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Boost Business Lancashire - Summative Assessment

A Final Report by Hatch Regeneris
27 February 2019

Lancashire County Council

Boost Business Lancashire - Summative Assessment

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Contents Page

1.	Introduction	1
2.	Boost Context	4
3.	Project Progress	15
4.	Project Delivery and Management	23
5.	Project Outcomes and Impact	34
6.	Value for Money	41
7.	Conclusions and Lessons Learnt	44

1. Introduction

Introduction

- 1.1 Hatch Regeneris was commissioned to undertake the Summative Assessment of the ERDF-funded Boost Business Lancashire programme (Boost). The accountable body (Lancashire County Council) is required to submit a Summative Assessment as part of the project closure procedure. This report is the formal output from the Summative Assessment research and analysis.
- 1.2 Boost ran for a 3-year period from 1st January 2016 to 31st December 2018. An interim evaluation focused on initial progress up to June 2017 and provided conclusions on progress during the first 18 months of the programme and recommendations aimed at enhancing performance to meet ERDF and LEP objectives.

Evaluation Approach

- 1.3 This evaluation adopts an approach which is consistent with the requirements of the ESIF programme and associated guidance. In addition, the evaluation approach takes into account BEIS Monitoring and Evaluation Framework for Growth Hubs 2016-2018 and the requirements of the brief.
- 1.4 The summative assessment is driven by a need to understand the practicalities of delivering Boost, capture additionality, quantify value for money, and set out lessons learned and best practice which can be applied in future projects. The evaluation also reflects an independent review of project performance.
- 1.5 The evaluation is underpinned by five key requirements, as set out in national programme guidance. These are:
 - 1) **Relevance and consistency:** exploring the continued relevance and consistency of Boost in light of contextual changes, such as shifts in policy, economic circumstances and technological advancements.
 - 2) **Progress against contractual targets:** setting out project progress when measured against contractual targets, over/under performance and projected lifetime results at project closure.
 - 3) **Experience of delivering and managing the project:** outlining the practical experience of implementing and managing the project, lessons learned and evidence of best practice which can be applied to the delivery of other projects.
 - 4) **Economic impact attributable to the project:** demonstrating the economic impacts attributable to the project, capturing those that were intended, actual and also wider outcomes which have provided added value to the local economy.
 - 5) **Cost effectiveness and value for money:** a robust assessment of cost-effectiveness and value for money based on the balance of quantified costs and benefits, in light of intended and unintended impacts.

- 1.6 Cumulatively, an in-depth analysis of these requirements provides the basis for helping Lancashire County Council and other key stakeholders understand the tangible difference Boost has made to the local economy and beneficiaries. The assessment will also help to inform the design and delivery of Boost 3, shape Lancashire County Council's wider project delivery approach and provide valuable information for the evaluation of the national ESIF programme.
- 1.7 The evaluation draws from a variety of relevant information, data and qualitative insights:
- **A review of background documentation and the approved project logic model**, submitted as part of the ESIF bid, to understand this in detail and assess its continued relevance.
 - **Detailed analysis of project monitoring data**, captured by the team and via beneficiaries, to assess performance against financial, output and result targets.
 - **An interrogation of delivery context** encompassing desk-based analysis of programme documents and in-depth consultations with delivery partners and programme stakeholders, capturing perspectives on project design, delivery, the mitigation of challenges, governance, and impacts.
 - **Beneficiary consultations** including a web-based SME survey and in-depth interviews with a sample of beneficiaries. This approach was designed to explore business sentiments, satisfaction levels, impacts achieved and how the project could evolve to better meet their needs and support growth aspirations.
 - **Case studies** of Growth Hubs elsewhere, drawing on good practice and lessons learnt.
 - **Quantitative impact analysis** to obtain a more granular view of the economic impacts experienced by beneficiaries, by grossing up impacts of the surveyed businesses, making gross-to-net impact calculations, and assessing value for money of the net impacts achieved.

Structure of the Report

- 1.8 The report follows the structure prescribed within MHCLG's Summative Assessment guidance:
- Section 2 considers the **project logic model** alongside the economic and policy context in which the project was designed, including the nature of the market failure, the project objectives and the rationale for the delivery approach.
 - Section 3 considers the **progress with project implementation**, drawing on annual and lifetime performance against the expenditure, activity and output targets.
 - Section 4 provides a more qualitative analysis of the implementation of the **project's delivery performance** and considers the elements of project delivery which have gone well and less well.
 - Section 5 sets out the progress that the project has made towards the **outcomes and impacts** set out in the project logic model and the gross and net additional economic impacts which have been secured.
 - Section 6 provides an analysis of the **value for money** that the project has provided, drawing on the impact analysis.

- Section 7 outlines the **conclusions** which can be drawn from the evaluation and the **lessons** which have emerged for Boost, as well as for policy makers and those designing and implementing similar projects.
- 1.9 A separate Appendix Report provides beneficiary survey findings, business case studies, additional data, Growth Hub case studies, and list of stakeholders consulted.
- 1.10 The report has been drafted to provide a concise overview of the important messages which have emerged from the analysis.

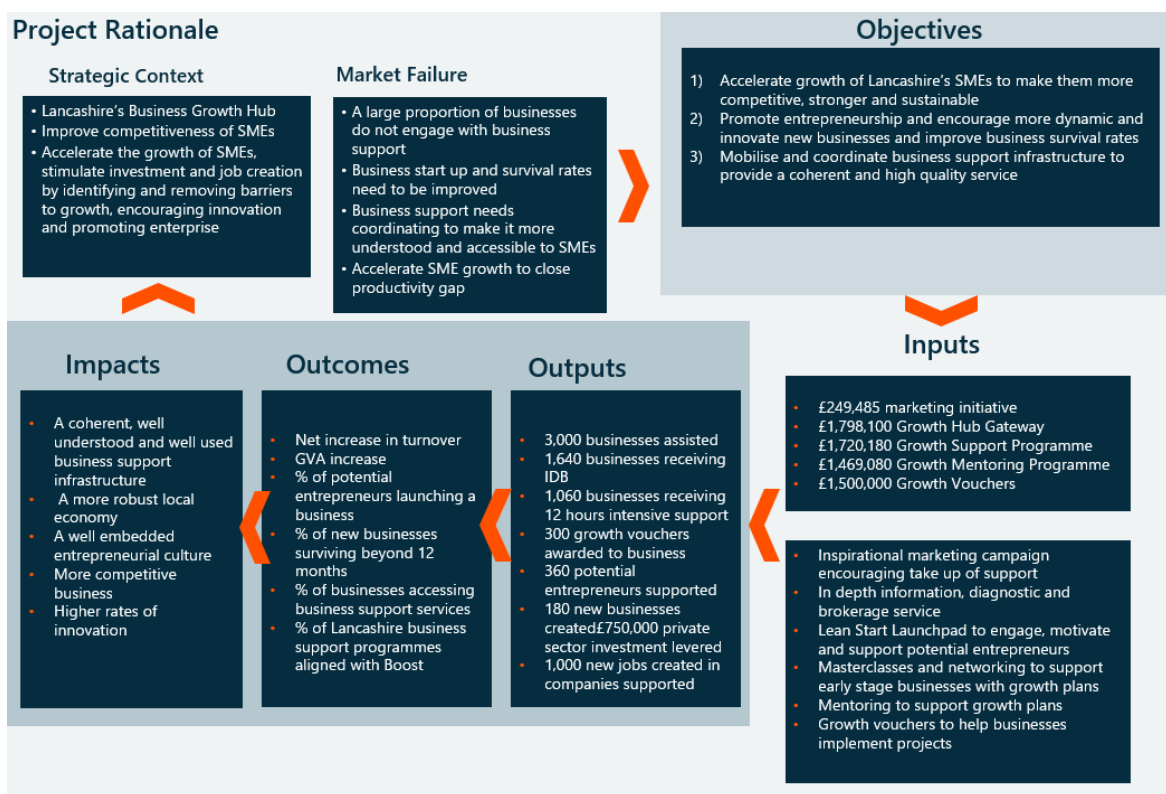
2. Boost Context

2.1 This section considers the economic and policy context in which the Boost project was designed and explores the nature of the market failure it was seeking to address, the project objectives and rationale for the delivery approach adopted. It is based around the project logic model and includes critical analysis about the appropriateness of the project's design given its objectives. The analysis in this section has been informed by:

- Review of background documents to the project, including the project's original application form and other internal project management and delivery documents.
- Interviews with members of the project management and delivery team and a range of external stakeholders (a full list of interviewees is provided in Appendix D).

2.2 The logic model for the Boost programme is presented in Figure 2.1 and expanded on below.

Figure 2.1 Boost Logic Model



Source: Hatch Regeneris based on project background documents and consultation with delivery staff. Note: based on original programme values and targets.

The Strategic and Economic Context

2.3 The Growth Hub model was developed to improve local coordination of business support. Nationally, there is a network of 38 Growth Hubs led by Local Enterprise Partnerships. Growth Hubs are intended to join up national and local business support, so it is easy for businesses to access the help they need.

- 2.4 The Lancashire Business Growth Hub was developed in response to the ERDF Priority 1 call for Business Growth Hubs in 2012 and its progress and achievements were evaluated through an interim (2014) and final evaluation (2015). The findings of these evaluations were used to redesign the new Boost offer from 2015 onwards. The 2015 Lancashire ESIF Strategy identifies 'Promoting Growth Sectors and Supply Chains' as a key theme.
- 2.5 In January 2016 Lancashire County Council was successful in securing ERDF funding (£3,706,660) to deliver Boost Business Lancashire for a further 3-year period. This was matched by Lancashire County Council (£2,900,000) and private (£750,000) resources to provide a total project value of £7,356,660¹.
- 2.6 Boost is being delivered under ERDF Priority Axis 3 of the 2014-20 programme: *Enhancing the Competitiveness of Small and Medium Sized Enterprises*, including:
- Priority 3a: Promoting Entrepreneurship
 - Priority 3c: Supporting the creation and extension of advanced capacities for products, services and development
 - Priority 3d: Supporting the capacity of SMEs to grow
- 2.7 Boost has adopted the ERDF and ESF Sustainable Development and Equality and Diversity theme as cross cutting themes.
- 2.8 Boost has been designed to reflect the priorities of the Lancashire ESIF, including:
- Theme 2 - Boosting Business Growth and Innovation
 - Theme 3 – Promoting Growth Sectors and Supply Chains
 - Theme 5 – Driving the Skills for Growth
 - Theme 6 – Creating the Opportunities for Disadvantaged Communities and Groups
- 2.9 The project also aligns with the Lancashire LEP Strategic Economic Plan and is identified as one of six priorities in the Lancashire Growth Deal. Business Support Simplification is a fundamental principle of Boost aimed at making it easier for businesses to know where to look for help.

Need for the Programme

- 2.10 Lancashire Enterprise Partnership aspire to develop a business support infrastructure offer which is simple, well understood by business and genuinely drives the growth of SMEs within the sub-region. Boost responds to the nationally recognised need to develop high growth enterprises in order to:
- Grow private sector employment in the face of public sector employment losses
 - Diffuse innovation
 - Create new markets
 - Raise productivity
- 2.11 Lancashire has a healthy rate of new business formation but without support these can fail or under-achieve their potential. High growth enterprises are most likely to face barriers to growth, including recruitment, skills development and finance. Key baseline metrics used in the ESIF Full Application include:

¹ ESIF Full Application Form, 10.09.2015

- 4th lowest annual growth rate out of all LEPs (2008-13)
- GVA per head just 74.3% of the UK average
- Below average median weekly earnings
- Limited representation of higher value industries and lower proportion of knowledge based employment
- Only 41% of businesses survive more than 5 years

- 2.12 Lancashire needs to close the productivity gap in its business base and encourage SMEs to grow. Investment is required to grow productive capacity, higher level skills, higher productivity per worker and a higher wage base.

The ESIF application identifies **imperfect information** as a contributing factor in the market failure case: the availability of information to support individuals wanting to start a business and their understanding of the benefit of business advisory services in helping them to set up, sustain and grow their business. This results in individuals not taking up any support, which affects propensity to start a business or leads to sub-optimal choices on the individual support they require, resulting in the business not reaching its growth potential.

Many SMEs are generally unwilling to buy business advisory services because there is insufficient information available on whether the service will generate the growth or productivity improvements required to justify the cost.

- 2.13 The ESIF application states that public-sector intervention and pump priming through the Growth Hub model is required to provide the front-end assessment, prioritisation and referral of business enquiries. This role is not being fulfilled by the market and is not a service that businesses are likely to pay for if they are starting up or unfamiliar with the benefits of business support.

Aims and Objectives

- 2.14 The overall aim of Boost is to improve the competitiveness of Small and Medium Enterprises (SMEs) in Lancashire. The focus is on growth, encouraging individuals who have the potential to set up high growth businesses and to support existing businesses that have the capacity for growth.

- 2.15 Boost aims to:

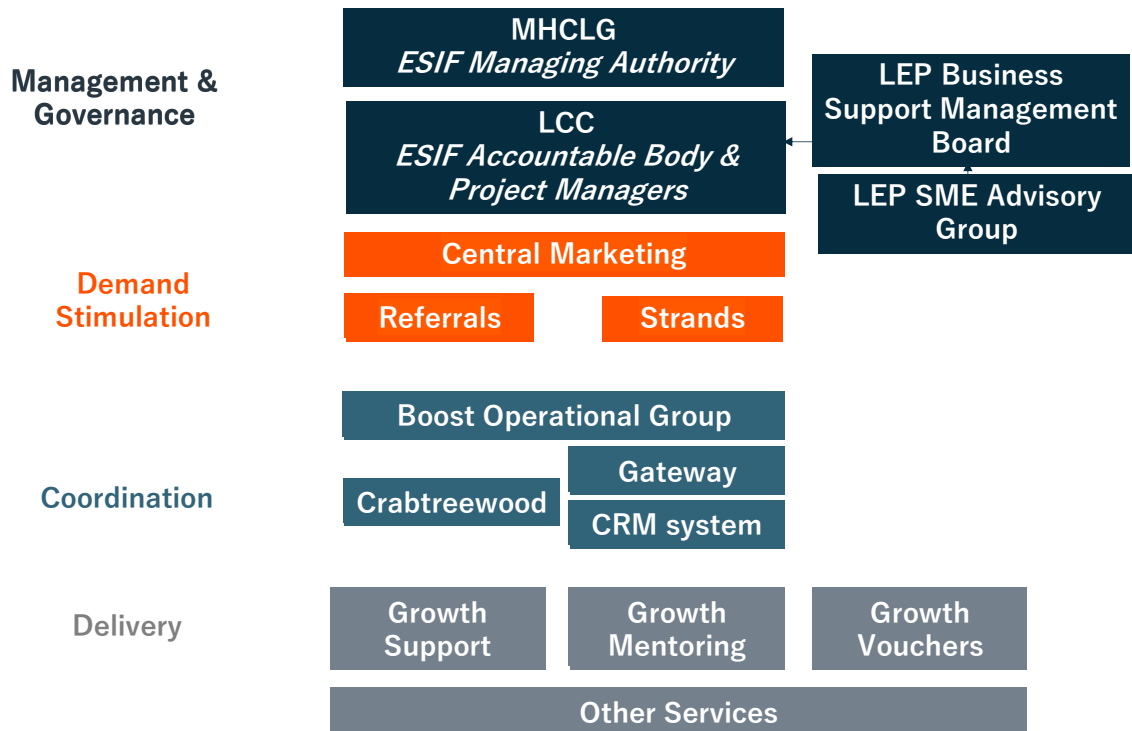
“accelerate the growth of Small to Medium sized Enterprises (SMEs) in Lancashire, to stimulate new investment and job creation by systematically identifying and removing the barriers to their growth, by encouraging innovation and in promoting enterprise”

Source: p.10, ESIF Full Application Form, July 2015

- 2.16 The anticipated start date for delivery was January 2016 and the completion date was December 2018.

