

## **LEP - Business Support Management Board**

**Wednesday, 25th May, 2016 in Former County Mess - The John of Gaunt Room, County Hall, Preston, at 12.00 pm**

### **Agenda**

- 1. Welcome and Apologies for Absence**
- 2. Declarations of Interest**
- 3. Minutes of the meeting held on 21st March 2016** (Pages 1 - 4)
- 4. Matters Arising**
- 5. Terms of Reference** (Pages 5 - 10)  
Board members to receive the updated Terms of Reference
- 6. Final Report - Business Support Simplification** (Pages 11 - 44)
- 7. European Funded Business Support Projects - Update/Overview** (Pages 45 - 72)  
Provision Detail  
  
Princes Trust – Better off in Business  
UCLAN – Innovation Clinic  
VEDAS – Propel Project
- 8. Lancashire Growth Hub 2015-16** (Pages 73 - 92)  
LEP sign off of BIS performance return for Lancashire Growth Hub 2015-16
- 9. Growth Deal 3** (Verbal Report)
- 10. Reporting to Lancashire Enterprise Partnership Board**
- 11. Any Other Business**
- 12. Date of Next Meeting**  
30<sup>th</sup> August 2016 at 12pm, Cabinet Room B, County Hall, Preston



## **Private and Confidential**

### **LEP - Business Support Management Board**

**Minutes of the Meeting held on Monday, 21st March, 2016 at 12.00 pm at the Former County Mess - The John of Gaunt Room, County Hall, Preston**

#### **Present**

Michael Damms

Gary Lovatt

#### **In Attendance**

Andy Walker

#### **1. Welcome and Apologies for Absence**

Mike Damms (deputising for Mike Blackburn) welcomed members, introductions were made and apologies noted from Michael Blackburn, Martin Kelly and Timothy Webber. In addition, Alan Welsh attended in place of Barbara Murphy, Danny Davies for Cllr Frank McKenna and Lee Petts for John Kersey.

Chair also welcomed Philip Hargreaves from Access to Finance and Steven Cochrane from Regenerate Pennine Lancashire to present information to the Board as part of item 5 of the agenda.

Mike advised the Board that the meeting as it stands does not meet the minimum quorum requirements due to only two named members in attendance although there were a number of representatives in place of those members unable to attend.

**Resolved:** To continue the meeting in an advisory capacity and any resulting actions to be agreed via a written resolution to the absent Board members.

#### **2. Declarations of Interest**

No declarations of interest noted at this time.

#### **3. Minutes of the meeting held on 20th January 2016**

Minutes from the meeting dated 20<sup>th</sup> January 2016 were agreed as an accurate record.

#### **4. Matters Arising**

Matters arising covered in the agenda.

#### **5. Publicly Funded Business Support Provision in Lancashire**

##### **Access to Finance Service 2012-15**

Philip provided a presentation to the Board outlining the original aims and objectives of the Access to Finance contract which included the learnings and details of the new programme for 2015-18.

The service provided support to SME's through improving their access to finance and increasing their understanding of the finance products available. There continues to be a need to support SME's for funding access.

Details of the verified outputs collected during the programme were highlighted and in particular the GVA (Gross Value Added) which was 208 below the target. Philip reported that data (forecast not actual) from Business Link was used for the targets which may have impacted on this. In addition, a rise in jobs can cause a drop in GVA. Despite this, it was felt that the £5.3m was a good outcome based on only 38 GVA.

A question was raised as to why growth aspirations of businesses failed to materialise and indications showed that better engagement and signposting to more suitable support was required. The gateway in the new programme should assist with this.

The focus of the new programme will include higher growth businesses and more interactions through drop in sessions and a broader mechanism of support.

In summary, the programme performed well and has used the learning to make changes for the new improved programme.

##### **Business Support Audit/Simplification**

Steve Cochrane presented to the Board information on the Business Support Review Update.

In January 2016 a business survey of 8083 was issued to Lancashire businesses of which nearly 2000 were to businesses who had not previously accessed business support. The aim of the survey was to understand types of support received, views of support previously received and what would be useful in the future. 2.7% of businesses responded and Steve reported that they may need to look at further workshops to test those responses. 78% of businesses responded had less than nine members of staff.

Responses showed a good awareness from those who received support and any negative responses were followed up. There was a mix of need around future priorities.

Growth Hubs have been encouraged to work together and task and finish groups have been set up to look at quality.

The provider survey aimed to gather up to date information on current and emerging business support offers from local providers to update the Boost Business Lancashire Support Finder resource. The survey was issued to 37 organisations, and 21 of those provided responses.

Steven reported that the matrix had not yet been fully populated and would be used to identify the quality of support going forward.

From the data received so far there were no real surprises and no obvious gaps.

## **6. Oversight of Business Support Future Investment**

Andy Walker provided a presentation update to the Board on the Northern Powerhouse Investment Fund. Highlights from this presentation included:

- Objective to have greater flexibility in those areas which do not have European match funding.
- The key match funder is European Investment Bank.
- The key themes identified include micro finance (small business loans), debt, early stage technology/innovation and equity
- Timeline – officers from 11 LEPs meet on a regular basis and a strategic oversight board is in place
- Recommendation of 60% debt and 40% equity
- There is sectoral interest against local
- Pre market engagement – 50 Fund Managers attended the two events taken place with a broader area of interest.
- An options appraisal exercise taken place.

Andy then presented information to the Board on the ERDF projects at the outline application form stage.

A number of projects (in priorities 1, 3 and 4) have passed the gateway process although the Board were advised that not all projects would be successful in obtaining funding. There is a concern around priority 3 which is near to capacity. And there is an expectation that applications for more low carbon and flood relief projects (priority 5) will be received.

Organisations have 12 weeks to complete the full application but can submit sooner and the award decision will be taken around the end of June.

The Board discussed a number potential issues which included:

- Capital projects which do not produce many outputs to evidence improvements.
- Need an innovation strategy for Lancashire and how they link and deliver more
- There is a danger of having many projects which are nice to have rather than

adding value.

**Resolved:** The Board agreed that there is a need to see how these projects would add value.

**7. Future Work Programme**

**Resolved:**

1. The Board to continue to explore projects due to end
2. Representative from UKTI to attend a future meeting

**8. Any Other Business**

None

**9. Date of Next Meeting**

Next meeting to be held on the 25<sup>th</sup> May 2016 12-2pm, The John of Gaunt Room (formerly County Mess), County Hall



## LEP – Sub Committee

### Business Support Management Board

**Private and Confidential: No**

25 May 2016

#### **Revised Terms of Reference.**

(Appendix 'A' refers)

Report Author: Samantha Parker, Governance Officer, (01772) 538221,  
[sam.parker@lancashire.gov.uk](mailto:sam.parker@lancashire.gov.uk)

#### **Executive Summary**

The report updates the Board on changes to the Terms of Reference for the Board which were agreed by the LEP Board on the 5<sup>th</sup> April 2016.

#### **Recommendation**

That the revised Terms of Reference are noted.

## **Background and Advice**

On the 17<sup>th</sup> March 2015 the Lancashire Enterprise Partnership Board (LEP) approved a LEP Assurance Framework which was subsequently submitted to Government as final in April 2015. The Assurance Framework is available to view on the LEP website at <http://www.lancashirelep.co.uk/about-us/about-the-lep.aspx> and includes the Terms of Reference for the Business Support Management Board and other Committees of the LEP.

As a matter of good governance it is intended to review the Assurance Framework in order to ensure it is up to date and relevant, with an updated version of the Framework to be presented to the LEP Board on the 14<sup>th</sup> June 2016 for approval.

With that in mind a review of the current Terms of Reference of the eight Committees of the LEP has been undertaken and a number of suggested minor amendments to the Terms of Reference of the following Committees were presented to the LEP Board on the 5<sup>th</sup> April 2016.

- Business Support Management Board (see attached Appendix)
- EZ Governance Committee
- Growth Deal Management Board



- Lancashire Skills and Employment Board
- Performance Committee

The main changes to the Terms of Reference for the Business Support Management Board relate to the quorum, the clarification on the use of substitute representatives, and the inclusion of wording to state that any observers that attend Board meetings are subject to the LEP Assurance Framework protocol on observer attendees.

The proposed changes are intended to provide enhanced consistency and flexibility across all the Committees to ensure business can be conducted effectively.



**LANCASHIRE BUSINESS SUPPORT MANAGEMENT BOARD**  
**TERMS OF REFERENCE**

**Composition**

1. Unless otherwise agreed by the Lancashire Enterprise Partnership, the Business Support Management Board shall comprise a minimum of 4 members and a maximum of 10.
2. The Members of the Business Support Management Board shall be appointed by the Lancashire Enterprise Partnership and shall draw members be drawn from business, business representative organisations, business support providers and business finance specialists.
3. The proposed members of the Business Support Management Board, as at the date of adoption of these Terms of Reference, are as follows:

Mike Blackburn	Chair / LEP Board Member
Mike Damms	Vice Chair / LEP Board Member / EL
Babs Murphy	NWL Chamber
Frank McKenna	Downtown in Business Lancashire
Gary Lovatt	Federation of Small Business
John Kersey	Lancashire Institute of Directors
Tim Webber	Regenerate Pennine Lancashire

Members can nominate substitute representatives, with written notification provided to the Clerk in advance of the meeting. Substitutes will be counted towards the quorum and will be entitled to vote. The use of substitutes shall be by exception rather than rule.

In addition the group will seek by nomination members offering expertise on:-

HEI's as a provider of Business Support  
Business Finance as a constraint on business growth ambitions.

4. The Business Support Management Board may invite any persons it sees fit to attend meetings as observers. Observers shall be subject to the LEP Assurance Framework protocol on observer attendance at meetings.
5. When considering the appointment of additional members to the Business Support Management Board, perceived gaps in knowledge / experience, together with sectoral and geographical coverage will be taken into account.

**Chair and Deputy Chair**

6. The Lancashire Enterprise Partnership shall appoint the Chair.
7. The Chair shall not have a casting vote.

8. The Business Support Management Board may appoint one of its number to act as Deputy Chair ("Deputy Chair").

### **Quorum**

9. The quorum for Business Support Management Board meetings shall be 3
10. If within fifteen minutes from the time appointed for the holding of a Business Support Management Board meeting a quorum is not present, the meeting shall be adjourned. The Secretary shall arrange for the meeting to take place within two weeks.

### **Secretary**

11. The Company Secretary of the Lancashire Enterprise Partnership (or their nominee) shall serve as the Secretary ("The Secretary") to the Business Support Management Board.
12. The Secretary shall produce minutes of all meetings of the Business Support Management Board and will maintain a list of conflicts of interests. Future Business Support Management Board agendas will include a standard item requiring declarations to be made in relation to specific items of business.
13. The Secretary shall produce and maintain an action list of all outstanding Business Support Management Board matters, a copy of which shall be circulated to meetings of the Business Support Management Board.

