 The Vanner Gallery

The Vanner Gallery is a contemporary art gallery in the heart of Salisbury that offers regular exhibitions of original artwork by local, national and international artists. As well as hosting a space for artists to exhibit their work, the gallery offers art searching and installation services to find an ideal piece of art to complement their customers' homes. The Vanner

Gallery were seeking support to scale up their business and develop their network of local contacts.

After getting referred to YTKO by the LEP, the gallery directors undertook the Outset 3-day introduction to enterprise workshop. They noted that the workshops had a significant impact in changing their mindset on how to run the business, changing their focus to more explicitly focus on the business' needs to develop as opposed to its current needs.

“The course helped me realise the importance of working on the business versus working in it, and to be conscious of what I was doing to drive it forward.” **(The Vanner Gallery)**

Without the support from YTKO, the Vanner Gallery noted that they would not have undertaken similar businesses support. Support through the SME Competitiveness Project has allowed the Gallery to make progress against their initial goals of expanding their network and scaling up their business, allowing them to strengthen their position as a business and continue to platform art and artists from Wiltshire and beyond.

6.4.3 Purple Lime Accounting

Purple Lime are a Wiltshire based accounting firm providing a wide range of services for their clients, taking on stand-alone tasks or functioning as an outsourced finance department for a variety of SMEs. The business sought out support from the SME Competitiveness Project to address two primary challenges: recruiting junior staff and reducing Purple Lime's environmental impact.

Purple Lime were particularly satisfied with ease of the application process and the communication with the project team. They also felt that the type and amount support they received through the Growth Hub was ideal for their needs, noting that the one-to-one advice with the Growth Hub Navigator had been particularly beneficial. The Growth Hub Navigator provided Purple Lime with guidance on their options for taking on apprentices as well as signposted them to the UN's 'Together for Our Planet' campaign which led to Purple Lime making a commitment to net zero emissions as a business.

Recruitment challenges are now less of a barrier to Purple Lime following the support they received from the SME Competitiveness Project. The business has since recruited two new full time employees which they partially attribute to the advice they received from the Growth Hub. When asked what they would've done without the support, Purple Lime noted that they likely would not have sought out this kind of business support, indicating that the SME Competitiveness Project offered a great deal of additionality for businesses in the SWLEP.

7. Conclusions and lessons learned

The SME Competitiveness Project was designed to offer a continuum of support from pre-start through to scale-up. It was designed with a clear rationale which included targeted support to those being made redundant at Honda and support to increase the proportion of scale ups amongst start-up businesses in the SWLEP area. It also sought to enhance the level of support services in the target area and build awareness and usage of the service offer.

7.1 Relevance and Consistency

The project launched at the start of 2020 just as the first cases of COVID-19 were being recorded. By March of that year, the UK was in lockdown, necessitating a considerable pivot in the delivery model for the project before it had really got started.

The lack of momentum prior to lockdown affected the project, it also impacted on a service offer that had core elements designed on outreach engagement through TEN centres and in delivering support to those being made redundant at the Honda Factory.

The project adapted quickly to delivering virtually, however the change of offer to reflect the markets changing requirements took longer to establish and early progress was relatively slow.

7.2 Progress

The project's momentum has slowly built over time; however the challenging start has meant that the original contractual targets for the project which were initially ambitious, became particularly stretching and very difficult to deliver.

A PCR request was submitted in October 2022 to revise down target indicators. It was subsequently agreed by DLUHC that a formal PCR was not necessary, however they acknowledged the situation, and it is understood provided verbal reassurance that the project would not be penalised if it were to fall short of original targets.

The latest data shows that against some targets the project has performed particularly well. Indeed, the number of P11s and C8s (employment increase) have surpassed both the PCR request in October 2022 and the original targets. For the latter target in particular, success in its delivery is reflective of the SME Competitiveness Project's lead partner, the Growth Hubs effective integration with a wealth of other support services and the referral to the GPIF loan fund in particular.

The overachievement on this figure is particularly impressive given it was initially (wrongly) assumed that those starting a business and becoming self-employed would count towards that target.²⁸

Elsewhere the number of new enterprises supported (C5) and the number of enterprises supported to introduce new to the firm products have proved challenging to deliver. With the latter element this is in part reflective of the challenges faced by SETsquared in delivering in this area. They have encountered scepticism about their support offer and have tended to struggle to identify and engage, or indeed secure the referral of businesses with the desire to scale which has limited their ability to deliver against targets.