Design of the Programme

Figure 2.2 Boost Design



Source: Hatch Regeneris

Management and Governance

- 2.17 The Ministry of Housing, Communities and Local Government (MHCLG) is the managing authority for the Lancashire ESIF contract and is responsible for ensuring compliance against the Grant Funding Agreement.
- 2.18 Lancashire County Council (LCC) is the accountable body for the 2014-20 ESIF contract and has overall responsibility for the delivery of Boost and its strategic direction. The LCC core Boost programme team is supported by Crabtreewood who has been appointed to ensure consistency and coordination across the programme. LCC has an in-house team managing the Boost project which includes a Programme Manager and monitoring, compliance and finance personnel, reporting to the Head of Business Growth and Innovation.
- 2.19 The Lancashire Enterprise Partnership (LEP) helps to set the agenda for what business support is delivered in Lancashire, and has a Business Support Management Board overseeing the performance of Boost. The Business Support Management Board is responsible for ensuring that there is a coherent business support offer in Lancashire which meets the identified needs of businesses and allows them to grow; is clear and navigable; makes best use of limited public resource; and doesn't crowd out private sector activity. Boost reports quarterly to the Board in relation to its key performance indicators. The LEP SME Advisory Group provides the opportunity for wider business engagement.
- 2.20 The Boost Operational Group meets monthly with each delivery organisation to review progress against contracted targets and expenditure. Each organisation submits monthly monitoring reports to LCC for evaluation. These are checked for eligibility and accuracy before inclusion in the project performance reports.

Demand Stimulation

- 2.21 Freshfield PR hold the central marketing contract. The central marketing contract is intended to provide a consistency of message about the Lancashire business support offer to help reduce market confusion and raise awareness amongst the target population. Responsibilities include:
- development and implementation of a core branded offer for Boost, branded collateral (eg business cards), and marketing collateral
 - co-ordinating all marketing activity associated with the hub, including:
 - coordinating the Marketing sub-group which meets monthly
 - implementing the Boost marketing plan
 - maintaining ERDF evidence to support grant claims and submitting monthly Project Monitoring Reports
 - submitting monthly website enquiries and dashboard report
 - updating Google with content and adding events into relevant calendars
 - responding to partner queries and requests for support
 - co-ordinating marketing of the business support services outside of the hub including liaison with key contacts, updating website support directory, and responding to partner queries and requests for support
 - co-ordinating promotional activity via Boost & Co and adding new members to website
 - delivery of marketing activity such as coordinating Boost events, blog content, Boost monthly e-newsletter, management of Boost social media etc
 - delivering, hosting and maintaining the website
- 2.22 The central marketing contract is designed to generate a substantial flow of enquiries to the Gateway, which are subsequently referred out to the delivery strands or other providers. Freshfield is contracted to drive 12,000 unique website visitors from within Lancashire to Boost. Each delivery organisation has marketing activity built into their contract to complement and support central marketing activity.
- 2.23 Referrals are an important mechanism for directing inquiries into Boost. These emanate from a variety of sources, including aligned services and via Boost and Co. Boost and Co is an established network made up of a cohort of 100 business intermediaries (including accountants and solicitors) who will refer growth companies into Boost. Boost and Co will be developed to provide exposure to the Boost offer; engage more providers in Lancashire's business support network; and support businesses to find solutions to meet their needs.
- 2.24 The effectiveness of referrals depends on a 'coalition of willing' business support advisors who have a trusted collaborative relationship aimed at directing businesses to the most appropriate support to meet their needs. This requires a live ecosystem of business support in Lancashire which is well understood by advisors.

Coordination

“First and continued central point of contact for businesses seeking support on their growth journey”²

- 2.25 The role of the Gateway is to coordinate, communicate and work in partnership with business support providers to ensure that the business support offer is effectively communicated and targeted to Lancashire businesses. The Gateway coordinates the client journey of Lancashire businesses to the support offer appropriate to their needs.
- 2.26 Key Performance Indicators of Gateway Performance which they are contracted to deliver include:
- 1) Achieve contact with 4,000 businesses with at least 3,000 of these receiving a referral to either:
 - A core Boost Programme
 - An affiliate Boost programme
 - A National Business Support Programme and their augmented ESIF funded services in Lancashire
 - A relevant commercial Business Support Solution

The outcome of the referral is recorded on the Boost CRM system.
 - 2) To deliver 1,640 three-hour IDB assists
- 2.27 The Gateway includes a telephone helpline, website and CRM system. An initial Diagnosis of Need (DoN) is undertaken by a Business Support Advisor on first contact with the Gateway. Businesses are then guided to appropriate support, either within or outside of the Boost programme. An initial Diagnosis of Need is also undertaken by other delivery strands through self-generated enquiries. The DoN includes identifying whether the individual or business is eligible for support through Boost.

Table 2.1 Boost Eligibility Criteria

Criteria	Eligibility for Boost
Business sector	Key priority sectors including aerospace, advanced manufacturing, professional and business services, food and drink, healthcare, energy and environmental, digital and creative. Ineligible businesses include retail (including food and drink retail outlets, defence, automotive, shipbuilding, coal and steel, agriculture, banks and insurance and education). This means that some sub-sectors in the key priority sectors are ineligible i.e. insurance activities within the professional and business services sector.
Size of company	Small Medium Enterprises. Less or equal to 250 employees
Growth aspirations	Potential Entrepreneurs: <ul style="list-style-type: none"> ● Potential to grow turnover (generate £0.25m of new turnover over a three-year period) ● Potential to grow turnover or grow employment (expand staff base by 5 employees over a three-year period) Existing businesses:

² P.58, Final Contract for the Gateway, 2016

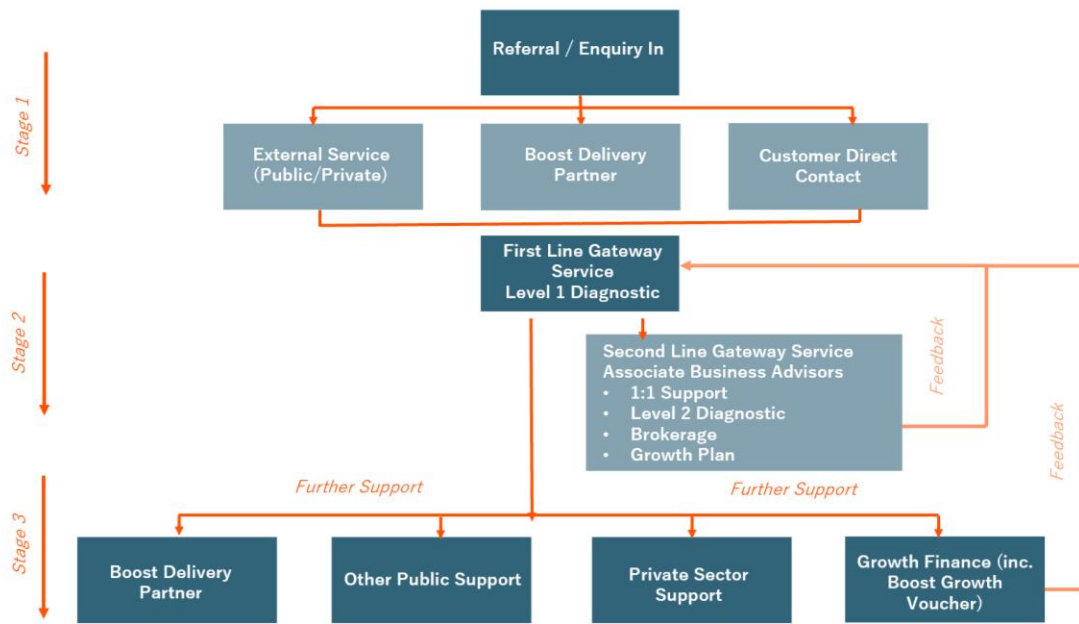
Criteria	Eligibility for Boost
	<ul style="list-style-type: none"> • Potential to grow by an annual average of 5-20% in turnover or employment over a 3-year period (10 or more employees on arrival at the Hub) • Grow by either 3 employees or by £250,000 additional turnover over 3 years (less than 10 employees on arrival at the Hub)
Location	Existing businesses must be based within Lancashire or the potential entrepreneur must either live in Lancashire or intend to establish their business within Lancashire
Ownership	Determine to what extent the Lancashire based business has decision making authority over the growth proposal
Previous state aid received	Assessed against De Minimis limit

2.28 Following the DoN, the Gateway provides either a:

- 1) **Boost referral** – An immediate referral to one of the Boost delivery strands (e.g. mentoring or high growth start up). The Boost delivery strand will lead on onward delivery, but the Gateway service will liaise with the relevant project staff on a regular basis to ensure mutual feedback and continuous improvement.
- 2) **External referral** – To either another publicly funded support service or to relevant private sector expertise. Although simple direct referrals are possible, for those who are eligible it is likely that in most cases, further in-depth diagnostic and brokerage work would be undertaken prior to engaging with additional providers. This is the Information, Diagnostic and Brokerage (IDB) service. First Line Business Support Advisors identify those who require an extended dialogue and refer them to the new IDB provision which will equip businesses with relevant information, specific guidance and a prioritised, structured plan for onward support from one or more public and/or private sector specialist providers.

2.29 The Gateway is contracted to provide a more detailed assessment of need through Information, Diagnosis and Brokerage (IDB). The IDB service is available to all eligible businesses but there is a partner agreement that the GSP strand is best equipped to support pre-starts, whilst the Gateway service focuses on existing businesses. This involves one-to-one contact with a Senior Business Advisor. This is a medium intensity intervention, aligned with the EU 3-hour metric for information, diagnostic and brokerage support, aimed at providing an in-depth analysis of business needs through ongoing dialogue.

Figure 2.3 Boost IDB Model



Source: LCC

- 2.30 All interaction with clients is recorded on the Evolutive CRM system. All delivery organisations use the system to record interventions against which they are claiming outputs and grant payment.

Core Service Offer

- 2.31 Boost has three core products which clients may be referred to. Each of these core products generate a 'C1' output: 'Number of enterprises receiving support', with the programme target set at 1,360. Businesses can only be counted once.

1. Growth Support Programme

- 2.32 This strand targets new and early stage businesses identified as high growth start-ups. This high intensity support aligns to the EU 12-hour output for 'Enterprise Support' and is aimed at potential entrepreneurs and young enterprises. The programme is delivered by Winning Pitch in conjunction with Enterprise4All.
- 2.33 Potential entrepreneurs are offered a three-part Launchpad programme of at least 12 hours of support which involves seminar sessions delivered on a one-to-many basis and personal action planning.

2. Growth Mentoring Programme

- 2.34 This strand matches SMEs with experienced mentors. This high intensity support aligns to the EU 12-hour metric for 'Enterprise Support' and is delivered by Community and Business Partners and Orvia. Clients receive an in-depth assessment to establish the barriers and challenges facing the business to achieving growth. The client receives mentoring support to develop a Growth Action Plan and personal development plan to enable growth and job creation and works closely with other providers to access the support required.

3. Growth Vouchers

- 2.35 The IDB or Boost support to a business or start up may identify funding as a barrier to growth. The Gateway manages a growth voucher fund that provides small scale revenue funding to Boost beneficiaries to enable the commissioning of additional external expertise that they do not possess in house, in order to achieve an agreed outcome that will support growth proposals. The average Growth Voucher is £2,500 which needs to be matched by the business. Examples of the types of project supported include production of a marketing campaign or branding, development of a website or prototype, or specialist software development. To access a Growth Voucher, businesses need to obtain a minimum of three quotations and provide a rationale for the preferred supplier.

Boost Aligned Services

- 2.36 Boost has established links with aligned business support offers including:
- Innovation Clinic (UCLan)
 - Trade Support
 - Business Finance Advice (Access to Finance)
 - Lancashire Manufacturing Growth Fund
 - Leadership and Management
 - Low Carbon
- 2.37 Boost has an important role to play in ensuring businesses are guided to the most appropriate source of support.

Targets

- 2.38 The Boost programme identified a target market of 40,000 SMEs in Lancashire to focus on of which circa 20,000 businesses are considered eligible for ERDF support³. The Delivery Plan established a target to raise awareness among 12,000 businesses via marketing activity.
- 2.39 Overall, 4,000 businesses are anticipated to enquire at the Boost Gateway, with 3,000 businesses receiving a referral. Overall, 1,360 businesses will receive more intensive support (C1) in the form of grants (C2), non-financial support (C4) and new enterprises supported (C5). 1,640 businesses will receive an Information, Diagnostic and Brokerage (IDB) service. There is an inter-relationship between some outputs, for example, a business could receive an IDB (P13) which could lead them into a more intensive form of support (i.e. C1) or vice versa.
- 2.40 The **original** contractual targets are as follows.

Table 2.2 Boost Target Outputs	
Output	Target
C1: Number of enterprises receiving support	1,360
C2: Number of enterprises receiving grants	300
C4: Number of enterprises receiving non-financial support (C1-C2)	1,060
C5: Number of new enterprises supported	180
C6: Private investment matching public support to enterprises (grants)	£750K
C8: Employment increase in supported enterprises	1,000

³ LCC, Boost 2 Delivery Plan

Output	Target
P11: Number of potential entrepreneurs assisted to be enterprise ready	360
P13: Number of enterprises receiving Information, Diagnostic and Brokerage support	1,640

Source: LCC, Boost Delivery Plan 2016

- 2.41 These targets were informed by achievements in the previous Boost programme which spanned a 30-month period and a clear rationale for each target is provided in the Delivery Plan.