### **Meeting Frequency**

14. The Business Support Management Board shall meet according to operational need.

### **Decisions in Writing**

15. A resolution in writing signed by the majority of the members of the Business Support Management Board for the time being shall be as valid and effectual as if it had been passed at a meeting of the Business Support Management Board.

### **Remit**

16. The Business Support Management Board's primary responsibility is to consider skills development priorities within across the LEP geography and any related issues and make recommendations on the same to the relevant bodies. In doing so, the Business Support Management Board shall:
  - a. Develop and promote business support strategy, initiatives and programmes aligned with agreed priorities, as part of the LEP's Strategic Economic Plan;
  - b. Seek to co-ordinate and commission a publicly funded business support offer which is clear, fit for purpose and which complements both commercial and national offers.

- c. Commission and maintain an evidence-base to help understand key business support demands in the LEP area;
- d. Identify and work with other LEP areas on business support issues of strategic and cross-boundary significance; and
- e. Advise on the deployment of business support funding directly accessed or influenced by the LEP and make best use of public investment in this policy area.

### **Governance Relationship with the LEP**

- 17. The LEP is responsible for agreeing the Terms of Reference of the Business Support Management Board and has the power to vary the same.
- 18. The Business Support Management Board shall review its Terms of Reference from time to time as necessary and report their findings to the LEP.
- 19. Minutes of Business Support Management Board meetings shall be submitted to the LEP Board at the LEP's request and significant action points will be reported as part of a Chair's Update.
- 20. The Chair shall provide update reports to the LEP Board at the LEP's request.

### **Relationship with Lancashire County Council**

- 21. Lancashire County Council shall provide administrative and legal support to the Business Support Management Board.
- 22. Lancashire County Council shall maintain an official record of the Business Support Management Board proceedings and a library of all formal Business Support Management Board documents.





## Item 6

**Private & Confidential: NO**

**Date: 25<sup>th</sup> May 2016**

### **Business Support Simplification in Lancashire**

**Report Author: Steven Cochrane – CEO Regenerate Pennine Lancashire**

**Andy Walker, Head of Business Growth LCC**

#### **Executive Summary**

A condition of the interim grant support from BIS in 2015/16 was that each LEP / Growth Hub should conduct a Business Support Simplification Audit within its area, in an attempt to develop a more simple landscape where businesses could easily understand what was available at their location.

The Board has received reports on the development of this exercise /document and we are now moving to submit our conclusions to BIS.

The mapping is helpful in a number of ways including:-

- Informing the Boost Gateway on current provision
- Setting a context for the procurement of ESIF business support projects
- Providing an overview of how public resource is being used in this policy area

#### **Recommendation**

The LEP BSM Board is asked to:

- (i) note the Report,
- (ii) approve its submission to BIS



## Executive Summary

Concerned about proliferation and duplication of business support provision The Department for Business Innovation & Skills conducted a review of central government support in 2014. This led to the rationalisation of a number of offers, including the cessation of the Business Growth Service in 2016. Further to this review BIS produced a simplification toolkit and invited local Growth Hubs to undertake similar exercises in their own localities. The Lancashire Enterprise Partnership's Business Support Management Board asked Regenerate Pennine Lancashire, as part of its Growth Hub Gateway role, to undertake a review of publicly funded business support in the county and the findings are presented in this report.

The report briefly introduces Lancashire's identified growth sectors, noting some of the key challenges faced.

8,083 Lancashire businesses were invited to complete an anonymous online survey with 218 (2.7%) responses received. Manufacturing & Engineering (24%) and Service (20%) companies were the most prominently represented in responses. 62% of respondents reported that they had never received any external business support with over half of those reporting a lack of awareness of any relevant support that may have been available. Of the 38% of businesses that had received support, grants and business growth support were the two most common types of intervention. 75% of supported businesses reported a positive impact with a similar proportion stating that they would recommend the support to peers. Of concern is the number of businesses that stated that they had not received support due to lack of awareness and the quarter of those that had received support not deeming it good enough to consider recommending it to peers.

The report introduces a range of selected national support offers, referencing local delivery arrangements where appropriate and providing links to further information.

37 local business support providers were invited to complete an online survey followed up with a number of email and telephone reminders. 21 responses were received covering 35 distinct support offers spanning a range of support including, advice, mentoring, workshops, grants and skills. 56% of support offers were targeted specifically at existing businesses with 40% aimed at those considering starting a business.

In broad terms the recommendations cover:

- A recognition of the Growth Hub Gateway in ensuring integration and coordination of national, local, public and private sector support
- The importance of growth finance to businesses and the scope for an enhance local offer
- Project lifecycle considerations of market failure, demand, eligibility, delivery models, overlap and effective evaluation.
- The Lancashire Enterprise Partnership's advisory rather than decision making role in relation to most business support funding.

## Introduction & Scope

Small businesses that grow are more likely to have sought advice and support. The majority of businesses that do take advice say it adds value. The support may come from private, not for profit or national or local publicly funded provision.

Small businesses indicate that to make the most of support it needs to be simple, clear and easy to access. In its “Small Business: Great Ambition” paper, The Department for Business Innovation & Skills set out its commitment to making it easier for businesses to get the right support at the right time, including by simplifying the landscape for business support.

As part of this commitment BIS, in 2014, undertook a review of national Government business support to identify those schemes that were poorly targeted or under-performing and where there were opportunities for bringing schemes together to deliver a better, more efficient service. The review concluded that Government’s offer to businesses needed to be clearer and simpler to understand. The GREATbusiness.gov.uk portal continues to provide a single online resource for all government guidance and support. The 2014 review also led to a simplified Business Growth Service, though this was closed in March 2016 further to an announcement in the Government’s 2015 Autumn Statement.

The BIS review also recognised the role that Growth Hubs have in rationalising and simplifying the business support landscape at the local level, where confusion over access and proliferation of schemes was considered to be equally significant. Further to 4 Growth Hub pilot reviews, BIS produced a Business Simplification Review Toolkit in March 2015 and as part of the Growth Deal, invited each Local Enterprise Partnership to undertake its own review. The toolkit was intended as guidance rather than as a prescriptive document but has been used to inform the business support review work undertaken in Lancashire.

The Lancashire review focused only on publicly funded business support whilst acknowledging the wide range of support provided by the private and voluntary sectors. The review can only provide a snapshot of what is an ever changing landscape, particularly during the early stages of a new European funding programme. The review involved both business and provider surveys and a review of key national provision. The findings of the review will form the basis of a Growth Hub Support Finder which will be continually reviewed and updated by the Growth Hub’s central contact centre and first line advice service in conjunction with individual support provision organisations.



## **Lancashire economy and business support views**

The Lancashire Enterprise Partnership (LEP) identified six key business sectors as future deliverers of jobs and wealth in the county. It is important that publicly funded business support resources align with the requirements of these key growth sectors.

### **Advanced Engineering & Manufacturing**

The sector employs around 73,000 people in Lancashire with approximately 3,900 VAT registered companies or 9% of total Lancashire business stock. The sector contributes 15% to Lancashire's GVA compared to 8% nationally. Key sub sectors for Lancashire include aerospace, automotive, food & drink, textiles and chemicals. 99% of businesses are small to medium (<250 employees) with 74.4% being in the micro category (0-9 employees). This can have implications for willingness to engage with or participate in business support programmes due to implications of time and cost. The workforce can be characterised as full time (97%), male (76%) and ageing (45% between 45 & 64). Challenges for the sector include rapid technological change, retention and recruitment of skilled workers, domestic and international market fluidity, fragmentation of the production change and macro-economic factors such as the exchange rate, raw materials and energy price fluctuations.

### **Visitor Economy**

Lancashire has a varied visitor economy from England's most popular seaside destination in Blackpool, the Forest of Bowland Area of Outstanding Natural Beauty to historic cities, towns and villages. 80 million visitor days were spent in the LEP area in 2014. The visitor economy contributes £3.7m a year to the county's economy, supporting almost 3,800 businesses and more than 50,000 jobs (8% of the Lancashire labour market). The workforce tends to be younger and less highly qualified than average with greater levels of part time working and employee turnover. The sector is growing with predictions of a need for 4,000 more full time equivalents by 2020. Key sectoral challenges include lower than average pay and conditions, skills gaps & training provision and negative perceptions from potential entrants regarding career prospects. Businesses in the sector tend to be weighted more to "business to consumer" type activities. This is significant in terms of business support with some key programmes, such as ERDF, focused on "business to business" activities.

### **Financial and Professional Services**

The sector in Lancashire employs around 82,000 people in over 10,200 businesses. Key sub sectors, identified in Lancashire's Strategic Economic Plan (SEP) are business and financial services and business process outsourcing. The sector generates around £5.4bn in Gross Value Added (GVA) per year with the average GVA per employee being £52,000, which compares favourably with the Lancashire average of £34,000 per employee. Since 2009 the sector has grown more quickly than the national average at 12% compared to 9%. Key challenges include ever tightening regulation, the legacy of the financial crisis and rapid technological change. The sector is growing but replacement demand (replacing employees who have retired or left the sector for other reasons) remains a key

challenge with the expectation that it will create 46,000 job opportunities in Lancashire by 2022. Succession planning and skills development are therefore key challenges.

### **Creative and Digital**

The Lancashire Enterprise Partnership's sector skills baseline survey estimated that the creative economy provides 36,000 jobs in Lancashire. This figure is split between 22,000 creative industry jobs and 14,000 jobs in creative occupations in other sectors. Estimating the size of the sector from statistical sources can prove problematic due to varying definitions. Dun & Bradstreet UK includes 4,500 creative industry companies in the county. The composition of Lancashire creative industries is concentrated in IT, software and computer sciences. Almost 90% of businesses employ less than 10 people. A key challenge is the recruitment of people who have appropriate digital skills, rather than the sourcing of people who have creative skills.

### **Energy and Environmental Technologies**

The sector in Lancashire is comprised of 5,200 firms and accounts for around 40,000 jobs (6.5% of Lancashire's total workforce and 2.5% of the sector nationally). The vast majority (92%) of firms are micros, employing less than 10 people. Particular concentrations are in specialised construction activities, electrical, plumbing/heat/ air con installation, other engineering and professional/scientific/technical activities, the production of electricity and the processing of nuclear fuel. A number of sub sectors are particularly important to the Lancashire economy including nuclear, offshore gas, oil and wind, onshore wind, waste recovery and environmental technology services and manufacture. Future growth demand is difficult to quantify due to the certainty or otherwise of a number of future developments (e.g. shale gas exploitation, onshore wind and new nuclear investment). Replacement demand is expected to play a key part in the sector's employment base.

