

Boost Business Lancashire

Annual Report and Evaluation 2017-18

1. Introduction

Boost Business Lancashire is Lancashire's Business Growth Hub, targeting a range of support services on the County's high growth companies. It has operated since 2012 and has delivered a range of business support programmes, funded through a combination of ERDF, BEIS and Lancashire County Council's own resources.

Following a successful pilot phase from 2013-15 funded mainly through a combination of ERDF and LCC match funding, in January 2016 Lancashire County Council was successful in securing an additional round of funding to deliver a new suite of programmes for a further 3-year period. Boost is currently managed by a small team within the County Council on behalf of the Lancashire Economic Partnership and is delivered on the ground through a series of procured contracts with specialist business support organisations.

The LEP views Boost as one of its key growth initiatives and has produced this Annual Report to provide to highlight performance and ensure the LEP complies with wider national BGH and LEP assurance frameworks.

2. Objectives

The core objectives of Boost are:

- To provide a programme of business support that will encourage the growth of Lancashire SMEs;
- To encourage business support agencies to work together to provide a coordinated and easily understood business growth offer; and
- To promote a programme of high quality business support, accessible to all Lancashire SMEs.

The overall aim of Boost is to improve SME competitiveness within Lancashire and to promote economic growth. Activities are focused on encouraging individuals who have the potential to set up high growth businesses and supporting existing businesses that have the capacity for growth. The target is to stimulate new investment and job creation by systematically identifying and removing the barriers to their growth, encouraging innovation and in promoting enterprise.

In terms of the scale of activity, over the period April 2017 to March 2018 Boost handled 2921 enquiries, of which 456 were dealt with at source by the Boost Gateway, 2034 were referred to Boost projects and 592 were referred to other business support organisations.

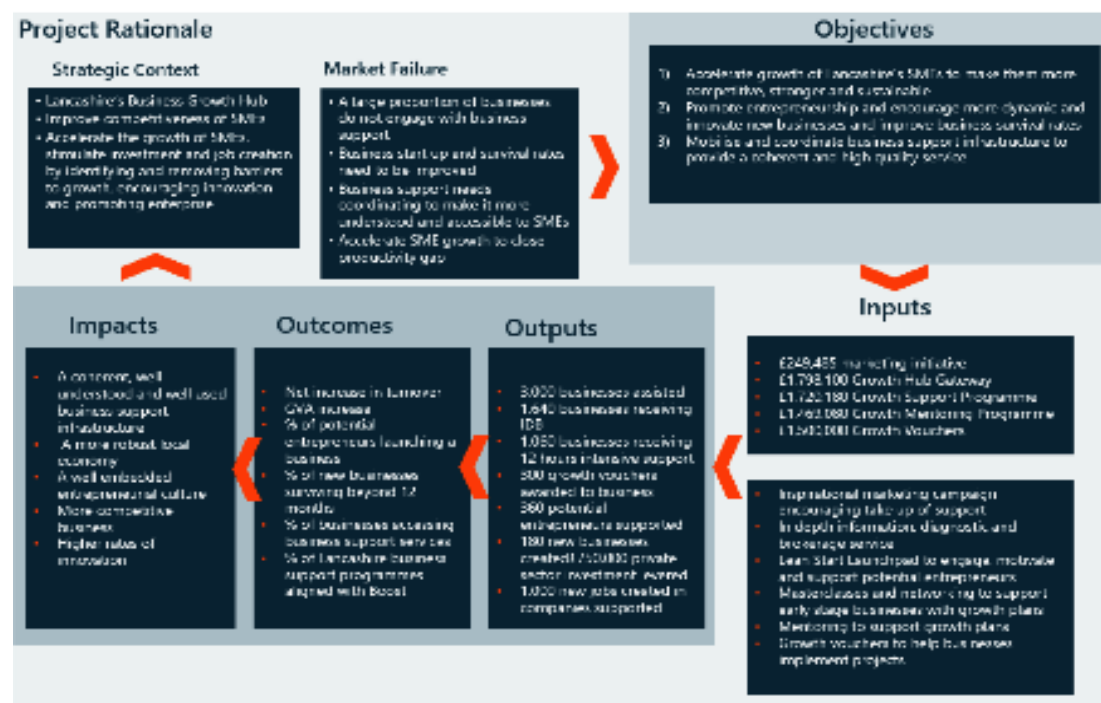
3. The Delivery Model

The Boost 'offer' to businesses is made up of a number of core 'products' or services each delivered via a procured contractor. They are:

- **Growth Support Programme** (Contractor – Winning Pitch)
- **Growth Mentoring** (Contractor – Community and Business Partners)
- **Boost Gateway** (Contractor – Growth Lancashire)
- **Boost Marketing** (Contractor – Freshfield)

A team of 4 staff within Lancashire County Council's Economic Development Service manages the delivery contracts. By separating the management and delivery functions in this way there is a strong focus on performance and the effectiveness of the delivery mechanisms. The contractual arrangements mean that there are strong financial incentives for the procured organisations to deliver against agreed targets and there are clear mechanisms for managing performance. The overall 'logic model' for Boost that explains the relationship between its overall aims, activities and impact is shown below:

The Boost 'Logic Model'



4. Governance

The Lancashire Economic Partnership (LEP) has established a formal sub-committee, its Business Support Management Board, to oversee the Growth Hub. The membership of that group includes the two upper tier Chambers of Commerce in Lancashire, the Federation of Small Business, the Institute of Directors and the Institute of Chartered Accountants England and Wales. Until his retirement, the Chief Executive of East Lancashire Chamber was the

LEP's designated SME Champion and the link between the Management Board and the LEP Board. The LEP is currently looking to recruit a new SME Champion with the aim of filling this position by the end of summer 2018.

This approach promotes transparency and inclusivity. It also encourages greater understanding and communication of business support initiatives and provides independent governance and scrutiny arrangements.

5. Business Support Simplification

The UK government has a long-standing policy commitment to simplifying the map of publicly funded business support. Lancashire for its part has played an active role in the promotion of business support simplification in the North West. This has been reinforced in recent years through the lead role of Lancashire County Council in coordinating local authority business support across the County and in managing the Business Growth Hub.

In distributing EU funding for Lancashire, the LEP is acutely aware of the need to allocate resources in such a way that they do not duplicate business support provision or cause the proliferation of support services. To this extent all ESIF funded business support projects are required to work together to ensure that businesses can clearly understand the map of provision.

The Boost Gateway service is responsible for putting this into practice, ensuring that businesses are signposted to the most appropriate source of support, both from the public and private sectors. To aid this task, a live directory of all available support projects in Lancashire is maintained.

The outcome is that businesses know where to go for help and that they are directed to the organisations who can be of best support to them.

6. Working in Partnership

In developing and commissioning the business support service offer across Lancashire, both the LEP and Growth Hub have been conscious not to duplicate the specialisms and commercial activity of partner organisations.

It is recognised that businesses already access trusted services from a range of providers and Boost has developed good relationships across the patch to ensure that all intermediaries understand the role of the Growth Hub, and that the specific nature of services they offer are understood in order to accurately refer businesses for support. Boost works well with a wide range of business support agencies, both in the public and private sectors. This includes:

Universities – in relation to product development and innovation;

Banks – in relation to loan funding for businesses;

Chambers of Commerce - in particular related to support for exporting and new markets;

FSB – as the representative voice of the SME sector;

Private sector intermediaries such as accountants and legal practices – joint working on Boost & Co;

Local authorities – joint business support events;
Enterprise Agencies – mutual referrals of business enquiries;
Innovate UK (IUK) – informing Northern Innovation Strategy;
Knowledge Transfer Network (KTN) – exploring the training of business advisors to use 4 Manufacturing tool;

Department for International Trade (DIT) – co-location of advisor to handle FDI enquiries and liaison with foreign owned companies in Lancashire;

British Business Bank (BBB) – cooperation regarding the Northern Powerhouse Investment Fund and start up loans, signposting businesses to the Business Finance Guide

Intellectual Property Office (IPO) – use of database of patent registrations and master classes;

Be the Business (Productivity Leadership Group) - Productivity through People initiative at Lancaster University;

Angel Networks – support for the Access to Finance scheme;

7. Boost & Co

In addition to the direct marketing and business engagement activities undertaken by the Growth Hub, it should be noted that specific effort has been made to engage with business intermediaries whose clients may require further support.