Change Request

- 2.42 There have been two Project Change Requests submitted to MHCLG during the course of the programme:
- 1) **April 2017:** This requested a reprofile of the output targets on the basis that procurement and legal matters delayed the start of the programme from the anticipated start on the 1st of January. Two contracts (Growth Support and Growth Mentoring) commenced delivery from the 1st of March 2016 and the remaining contracts (Marketing and the Gateway) commenced delivery from the 1st of June 2016. The slippage has been addressed mainly through increased activity during year 2 of the programme.
 - 2) **February 2018:** This requested a decrease of the total size of the programme from £7.4m to £6.9m, due to a reduction in the forecast of Growth Vouchers awarded. This reduced ERDF funding required by £250,000 and private match funding by £250,000. Funds were reallocated from salaries (where there were savings due to delays in recruitment) to consultancy and the Central Marketing budget to support the additional work required by GM and GSP to deliver additional outputs (additional C1 business assists were reassigned to be delivered as non-financial support (C4) rather than grants (C2)).

Contract Value

- 2.43 Boost had a total contract value of £7.4m. Together, the core delivery strands of the Gateway, Growth Support, Growth Mentoring and Growth Vouchers account for around 87% of the budget. Variations to the expenditure profile are considered in Section 3.

Table 2.3 Breakdown of total contract value			
Strand	Share	Actual Contract Value	Revised Contract Value
Boost Gateway	24%	£1,798,100	£1,753,100
Growth Support Programme	23%	£1,720,180	£1,818,535
Growth Vouchers	20%	£1,500,000	£1,000,000
Growth Mentoring	20%	£1,469,080	£1,519,079
Accountable Body	8%	£556,660	£480,066
Marketing	3%	£249,585	£270,201
Evaluation	1%	£37,000	£37,000
Other Business Support	0%	£26,055	£0
Total contract value	100%	£7,356,660	£6,877,981

Source: Boost 2 Delivery Plan, Project Change Request February 2018 & LCC

Intended Outcomes

- 2.44 Outcomes used to measure performance against these targets are established in the Boost Logic Model but the baseline position is not identified and targets are not quantified. The following table identifies the intended outcomes and considers how progress will be measured in the evaluation.

Table 2.4 Intended Outcomes	
Outcome	Suggested Baseline Position & Measurement
Growth in turnover of businesses assisted	<ul style="list-style-type: none"> Changes in business performance - turnover (survey) Output: number of enterprises receiving support (C1)
Growth in value added in supported companies	<ul style="list-style-type: none"> Changes in business performance - productivity (survey) Output: number of enterprises receiving support (C1)
Improved business formation rates	<ul style="list-style-type: none"> 6.9 business births per 1,000 WAP (2015) compared to 8.1 NW and 9.9 England Output: number of new enterprises supported (C5) Output: number of potential entrepreneurs assisted to be enterprise ready (P11) Entrepreneurial intent (survey)
Improved new business survival rates	<ul style="list-style-type: none"> 41% of new businesses surviving more than 5 years (2015) in line with England average Progress against aims – grow the business and operate the business more effectively (survey)
More business support programmes aligned with Boost	<ul style="list-style-type: none"> Number of referrals to appropriate business support following an initial Diagnosis of Need as part of the IDB

Source: LCC & Hatch Regeneris

3. Project Progress

3.1 This section considers progress against expenditure, activity and output targets.

Beneficiary Characteristics

3.2 Table 3.1 lists the number beneficiaries interacting with Boost who have received an information, diagnostic and brokerage (IDB) session. From IDB to 35% go on to receive Growth Mentoring, 24% go onto receive Growth Support Programme and 11% go onto receive Growth Vouchers.

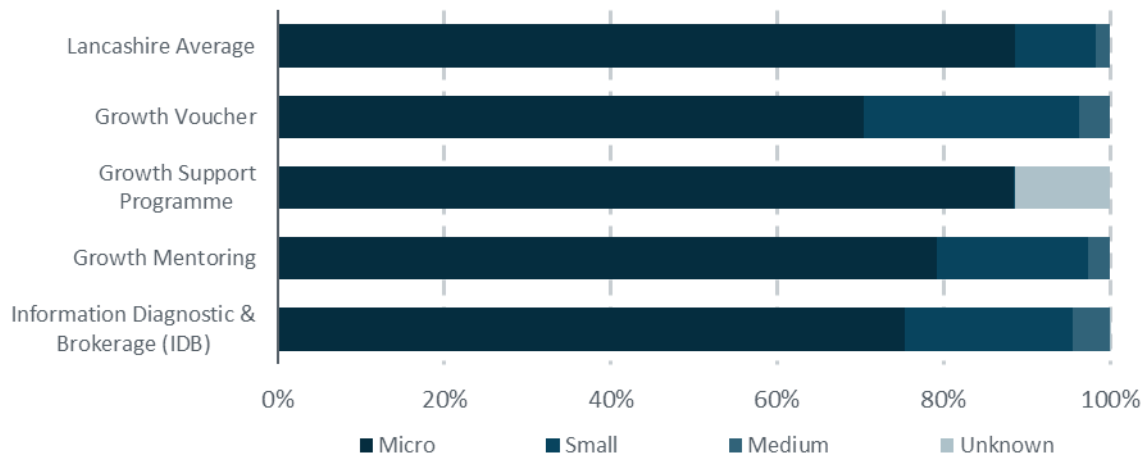
Table 3.1 Number of Beneficiaries Interacting with Boost

Boost Service	No. of Beneficiaries
Information Diagnostic & Brokerage (IDB)	1,524
Growth Mentoring	529
Growth Support Programme	370
Growth Voucher	162
Total businesses assisted	1,357

Source: Boost programme data, March 2016 to the end of October 2018. Note: Total figure is not the sum of other rows, as some businesses received more than one type of support; it is the total number of businesses assisted (C1) as provided by Boost.

3.3 Although the composition varies across Boost's different support schemes, the majority of Boost clients are micro businesses (ie businesses with 0-9 employees).

Figure 3.1 Business size



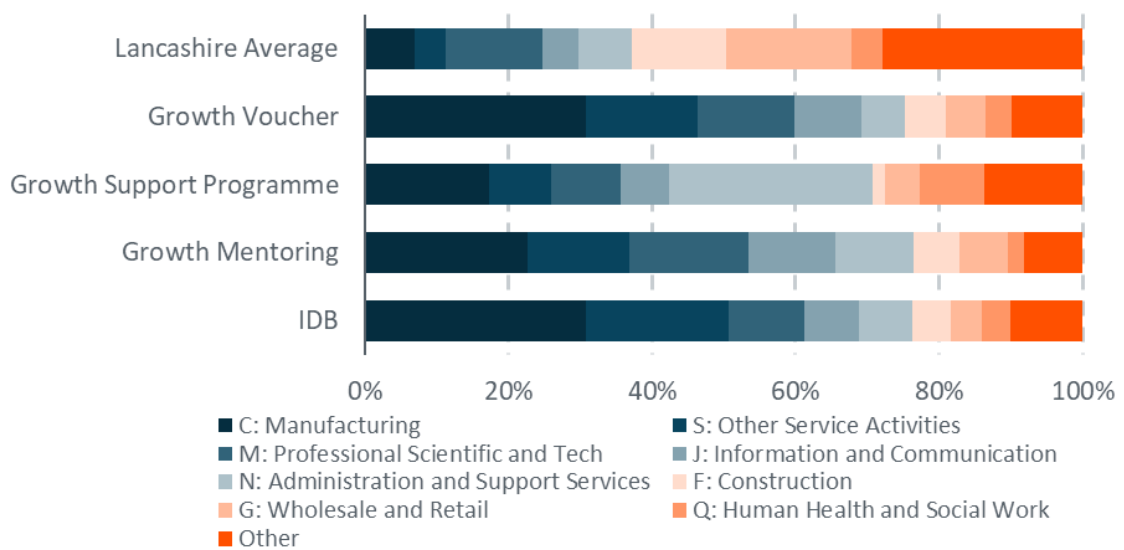
Source: Boost Programme data, March 2016 – end of October 2018 and ONS UK Business Count, 2018 * Large businesses (ie businesses with 250 or more employees) represent only 0.3% of Lancashire's business base and are ineligible to participate in Boost.

3.4 Key points include:

- As expected, the majority of businesses supported by the Growth Support Programme are micro businesses (88%) in line with the programme's remit to specifically target new and early stage businesses

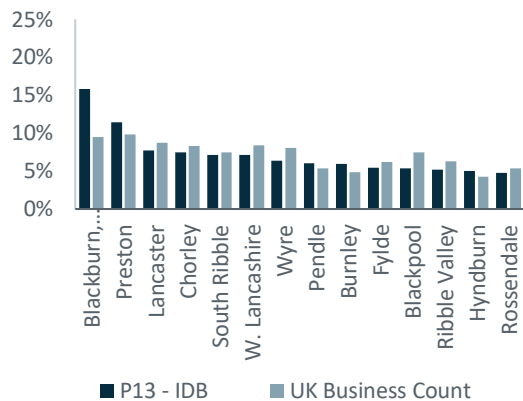
- IDB, Growth Mentoring and Growth Vouchers all have higher proportions of small business beneficiaries than the Lancashire average, and IDBs and Growth Vouchers also reached a higher proportion of medium sized business beneficiaries.
 - There are a significant proportion (11%) of businesses who participated in the Growth Support Programme whose business size is unknown. Consultations with Boost senior project officer indicated that this is likely to be due to the Growth Support Programme engaging with individuals (P11 outputs), as well as businesses, many of whom will be sole traders.
- 3.5 This analysis suggests that Boost was generally effective in targeting its market of micro, small and medium sized companies.
- 3.6 The client base of Boost, to an extent, aligns with Boost's priority sectors.

Figure 3.2 Business sector

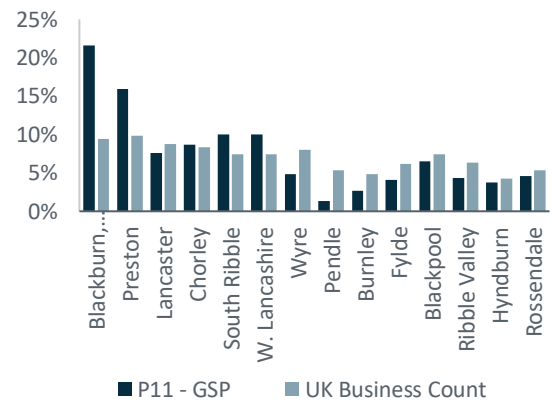


Source: Boost Programme Data, March 2016 – end of October 2018 and ONS UK Business Count, 2018

- 3.7 Manufacturing is well represented in the project, with a high proportion of manufacturing businesses in the project relative to the business base in Lancashire, however this is not surprising given that advanced manufacturing is identified as a key priority sector for the project. 31% of the 1,524 businesses that received an IDB operate in the manufacturing sector, while only 7% of the business base in Lancashire is accounted for by manufacturing. As a target sector for the project, this can be seen as an achievement and to some extent, reflects the expertise of Boost advisors (many of which have a manufacturing background), and the supportive environment for directing manufacturing businesses towards appropriate support (Boost has strong referral relationships with several manufacturing organisations such as the Northern Automotive Alliance and NW Aerospace Alliance).
- 3.8 Boost has been particularly successful in Blackburn with Darwen, and Preston across all types of support. The following charts the geographical distribution of IDBs and Growth Support Programme. The trend was similar across all types of support.

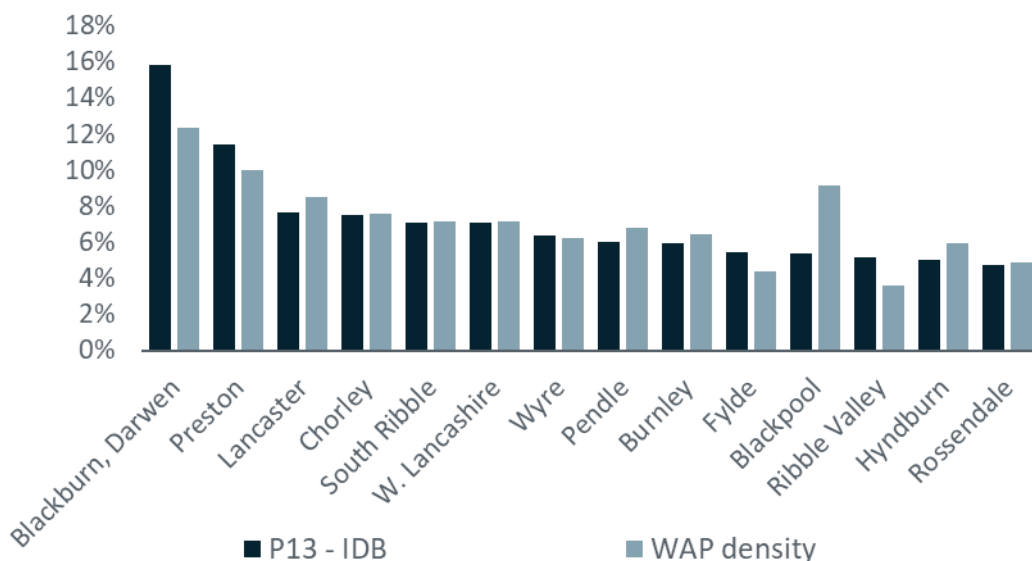
Figure 3.3 Geographical location of businesses that received an IDB relative to the business base

Source: Boost Programme Data, Q2 2016– end of October 2018 and ONS UK Business Count, 2018

Figure 3.4 Geographical location of businesses in the Growth Support Programme relative to the business base

Source: Boost Programme Data, Q2 2016– end of October 2018 and ONS UK Business Count, 2018

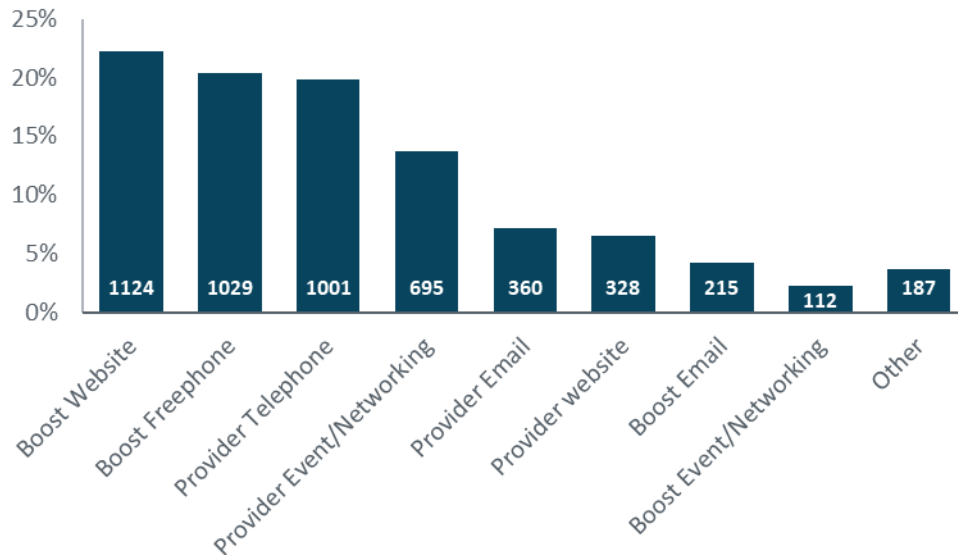
- 3.9 Looking at the geographical distribution of businesses that received an IDB relative to the business base suggests that Blackburn with Darwen and Preston are over-represented in the programme. This over-representation is even more pronounced when looking at the high intensity assists. 22% of businesses that received support from the Growth Support programme were located in Blackburn with Darwen, while this district only accounts for 9% of the business base in Lancashire. In both cases, this points to the strength of presence of Growth Lancashire who delivered the Gateway and IDB service, and Enterprise4All who delivered the Growth Support programme in partnership with Winning Pitch, in Blackburn with Darwen where both organisations are based.
- 3.10 This could also represent the fact that Boost targets individuals and would be entrepreneurs in addition to the existing business base.