### **Health and Social Care**

The sector provides more Lancashire employment than any other with 3,900 employers providing around 100,000 jobs, representing 16% of the county total. In common with other parts of the country, Lancashire's population is ageing with 23% of residents expected to be over 65 within a decade. More than half of the sectors businesses employ less than 10 people, although on average employers in the sector are larger than those in the rest of the economy. Ensuring sufficient well trained staff to deliver services is increasingly challenging, particularly for front line roles. In addition to recruitment and retention, public policy around health and social care transformation presents ongoing challenges. The increasing involvement of private sector businesses in healthcare coupled with ongoing pressures for improved efficiency and innovative service delivery could potentially present opportunities for small businesses in Lancashire. Consideration of specific business support and funding may be required in order to help businesses to effectively realise such opportunities.

In addition to the sectors outlined above, construction has been identified as a key sector for the City Deal area of Preston and South Ribble. Whilst these two authorities account for 23% of Lancashire's employment across all sectors, in the case of construction they account for 40%. The sector is recovering from being severely impacted by the last recession (reflecting a UK trend). Continued growth is expected during the life of the City Deal from 2013/14 to 2023/24. The City Deal and other key Lancashire infrastructure projects mean that the development and retention of sufficient suitably skilled workers will be crucial for the Lancashire economy. The City Deal investments alone are expected to support over 4,300 construction job years.

## **Business Survey**

During January 2016 a survey was issued to 8,083 Lancashire businesses with the aim of obtaining:

- an understanding of levels of different types of support received and views of historic business support received, if any
- views of what type of support might be useful in the future

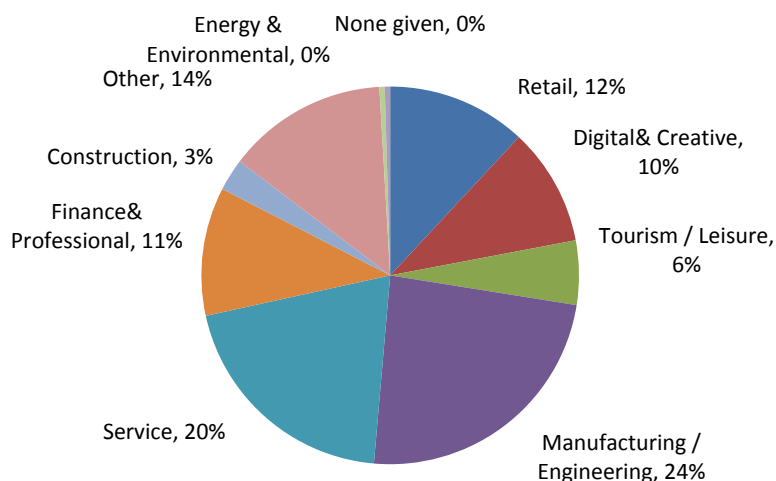
The data set was established from two main sources. 6,131 business and potential start-up individuals that had had contact with Boost Business Lancashire (delivered by a range of partner organisations) and earlier programmes delivered by Regenerate Pennine Lancashire (going back to 2011). These records were drawn from the Evolutive database that is well established as the common client management system for the Lancashire Growth Hub. Following a de-duplication exercise an additional 1,952 records were purchased in order to obtain a data sample of businesses that were not known to have previously accessed business support. It is of course possible that some of these businesses had made use of publicly funded business support in the past but not via a route that had led to the recording of the interaction via Evolutive.

The survey was issued via email at the start of February 2016 and was followed up with a number of reminders. In addition the background to the survey and a link to the online form were circulated to a wide range of local business support providers, business groups and local media organisations. A number of these organisations helped to promote the survey meaning that, whilst some businesses may have heard about it via more than one channel, others are likely to have heard about it that had not been recipients of the initial mailing.

A total of 218 responses were received, representing a 2.7% response rate against the initial mail shot total (noting that the overall catchment would have been wider due to wider intermediary promotion).

The survey asked respondents to define their main sector and there was a strong response from engineering & manufacturing companies (24%) and from service companies (20%). Of the other category respondents, a number might more accurately have placed themselves in one of the stated categories whilst others defined themselves as public or voluntary organisations.

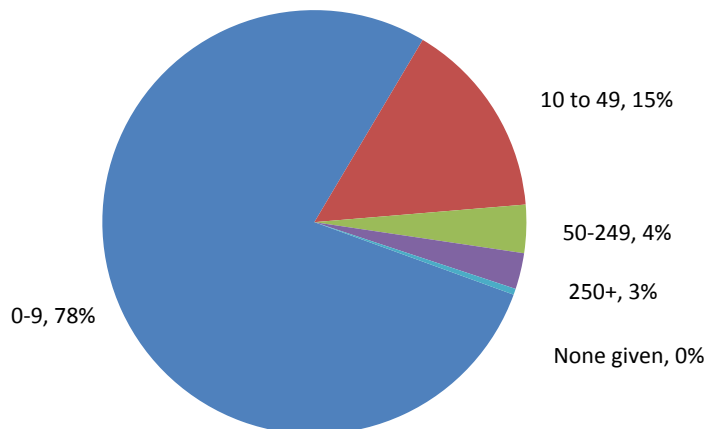
### Response by sectors



The responses were reasonable even across the boroughs of Lancashire with 6% being the average percentage share per borough. Preston (14%) provided the largest single number of respondents followed by Burnley (10%) and Blackburn with Darwen (9%).

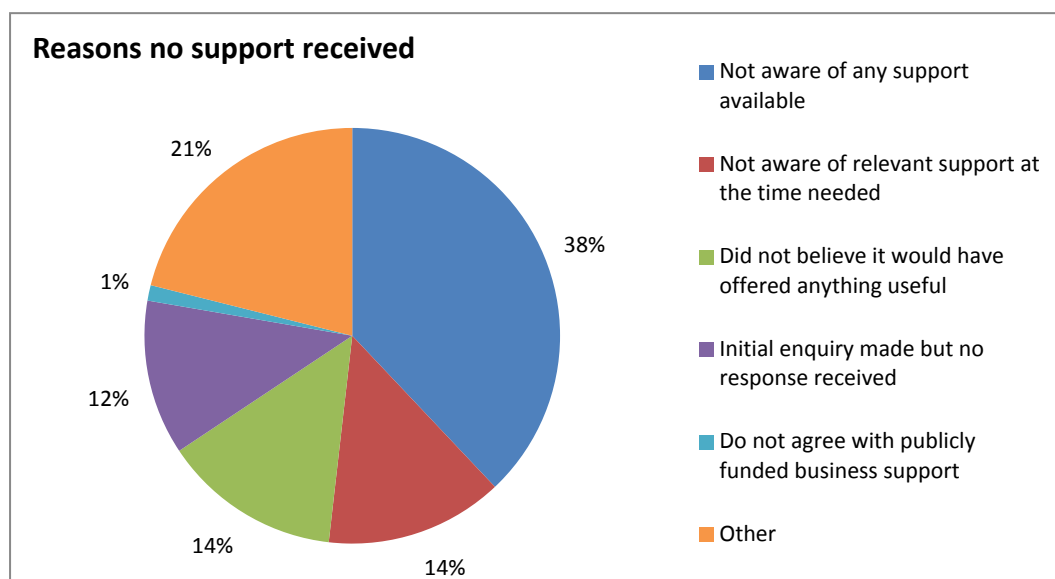
The size profile of respondents (as defined by number of employees) was overwhelmingly small:

### Responses by size



38% of respondents reported that they had received publicly funded business support whilst 62% stated that they had not. This split is perhaps initially surprising, given that the majority of the dataset was drawn from a database of previous contacts. However the dataset included any contact with a range of business support programmes, including those that did not ultimately receive support either through their own choice or for reasons of eligibility.

The following chart provides a breakdown of the reasons for not accessing business support provided by the 62% of respondents that had not received any:



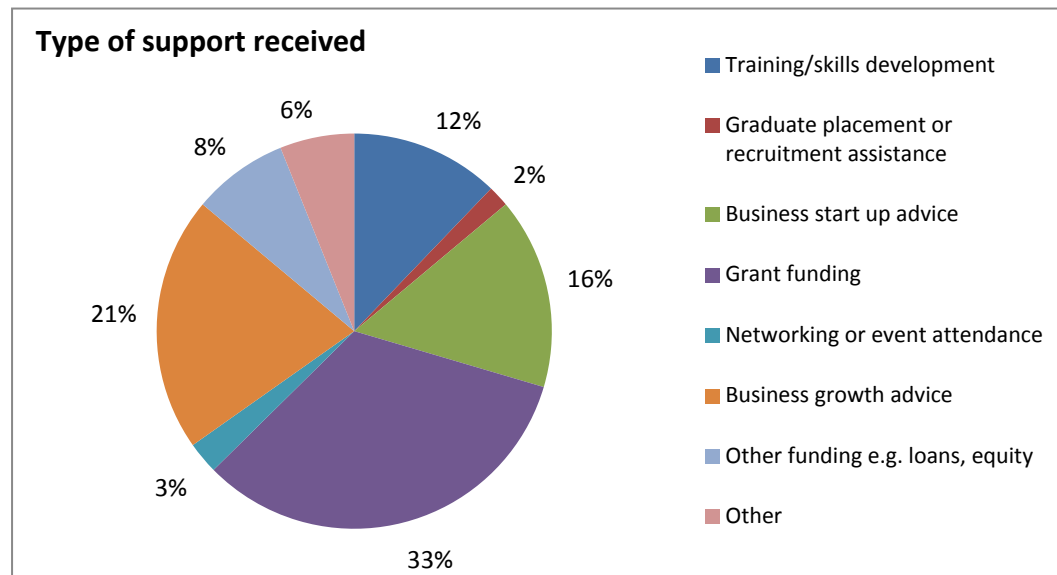
Over half of respondents stated that they were either not aware of any available support or more specifically that they had not been aware of any relevant support at that time that it would have been needed. Those who stated “other” were asked to provide comments. The comments ranged from issues around eligibility, frustration with attempting to obtain support and a number of respondents that reported that they actually provided business support themselves.

The lack of awareness is a particular concern, as most business support programmes do undertake marketing and promotional activities to seek to engage with relevant potential beneficiaries via a range of channels. Effective engagement, particularly with those who have not previously engaged with business support remains a key challenge for business support programmes.

The next section of the survey asked respondents to provide further information about any support that they had received. The survey allowed respondents to provide information on up to 4 instances of business support received. The 82 (38%) respondents that had received support reported 115 specific experiences, with the majority of these occurring over the past 3 years.