Boost not only provides a number of funded programmes that provide direct delivery to businesses. Boost has a membership group of over 100 private and public sector business support providers called 'Boost & Co'. Members include accountants, law firms, venture capital firms, banks, colleges, business membership organisations, networking groups and many more. Members of Boost & Co have specific services and offers that can help businesses grow.

The core Boost programmes therefore work closely with Boost & Co to ensure that businesses across Lancashire have access to the most relevant support for their specific needs. In practice this is manifested in a number of joint events for businesses and mutual referrals to business support services.

8. Client Management and Data systems

All interactions with businesses and individuals seeking support are recorded on the Evolutive CRM system. This covers basic contact information, the current size and status of the business, and the nature of the business growth issue facing the company. The system also records contact hours spent with each client and tracks their progress against their expectations, also recording any outputs and outcomes arising from the Boost support.

The information is shared with BEIS and DCLG as part of the agreements for ongoing funding support, and certain data fields are shared with other delivery

organisations so that the support for businesses can be effectively coordinated.

All data is stored, managed and processed in line with current Data Protection and GDPR requirements.

9. Levels of activity 2017-18

Over the period 1st April 2017 to 31st March 2018 some 2921 enquiries were handled by the Boost Gateway, of which 456 were dealt with at source, 2465 enquiries resulted in referrals of which 2034 were referred to Boost projects and 592 were referred to other business support organisations.

Indicator	1 April 2017 to 31 March 2018	Growth Hub Cumulative (since launch)
Total number of businesses engaged (enquired)	1,876	5,819
Total number of individuals (pre-starts and start-ups (trading less than one year) engaged	750	1,735
Total number of referrals to public/private support	2,500	7,345
Total number of referrals to national programmes e.g. DiT/UKTI, Innovate UK, IPO, Start-Up Loans etc	143	325
Total number of businesses receiving diagnostic & brokerage support	872	1,157
Total number of businesses that have received intensive face to face support	1,277	3,197
Total number of individuals who have been helped to start a business	178	490
Total number of mentoring or business to business relationships created	228	935
Total number of jobs created	395	1,722
Total number of jobs safeguarded	N/A	293
Increase in GVA	£5,265,007	£57,304,495
Private sector match secured	£281,601	£979,341

10. The Impact of Boost

Boost is the subject of ongoing performance management and assessment of its effectiveness. Monthly recording takes place of the impact of Boost services on local businesses and the wider economy against a number of key indicators. The data is used to influence the delivery of the core contracted

services and regular dialogue takes place between the LCC Project Management Team and the delivery organisations.

Table below shows the overall performance for 2017-18 against contracted ESIF targets.

ERDF Indicator	Target 2017-18	Achieved 2017-18
Number of enterprises receiving support (C1)	627	465
Number of enterprises receiving grants (C2)	177	85
Number of enterprises receiving non financial support (C4)	457	403
Number of new enterprises supported (C5)	101	178
Private investment matching public support (C6)	£436,950	£198,527
Employment increase in supported enterprises (C8)	436	395
Number of potential entrepreneurs assisted to be enterprise ready (P11)	199	203
Number of enterprises receiving IDB (P13)	1121	872
GVA increase in supported enterprises (£)	£5,000,000	£5,265,006

Overall Boost is performing well, with the majority of targets being achieved or just slightly below expectation, however there have been areas of concern. The activity on C2 grants (Growth Vouchers) has consistently fallen behind targets despite intensive support and guidance from the LCC PMT. This has a knock on effect on the C1 targets (C2 is a subset of C1) and on C6 that represents the private sector contribution to match the Growth Vouchers.

The delivery contractor has indicated that they will not be able to achieve the lifetime target (300) for Growth Vouchers (2016-18) and therefore a revised target of 168 has been agreed together with a reduced C6 target. The resulting deficit of 132 C1 outputs has been resolved in discussion with two of the other Boost delivery organisations who have agreed to increase their performance to make up this shortfall by the end of 2018.

All other ESIF targets are projected to be achieved by the end of 2018.