Figure 3.5 Geographical distribution of businesses that received an IDB relative to working age population density in Lancashire

Source: Boost Programme Data, Q2 2016– end of October 2018 and ONS Mid-Year Population Estimates, 2017

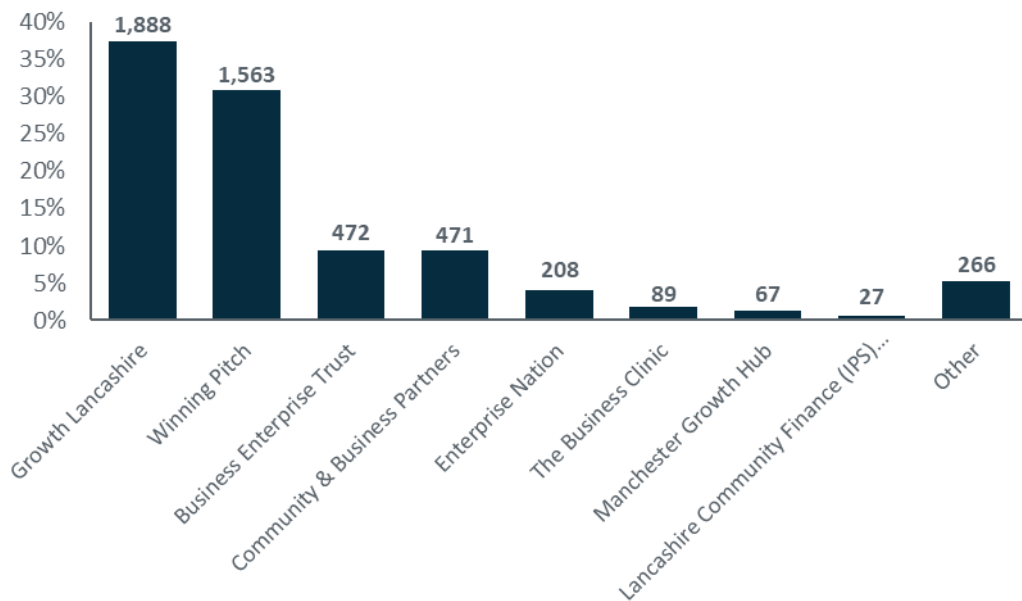
- 3.11 The geographical distribution of the businesses that have received IDBs reflects population density in Lancashire more closely however it can be seen that Blackburn with Darwen and Preston are over-represented on IDBs relative to WAP density, whilst Blackpool is under-represented.
- 3.12 The majority of enquiries into Boost come from the Boost Website (22%), the Boost freephone (20%) and phone calls direct to one of the service providers (20%). Events and networking opportunities organised by service providers also account for a significant proportion of enquiries (14%).

Figure 3.6 Source of Enquiry (how the beneficiary contacted Boost)



Source: Programme data provided by Boost, March 2016 – end of October 2018; N = 5,051.

- 3.13 DoNs are carried out by the Gateway and directly by delivery partners for self-generated enquiries. The DoN has referred the majority of its clients to Growth Lancashire and Winning Pitch.

Figure 3.7 Referral destinations following initial Diagnosis of Need

Source: Boost Programme Data, March 2016 – end of October 2018, N = 5,051. This includes referrals via the Gateway and self-generated by partners. Note: 'Other' comprises of 40 referral destinations and accounts for 5% of all referrals. See Appendix E – Additional Data.

Delivery Against Spend and Output Targets

- 3.14 This section provides a summary overview of the project in terms of contractual targets for spend, outputs and results it draws upon data provided by Boost including copies of claims submitted to the ERDF programme and underpinning data.
- 3.15 Table 3.2 below summarises the financial and output performance of the project using the standard Summative Assessment table format.

Table 3.2 Spend and Output Performance

Indicator	Targets		Performance (up to and including Q4 2018)	
	Original	Adjusted	No.	% target
Capital Expenditure (£m)		-	-	-
Revenue Expenditure (£m)	£7,356,660	£6,856,660	£6,856,660	100%
ERDF (£m)	£3,706,660	£3,456,660	-	-
Public Match (£m)	£2,900,000	£2,900,000	-	-
Private Match (£m)	£750,000	£500,000	-	-
C1: Number of enterprises receiving support	1,360	1,360	1,357	100%
C2: Number of enterprises receiving grants	300	168	183	109%
C4: Number of enterprises receiving non-financial support	1,060	1,190	1,200	101%
C5: Number of new enterprises supported	180	180	403	224%

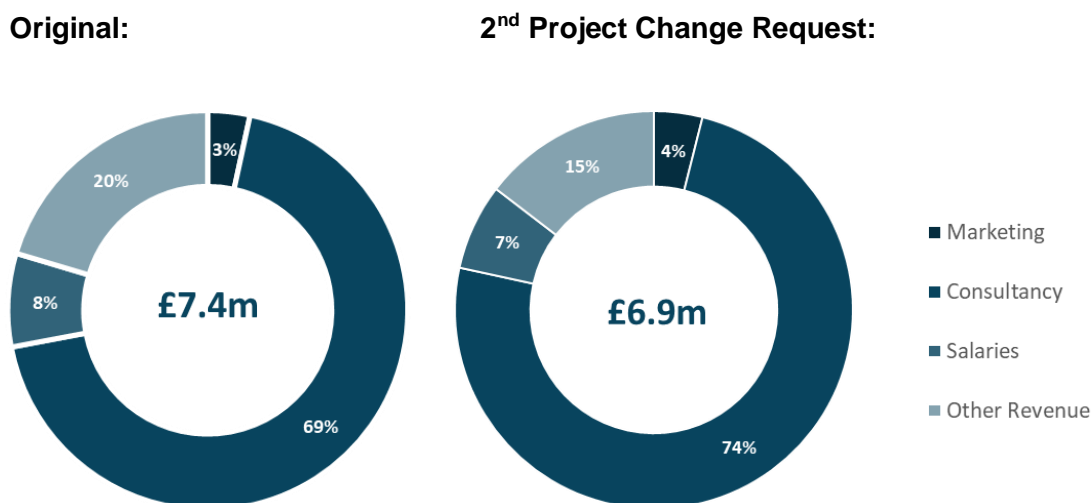
Indicator	Targets		Performance (up to and including Q4 2018)	
	Original	Adjusted	No.	% target
C6: Private investment matching public support to enterprises (grants)	£750,000	£500,000	£500,000	100%
C8: Employment increase in supported enterprises	1,000	1,000	1,048	105%
P11: Number of potential entrepreneurs assisted to be enterprise ready	360	360	373	104%
P13: Number of enterprises receiving information, diagnostic and brokerage support	1,640	1,640	1,047	64%

Source: Project Change Request Application and Assessment Form and ERDF Final Claim Form provided by Boost, January 2018. Note: Figures are rounded

Financial Performance

- 3.16 The rate of expenditure was not sufficient to keep pace with the project's planned ERDF expenditure profile. A first project change request was submitted in April 2017, requesting a slight reduction in the marketing expenditure profile due to the value of the approved marketing tender being £415 lower than the figure in the GFA and this saving was reallocated to consultancy to support delivery.
- 3.17 In February 2018, a second project change request was submitted which requested decreasing the total size of the project from £7.4m to £6.9m. This reduced the overall ERDF grant by £250,000.

Figure 3.8 Original and Adjusted Expenditure Profile



Source: Project Change Request Application and Assessment Forms (ESIF-Forms 3-022) provided by Boost.

- 3.18 The need to reprofile arose because of several factors including:
- the delay to the project's start-up reduced the overall delivery window for the project, particularly for the Gateway Service, Growth Voucher delivery and central marketing for which the contracts started on the 1st June 2016, six months later than anticipated.

- underperformance on delivery of C2 Growth Vouchers which led to revising the C2 output target by 132, reducing overall project expenditure profile by £500,000 (£250,000 ERDF, £250,000 private sector match investment).

Outputs and Results

- 3.19 The final claims data provided by Boost indicates that progress against economic output targets that contribute towards its Performance Framework has been successful.
- 3.20 The overall project budget was reduced through the change control process, but this was accompanied by associated changes in output targets, therefore target unit costs did not vary significantly from what was originally anticipated (see Table 3.3). The target for number of enterprises receiving grants was reduced, while the target for C4 (enterprises receiving non-financial support) was increased, which subsequently had to be delivered more efficiently than originally anticipated. Funding was reallocated towards the central marketing budget to support the additional work required by the Growth Mentoring and Growth Support Programme to deliver additional outputs.

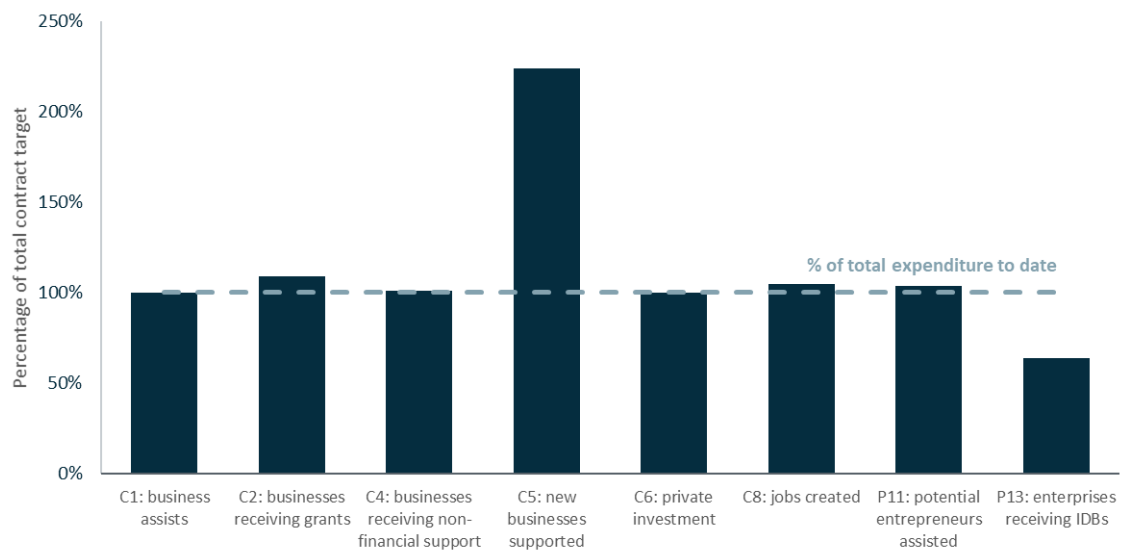
Table 3.3 Summary of Outputs and Intended Unit Cost

	Original Budget (£7.4m)		Updated Budget (£6.9m)	
	Target	Unit Cost	Target	Unit Cost
C1 Businesses assisted	1,360	£5,409	1,360	£5,042
C2 Enterprises receiving grants	300	£24,522	168	£40,813
C4 Enterprises receiving non-financial support	1,060	£6,940	1,190	£5,762
C5 New enterprises supported	180	£40,870	180	£38,093
C8 Jobs created	1,000	£7,357	1,000	£6,857
P11 Potential entrepreneurs assisted to be enterprise ready	360	£20,435	360	£19,046
P13 Enterprises receiving information, diagnostic and brokerage support	1,640	£4,486	1,640	£4,181

Source: Hatch Regeneris, drawing on Boost monitoring data, 2018

- 3.21 Figure 3.9 shows the rate at which the project has been reporting outputs compared to the rate of expenditure.

Figure 3.9 Progress against headline output and outcome indicators



Source: Hatch Regeneris, drawing on Boost monitoring data, 2018

- 3.22 Progress against headline output indicators has been strong, with the majority of output indicators keeping pace with, or exceeding, expenditure. The project has largely met its key activity target related to businesses assisted and has delivered these business assists at an efficient rate at a unit cost of £5,053 (very close to the revised unit cost target after the overall project budget was reduced). By the end of December 2018, the project had delivered 1,357 C1 businesses receiving support, which is only 3 businesses below the overall project target.
- 3.23 Boost has been particularly successful in performance against the C5 new businesses supported target. This was attributed to various factors, including the personal commitment of the Boost team and the changing definition of C5s. Boost has also been successful in converting a P11 into a C1 as the client journey continued, with 62 C5 businesses (20% of all C5 businesses) achieving a P11 (12-hour assist) and then managing to achieve another 12 hours of support as a C1 assist.
- 3.24 It is worth noting that although the P13 output indicator (number of enterprises receiving IDBs) appears to be lagging the rate of expenditure and overall project target, Boost had achieved 1,644 P13 IDB's and had these approved (exceeding the overall project target by 4 IDBs), consequently achieving this target. However, in October 2018 Boost were informed that they could not claim both C1 and P13 for an enterprise, therefore removed all P13s claimed for businesses that also had a C1 intervention (-591).
- 3.25 The C8 jobs created in supported enterprises target has been exceeded (1,048 jobs created, 105% above target). This is measured by the business advisor identifying the baseline employment position when they make first contact with a business, and then attributing any increase in employment to Boost at the end of their assistance. It is noted that this figure differs from the estimation of impact in Section 5 which is based on evidence gathered through the beneficiary survey to reach estimates of the net additional impacts of improved business performance amongst the business assisted by Boost and as such the figures should not be directly compared.