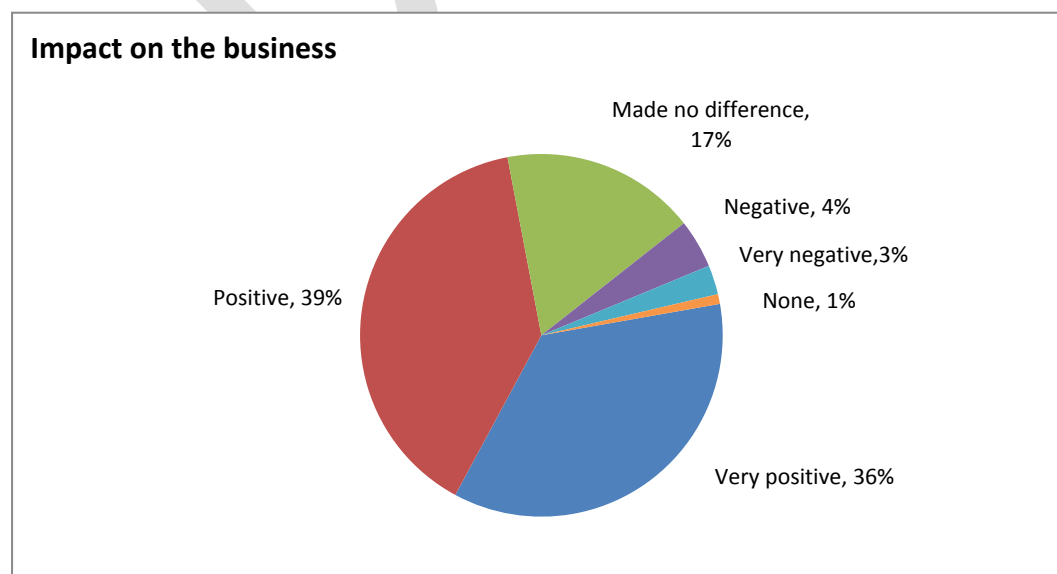
Overall there was good awareness amongst respondents of the name of the support programme they had benefited from and the organisation that had provided it. With the range of business support schemes and providers, there was inevitably some confusion and misunderstanding most had at least an approximate idea of the support and provider. Boost Business Lancashire, Winning Pitch and Regenerate were particularly well represented in responses which is doubtless a reflection of the dataset used in the survey.

A percentage breakdown of the type of business support received across the 115 instances shows a strong weighting towards grant funding, followed by business growth and start up support. The “other” responses included businesses that had been supported via the recent flood recovery and resilience programmes.

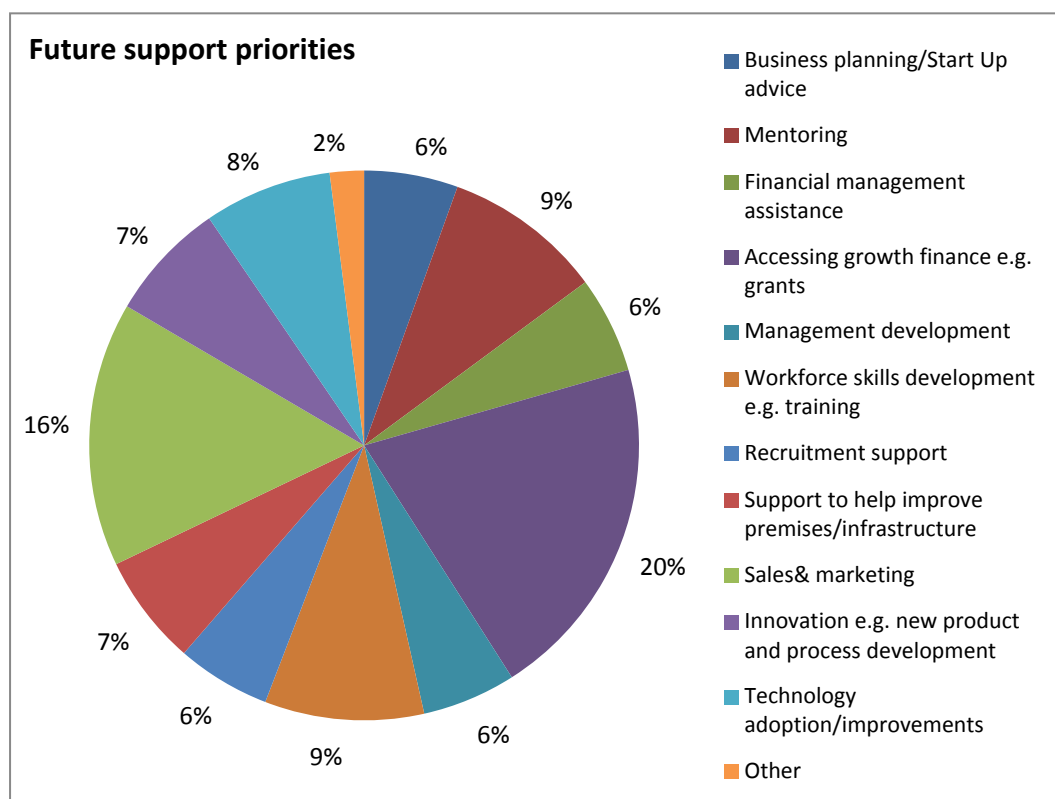


It was encouraging that 62% of business support experiences were rated as either excellent (40%) or very good (22%) with only 15% poor (8%) or very poor (7%). It would be encouraging if a future survey based on the new round of emerging support programmes could see the negative views reduced to single figures.

Respondents were largely positive regarding the impact that the support had had on their business with 75% reporting either a positive or very positive impact. 76% of respondents stated that they would recommend the support they had received to other business contacts, although 22% reported that they definitely would not.



Respondents were asked what types of business support they would like to see in the future and were allowed to select up to 3 options. The chart below shows a broadly even spread of support types with exceptions for accessing growth finance (20%) and sales and marketing support (16%).



Finally, respondents were invited to share any additional views or comments that they had, either about specific support received or the business support environment more generally. A total of 85 comments were received. The content ranged from general praise for individual schemes and staff members through to strongly negative comments about the suitability of schemes, the providers and the eligibility and delivery rules. A sample of comments is included below. In some cases these have been anonymised or edited for clarity. The evident trend was that those who were unhappy were more likely to have taken the time to provide specific feedback.

- *The grant we received was very beneficial and helped us immensely.*
- *I was persuaded to go on the course. For us it was an unwelcome distraction. Generally I think the money could be better spent. I think some businesses might benefit from the course I was on, but I feel that most people there were having their time wasted. The organisation just wants bums on seats to be able to claim the money!*
- *I would have liked on going mentoring; someone to talk to who had been in business would have been helpful.*
- *Our experience with the <name of programme> has completely put us off applying for any more funded assistance. We requested very specific coaching in respect of employee engagement and received a generic business growth package which told us nothing that we didn't already know.*

- *Small companies like ours would benefit from closer links with colleges and universities in such a way that recruitment of apprentices is easily facilitated.*
- *The support from <name of provider> ended very abruptly. There does not appear to be a comprehensive system of delivery. It chops and changes on a whim which is very frustrating.*
- *The team have been excellent, took the time to understand my business and helped all the way*
- *My experience of local enterprise schemes is that they are self-interested with no interest in providing help for established businesses.*
- *I was not aware of the <name of programme> funding and was surprised that I was eligible and how quickly the grant became available. Excellent personal service.*
- *As a new start up, we found business advice was virtually non-existent for retail sector.*
- *Our application was dealt with most efficiently.*
- *There is in theory a host of business support and development organisations offering everything, but in reality what starts out as a huge banner to attract everyone, whittles down to a pin head of virtually nothing that it actually does support. It is just a box ticking exercise to say it is being done.*
- *How I wish small businesses like mine could access small capital amounts on a loan basis at affordable interest rates*
- *The <name of programme> run by <name of provider> was less than useful. I don't know how many people attended but I wouldn't mind betting that very few completed it and of those who did very few will have found it useful. It was quite simply not right for the majority of people there. The trainers were full of themselves which is quite surprising as they are clearly not running their own businesses. They simply couldn't relate to the attendees, most of whom only turned up so they could qualify for funding. A waste of your money. On the other hand, the <name of programme> one was excellent.*
- *I would certainly look to using this service again. My business secured a contract with <name of council> because of this and I would like to thank all involved in helping us.*
- *It is a pity that business support is forever stopping and starting, with a long gap between, and therefore no continuity. Start-up's, micros, and SME's still need support for qualified advisors, with knowledge of actually owning or running an SME themselves. More in depth support is needed in addition to the 'light touch' mentoring provided on a pro-bono basis, where advisors or coaches are paid for their in depth services, and this provision should be part funded by a programme and part by the company. If a company is not contributing anything for advice/mentoring they do not value the intervention.*



## **Lancashire Governance**

Effective local governance and engagement is important to ensure the alignment of European and national priorities with local support requirements and growth objectives during both programme development and delivery. Two key areas of local governance are briefly outlined below but other entities also have a role to play in influencing the direction of business support in Lancashire – for example the Local Enterprise Partnership’s Employment & Skills Board.

### **European Structural and Investment Funds Growth Programme (2014-20)**

The programme is comprised of 3 funds, each with its own government managing authority

- European Regional Development Fund – Department for Communities and Local Government
- European Social Fund – Department for Work and Pensions
- European Agricultural Fund for Rural Development – Department for Environment Food and Rural Affairs

At national level a combined Programme Monitoring Committee, known as the Growth Programme Board (GPB) will maximise the synergies of the separate funds to achieve the overall objectives of the UK Operational Programmes agreed with the European Commission. The Department for Communities and Local Government acts as the local lead for the Managing Authority. The GPB will be supported by a sub-committee in each LEP area. This LEP ESI Funds Sub Committee has an advisory role in support of the relevant Managing Authority through the lifecycle of the programme.

The membership of the LEP ESI Funds Sub Committee reflects the priorities of the Operational Programmes for Lancashire as defined in the Lancashire ESIF Strategy. A LEP member (currently Dennis Mendoros) acts as chair and a member of the Managing Authority (Anita Williams, DCLG) acts as vice chair.

#### **Key Functions of the LEP ESI Funds Sub Committee**

- Local promotion of ESI Funds
- Provision of advice and local intelligence to the Managing Authority to inform priorities for the development of bidding calls in line with the local ESIF Strategy and Operational Programme.
- Liaison with relevant organisations to identify potential bidding opportunities that align with Programme priorities and match funding availability
- Provide advice to the Managing Authority during project bid development (both outline and full applications)
- Contribute local knowledge and understanding to aid the Managing Authority in ensuring good delivery against spend, milestones, cross-cutting themes, outputs and results.
- Provide advice to the Managing Authority during mid term programme reviews and final evaluations

In summary, individual organisations, which may or may not be Lancashire based, will bid directly to the Managing Authority for funds either in response to open calls or via opt-in arrangements. The

LEP (via the ESI Funds Sub Committee) will have the opportunity to provide advice and guidance to the Managing Authority to shape bidding calls and the development of individual projects.

In order for the LEP to provide effective support to the Managing Authority during overall programme and individual project delivery, the sharing of timely and accurate performance information will be essential.