11. Independent Evaluation.

An independent evaluation of Boost was conducted in late 2017 by leading economic consultancy Regeneris, with the results being published in December. The report states that “early estimates of economic impact are encouraging”. In terms of achieving the core aim of encouraging business growth, the report is positive:

“Emerging intermediate impacts point to knowledge impacts being more readily achieved by businesses than improvements in specific business capabilities. We would expect knowledge impacts to precede more substantive changes in business capabilities. Boost has boosted business

confidence through encouraging them to take risks and be more ambitious in their pursuit of growth. The majority of businesses (69%) reported that without Boost the changes they would have been able to implement would either not have occurred, been smaller, taken longer to materialise or delivered a smaller range of benefits.”

The report concludes that the overall direction of travel is positive, including:

- **Growth in turnover of businesses assisted** – Output progress on the number of enterprises receiving support is on track. Our survey measured changes in business performance through Boost including turnover. It is too early to be definitive, but 28% of respondents have observed turnover improvements since receiving Boost support.
- **Growth in value added in supported companies** – Output progress on the number of enterprises receiving support is on track. The survey measures changes in business performance through Boost including productivity. It is too early to be definitive, but 38% of respondents have observed productivity improvements since receiving Boost support.
- **Improved business formation rates** – Lancashire has a below average rate of business births relative to regional and national benchmarks. Output progress in terms of the number of new enterprises supported and the number of potential entrepreneurs assisted to be enterprise ready is largely on track. The survey revealed that 16% of respondents identified that their aim was to start a business prior to receiving support. All of these have made progress against this aim, with 40% identifying progress has been made but more to achieve, whilst 60% have achieved their mission.
- **Improved new business survival rates** – the beneficiary survey assessed progress against business aims established prior to Boost support. This included 71% of all respondents saying they wanted to grow the business and 85% identifying that some progress had been made with achieving this since receiving support.
- **More business support programmes aligned with Boost** – the effectiveness of Boost in referring more than 80% of enquiries received to further support is testament to the progress Boost has made in building an aligned business support ecosystem in Lancashire.

12. Client Satisfaction

In October 2017, as part of the Evaluation process, Regeneris conducted an online survey of businesses and individuals who had received support from Boost. 256 responses were received. Despite dissatisfaction among some businesses over the level of understanding of the challenges they face, the survey suggests that beneficiaries are generally satisfied with the support they received through Boost.

When asked about the overall quality of advice and support provided, almost three quarters (72%) of respondents rated the overall quality of support as good or very good. Almost two thirds of beneficiaries rated the usefulness of the support highly. This is a substantial improvement from the previous evaluation of Boost in 2014, where a significant proportion of the beneficiaries (two in five) rated the usefulness of the support as poor or very poor. This could be a reflection of the efforts made to better tailor support, which had previously been highlighted as an area for improvement. (Is there not something about more realistic business expectations of those working with Boost – the grant hungry have moved away from Boost, we're working with a different cohort of businesses?)

In terms of the potential future impact of Boost on those businesses assisted, the survey found that many businesses are mid-way through, or a matter of months from finalising their involvement with Boost. Whilst impacts are only just starting to emerge for many beneficiaries, there are encouraging prospects for the near future. One fifth of respondents expect a large or transformational increase in turnover over the next 12 months. More than 70% of businesses expect some level of turnover increase within the next 12 months, with more than 60% expecting to increase employment.

13. Lessons learned and areas for future improvement

The evaluation of Boost highlights that the model has developed well and improved over a number of years. Good practice has been developed, the project is well managed however there are a number of areas for further improvement.

Areas of refinement that have been identified include:

- Strengthening Strategic Account Management approaches to ensure long term relationships between advisors and SMEs are cultivated, and providing formal aftercare which will enhance the quality and impact of interventions and help to ensure the full impact of projects can be realised;
- Consideration of physical space or pop up drop in facility as part of the future Boost model. The Globe Centre provides for this in one area of Lancashire, but further satellite hubs may be necessary to achieve the geographical coverage;
- Best practice reviews acknowledge that deeper rather than broader support delivers the greatest economic returns and whilst lighter touch approaches such as IDBs achieve greater market penetration, they do not translate into substantial economic returns. Where appropriate, encourage IDBs **after** core support to facilitate follow-on advice and maintain contact with target businesses.