4. Project Delivery and Management

Factors Influencing Delivery

Strength and longevity of the Boost partnership...

- 4.1 Boost has had a consistent set of core delivery partners through the evolution of the Boost model including Lancashire County Council, Crabtreewood, Growth Lancashire, Winning Pitch, Orvia, Community & Business Partners, Enterprise4all and Freshfield. The breadth of the partnership providing public, private and Third sector voices has helped Boost achieve the right balance in terms of priorities.
- 4.2 The longevity of the partnership has facilitated long term relationships amongst the partners and an “in it together” approach. Partners consider themselves a core part of a “Boost Family” and feel they can have relatively open conversations on what works and what could be done better.

Collaborating with aligned programmes...

- 4.3 Aligned partners are welcomed to attend the Boost Marketing sub-group which helps to raise awareness of what everyone is doing in the business support space. Relationships with aligned partners are fostered through networking and referrals.
- 4.4 However, consultations with aligned partners did reveal some tensions in a perception that Boost can have a more dictatorial approach which is not always well-received by aligned programmes who report directly to MHCLG (and not to LCC). A more collaborative “in this together” approach would be more conducive to partner relations.

Procurement delays led to a challenging start...

- 4.5 Project delivery was delayed by several months due to procurement problems. This resulted in the contracts for Growth Mentoring and Growth Support being signed in March 2016, whilst the Gateway contract was not signed until August 2016 although an interim service was funded by LCC between December 2015 and June 2016. It is notable that the IDB approach was new to Boost and the approach to delivery took time to establish. Furthermore, delays in agreeing the guidance to ensure ERDF compliance for the Growth Voucher programme means that it only opened in October 2016.
- 4.6 Boost has succeeded in catching up from this delayed start, with strong performance exhibited on the targets set, and remedial action taken to address those aspects of the programme under-performing.

Competition has created tension in the partnership...

- 4.7 The evolution of Boost over time, whereby the Boost offer has streamlined into a core offer with aligned partners has helped to address the internal competition which existed in Boost 1 for C1 outputs, whereby the delivery partners were ‘fishing’ in the same pool for outputs, leading to competition and tension which didn’t necessarily offer the best outcome for business. The clearer demarcation of offer between Growth Support and Growth Mentoring has also supported a more collaborative client-focused approach between these delivery strands.

- 4.8 However, elements of tension have remained, most notably in relation to the effectiveness of referrals, and with regards to Growth Vouchers, particularly as a business can only be counted once as a C1 assist, which meant that if a Growth Voucher was accessed then a business could only access another core Boost product such as growth mentoring or growth support in exceptional circumstances. Through the 2nd change request and the reduced target for Growth Vouchers and the uplift target for Growth Support and Growth Mentoring, these tensions eased.

Robust and compliant systems...

- 4.9 The Boost governance model is considered to work well, contributing to a robust compliance process underpinning the performance of Boost meeting output targets in a timely manner with a clear audit trail.

- 4.10 Key aspects of the LCC governance model include:

- The LCC core team include finance and compliance, with a recent addition of CRM management through secondment from Growth Lancashire.
- Monthly progress reports submitted monthly by each delivery strand which contain detailed information about performance regarding each element of the contract. Where under-performance is noted, the LCC team liaise with partners on a weekly basis to monitor progress and agree the mitigation strategy.
- Regular Contract Review meetings held monthly with delivery partners which has provided technical, strategic, operational and legal oversight throughout the programme. minutes are taken and shared with MHCLG. Regular communication is maintained on an informal basis.
- Claims are processed monthly linked to activities delivered. This has supported better cashflow management for the core providers.
- Marketing and operations meetings are held on a 6-weekly basis.
- Operational Group meetings are held monthly.

- 4.11 Some challenges arising from these approaches including the basis of payment to contracted partners on activities delivered, rather than outputs, has made it challenging for the core team to sometimes reconcile spend with outputs.

- 4.12 During Boost there have been issues associated with non-compliance which has required resolution. This includes:

Non-Compliance of P11 outputs

Earlier in the Boost programme it was identified that some businesses were being claimed for assistance that were already registered with Companies House or trading (and therefore ineligible for this strand of support). LCC intervened with training on eligibility criteria, and remedial action was taken to reconciling outputs, leading to the loss of 90 outputs and £46K of expenditure. Some of these outputs were moved to C1 and C5, and others were able to be claimed later in the programme.

Changing Interpretation of ERDF Guidance

Boost was on track to exceed the P13 target (number of enterprises receiving information, diagnostic and brokerage support), however, a changing interpretation of ERDF guidance late in the programme resulted in 591 outputs needing to be removed resulting in only 64% of the target being met. This can be attributed to changing interpretation of ERDF guidance, where the guidance was clear that you can claim a C1 and a P13 output, however MHCLG made a decision to amend this in the final quarter of the programme.

Willingness to tackle difficult issues?

- 4.13 The Mid Term Review identified that whilst the overall partnership is strong, that there are some areas of dissatisfaction amongst the partnership group which need to be resolved if Boost is to achieve its full potential. This included concerns that the organisation running the Gateway (Growth Lancashire) also held the contract for delivering a strand of assistance (Growth Vouchers), and a perception that businesses were being directed to Growth Vouchers when this wasn't necessarily the appropriate type of support for them. There was also dissatisfaction with the referral process, with a perceived lack of referrals from the Gateway to core partners.
- 4.14 Since the Mid Term Evaluation some decisions have been made which have helped to address areas of dissatisfaction and further strengthen the partnership, including:
- Closer integration of the Boost delivery partners for example the use of hot-desking and secondment of staff between Growth Lancashire and LCC has helped systems integration and improved understanding of the practical challenges facing delivery partners
 - The reduction of the Growth Voucher target through the 2nd Change Request helped to relieve the pressure of this target and facilitated a more collaborative relationship between partners as Growth Support and Growth Mentoring took on an increased target to address the shortfall in outputs
 - Change in management approach at Growth Lancashire which has supported a more hands-on approach to tackling the issues previously experienced, at the same time as the wider ambitions for Growth Lancashire have changed.
- 4.15 Consultation with delivery partners questioned whether LCC are providing a strong enough steer around difficult issues, but there was an appreciation that this can be difficult to tackle, particularly as personal relationships between the partners are good. In response, the consultation with LCC noted the sensitivities at work between the partners and provided reassurance that these issues were recognised, and they were addressing them on a one-to-one basis.
- 4.16 The evaluation team note the proactive stance of LCC in responding to the recommendations of independent evaluations, taking on board the recommendations from the Boost 1 evaluation to inform the design of Boost 2, and taking on board the recommendations of the Boost 2 Mid Term Evaluation to inform the design of Boost 3.

Maximising contributions from partners on what the business community needs...

- 4.17 As contracted partners to the programme, there is a sense of untapped potential in terms of getting partner contributions on what the business community needs to inform the design of the Boost programme and facilitate a bottom up approach to the setting of targets. Can the Boost core team do more to actively engage core partners in 'what works' reflection to enable a more proactive stance to responding to business need in the design of Boost?

Factors Influencing Performance

Strong performance in meeting targets set

- 4.18 Boost has performing strongly in meeting the targets set. Key success factors identified by delivery partners as underpinning this performance include:
- Proactive approach to lead generation, with high levels of visibility networking at events and via social media, promoting the Boost programme and raising awareness amongst the target market. This is followed up by proactively following up leads.
 - The success of the Boost Programme Manager as a visible and personable “ambassador” for Boost
 - Proven models of delivery, such as Growth Support and Growth Mentoring, which include strong dynamic teams who know their subject and the local area and are highly experienced in delivery. Their use of senior advisors and experienced mentors helps to provide a tailored response to business needs.
 - Economic conditions, with growth experienced in sectors such as digital and professional services, health and well-being
- 4.19 Where performance was not on track (i.e. Growth Vouchers) Boost put mitigation measures in place, which led to a reduced target and spend through a Change Request.

Some instances of underachievement

- 4.20 The uptake of Growth Vouchers was problematic for the Boost programme. The original target was that 300 C1 assists would be in the form of Growth Vouchers. At the time of the Mid Term Evaluation, only 45 Growth Vouchers had been defrayed. Reasons behind this under-performance included:

- Procurement delay of the Gateway contract meant that this strand started much later than anticipated in October 2016
- The average size of Growth Voucher at £2.5K is not considered attractive, and the scale of support combined with the limited nature of what a voucher can be used for resulted in a high attrition rate between referral and application submission
- The scheme was devised on the understanding that a dual assist would be possible, however this was not the case and a business can only be counted once as a C1 assist
- The administrative burden of obtaining three quotes and providing a rationale for the preferred supplier deterred take-up
- The time taken to defray a voucher (e.g. the business had to undertake the work and pay the supplier before they could draw down the Growth Voucher)
- Referrals into other funding schemes which better align with business needs, i.e. the Manufacturing Growth Fund

- 4.21 This was a priority for intervention, and the core team responded by issuing a change request which reduced the target to a more realistic level which was subsequently achieved. Core partners delivering Growth Support and Growth Mentoring responded constructively to the challenge by stepping up and taking on additional C1 targets to make up for this shortfall.

- 4.22 At the end of the programme the output profile for P13 (number of enterprises receiving information, diagnostic and brokerage support), suggests an underperformance against target (64%). This can be attributed to changing interpretation of ERDF guidance in the final quarter of programme delivery, where the guidance was clear that you can claim a C1 and a P13 output, however MHCLG made a decision to amend this late in the programme which meant 591 outputs had to be removed. Without this intervention, Boost would have succeeded in meeting the P13 target.

Providing an equitable offer across Lancashire

- 4.23 Boost seeks to deliver an equitable offer of business support across Lancashire. However, an examination of Boost assists in comparison to business and working age population density does point to an over-representation of activity in Blackburn with Darwen and Preston, and under-representation in West Lancashire, Blackpool and Lancaster. Contributing factors include:

- Functional geographies, for example West Lancashire has historically looked towards the Liverpool City Region
- Eligibility of the business base, for example Blackpool has a concentration of retail and hospitality businesses which are ineligible for ERDF support
- Strength of the networks and business support environment, for example these are particularly strong in Blackburn with Darwen and Preston
- Strength of aligned partner offer, for example Lancaster tends to look to the University for support as they run a number of ERDF business support programmes

Focusing on target sectors to fuel economic growth

- 4.24 Boost has performed well in focusing business support on target sectors which they feel will fuel growth in the Lancashire economy. This approach has been most effective where the presence of intermediaries/sector bodies and networks is most developed, and where Boost advisors have expertise in this area.

For example, manufacturing is over-represented in the Boost programme relative to the business base in Lancashire. This is a positive in that manufacturing is a target sector in Lancashire, and it is noted that many Boost advisors have a manufacturing background which helps them to reach out to businesses through the networks they are engaged in. The support environment for manufacturing is strong, and Boost has been most effective in areas where the presence of intermediary/sector bodies and networks is most developed. There are strong relationships with intermediaries such as the Northern Automotive Alliance and North West Aerospace Alliance which facilitates referrals.

Ability to support clients on their growth journey

- 4.25 Boost seeks to establish long term relationships with businesses as a trusted advisor, providing the first and continued point of contact for businesses seeking support on their growth journey. These efforts are hampered by the limitations of a 12-hour assist. The intention was that the IDB service would provide a minimum 3-hour intervention, with the potential for the advisor to become a trusted partner of the business and have regular interaction long-term before, during and after support they receive from other partners. In practice, this model has not been achieved. It is considered that the associate model (sub-contracted) used by partners such as Growth Lancashire has not been conducive to developing long term relationships beyond the hours of support for which the associates are paid to deliver.

- 4.26 Boost has succeeded in supporting entrepreneurs on their client journey by supporting them through a P11 assist (number of potential entrepreneurs assisted to be enterprise ready) and then supporting them on the next step of their journey once they have established a business (C5 – number of new enterprises supported). This conversion rate has facilitated the significant over-achievement of C5 assists (224%). The commitment of advisors providing above and beyond the 12 hours of support is also testament to the success of Boost in supporting new enterprises.
- 4.27 However, the potential for Boost to continue supporting clients on their growth journey is stifled by the inability to deliver dual assists, so as new businesses grow, their ability to access Growth Mentoring support aimed at existing businesses is restricted.

Referral systems require improvement

- 4.28 The Gateway has exceeded its KPI target to refer 3,000 businesses onwards to business support which is a positive sign of the effectiveness of Boost as a providing a signpost to the wider support network.
- 4.29 However, tensions remain in the partnership about the **effectiveness** of the referral process both *from* Boost and *into* Boost from aligned partners. Consultation with delivery partners drew attention to the trust which businesses put in their advice – how many businesses didn't get the help they should have done because of the ineffectiveness of Boost's referral systems?
- 4.30 There are several contributing factors to the effectiveness of the referral process:
- 1) Businesses often do not know what support they need. This requires further investigation (through the Diagnosis of Need and IDB process) to explore this and to identify what is the most relevant programme for them to be directed to. Understanding of the wider offer to support referrals is key. This includes the importance of advisors shadowing and receiving training from core and aligned partners to improve their understanding of the offer, and ensuring the Support Finder Tool is up-to-date and provides a real-time audit of business support
 - 2) Strength of relationships to facilitate referrals, including the presence of networks (which vary by sector and geography)
 - 3) Achieving an unbiased approach can be challenging, particularly where partners are delivering a core service themselves and the inevitable tendency for advisors to deliver advice in the areas they are most experienced to do so.
 - 4) Whether direct referrals from partners (i.e. from Growth Support to UCLAN) are always captured in the referral figures
 - 5) Usage of CRM systems (Evolutive). There have been inconsistencies in how partners have used Evolutive, with varying regularity and provision of real time information, consistency of approach, and the level of detail provided. Who is responsible for ensuring compliance? Without a consistent approach, the effectiveness of this tool will be undermined.
 - 6) Access to the CRM system. Aligned partners such as UCLAN are not using Evolutive which undermines the effectiveness of the referral approach.
 - 7) Clear guidance on what constitutes a referral and the value of this. i.e. the mention of a business support programme in conversation with a business should not constitute a referral. There needs to be a 'warm' handover is the referral opportunity is to be realised. This could be a warm email introduction, or a joint meeting with the business

- 8) The lack of accountability surrounding referrals is a barrier to effectiveness. There needs to be a focus on the quantum of referrals, the % which led to take-up of support, and the outcome of the support.