#### **Lancashire Enterprise Partnership (LEP) - Lancashire Business Support Management Board**

The board has been established by the LEP with a remit to consider business support priorities across the LEP geography, specifically to:

- Develop and promote business support strategy, initiatives and programmes aligned with agreed priorities, as part of the LEP's Strategic Economic Plan;
- Seek to co-ordinate and commission a publicly funded business support offer which is clear, fit for purpose and which complements both commercial and national offers.
- Commission and maintain an evidence-base to help understand key business support demands in the LEP area;
- Identify and work with other LEP areas on business support issues of strategic and cross-boundary significance; and
- Advise on the deployment of business support funding directly accessed or influenced by the LEP and make best use of public investment in this policy area.

The board is private sector led and comprised of between 4 and 10 representatives of business membership organisations (e.g. Chambers of Commerce, Federation of Small Businesses) and senior business people drawn from the overall LEP board.

Although not directly responsible for allocating funding, the board has an important role in influencing and guiding the coordination of business support in the area and in the provision of informed views to the overall LEP board regarding priorities for intervention. It may be useful for the LEP to consider a closer, more formal role for the Business Support Management Board to input to the ESIF bid development and decision making processes. For example, the board could provide input regarding potential call and topic priorities, comment on bids received and help to influence the performance of active projects where necessary and appropriate.

## **Selected National Business Support Provision**

The closure of The Business Growth Service, with its Growth Accelerator and Manufacturing Advisory Service products, announced in the government's 2015 Autumn Spending Review, has further rationalised the national business support landscape. This section introduces a sample of some of the more significant remaining national support offers. Some of the services are provided directly via government agencies and some via networks of local partners.

More comprehensive information about nationally available business support services can be found via the Government's "Business is Great" web portal at [www.greatbusiness.gov.uk](http://www.greatbusiness.gov.uk). The Government also offers a national business support helpline on 0300 456 3565. The national helpline maintains links with Lancashire activity via the Lancashire Growth Hub's Boost Business Lancashire Gateway service. Effective cross referrals and information sharing will be increasingly important to ensure that businesses receive the most appropriate and coordinated support experiences.

### **New Enterprise Allowance (NEA)**

A scheme delivered by the Department for Work and Pensions (DWP) aimed at providing support to benefit claimants who wish to start their own business. The two core support elements are mentoring & business support (via external contractors) and financial assistance in the form of a NEA weekly allowance administered by Jobcentres. Initially a specialist assesses the business idea to determine whether it is viable and has the potential to provide a sustainable income for the applicant in the future. The allowance is payable for up to 26 weeks and the claimant must demonstrate that they are working on their business for a minimum of 16 hours per week. Loan funding is also available in addition to the non-repayable allowance. Ultimately the business will provide the claimant with an income and they will no longer require benefits or they will return to Jobseekers Allowance or Universal Credit.

A recent survey of the scheme from DWP found that 34% of respondents would not have started a business without NEA support and of the majority of those that would have started anyway reported that the scheme accelerated the process. 94% of survey respondents started trading following the support. Of those that had started businesses by the time of the survey 80% were still operational and over 90% of this subset had been trading for over 12 months. The main reasons for not trading were that the business was not providing sufficient income or the respondent had found alternative employment. The survey concluded that the scheme played an important role in business creation and only minor improvements were recommended, for example better promotion of additional business financing options and a more structured programme of catch-ups between mentors and participants. In Lancashire North and Western Lancashire and East Lancashire Chambers of Commerce work with Job Centre + to provide the service.

[www.gov.uk/new-enterprise-allowance](http://www.gov.uk/new-enterprise-allowance)

### **Start Up Loans**

A UK government scheme administered by 50 delivery partners, including 6 covering Lancashire. Loan values are up to £25k and are personal loans for business purposes with a fixed interest rate of 6%. Delivery partners provide a range of related support, including a minimum of 15 hours of mentoring over 12 months. In the North West the service is provided by a range of local partners: Lancashire Community Finance, Hyndburn Enterprise Trust, Enterprise4all, Merseyside Special Investment Fund & Riverside Credit Union.

[www.startuploans.co.uk](http://www.startuploans.co.uk)

### **Princes Trust – Enterprise Programme**

The programme is aimed at people aged 18-30 who are either unemployed or who are working for less than 16 hours per week. Initially the programme helps them to explore whether self-employment is for them and to evaluate their business idea. A four day workshop explores business planning, including finance and marketing. Those who have their business plans approved can receive mentoring support for two years and apply for Start-up Loan funding. Grants are also available in certain circumstances. The Princes Trust operates from a number of Lancashire offices and a memorandum of understanding has recently been put in place with the Lancashire Growth Hub Gateway service to embed closer working and cross referrals.

[www.princes-trust.org.uk](http://www.princes-trust.org.uk)

### **Design Council**

A charity dedicated to improving people's lives through the use of design. It aims to help grow businesses, improve the built environment, and transform public services. It offers paid-for design support, delivers partner-funded programmes, and campaigns to raise awareness of the value of design. Of particular interest to businesses are

- Design Support for Business – workshops, coaching, skills development and the sourcing of specialist external Design Associates
- Design Support: Pre Revenue Ventures – support with the commercialisation of intellectual property with industrial technologies, science or engineering at the core of the business model. Support is via a combination of workshops and 1:1 support with costs ranging from £1,250 to £2,500 depending on business size and scope of work.
- Design Support: Research and Commercialisation
  - Introductory training in design methods for commercialisation, £5,000 for up to 20 delegates
  - Intensive coaching programme for project teams, £7,500 per team

- Design Council Spark – A competitive funding and support programme with applications invited via funding rounds. Applicants must have an idea and at least a basic prototype. Finalists receive 20 weeks of bespoke support and £15k of funding.

[www.designcouncil.org.uk](http://www.designcouncil.org.uk)

### **The Intellectual Property Office (IPO)**

Formerly The Patent Office, The IPO is the official UK government body responsible for intellectual property (IP) rights including patents, designs, trademarks and copyright. The IPO is an executive agency, sponsored by the Department for Business Innovation & Skills. It hosts a range of information and support events for businesses in addition to publishing reports and guidance documents.

<https://www.gov.uk/government/organisations/intellectual-property-office>

### **Innovate UK**

Supported by the Department for Business Innovation & Skills and billed as “The UK’s innovation agency”, Innovate UK aims to drive science and technology innovations from ideas to commercialisation and longer term social and economic benefit. Underpinned by a National Innovation Plan Innovate UK supports a range of Catapult Centres, each specialising in a key theme of science and technology. It also supports Knowledge Transfer Networks and the Enterprise Europe Network (see separate entry). Key activities include encouraging participation in European Union trans-national programmes such as Horizon 2020 and the operation of a number of thematic and open rounds that invite businesses to bid for innovation funding. The 2016/17 delivery plan sets out 4 top level themes:

- Emerging and enabling technologies
- Health and life sciences
- Infrastructure Systems
- Manufacturing and materials

As an example, funding calls in early 16/17 in the manufacturing and materials theme include additive manufacturing and manufacturing readiness (for near to market innovations).

<https://www.gov.uk/government/organisations/innovate-uk>

### **Enterprise Europe Network (EEN)**

EEN is funded via both the UK Government and the European Commission. North West delivery is via 3 partner organisations, Inventyia, Chamberlink and RTC North. The overall network has over 4,000 representatives in over 60 countries. EEN supports businesses with internationalisation and innovation via an online business “matchmaking” database and adviser support. The service

supports businesses seeking research and innovation partners or that wish to trade internationally. It also provides guidance for applicants to European research programmes such as Horizon 2020.

[www.enterprise-europe.co.uk](http://www.enterprise-europe.co.uk)

## **UKTI**

UK Trade and Investment (UKTI) staff provide international trade advice and practical support to UK-based companies who want to grow their business overseas. Regional teams provide a range of support is provided for business of all sizes and UKTI representatives also operate from UK embassies worldwide. Support includes:

- Passport to Export – for businesses considering exporting for the first time. The service provides 12 months of support covering topics such as export readiness, market research, networking, and the production of an export action plan. Adviser support is free but there may be chargeable elements subject to action plan recommendations. A range of online tools is also available.
- Export Communications Review – to help businesses address cultural and language issues to ensure effective marketing messages and ongoing communications in their chosen overseas markets.
- Overseas Market Introduction Service – Assistance with contacts & partners (including supported visits) and the development of market entry strategies.
- Trade shows, delegations, structured overseas visits, supported by a network of locally based UKTI contacts.

[www.gov.uk/government/organisations/uk-trade-investment](http://www.gov.uk/government/organisations/uk-trade-investment)

## **Mentorsme**

A national online portal of quality checked and verified organisations that provide mentoring support to both start up and existing small to medium sized businesses. The exact scope of the mentoring provided varies by organisation. Example providers in Lancashire include Community & Business Partners and Orvia.

[www.mentorsme.co.uk](http://www.mentorsme.co.uk)

## **British Business Bank**

A UK government owned business development bank aimed at making finance markets work better for smaller businesses. The bank's programmes help to facilitate various types of development finance that is provided by over 80 partner organisations under the three broad themes of "start up", "scale up" and "stay ahead".

<http://british-business-bank.co.uk/>

## Regional Growth Fund

The Regional Growth Fund (RGF) was launched in June 2010 to support businesses across all sectors and regions in England. The fund is managed by The Department for Business Innovation & Skills. RGF is a competitive fund with two primary objectives:

- to stimulate enterprise by leveraging private sector investment to support projects and programmes with significant potential for economic growth; and
- to support areas and communities dependent on the public sector to make the transition to private sector-led growth.

The Lancashire Enterprise Partnership has endorsed 4 successful RGF bids in rounds 2, 3, 4 & 6. The round 2-4 programmes are now complete whilst the round 6 programme is still in delivery. Although there have been differences in emphasis and eligibility, the underlying aim all of the programmes is/has been to make available partial capital funding to accelerate job creating private sector business investment within Lancashire's growth sectors. Regenerate Pennine Lancashire delivered the Lancashire Programmes in rounds 2, 3 & 4. £13.1m was made available to 187 businesses and with over 1,000 new private sector jobs created.

The current programme, Lancashire Business Growth Fund (RGF 6), is led by East Lancashire Chamber of Commerce in partnership with North & Western Lancashire Chamber of Commerce and Regenerate Pennine Lancashire. A total capital allocation of £7.5m is further enhanced by specialist international trade support. Delivery will conclude in March 2017 and the programme is on track for Lancashire businesses to benefit from the full capital allocation in return for new job creation in excess of the original target.

## **Lancashire Business Support Provision**

In common with many areas, business support in Lancashire is provided by a broad range of organisations, including those delivering county specific support and those acting as local delivery agents for national schemes. For the past 3 years the Lancashire Enterprise Partnership has sought to help coordinate both local and national business support being provided in the county via a local growth hub. A business support gateway hub was established as part of a suite of high growth programmes branded as Boost Business Lancashire. The gateway provides a central diagnostic and referral service that engages start-ups and existing businesses with both Boost specific and wider support. The Gateway provides a common CRM (customer relationship management) database and business support directory (Support Finder). The Gateway team maintain regular contact with both support providers and those referred for support to ensure that referrals are both appropriate and effective and to ensure up to date information on support offers.