7.3 Delivery and Management

Whilst a clear governance structure was in place for the project the nature of engagement and collaboration amongst delivery partners was considered patchy. Once again collaboration was affected by the pandemic however several stakeholders felt that the failure to hold operational level steering group meetings with sufficient frequency was a missed opportunity.

The lack of engagement of this nature meant that partners felt they did not fully understand each other's service offer which in turn affected the volume and quality of referrals that took place. The nature of dialogue typically was associated with reporting on progress rather than reflecting collectively on the design of services and how they could be adjusted to meet changing needs. Given the experience that existed among the partners in delivering ERDF projects this presented a useful opportunity to draw on insight and experience more extensively than appeared the case. This may have helped early on in relation to the establishment of the necessary systems and processes for capturing required evidence for target indicators.

Whilst SETsquared and YTKO both had an allocated marketing budget, there was a need for more dedicated marketing to promote the SME Competitiveness Project offer. Its promotion formed part of the wider Growth Hub marketing which aided its integration with wider provision but is likely to have limited the traction that could be gained for this specific offer. Whilst both YTKO and SETsquared had marketing budgets to promote their strands of the support, it is likely that dedicated marketing via the SWLEP and the Growth Hub would have helped raise awareness of the scheme.

²⁸ Note: The original BID was written on the basis that sole traders setting up could be counted as C8s as they were not specifically excluded by the Output Indicator Guidance Version 6. However, between the acceptance of the BID and the time of the GFA being signed, new Output Indicator Guidance (Version 7 released 20th March 2020) was released that stated sole traders could not count as a C8. The guidance in effect at time of GFA being signed was the one the project was required to use.

The project has delivered services that respond to client needs and, particularly so for SWLEP as the lead partner, this has sometimes not aligned with the achievement of target indicators. Initial diagnostics and support have been delivered to clients but in many cases the duration of support has not breached the three or 12 hour thresholds that lead to a P13 or C1 (respectively) designation. Whilst the project team estimate that c.2,000 hours of support have not contributed to target indicators, they illustrate how the project has responded to client needs.

Service delivery did adapt to changing circumstances and many of these were highly effective. Notable changes that brought success have included the establishment of a series of virtual workshops through the growth hub, the creation of the Foundry in Swindon to deliver in-person Outset provision by YTKO and the rebranding of services away from innovation by SETsquared to better reflect the perceived needs of eligible businesses.

7.4 Outcomes and impact

As outlined earlier in this section, job creation outcomes have been considerably boosted by referrals to the GPIF loan project however more generally, the support provided has been well received by participants with high rates of satisfaction with provision.

Whilst the reasons for engaging with support differed between participants of each delivery partner there was a higher degree of consistency about the nature of benefits derived from the support. Participants spoke of barriers being addressed particularly around securing a clearer growth plan or strategy, improving their operational efficiencies and strengthened networks that supported routes to market.

The project delivers well from a cost per outcome perspective and presents good value for money, however this is primarily driven by the effective integration with other services as much as it is a result of the direct delivery of services offered through the SME Competitiveness Project. More direct impact in relation to turnover and employment amongst surveyed businesses looks less impressive however, by engagement with those in receipt of light touch support, any extrapolation of impact from survey responses is likely to be an underestimate.

7.5 Legacy

The SME Competitiveness Project ended on the 30th June 2023. Whilst the SWLEP plans to retain core elements of the service, the future of business support provision in Swindon and Wiltshire is less clear. The focus of Shared Prosperity Funding in Swindon is community orientated and is unlikely to resource future support of this nature. In Wiltshire, opportunities to support schemes of this nature do exist, however the project is still in its infancy. In the meantime, the LEP continues to deliver business support services to businesses.

More generally SME competitiveness is thought to have strengthened collaborative working amongst some delivery partners and has also built awareness amongst the marketplace of

business support provision. Stakeholders spoke of an increased appetite amongst businesses to reach out and draw on business support, however with the uncertainty regarding support in the future apparent, it is unclear if the momentum of this provision will be maintained.

7.6 Recommendations

Reflecting on the findings of the summative assessment a number of key recommendations are identified for future provision:

1. Develop extensive systems and processes in the implementation phase of a project drawing on expertise across the partnership to ensure that all support is effectively captured.
2. Create a dedicated marketing budget to raise awareness and build traction and momentum of a service offer.
3. Hold regular operational steering groups with all delivery partners represented to build knowledge and understanding the various services on offer and to draw on knowledge and expertise in the management of externally funded initiatives.
4. Work closely with the local authorities over the coming months to share knowledge and understanding as and where relevant to ensure that the progress gained in engaging with and supporting businesses in the SWLEP area is not lost.

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