Taking a wider perspective of impact

- 4.31 Boost's performance is measured using a narrow set of output and outcome measures focused on jobs and GVA. Delivery partners highlighted the importance of taking a broader perspective in recognition of the contribution which Boost has made to developing human capital (skills, experience), increased confidence, job satisfaction and improved health and well-being, revitalising town centres and delivering an enhanced lifestyle offer. These may not be directly attributed to Boost intervention but nevertheless Boost has contributed to these through facilitating a supportive business environment where entrepreneurs and businesses can thrive.

Factors Influencing Beneficiary Satisfaction

Ensuring a quality first contact

- 4.32 A quality first contact is key to credibility of Boost and gaining trust. Ensuring first contact with an experienced business advisor will facilitate this. At the Mid Term Review, problems cited by core providers of Boost included:

- Process delay – with critical information such as eligibility not being uploaded onto Evolutive on time which risks needing to ask businesses this information twice
- Duplication of effort – if the IDB form has gaps then delivery partners may inadvertently duplicate questions already asked
- Pursuing targets – is the IDB necessary or can the business be fast-tracked to support?
- Directing business to the most appropriate support – with instances cited where businesses have been placed in the wrong type of support. This highlights the importance of ensuring the referral process is based on a strong understanding of the core Boost offer and wider support provision

- 4.33 Since the Mid Term Review Boost has intervened to support greater systems integration which has been facilitated by the secondment of Growth Lancashire staff into the LCC team on a weekly basis. This has helped to develop the CRM system to address gaps in information, and strengthen the live Support Finder database.

Aspirations to develop long term relationships undermined by 12-hour support limit

- 4.34 The beneficiary feedback highlighted various issues associated with a lack of follow up from Boost, and a feeling amongst some that Boost was not sufficiently responsive to their needs and did not provide enough personal contact. As discussed earlier, the IDB model was intended to provide a long term relationship management tool, however this hasn't worked in practice.
- 4.35 The limitations of a 12-hour assist within a set time period acts as a barrier to developing long term relationships with business. Although it is recognised that many Boost advisors have gone above and beyond by providing support over and above the 12 hours, as captured in the CRM system.

Has the client journey been stifled by the strands of support made available to them?

- 4.36 Related to the effectiveness of the referral process, it is questioned whether the Boost model is sufficiently flexible to respond to what individual businesses need and provide a tailored solution? Or, have Boost “stories been siloed” into the strand of business support they were directed into?
- 4.37 The beneficiary survey revealed that clients sought more flexibility than could be offered by Boost, for example, beneficiaries of Growth Support indicated they would have liked some one-to-one sessions as well as group workshops. There needs to be more flexibility (a client focused approach) to meeting individual needs.
- 4.38 A consistent message from beneficiaries include a lack of access of finance support. It is recognised that this is an ongoing issue, with the expectation of businesses often focused on access to grants which is difficult to resolve. This highlights the need to ensure the referral routes to Access to Finance programmes are in place. It is recognised, however, that even with referrals to access to finance programmes taking place, the outcome of these discussions may not meet business expectations.

Ensuring advisors are equipped with the skills they need to provide advice

- 4.39 The beneficiary case studies highlighted some negative experiences which questions whether the advisor/mentor was sufficiently equipped with the skills they needed to provide the technical advice sought. This points to a need for Boost to ensure:
 - The advisor/mentor is qualified to give the type of advice sought
 - The Boost programme is flexible enough to accommodate more than one advisor/mentor providing advice where specific skills are required
 - Robust quality assurance processes are in place to provide oversight of the advice and guidance provided by advisors/mentors

Meeting evolving client needs

- 4.40 Beneficiary feedback included a sense that after their time with Boost was done they were left without a clear sense of direction on what next. As their needs evolve, they will need different types of support to enable them to prosper and grow. Boost may not be able to help with this, but businesses need to be directed to support which can. This feedback reinforces the need for ensuring the Boost model includes a long-term client relationship manager.

Marketing and Engagement

Strength of brand and profile amongst the Lancashire business community

- 4.41 Boost has a strong brand and profile which has improved over time through investment in marketing and a common vision shared by all delivery partners. Freshfield are contracted to provide the Central Marketing Service and are responsible for raising awareness of Boost amongst the targeted business population. Lessons learnt from Boost 1 were applied to the Boost 2 programme including:
 - development of the brand to relay the Growth Hub narrative
 - direct management of the website by Freshfield to enable them to direct enquiries to the most appropriate partner

- development of Boost & Co as a private sector network
 - use of branding and marketing collateral including Boost business cards and t-shirts which strengthen the image of Boost as a unified offer
 - monthly marketing planning and a Marketing sub-group which all delivery strands and affiliated programmes are encouraged to attend.
- 4.42 The Boost core team and the delivery partners are deeply engaged with the business community and work hard to increase recognition and interaction with Boost.

Strong performance by the Central Marketing Service

- 4.43 The Central Marketing Service has performed well against the targets set:
“Between 1st May 2016 and 30th December 2018, the Boost website registered 25,037 unique visits against Central Marketing Services contractual target of 12,000”⁴
- 4.44 Delivery partners feel very supported by the Central Marketing Service. Freshfield have proactively planned the marketing programme and liaised with partners and wider business support partners. Freshfield have:
- listened carefully to each of the core providers to present the support offer clearly and accurately
 - produced an attractive brand and proactive marketing including the website, monthly newsletter, sharing content via local press, social media, partners and Boost & Co, and supporting events either directly, or through sponsorship or partnership
 - produced strong case study materials offering an in-depth insight into the softer benefits associated with the Boost offer. The Boost Growth Stories publication showcases businesses supported by Boost to achieve their growth aspirations and there is a healthy supply of case studies published on the website on a monthly basis.
- 4.45 As a result, the enhanced profile of Boost has led to it becoming an intrinsic part of the Lancashire business community.

Variable visibility of the Boost team

- 4.46 The strength of commitment and visible presence of the Boost Programme Manager with his fresh and vibrant approach “flying the flag for Boost” at events is a particularly notable feature of the success of the Boost brand. More generally, the profile of the Boost core team as a “field sales force” is seen as a positive as they are independent of product delivery.
- 4.47 Partners collaborate regularly on joint events and the strength of the Boost brand has been enhanced by common branding tools such as Boost business cards and a Boost ‘uniform’ (t-shirts) worn by the team. Consultation with delivery partners highlighted the importance of ensuring senior staff are present at networking events. It was considered that the use of an associate (sub-contract) model by Growth Lancashire has worked against this in some cases, and there has been a tendency to put junior administrators on the front-line which has limited the potential of events as a network and marketing tool.

⁴ Source: Claims Progress Report, Q4 2018

Communicating the breadth of the Boost core offer is not always easy...

- 4.48 The Central Marketing Service have met the target of 120 case studies live on the website over the course of the programme, however ensuring equal weight is given to promoting the different strands of intervention can be challenging as some delivery partners have been more proactive than others in providing the content (i.e. case studies) required by Freshfield in a timely manner. Inevitably, this can lead to skewing the message towards the strands taking a more proactive marketing stance (such as the Growth Support programme). Contractually, each delivery partner is required to provide a minimum of two case studies per month.
- 4.49 In developing case studies, it is also important to ensure that the emphasis of different types of intervention across strands is balanced, e.g. trade, sales, skills etc, to ensure that the reader can identify with the experiences of beneficiary businesses, and that the Boost offer remains relevant. More recently, the use of video case studies has further enhanced the library of written case studies. It is also noted that more could be done to strengthen the message for sectors, including linking relevant case studies to the sectors web page, and promoting sector specialist advisors.

The Marketing Sub-Group needs to be more focused...

- 4.50 Freshfield share a Monthly Digital Dashboard with all members of the Marketing Sub-Group prior to chairing a meeting with all core and aligned partners on a six-weekly basis. At the Mid Term Review it was considered that these meetings were useful, providing an opportunity for partners to maintain contact and relationships, however the Group would benefit from a Terms of Reference for the group to focus attention. Consultation with delivery and aligned partners as part of the final Summative Assessment reflected that the Sub-Group had become too large (up to 30 attending) and tended to look backwards (going around the room asking who had been doing what), leaving little time to look ahead and plan effectively. The group would benefit from being streamlined, with a clear Terms of Reference, and forward-looking approach.

Boost & Co has yet to fully realise its potential

- 4.51 The development of the private sector network Boost & Co has extended Boost's reach into its target market, providing businesses with routes to both publicly funded programmes as well as additional public and private sector organisations that can help businesses grow. Founded in 2013, Boost & Co now has more than 100 members. Boost & Co supports members in a variety of ways including:

- Feature on the Boost website in the Boost & Co section
- Promote involvement in Boost
- Promote growth related content in the Boost news section
- Run joint seminars or events on a growth related topic

- 4.52 In return, Boost expects that members will:

- Promote the Boost services to their clients
- Have a link from their website to Boost if possible
- Share Boost growth content in their marketing collateral

- 4.53 However, it is considered there is more scope to use Boost & Co as a vehicle for promotion of Boost and contributor to business growth in Lancashire. There needs to be agreement on the focus and intention of Boost & Co and establish the tools to maximise member contribution. Boost needs to be clear on the benefits of membership, and facilitate relationships with target members who can support the wider goals of Boost. For example, should Boost & Co members be expected to provide a level of commitment which gives back something to Boost such a time bank which could be used for a range of things such as advice surgeries, collaborative events, sector insight etc.

5. Project Outcomes and Impact

- 5.1 This section identifies the progress Boost has made towards achieving the outcomes and impacts set out in the Boost logic model.
- 5.2 We have drawn on the evidence gathered through a web-based survey undertaken in December 2018. All of Boost's clients that were provided in programme data were invited to participate in the survey and 268 responses were received (of which 94 partially completed the survey). This represents a response rate of 20%. The number of responses received from each strand of Boost support is outlined in the table below:

Table 5.1 Survey sample

ERDF indicator	Strand of Boost support	Survey sample	Total in programme data	Margin of error (at 95% confidence level)
P13	IDB	162	1,516	7%
C1	Growth Mentoring and Growth Support Programme	152	1,092	7%
P11	Growth Support Programme	31	370	17%
C2	Growth Voucher	25	160	18%

Source: Hatch Regeneris Boost Programme Beneficiary Survey December 2018.

- 5.3 There was also an interim evaluation survey undertaken in October 2017, in which all clients recorded on the CRM Evolutive system were invited to participate and 256 responses were received.
- 5.4 This section provides a summary of gross and net additional economic impacts, calculated using survey beneficiary feedback. Further survey analysis is included in Appendix A which summarises:
- how businesses entered the service
 - businesses' views of their experiences with Boost
 - changes they have made as a result of receiving support
 - the impact in terms of turnover and employment
 - wider impacts and future expected impacts associated with Boost.
- 5.5 Although the use of self-reported beneficiary surveys has its limitations as a means of estimating economic impact due to the potential for businesses to incorrectly recall or misreport the changes in business performance and the contribution of the support, our evaluation scoping indicated that this was the most appropriate method. However, this has been supplemented by in-depth case studies providing qualitative insight that explores the greater complexity of how business support can generate and sustain improvements in performance.

Beneficiary Insights

- 5.6 The case studies provided a rich source of additional evidence about the manner in which the support received from Boost has enabled business to implement the changes necessary for them to achieve their growth ambitions and overcome particular constraints.

- 5.7 Survey findings suggest that the majority of businesses are satisfied with the support received from Boost. 66% of businesses reported that they were happy or very happy with support received from Boost overall, and only 7% indicated that they were unhappy with the support (see Appendix A and Figure A.7 for additional details).
- 5.8 The most common motivation for businesses engaging with Boost was for growth, which reflects the high growth focus of Boost. Over 50% of respondents reported that their main aim prior to receiving support was growing the business and 46% wanted to develop or improve their growth strategy. Against these aspirations, the majority of businesses (52%) indicated that some progress had been made but there was more to achieve.
- 5.9 The types of support received through Boost and SMEs' views on the support are illustrated in the case studies in Appendix B. Feedback from SMEs was mixed, with several businesses indicating that a more structured approach to the support would be beneficial, with more follow up from a lead contact. Several businesses indicated that they had gained new knowledge and skills and grown their networks due to the support received and Boost events / workshops attended.
- 5.10 Specific suggestions for improvements in any future delivery of Boost raised by businesses included:
- limiting the number of spaces at shorter workshops (ie evening workshops) to ensure the workshops remain interactive and allow time for all queries to be answered
 - quality assurance for technical advice provided to businesses and ensuring mentors have recent experience in the advice being provided
 - ability to source follow on support after their time with Boost was complete (particularly for early stage businesses as they reach the next growth stage)
 - more regular / structured contact from a lead contact
 - a broader variety of workshops
 - additional one-to-one support (highlighted by a GSP client – GM offers one-to-one sessions and some workshops)
 - additional advice on access to finance.
- 5.11 Consultations suggested that several businesses receiving support were new/early-stage businesses that had already experienced changes in their business due to the support received (with some indicating an improved business development / business growth strategy) and expected these changes to contribute towards growth in turnover and / or recruitment in future.
- 5.12 Findings from the beneficiary survey supported this, indicating that 15% of businesses expected increases in employment and 31% expected their turnover to increase in the next 12 months as a result of the support received through Boost. Additionally, findings from the beneficiary survey indicated that 32% of the businesses that reported no changes in turnover to date expected their turnover to increase in the next 12 months as a result of the support received through Boost. This suggests that the impacts of Boost have not yet fully materialised.

Assessing Net Additional Economic Impacts

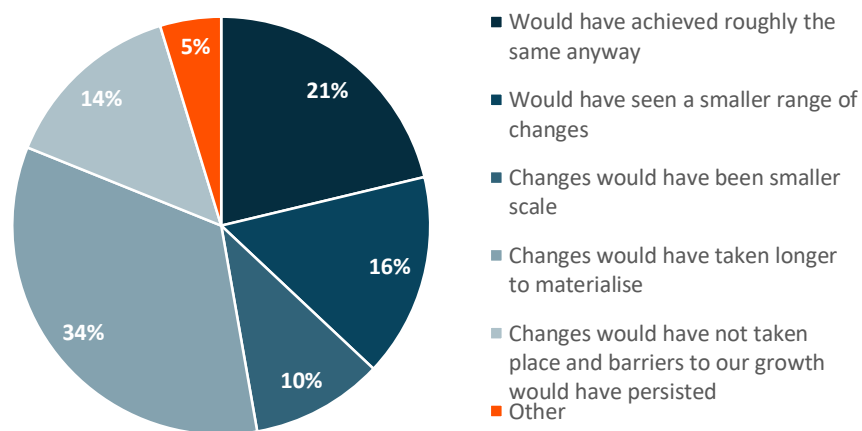
- 5.13 Boost supported businesses have registered strong growth, as identified by the achievement of the C8 output target: number of jobs created in supported enterprises.