The model has proved successful with the original Boost programme delivering the following headline outputs:

- 286 pre starts assisted
- 104 new high growth potential businesses created
- 1,278 businesses assisted
- 450 individuals provided with skills assists
- 1,116 jobs created and 294 safeguarded

A new round of Boost Business Lancashire support began early in 2016. The new service is providing mentoring and high growth start up and early stage business support, as well as providing for continuity and further enhancement of the central Gateway service. The new programme will place increased emphasis on more in-depth business diagnostics, closer referral management and integrated support provision to ensure the most effective support for start-ups and businesses is provided in a timely and coordinated way.

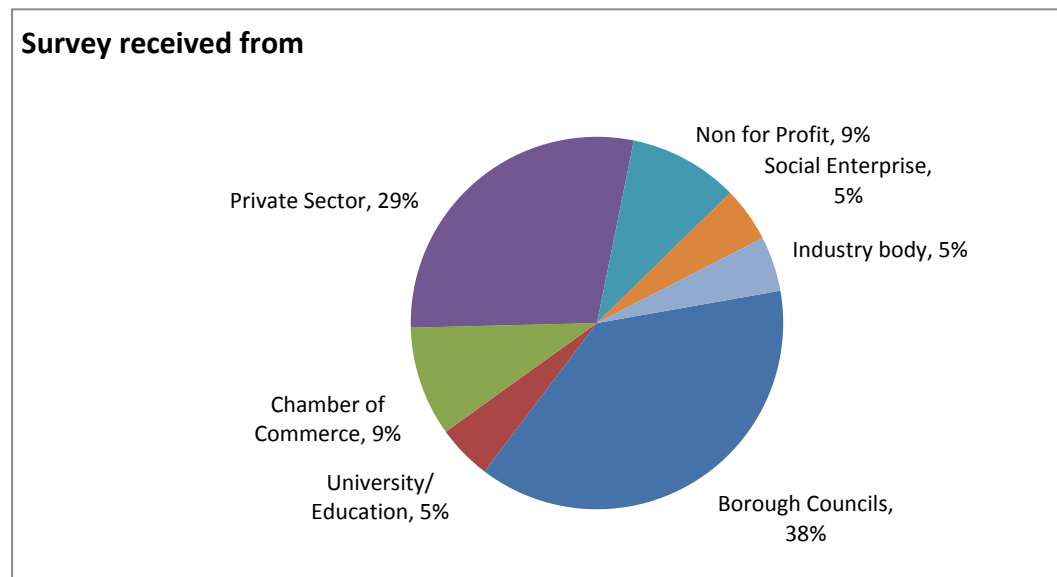
### **Lancashire Business Support Provider Survey**

A survey of Lancashire business support providers was undertaken during February and March 2016. The aim of the provider survey was, in part, to gather up to date information on current and emerging business support offers from local providers. The information will be used to update the Boost Business Lancashire Support Finder resource. The support finder will be openly available via the Boost web site and will also be used by Gateway advisors in helping to recommend appropriate support offers. Additionally the survey sought providers' views on what they saw as the current issues and priorities in relation to start up and business support in Lancashire.

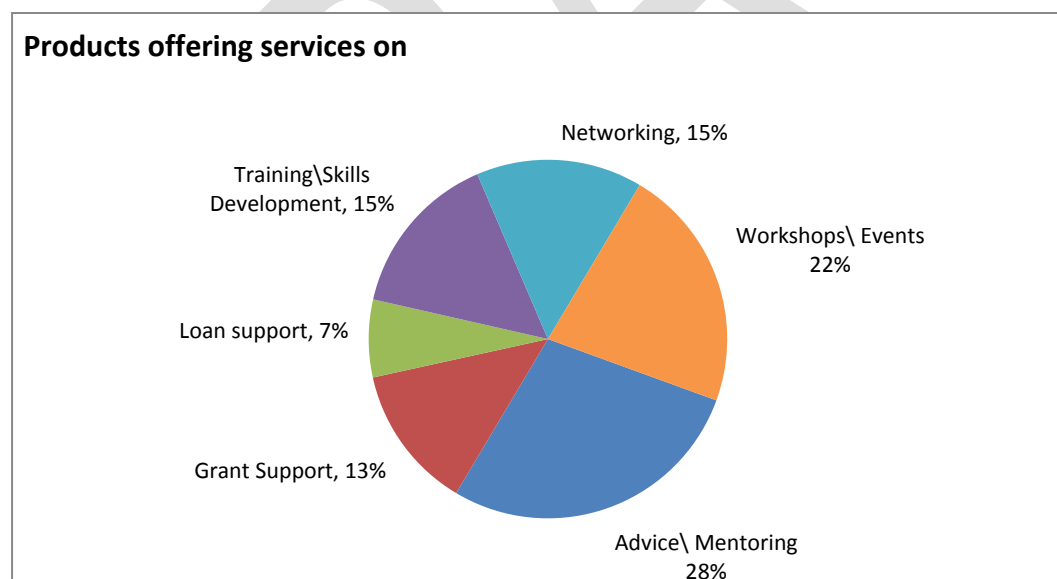
The survey was circulated to 37 organisations in mid-January 2016 and was followed up several times by both email and telephone. 21 of the contacted organisations provided responses, submitting information on a total of 35 distinct support offers or programmes. Not all responses were from organisations originally contacted, as there was some helpful sharing of the survey between organisations (e.g. onward circulation by Manchester Growth Company)



Although the survey was aimed at gathering information about public sector funded business support, 29% of respondents identified themselves as private sector. This is not inconsistent as private sector organisations are also involved in the delivery of support using public funds.



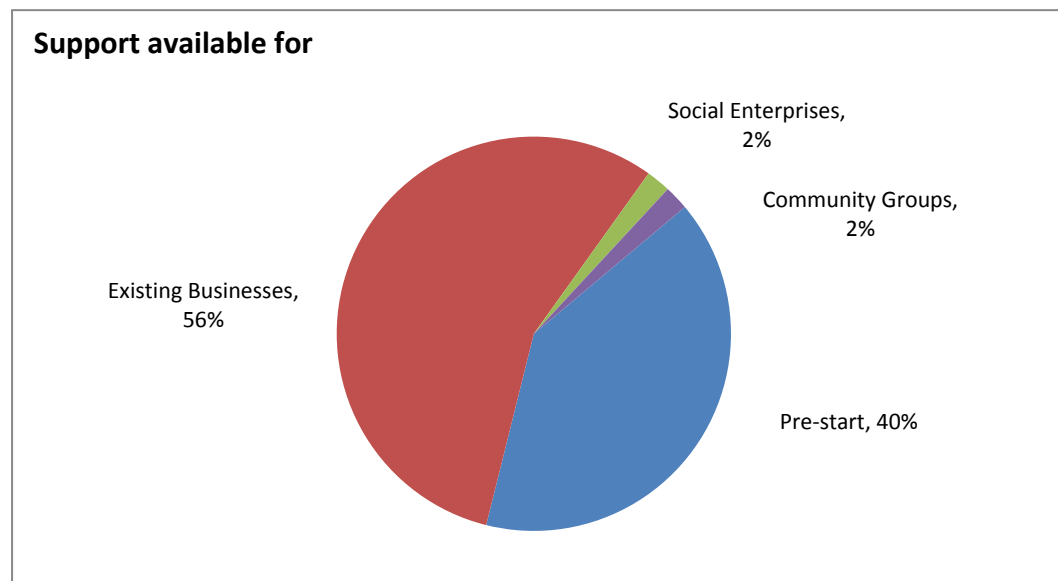
The following chart and matrix provide a breakdown of the main broad areas of support provided via the programmes for which providers provided responses. It should be noted that a specific support offer may include more than one type of support, e.g. advice and grants.



Most support programmes were available to businesses across Lancashire. A small number were limited to a subset of borough council areas, usually divided on an east/west geography. Some borough councils offer support that is specific to their own borough.

41% of the support offers were specific to SMEs with the remaining 59% being available to businesses of any size. No support was available to large companies that wasn't also available to SMEs.

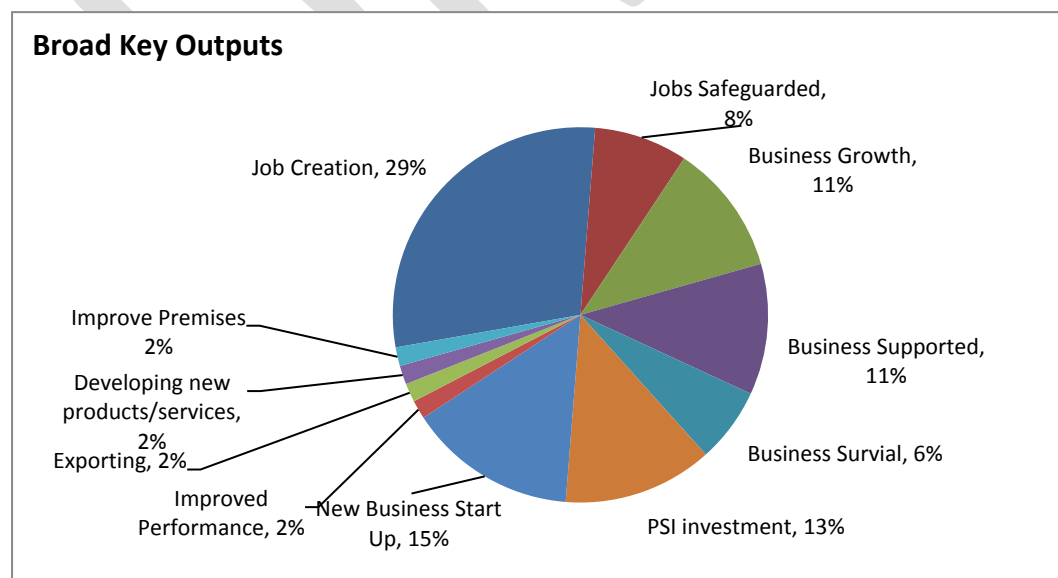
A majority of support (56%) was available only to existing businesses but pre starts were well catered for, being eligible for 40% of the support recorded via the survey.



Support was either available to all business sectors (57%), or a range of priority sectors excluding retail. Only one retail specific scheme was recorded in the survey.

Where financial support was offered in the form of grants, the minimum grant offer ranged from £200 to £10,000 and the maximum offered ranged from £500 to £1m. The minimum loans offered ranged from £500 to £5,000 whilst the maximums ranged from £500 to £150,000.

The key deliverables from the support offers were heavily weighted towards the creation of new jobs (29%). The chart below provides a full breakdown but it should be noted that some programmes may have several different outcome types



Most programmes that provided an end date were due to end in either 2017 or 2018.