- The Gateway function should concentrate squarely on business engagement and referrals and ensure it remains independent of administering core support (i.e. Growth Vouchers).
- The nature of the marketing resource varies by strand with some holding this in the form of staff time, whereas others have access to an expense budget to support efforts such as telemarketing. The scale of the marketing budget needs to reflect routes into Boost and the effectiveness of these.
- More detailed consideration needs to be given to the effectiveness of referral systems. This is not just about the number of businesses referred but the outcome and positive business experience as a result of referrals.

14. Future developments

LCC is currently seeking ESIF funding to further develop Boost over the period 2019-21, in order to build on the success already achieved, to maintain the momentum for business growth in Lancashire and to develop the support offer to anticipate changes in the economy, locally, nationally and internationally. The revised delivery is model based on a close examination of the existing programme, the feedback from the recent evaluation, the continued diversification of the Lancashire economy and recent developments affecting Lancashire businesses and their markets.

Based on this analysis there would be four key components to Boost post 2018:

Business Relationship Management – this would be the main platform for business engagement and signposting to support. This will comprise a team of highly trained and experienced frontline advisors, whose role will be to engage with target businesses and to identify barriers to business growth. They will have a detailed understanding of the business support infrastructure in Lancashire and will broker relationships with those agencies able to provide the most appropriate support for client businesses;

Growth Support Programme, will be targeted at new and young businesses, helping them to acquire and apply the core skills to drive business growth. It is a resource to help individuals crystallise their business ideas and to equip them with the business tools, techniques and skills needed to raise their ambitions for growth. It will also support young, growing businesses, providing support, encouragement and skill development to enable businesses to accelerate their growth plans;

Growth Mentoring – is a programme that harnesses the experience and skills of established entrepreneurs and senior managers to support existing businesses to identify and overcome the barriers to their growth. These are experienced owners and managers who lend their expertise free of charge to

smaller, less experienced businesses and guide them through key stages in their business growth.

Over the coming years there is also the need to further enhance the services provided by the Growth Hub for a number of key reasons:

- Further anticipated structural changes in the Lancashire economy;
- Potential impact of on the economy of disruptive technologies (advanced robotics, energy storage devices, artificial intelligence, mobile internet services etc.);
- Uncertainties over the future trading relationships with the EU and the markets for Lancashire goods and services.

This will be addressed by introducing a new strand of support –

‘Boost Business Resilience’ will examine the scale-up potential of key Lancashire businesses and their ability to grow their sales in UK and international markets. The programme will conduct an in depth review of businesses, their products and their key markets and help them to develop strategies to deal with anticipated changes and potential threats to their customer base, products and services. It will help with:

- Scale up support;
- Productivity;
- Business resilience and market strategies.

Summary and Conclusions

Boost Business Lancashire, the business Growth Hub for Lancashire, was set up in 2012 and since then has established itself as the definitive business support platform in Lancashire. It now provides support to over 1800 businesses p.a. It is a partnership model and works effectively in referring Lancashire businesses to the support most appropriate to their needs. It provides direct support to businesses where needed, supported by EU and UK government funding, and match funding provided by Lancashire County Council.

Boost has grown in reach and popularity in recent years and the delivery model has evolved over time in response to business needs and changing economic priorities.

High priority has been placed on performance management and the measured impact of the project has recorded over 1700 new jobs and £57million of additional GVA for the Lancashire economy.

Independent evaluations of the initiative have been carried out and the feedback from these has been used to make the services more responsive and relevant to business needs.

Boost has also developed in line with the funding requirements of BEIS and DCLG and the national priorities that have been established for business

support, in particular Business Support Simplification, the national Business Support Helpline, Strategic Economic Plans and the new Industrial Strategy.

Future plans for Boost will, subject to continued ESIF funding, further develop the delivery model and range of support on offer, and Boost will continue to listen to businesses, their intermediaries and other business support partners regarding the role of the Growth Hub and its role in promoting business growth in Lancashire.

Andy Walker, Head of Business Growth, May 2018