- 5.14 We have drawn on the evidence gathered through the beneficiary survey to reach estimates of the **net additional impacts** of improved business performance amongst the business assisted by Boost.
- 5.15 When scaled up to the total population of business assists, the survey suggests the net additional impacts generated by Boost to date sum to:
- **£8.6 to £17.3 million in net additional GVA**
 - **272 net additional FTE jobs created**
- 5.16 These figures reflect a series of adjustments to the changes reported by businesses (gross) since they started to receive support. The following factors have been taken into account to show the net additional impact on the Lancashire economy:

- **Deadweight:** this is the proportion of gross changes in business performance which have occurred due to factors unrelated to Boost support. We asked businesses what level of turnover and employment growth they have secured as a direct result of Boost support, hence excluding any deadweight growth that can be attributed to other factors and would have occurred regardless.

The majority (74%) of respondents reported that without Boost the changes would not have taken place and barriers to growth would have persisted, would have been smaller, taken longer to materialise or that there would have been a smaller range of benefits. Roughly one fifth (21%) of businesses stated that they would have achieved roughly the same.

Figure 5.1 What change would you have been able to implement if you had not received Boost support?



Source: Hatch Regeneris Beneficiary Survey, December 2018. N=127

- **Leakage:** this accounts for the proportion of outputs that benefit those outside of Boost's target area. New jobs filled by people living outside of Lancashire are removed from the final calculation of net additional impacts on the study area. The average response was that 11% of employees currently live outside of the Lancashire border. When each businesses' leakage estimation is applied to their reported scale of gross impact this leads to a 5% reduction in the total economic impact.

Turnover impacts are located at the site of the business and so no leakage is assumed on that aspect of growth.

- **Displacement:** this accounts for the business growth that may have occurred at the expense of competitors elsewhere in Lancashire. On average, businesses suggested that 32% of their competitors are located in the county. This is used to determine how much of any turnover (and hence employment) increase might have simply been displaced from other businesses in Lancashire.

Although this does not necessarily reflect the complexity of how business growth may impact amongst businesses operating in local markets, it is an appropriate way of quantifying the loss of economic activity elsewhere in the economy as a consequence of business support activity. However, it is worth bearing in mind that the businesses supported by Boost may be more competitive and consequently could have greater survival prospects than the businesses whose business they displace and hence the effect can be beneficial in the longer term.

- **Multipliers:** this accounts for the benefits gained by other businesses in Lancashire, such as those in the supply chains of supported companies and those benefitting from the increased expenditure of new and existing employees of businesses receiving support. Survey results suggest that Boost supported businesses buy 40% of their goods and services from Lancashire suppliers, which we would judge to be quite high for an economy like that of Lancashire. This serves as a basis for an assumed indirect multiplier.

5.17 These additionality factors are summarised in Table 5.2.

Table 5.2 Adjustments to assess full additionality of impact		
	Turnover / GVA	Employment
Leakage	N/A	11%
Displacement	32%	
Supply-Chain Multiplier	40%	

Source: Hatch Regeneris Beneficiary Survey, December 2018⁵.

5.18 As turnover changes reported are annual, the reported changes in turnover are adjusted to account for the cumulative impact since the business received support.

5.19 **Turnover to GVA Adjustments:** We have then converted the estimates of net additional turnover into estimates of Gross Value Added (GVA) through two methods:

- firstly, by applying the turnover: GVA ratio for the North West for the sectors in which the businesses operate (ONS Annual Business Survey)
- secondly by applying the average GVA per FTE worker for the North West for the sectors in which the businesses operate⁶ (ONS Annual Business Survey and ONS Business Register and Employment Survey).

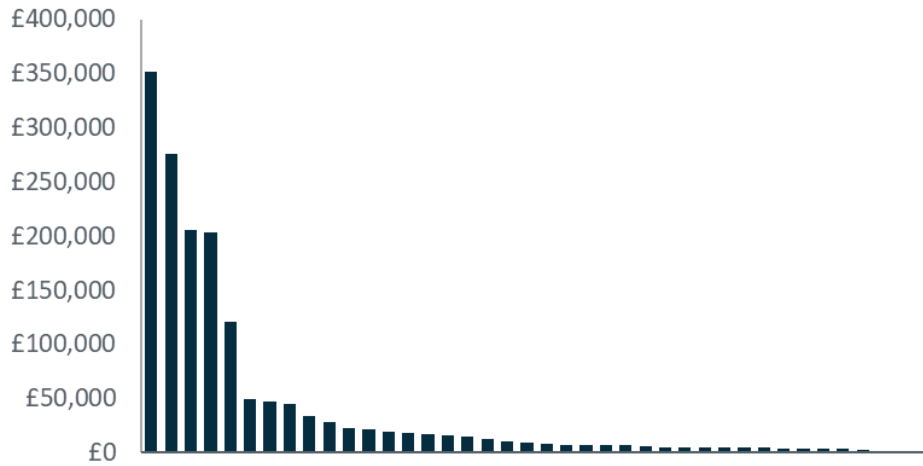
5.20 The second method accounts for the lag in impact of hiring additional staff because the GVA impact associated with additional employment will filter through into increased turnover further down the line, therefore this estimate is larger.

⁵ These values are the averages of the responses given by the survey respondents to the corresponding questions. To calculate the net impact, the respondents' individual stated leakage, displacement and multiplier rates have been applied to their individual stated gross impact.

⁶ It should be noted that in applying this assumption the analysis does not take into consideration the productivity benefits generated by businesses that have not generated employment gains.

- 5.21 Looking at the distribution of current net additional impacts indicates that the majority of total net additional GVA (GVA: turnover ratio) is accounted for by a small number of businesses.

Figure 5.2 Distribution of current net additional GVA impact



Source: Hatch Regeneris Beneficiary Survey, December 2018

- 5.22 A comparison of the net additional impacts secured by Boost 2 to the Boost 1 programme (as of the end of each programme) are favourable.

Table 5.3 Net Economic Impact Comparison at the end of each programme

	Jobs	GVA
Boost 1 – Net Impact (2014-2016)	158	£5.6m
Boost 2 – Net Impact (2016-2018)	272	£8.6m-£17.3m

Source: Hatch Regeneris

- 5.23 This comparison indicates that Boost 2 has had a greater economic impact than Boost 1 which suggests that Boost 2's more targeted approach to targeting high growth businesses has been effective. It is important to reiterate that further impacts will have occurred as a result of Boost 1 (and will occur as a result of Boost 2).

Progress against Intended Outcomes

- 5.24 Boost has demonstrated strong progress against intended outcomes.

Table 5.4 Progress against intended outcomes

Outcome	Suggested Baseline Position & Measurement	Progress made
Growth in turnover of businesses assisted	<ul style="list-style-type: none"> Changes in business performance - turnover (survey) Output: number of enterprises receiving support (C1) 	<ul style="list-style-type: none"> 33% of businesses indicated in the beneficiary survey that they had experienced an increase in turnover due to the support received from Boost 31% of businesses indicated that they expect the turnover to increase in the next 12 months due to the support received through Boost Bost has provided C1 business assists to 1,357 businesses
Growth in value added in supported companies	<ul style="list-style-type: none"> Changes in business performance - productivity (survey) Output: number of enterprises receiving support (C1) 	<ul style="list-style-type: none"> 50% of businesses that responded to the beneficiary survey reported that they had experienced an increase in productivity since receiving support from Boost 18% of businesses indicated that they expect an increase in productivity in the next 12 months as a result of the support received through Boost Bost has provided C1 business assists to 1,357 businesses
Improved business formation rates	<ul style="list-style-type: none"> 6.9 business births per 1,000 WAP (2015) compared to 8.1 NW and 9.9 England Output: number of new enterprises supported (C5) Output: number of potential entrepreneurs assisted to be enterprise ready (P11) Number of beneficiaries aiming to start a new business (entrepreneurial intent - survey) 	<ul style="list-style-type: none"> In 2017 (the most recent data available), there are now 7.8 business births per 1,000 WAP in Lancashire (an increase of 14 percentage points since 2015), compared to 10.5 in the NW and 9.7 in England Boost has supported 403 new enterprises (C5) Boost has assisted 373 enterprises to be enterprise ready (P11) 54 businesses (20% of the total number of businesses that answered the question on business aims in the beneficiary survey) indicated that they aimed to start a business.
Improved new business survival rates	<ul style="list-style-type: none"> 41% of new businesses surviving more than 5 years (2015) in line with England average 	<ul style="list-style-type: none"> The beneficiary survey indicated that prior to receiving support, 58% of businesses indicated that they aimed to grow their business and 36% aimed to operate the business more efficiently

Outcome	Suggested Baseline Position & Measurement	Progress made
	<ul style="list-style-type: none"> Progress against aims – grow the business and operate the business more effectively (survey) 	<ul style="list-style-type: none"> 80% of businesses have made progress against their aim to grow the business and 12% of business have entirely accomplished their target. 79% of businesses have made progress against their aim to operate the business more efficiently and 12% have entirely accomplished their target.
More business support programmes aligned with Boost	<ul style="list-style-type: none"> Number of referrals to appropriate business support following an initial Diagnosis of Need 	<ul style="list-style-type: none"> 5,144 referrals have been made between April 2016 and end of October 2018 (of which the majority were referred to Growth Lancashire (37%), Winning Pitch (31%), Business Enterprise Trust (9%) and Community & Business Partners (9%))

Source: Programme data provided by Boost 2018; Hatch Regeneris Boost Programme Beneficiary Survey December 2018; ONS Business Demography 2017; ONS Mid-Year Population Estimates 2017.

6. Value for Money

- 6.1 Drawing upon the analysis in the impact assessment section, this section of the summative assessment report provides an assessment of value for money that the project has provided during its lifetime and an indication of potential future impact. This has been benchmarked against other similar interventions.

Return on Investment

- 6.2 Table 6.1 shows the Return on Investment in Boost implied by the net and gross economic impact estimates to date on the basis of a total of £6.4m of public money being invested in the service (£3.5m ERDF investment and £2.9m public match).
- 6.3 Impact estimates calculated using the beneficiary survey responses have been grossed up using the number of businesses that have received support to date divided by the number of businesses in the survey sample. In net terms, this is a **net return on investment** of £1.30 - £4.00 GVA generated for every £1 of public money invested to date and a cost of £24,300 per FTE job created.

Table 6.1 Return on Investment: Net Additional Economic Impacts to Date		
	GVA	FTE Employment
Net Impact	£8.6 - £17.3 million	272
Net Return on £6.4m Public Investment	£1.40 - £4.10 per £1 invested	£23,400 per job

Source: Hatch Regeneris Beneficiary Survey December 2018; note figures are rounded

- 6.4 The range of impact values reflect the two methods used to convert the net additional impacts to GVA estimates, where the larger figure represents a lag between turnover and employment growth. Evidence to date suggests **an acceptable return on investment can be expected**.
- 6.5 A comparison of the return on investment in Boost 1 to Boost 2 reveals that Boost 2 has achieved a greater return on investment to date.

Table 6.2 Return on Investment Comparison - Impacts to date as of the end of each programme		
	Jobs	GVA
Boost 1 - Return on £6.8m Public Sector Investment	£43,200 per job	£0.80 per £1 invested
Boost 2 – Return on £6.4m Public Sector Investment	£23,400 per job	£1.40 - £4.10 per £1 invested

Source: Hatch Regeneris

- 6.6 We have reviewed the value for money generated across 12 previous business support evaluations undertaken by Hatch Regeneris, suggesting a wide range of value for money returns as seen in 0. Boost stands to generate a GVA return on investment somewhere around the mid-range of our comparators.
- 6.7 Caution must be taken in interpreting how the Boost returns compare to what are a diverse set of projects offering different types and intensities of support.

Table 6.3 Comparator Return on Investment Figures

	Impacts to date		
	Lower end	Upper end	Median
Benefit Cost Ratio (BCR)	0.88	4.75	1.5
Net additional cost per job	£13,500	£43,200	£21,000

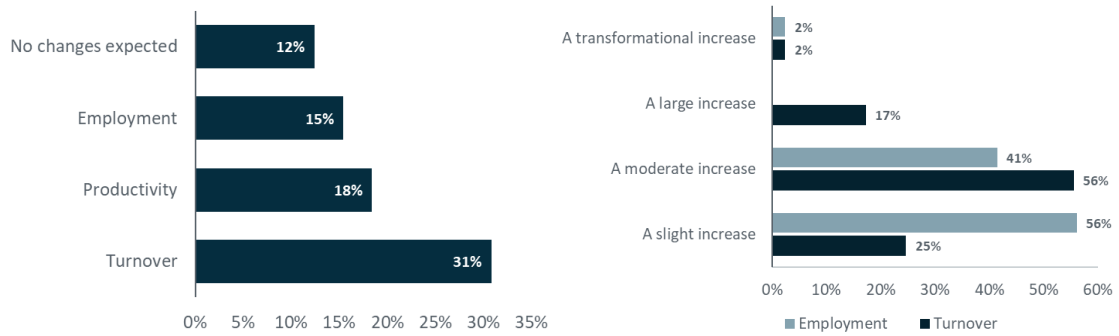
Source: Hatch Regeneris evaluations of comparable business support, including evaluations for Boost, the Growth Accelerator in the North West, East & West Midlands, the Manufacturing Advisory Service in Yorkshire & Humber and East Midlands, Tottenham Enterprise Hub and Investment for Growth in the North East.

Assessment of Future Economic Impacts

6.8 It can be expected that impacts will continue to emerge for several years beyond the remainder of the project. There are important points to bear in mind when considering the impacts of Boost:

- **Emerging and immediate impacts:** Figures A.12 to A.14 in Appendix A highlight the emerging progress made by beneficiaries against their original aims and in terms of knowledge development and approach to risk. It can be expected that these intermediate impacts will translate into future growth and benefits for the Lancashire economy.
- **Expected future growth:** 15-31% of businesses reported that they expect further changes to occur as a result of the support received through Boost in the next 12 months (see Figure 6.1). Of the businesses that indicated that expect an increase in employment and/or turnover in the next 12 months as a result of the support received, the majority reported that they expect a slight or moderate increase. 2% of businesses that expected future changes reported that they expect a transformational increase in employment and/or turnover. This indicates that some impacts are yet to occur, and the overall net impact will increase.
- **New business starts:** It is worth noting that businesses supported through the Growth Support Programme are either pre-start or newly established businesses and therefore unlikely to have progressed far along a growth trajectory or to have generated major turnover or employment gains. Consultation evidence suggests that several new businesses have already experienced emerging and intermediate impacts and expect this to contribute towards growth in turnover and/ or employment in future.