Finally, providers were asked for any additional comments they had regarding business support provision in Lancashire with 10 providing a response. Key points raised included

- A lack of non high growth potential (generic) start up provision
- A lack of support for retail businesses.
- A lack of support providing mentoring to non high growth potential companies.
- The demise of national products, although one respondent provided an update on plans to seek funding to provide a north west equivalent of the former Manufacturing Advisory Service national offer.

The detailed provider responses will be used to refresh the Growth Hub's Support Finder service at part of the new Boost Business Lancashire provision that will run from 2016-2018. In addition, the Growth Hub Gateway Service will continue to attempt to gain up to date service information from those organisations that did not respond to the survey. The Support Finder content will be actively managed by the Gateway Service, with regular contact with providers to keep up to date with the progress and content of existing and new programmes of support. Additionally, regular contact will help to ensure effective two way referrals between the Gateway and providers to ensure both that businesses are receiving effective, relevant support and that providers are receiving useful referrals.

## Findings and Recommendations

This section sets out a number of recommendations and points for consideration in light of the review of the current business support landscape and engagement with both businesses and providers conducted as part of the Lancashire review.

1. This review has focussed solely on publicly funded business support but it is acknowledged that businesses also receive support from private sector sources. This may be via paid consultants, through banks, accountants and solicitors or through business networks and membership bodies. A key test of publicly funded support should be whether a proposed scheme addresses a gap in provision that could not easily be filled by the private sector. The “Boost & Co” concept under the first Boost Business Lancashire programme made some initial steps in fostering closer alignment of public and private provision but this should be built upon. The Growth Hub Gateway should have a key role in considering how private sector business support can complement publicly provided support as part of its information diagnostic and brokerage function.
2. The ability to access appropriate growth finance is a key issue for many businesses and there has often been a confusing mix of grant and loan offers, each with their own eligibility rules and output requirements. The previous North West Fund is to be replaced, from summer 2016, with a Northern Powerhouse Investment Fund covering a significantly wider footprint. Lancashire has an established Rosebud loan fund and has also benefited from capital grant offers through regional growth fund and individual borough council funds. It is recommended that consideration be given to the establishment of a flexible Lancashire wide capital fund that aligns with existing Rosebud provision, such that a small percentage of any offer may be in the form of a grant, whilst the majority is the subject of a loan agreement. It may be prudent for individual local authority funds to also align with this either by not offering individual smaller grant schemes, or through contributing the Lancashire wider fund (in return for a proportionate guarantee of provision in their boroughs).
3. Much start up and early stage business support comes with varying degrees of eligibility requirements including growth potential, age of applicant, benefits status and proposed business sector. Significant support programmes such as Boost are targeted at high growth potential businesses. There is a support gap for an individual that is over a maximum age criteria, is not in receipt of benefits who’s business idea is not projected to have significant early high growth potential. There is also limited support available for retail sector businesses. Consideration should be given to
  - a. The provision of more flexible/generic start up and early stage business support.

- b. More diligent scrutiny of applications for high growth support to provide reassurance, as far as is possible, that the proposed business idea really does have high growth potential.
  - c. More in-depth evaluation of high growth start up programmes to check whether the proportion of businesses that started up and sustained is significantly better than a “do nothing”
  - d. More in depth evaluation of high growth start up programmes to determine how closely actual beneficiary company performance aligned to growth projections outlined at the outset of the support.
- 4. The survey responses demonstrate that there is an ongoing need for publicly funded schemes to be effectively marketed in order to engage potential beneficiaries. Whilst 75% of businesses survey respondents that had accessed support found it either positive or very positive, 62% reported that they had never accessed any support.
  - a. Programmes should only be funded where an evidenced demand can be demonstrated and should come with a robust marketing plan that coordinates with the overall marketing and engagement activity of the Lancashire Growth Hub Gateway service.
  - b. Business contact via the Growth Hub Gateway should, where appropriate, result in a dedicated independent Gateway advisor helping the enquiring start up or business to navigate the available provision in order to benefit from the most appropriate package of support. This should include regular feedback loops with the company and those organisations providing the support, in order to evaluate effectiveness of referrals, provision and ongoing support needs.
- 5. There is currently a gap in Lancashire for an independent (i.e. non institution specific) innovation and technology support offer. National provision may fill this gap but experience has shown that the most effective engagement by national offers has resulted when there has been a local support presence to introduce and guide the national offers. Consideration should be given to whether this role can be fulfilled via the Lancashire Growth Hub Gateway advisors, or whether dedicated provision may be required. Lancashire has recently been selected by The Department for Business Innovation & Skills as one of 3 areas to conduct a Science & Innovation Audit which should provide further detail on current provision and any additional requirements.
- 6. The information provided in this report captures a partial snapshot of an ever changing support landscape. There is a key role for the Lancashire Growth Hub Gateway service in maintaining up to date and detailed knowledge of existing and emerging support in order to ensure effective coordination and the avoidance of duplication. This will be particularly important in informing funding calls and evaluating bids.
- 7. The role of the Lancashire Enterprise Partnership’s Business Support Management Board in informing the LEPs feedback and commentary of proposed and active Lancashire Programmes should be more formally established. It is particularly noted in the case of ESIF funds, that the LEP has an advisory role in call and bid development and in commenting on

delivery performance but that ultimate decision lies with the central government Managing Authority within The Department of Communities and Local Government. This could be considered a weakness in terms of the ability of the local area to make available resources to support its particular priorities. Any perceived weakness should be able to be mitigated or removed through effective and timely two way communication between the LEP and the Managing Authority to ensure an appropriate alignment of European, national and local priorities and their subsequent resourcing.

8. Funding and delivery agreements should give consideration to a greater degree of results based payments, rather than simpler but potentially less effective payment by volumes of throughput models. These should be backed by closer performance monitoring and the inclusion of contract break points during project delivery.
9. Effective independent evaluation should be intrinsic to any project. This should include evaluation of the initial premise for the project compared to actual activities, delivery arrangements and performance and the tangible impacts for the beneficiaries. Evaluation should take place at the appropriate time and be staged if necessary, for example, some impacts may be immediate whilst others may only be realised over a longer period. Sufficient consideration should be given to the resourcing and scope of proposed evaluation during project development and appraisal.
10. Local funding decision makers should pay particular attention to the following in terms of potential scope for duplication, inconsistency and confusion:
  - a. Start up support
  - b. Financial products – e.g. loans, grants.
11. The renewed Growth Hub Gateway service needs to play a key operational role in ensuring effective alignment and coordination between national and local business support offers. This is important to:
  - a. ensure appropriate Lancashire companies receive sufficient benefit from national offers.
  - b. Achieve joined up delivery, avoiding overlap and “initiative” fatigue. The local team can help to deploy the appropriate national resources in a timely manner and may often make linkages that national programme representatives may not have achieved without the benefit of local knowledge.
12. Specifically, there should be closer working between the Growth Hub Gateway and the deliverers of the New Enterprise Allowance Programme. For example, further support may be needed by the NEA beneficiary either in parallel with the NEA support or after it has ended.
13. Most support has relatively broad eligibility or exclusions. Consideration should be given to whether there is a requirement for specific support provision to benefit particular Lancashire growth sectors. The work of the Lancashire Enterprise Partnership Skills Baseline Studies could inform such considerations.

DRAFT

Appendix 1 – Provider Responses – Key Support Areas

Organisation Name	Support Service Name	Advice\Mentoring	Grant Support	Loan Support	Training\ Skills Development	Networking	Workshops\ events	Undergraduate or post graduate placement	Other	Please specify if other?
BFS Funding Managers Limited	Start Up Loans	Advice\Mentoring		Loan Support						
BFS Funding Managers Limited	PROGRESS Micro Loan			Loan Support						
Blackburn with Darwen Borough Council	Assistance to Industry		Grant Support							
Blackpool Council - Business Support Team	Get Started	Advice\Mentoring					Workshops\events			
Blackpool Council - Business Support Team	Business Growth	Advice\Mentoring								
Blackpool Council - Business Support Team	Blackpool Investment Fund		Grant Support	Loan Support						
Burnley Borough	Business Growth Programme	Advice\Mentoring	Grant Support							



Organisation Name	Support Service Name	Advice\Mentoring	Grant Support	Loan Support	Training\ Skills Development	Networking	Workshops\ events	Undergraduate or post graduate placement	Other	Please specify if other?
Council										
Chorley Council	Chorley Council Business Support	Advice\Mentoring	Grant Support	Loan Support	Training\Skills Development	Networking	Workshops\events			
Community & Business Partners	Growth Mentoring	Advice\Mentoring	Grant Support							
East Lancashire Chamber of Commerce	New Enterprise Allowance (NEA)	Advice\Mentoring				Networking	Workshops\events			
East Lancashire Chamber of Commerce	Lancashire Business Growth Fund	Advice\Mentoring	Grant Support		Training\Skills Development					
East Lancashire Chamber of Commerce	UK Trade & Investment	Advice\Mentoring			Training\Skills Development	Networking	Workshops\events			
Economic Solutions, trading as the Manchester Growth Company	Access to Finance Lancashire	Advice\Mentoring					Workshops\events			
Economic Solutions, trading as the	Textiles Growth Programme	Advice\Mentoring	Grant Support							

Organisation Name	Support Service Name	Advice\Mentoring	Grant Support	Loan Support	Training\ Skills Development	Networking	Workshops\ events	Undergraduate or post graduate placement	Other	Please specify if other?
Manchester Growth Company										
Economic Solutions, trading as the Manchester Growth Company	UKTI International Trade	Advice\Mentoring			Training\Skills Development	Networking	Workshops\events			
Economic Solutions, trading as the Manchester Growth Company	Enterprise Europe Network (EEN)	Advice\Mentoring				Networking	Workshops\events			
Enterprise Lancashire	Gearing Up For Growth	Advice\Mentoring	Grant Support							
Enterprise Lancashire	Burnley Market Hall Support	Advice\Mentoring								
Enterprise4all (North West) Limited	Growth Support Programme		Grant Support			Networking	Workshops\events			
Enterprise4all (North West) Limited	General Start Up Support	Advice\Mentoring				Networking	Workshops\events			
Enterprise4all (North West) Limited	Community Engagement &	Advice\Mentoring			Training\Skills Development	Networking	Workshops\events			