Figure 6.1 Increases in turnover, employment and productivity expected over the next 12 months



Source: Hatch Regeneris Boost Programme Beneficiary Survey December 2018. Q86: changes expected in next 12 months, N= 126 and Q88 and Q91: How much of an increase? N= 81 for turnover, N = 41 for employment.

- 6.9 Based on this evidence, our analysis indicates that there will be additional economic gains created for the Lancashire economy in the future.

7. Conclusions and Lessons Learnt

Conclusions

- 7.1 The Boost programme sought to improve the competitiveness of Small and Medium Enterprises (SMEs) in Lancashire. The programme focused on growth through encouraging individuals who have the potential to set up high growth businesses and to support existing businesses that have the capacity for growth.
- 7.2 The Programme had a total contract value of £7.4m and ran for a period of three years between January 2016 and December 2018. ERDF funding contributed £3.7m matched by Lancashire County Council (£2.9m) and private sector match (£750k).
- 7.3 Two Project Change Requests were submitted to MHCLG during the programme which led to a reprofile of output targets due to the delayed start of the programme (April 2017) and a decrease in the total size of the programme from £7.4m to £6.9m (February 2018) due to a reduction in the forecast of Growth Vouchers awarded.

Strengths of the Boost Programme

1. Success in meeting output targets

- 7.4 Boost successfully achieved the programme's core economic outputs which underpinned its performance framework.

Table 7.1 Spend and Output Performance

Indicator	Targets		Performance	
	Original	Adjusted	No.	% target
Capital Expenditure (£m)		-	-	-
Revenue Expenditure (£m)	£7,356,660	£6,856,660	£6,856,660	100%
ERDF (£m)	£3,706,660	£3,456,660	-	-
Public Match (£m)	£2,900,000	£2,900,000	-	-
Private Match (£m)	£750,000	£500,000	-	-
C1: Number of enterprises receiving support	1,360	1,360	1,357	100%
C2: Number of enterprises receiving grants	300	168	183	109%
C4: Number of enterprises receiving non-financial support	1,060	1,190	1,200	101%
C5: Number of new enterprises supported	180	180	403	224%
C6: Private investment matching public support to enterprises (grants)	£750,000	£500,000	£500,000	100%
C8: Employment increase in supported enterprises	1,000	1,000	1,048	105%
P11: Number of potential entrepreneurs assisted to be enterprise ready	360	360	373	104%
P13: Number of enterprises receiving information,	1,640	1,640	1,047	64%

Indicator	Targets		Performance	
	Original	Adjusted	No.	% target
diagnostic and brokerage support				

Source: Project Change Request Application and Assessment Form and ERDF Final Claim Form provided by Boost, January 2018. Note: Figures are rounded

- 7.5 The P13 output was 103% on target for Quarter 4, the last quarter of the Programme. Updated guidance from MHCLG in October 2018 resulted in a need to remove those businesses who had gone on to receive a full 12-hour of assistance (C1) from the figures. This resulted in a reduction of 593 businesses which equates to 64% of the cumulative target.

2. Effective targeting of support

- 7.6 Analysis of beneficiary characteristics illustrates Boost's success in reaching out to the target SME population. The Boost Delivery Plan identified a pool of 40,000 SME businesses for the programme to target, of which 20,000 are considered eligible for ERDF support. The Delivery Plan established a target to raise awareness amongst 12,000 businesses via marketing activity. This was substantially exceeded, with the Boost website registering 25,037 unique visits as of 30th December 2018. By the end of the programme, Boost had delivered support to 1,357 businesses (C1 outputs) which is only 3 businesses short of the overall target.
- 7.7 Boost sought to target Lancashire priority sectors. Analysis of beneficiary characteristics reveals an alignment with these priority sectors, with penetration particularly strong in the priority sector of manufacturing.
- 7.8 Boost has been particularly successful in targeting businesses in Blackburn with Darwen and Preston. Take up of the programme in these areas is over-represented relative to both the business base and the working age population in these areas. There are several contributing factors including the strength of presence of delivery partners in these areas, the maturity of the business support environment in these areas and a willing appetite for business support.

3. Strength and Longevity of the Boost partnership

- 7.9 Whilst the design of the Boost model has changed over time, there has been a consistent set of delivery partners who have been involved since the beginning. This has facilitated long term relationships between the partners and a sense of comradeship and team spirit as part of the "Boost family". The breadth of the partnership providing public, private and third sector voices has helped Boost achieve the right balance in terms of priorities.

4. Robust and compliant systems

- 7.10 The Boost governance model is considered to work well, contributing to a robust compliance process underpinning the performance of Boost meeting output targets in a timely manner with a clear audit trail. The Programme Team includes finance and compliance and has recently been strengthened by CRM management. This has supported systems integration between delivery partners. When compliance issues have arisen, these have been addressed in a timely manner to resolve and mitigate issues raised. Regular monthly Contract Review meetings have helped to keep the programme on track and mitigate challenges in a timely manner.

5. Strong progress against intended outcomes

- 7.11 Boost has demonstrated strong progress against intended outcomes. Boost has succeeded in facilitating growth in the turnover of businesses assisted; growth in value added in supported companies; improved business formation rates and survival rates in Lancashire; and aligned more business support programmes with Boost.

6. A powerful brand and profile amongst the Lancashire business community

- 7.12 Boost has a strong brand which has improved over time through investment in marketing and a common vision shared by all delivery partners. Lessons learnt from Boost 1 were applied to the design of Boost 2 to great effect, delivering an attractive brand and proactive marketing including the website, monthly newsletter, sharing content via local press, social media, partners and Boost & Co, and supporting events directly or through sponsorship or partnership. The strength of commitment and visible presence of the Boost Programme Manager has been a defining feature of the success of Boost, and more generally the wider Boost team is considered to be deeply engaged with the business community in Lancashire and work hard to increase recognition and interaction with Boost.

7. High levels of beneficiary satisfaction with Boost

- 7.13 Overall, 66% of businesses reported that they were happy or very happy with the support received from Boost overall according to the beneficiary survey exercise. The most common motivation for businesses engaging with Boost was for growth, which reflects the high growth focus of Boost and reiterates Boost's success in effectively targeting the market. Against these aspirations, the majority of businesses (52%) indicated that some progress had been made but there was more to achieve. Looking ahead, 15% of businesses expected increases in employment and 31% expected their turnover to increase in the next 12 months as a result of the support received through Boost which suggests that the impacts of Boost have not yet fully materialised.

8. Delivering an acceptable return on investment

- 7.14 The beneficiary survey suggests that the net additional impacts generated by Boost to date sum to £8.6m to £17.3m in net additional GVA and 272 net additional FTE jobs created. Applying these impact estimates to the total of £6.4m of public money invested in the service implies a net return on investment of £1.30-£4.00 GVA for every £1 of public money invested to date and a cost of £24,300 per FTE job created. Comparison of the value for money generated across a range of business support evaluations undertaken by Hatch Regeneris indicates that Boost stands to generate a return on investment around the mid-range of comparators.
- 7.15 It is expected that impacts will continue to emerge for several years beyond the remainder of the programme and as such there will be additional economic gains created for the Lancashire economy in the future.

Lessons Learnt

- 7.16 In line with the Summative Assessment guidance, the lessons learnt have been identified for different audiences.

Grant recipient / project delivery body

1. Ensuring a swift start to programmes

- 7.17 Boost suffered from a delayed start due to procurement and legal matters which meant the programme did not start on the 1st January 2016 as planned. Two contracts (Growth Support and Growth Mentoring) commenced delivery from the 1st of March 2016 and the remaining contracts (Marketing and the Gateway) commenced delivery from the 1st of June 2016. This slippage resulted in the need for a reprofile of the output targets which required increased activity during Year 2 of the programme. It also impacted upon the achievement of output targets (namely C1s related to Growth Vouchers) which led to a decrease in the total size of the project from £7.4m to £6.9m.

2. Enabling equitable access to Boost

- 7.18 Ensuring equitable access to Boost support across Lancashire to reflect both the size of the business base in the area and the size of the WAP population is an admirable ambition. This can be difficult to achieve for a number of reasons including the existing strength of the business support environment in an area and the willingness to access support; functional geographies which may encourage Lancashire businesses to look to neighbouring sub-regions for support; and the presence of aligned programmes (and an appetite from those programmes to work collaboratively with Boost). Nevertheless, efforts to replicate the success of Boost in the central areas of Blackburn with Darwen and Preston should be applied to other areas of Lancashire. In addition, efforts to facilitate take up in a wider range of priority sectors would be beneficial.

3. Separating Information Advice and Guidance Services from Delivery

- 7.19 Tensions in the Boost partnership arose as a result of the Gateway service also being responsible for delivering a strand of support (Growth Vouchers). This led to concerns over the effectiveness of referrals, particularly as a business could only be counted once as a C1 assist, which meant that if a Growth Voucher was accessed, then a business could not access another core Boost product such as Growth Mentoring or Growth Support (except in exceptional circumstances). This introduced competition into the Boost programme and was seen to be undermining collaboration.

4. Taking a proactive stance to tackling difficult issues

- 7.20 The Boost team has put mitigation measures in place as necessary to tackle under-performance (i.e. Growth Vouchers) and this has helped to get Boost back on track. The team has also been proactive in learning the lessons from the programme and taking these on board to inform future iterations. There is a sense amongst contracted partners that they could be engaged more proactively on 'what works' reflection to facilitate a more proactive stance to responding to business need.
- 7.21 Furthermore, there have been instances where difficult issues have arisen in the partnership (linked to the referral process and ownership of C1 outputs) and there has been a need for a strong steer to navigate these. This has had to be handled sensitively to address areas of dissatisfaction and further strengthen the partnership.

5. Responding to constructive feedback

- 7.22 The findings of the beneficiary survey and case studies highlight areas for improvement which delivery partners need to respond to. This requires a 'business first' approach and a willingness to flex the model of delivery to meet business needs. This needs to include new topics, modes of delivery, workshops and one-to-ones, and relationship building with stakeholders.
- 7.23 Crucially, the programme needs to ensure that advisors and mentors are equipped with the skills, experience and know-how required to advise the business in the respective area, and there needs to be an established process for ensuring that specialist/technical skills will be introduced as necessary. A strict quality assurance procedure needs to be in place to ensure that the advice given meets the required standards of technical competence.

6. Incentivise the right behaviour

- 7.24 The introduction of the medium intensity intervention Information, Diagnostic and Brokerage was intended to provide a more detailed assessment of need to support effective referrals. However, the nature of the associate (sub-contracted) model and the targets linked to claiming a three-hour assist has acted against the intent of developing and maintaining long term relationships with businesses to ensure their support needs are met as the business evolves. A delivery approach that rewards long term account management of businesses is required. This approach needs to be premised on proactive engagement and tailored solutions to business needs, a 'client first' approach.

7. Hold referrals to account

- 7.25 The referral process of Boost has been somewhat dissatisfying, with perceptions relayed that referrals are being made which are not necessarily meeting business needs, and a sense of frustration that aligned partners are not referring into the Boost programme as much as anticipated. The referral approach needs to be considered in detail, with protocols established between core partners and aligned services, including private sector network Boost & Co. The referral process needs to be held to greater account, premised not just on the number of businesses referred, but the outcome and positive experience as a result of the referral.
- 7.26 The effectiveness of the referral process is underpinned by the Support Finder function, and this needs to be kept up to date will all publicly available funding provision in Lancashire.

8. Providing a clear Terms of Reference for each delivery partner

- 7.27 Roles and responsibilities for each delivery partner need to be embedded in a clear Terms of Reference which make it transparent how each partner will be held to account. One issue which emerged in Boost 2 was a situation where the Gateway were contracted to administer the Growth Vouchers, but did not own the responsibility for meeting the C1 target (of which 300 were identified as Growth Vouchers). Similarly, the lack of a Terms of Reference for the Marketing Sub-Group has led to a lack of focus and a tendency to look back rather than forward plan. The detail of each ToR will vary between partners but will enable clarity on the expectations of each to help manage partner relations. It is also important to embed the lessons learnt in the contract specifications of partners to ensure they meet the required standards. These could include marketing and communication, quality and compliance, levels of technical competence etc.

9. Gearing payment to results

- 7.28 The payment model to contracted partners was geared towards activities which made it challenging for the programme team in reconciling spend of say 70% with only 50% achievement on outputs. By gearing payments to outputs, this will create a shared ownership of the output and outcome targets for the programme.

10. Alignment of information

- 7.29 Ensuring progress reports and the CRM system are fully aligned facilitates a better understanding of performance and progress. The CRM system was not being effectively used by partners contributing to a inconsistent and untimely approach. Boost's systems and procedures have improved over time, and systems integration has been facilitated by the secondment of staff responsible for programme monitoring data and CRM systems into the core team. Training on using the CRM system effectively will help to address the issues previously experienced.

11. Embedding evaluation in the delivery approach from the outset

- 7.30 The appointment of independent consultants occurred in the middle of the programme, and provided scope through the Mid Term Review to reflect on the performance over the previous 18 months and provide recommendations on the remainder of the programme. This approach could be strengthened by the appointment of independent consultants at the start of the next programme, to support the establishment of the monitoring and evaluation framework and embed evaluation tools (such as the beneficiary satisfaction and impact survey) from the outset, thereby ensuring the key inputs required to support a robust evaluation are in place and mitigating against beneficiary consultation fatigue.

Those designing and implementing similar interventions

- 7.31 The lessons learnt by LCC are all relevant for those designing and implementing similar interventions elsewhere. In addition:

12. Responding to market need and policy aspirations

- 7.32 In designing business support programmes, the logic model for intervention needs to be clearly premised on a robust market failure argument and designed to address these deficiencies and meet market demand. The model needs to be responsive to policy aspirations to ensure it is tailored to meet identified challenges such as productivity barriers, trade and supply chains considering Brexit, and facilitating scaled up business growth.

Policy makers

13. Providing clarity on claim guidance from the outset

- 7.33 Guidance which emerged from MHCLG late in the programme has had a negative impact on one of the output targets (P13) which Boost had otherwise been on track to exceed (103%). This has occurred because of the changing interpretation of ERDF guidance, where previously it was advised that a programme could claim both a P13 (number of enterprises receiving IDB support) and a C1 (number of business assists). This decision late in the programme meant that a substantial number (-591) of P13 outputs had to be removed and the Boost programme were unable to mitigate against this within the short time period remaining in the programme.



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