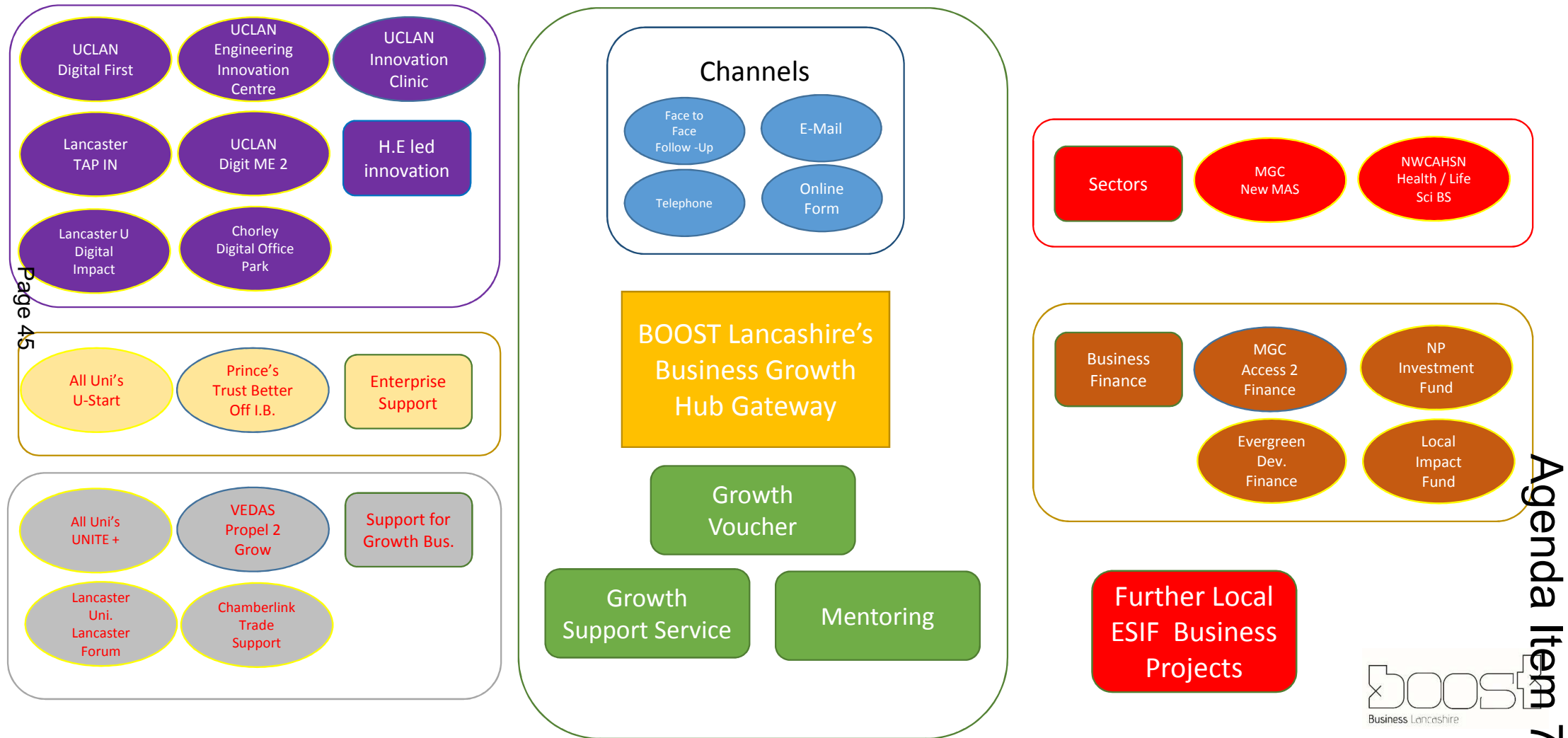
Organisation Name	Support Service Name	Advice\Mentoring	Grant Support	Loan Support	Training\ Skills Development	Networking	Workshops\ events	Undergraduate or post graduate placement	Other	Please specify if other?
	Empowerment									
Federation of Small Businesses		Advice\Mentoring				Networking	Workshops\events			
Hyndburn Enterprise Trust t/a Business Enterprise Trust	Start Up Loans Programme	Advice\Mentoring		Loan Support	Training\Skills Development		Workshops\events			
Hyndburn Enterprise Trust t/a Business Enterprise Trust	Start and Grow	Advice\Mentoring			Training\Skills Development	Networking	Workshops\events			
IDG	Investors in People advisory and accreditation services	Advice\Mentoring			Training\Skills Development		Workshops\events			
North and Western Lancashire Chamber of Commerce	International Trade	Advice\Mentoring			Training\Skills Development	Networking	Workshops\events	Undergraduate or post graduate placement		
North and Western Lancashire	International Trade support service	Advice\Mentoring			Training\Skills Development	Networking	Workshops\events	Undergraduate or post graduate		

Organisation Name	Support Service Name	Advice\Mentoring	Grant Support	Loan Support	Training\Skills Development	Networking	Workshops\events	Undergraduate or post graduate placement	Other	Please specify if other?
Chamber of Commerce								placement		
North and Western Lancashire Chamber of Commerce	New business start up	Advice\Mentoring			Training\Skills Development	Networking	Workshops\events			
Orvia	MERE Project	Advice\Mentoring	Grant Support	Loan Support	Training\Skills Development		Workshops\events			
Pendle Borough Council	Pendle Council Gearing up for Growth	Advice\Mentoring	Grant Support				Workshops\events			
Rossendale Borough Council	Regenerate Pennine Lancashire	Advice\Mentoring	Grant Support	Loan Support	Training\Skills Development	Networking	Workshops\events	Undergraduate or post graduate placement		
UCLan	Innovation Clinic	Advice\Mentoring					Workshops\events		Other	Product Design Development and Testing
Vedas Recruitment & Training Ltd	Vedas No Cost Recruitment				Training\Skills Development					
West Lancashire Borough Council	Business support		Grant Support		Training\Skills Development	Networking	Workshops\events			
		28	13	7	15	15	22	3	1	

DRAFT



# Boost and the Wider Business Support Offer







Item 3 Financial and Ouputs position -Lancashire ESIF Partnership 11th May 2016

			ERDF						ESF					EAFRD						
			Priority Axis	1	2	3	4	5	6	1		2								
			Thematic Objective	TO1	TO2	TO3	TO4	TO5	TO6	TO8		TO9	TO10							
			Description	Innovation	ICT	SME Comp	Low Carbon	Climate Change	Environment	Employment		Social Inclusion	Skills							
			Fund	ERDF	ERDF	ERDF	ERDF	ERDF	ERDF	ESF		ESF	ESF		EAFRD	Total				Total All Funds
Activity	Organisation	Designation							1.1	1.2	1.4	2.1	2.2		ERDF	ESF	Total ERDF & ESF	EAFRD		
SFA Skills Support for the Workforce (2.1)		SFA	Opt-In									23.33			0.00	23.33	23.33	0.000	23.33	
SFA Skills Support for the Unemployed (1.1)		SFA	Opt-In						11.11						0.00	11.11	11.11	0.000	11.11	
SFA Support for Young People (NEET) (1.2)		SFA	Opt-In							4.45					0.00	4.45	4.45	0.000	4.45	
SFA Support for Young People (NEET) (1.2) Remaining Allocation		SFA	Opt-In							2.22					0.00	2.22	2.22	0.000	2.22	
Big Lottery Older People		Big Lottery	Opt-In									1.80			0.00	1.80	1.80	0.000	1.80	
Big Lottery Younger People		Big Lottery	Opt-In									1.65			0.00	1.65	1.65	0.000	1.65	
Big Lottery Disadvantaged Groups		Big Lottery	Opt-In									2.25			0.00	2.25	2.25	0.000	2.25	
Big Lottery Digital Inclusion		Big Lottery	Opt-In									1.80			0.00	1.80	1.80	0.000	1.80	
DWP		DWP	Opt-In						3.00						0.00	3.00	3.00	0.000	3.00	
PA3 Call - Business Start Ups			Call			1.00									1.00	0.00	1.00	0.000	1.00	
PA3 Call - Leadership & Management			Call			1.00									1.00	0.00	1.00	0.000	1.00	
PA6 Call - Green Infrastructure			Call						2.27						2.27	0.00	2.27	0.000	2.27	
PA9 1.4 Call - Active Inclusion			Call								8.25				0.00	8.25	8.25	0.000	8.25	
PA10 2.1 Call - Widening Participation			Call									4.95			0.00	4.95	4.95	0.000	4.95	
Employment & Mental Health Integration Pilot		Blackpool Council	Approved						1.00						0.00	1.00	1.00	0.000	1.00	
UCLan Innovation Clinic		UCLan	Contracting	1.43											1.43	0.00	1.43	0.000	1.43	
BOOST		LCC	Contracting			3.71									3.71	0.00	3.71	0.000	3.71	
Access 2 Finance		GMBS	Contracting			0.51									0.51	0.00	0.51	0.000	0.51	
Better Off in Business		Princes Trust	Contracting			0.17									0.17	0.00	0.17	0.000	0.17	
Propel to Grow		Vedas	Contracting			1.00									1.00	0.00	1.00	0.000	1.00	
International Trade		Chamberlink	Appraisal - Pending			1.20									1.20	0.00	1.20	0.000	1.20	
Engineering Innovation Centre (EIC)		UCLan	Appraisal	5.80											5.80	0.00	5.80	0.000	5.80	
DigitME2		UCLan	Appraisal	1.10											1.10	0.00	1.10	0.000	1.10	
Digital First		UCLan	Appraisal			1.13									1.13	0.00	1.13	0.000	1.13	
Investment Readiness		UCLan	Appraisal			0.69									0.69	0.00	0.69	0.000	0.69	
UNITE+		UCLan	Appraisal			1.41									1.41	0.00	1.41	0.000	1.41	
TAP-IN		Lancaster Uni.	Appraisal			4.36									4.36	0.00	4.36	0.000	4.36	
U Start		Lancaster Uni.	Appraisal			1.65									1.65	0.00	1.65	0.000	1.65	
Lancashire Forum		Lancaster Uni.	Appraisal			1.91									1.91	0.00	1.91	0.000	1.91	
Digital Impact		Lancaster Uni.	Appraisal			5.91									5.91	0.00	5.91	0.000	5.91	
Low Carbon Lancashire Innovation Hub (LoCaL-i)		Lancaster Uni.	Appraisal				4.24								4.24	0.00	4.24	0.000	4.24	
Digital Office Park, Euxton Lane Chorley		Chorley BC	Appraisal			4.05									4.05	0.00	4.05	0.000	4.05	
Building Capacity & Capability in Health & Life Science Businesses		NWCAHSN	Appraisal			0.92									0.92	0.00	0.92	0.000	0.92	
Pan-LEP Specialist Manufacturing Service		GMBS	Appraisal			0.45									0.45	0.00	0.45	0.000	0.45	
Evergreen (JESSICA)			Indicative allocation			10.00									10.00	0.00	10.00	0.000	10.00	
Northern Powerhouse Investment Fund (JEREMIE)			Indicative allocation			8.50	4.00								12.50	0.00	12.50	0.000	12.50	
Local Impact Fund			Indicative allocation			5.00									5.00	0.00	5.00	0.000	5.00	
EAFRD - Various Activities			Indicative allocation												0.00	0.00	0.00	0.000	0.00	
TOTAL EARMARKED FUNDING (£million)				8.33	0.00	54.57	8.24	0.00	2.27	15.11	6.67	15.75	28.28	0.00	0.00	73.42	65.81	139.22	0.000	139.22
															0.00	0.00	0.00	0.000	0.00	
															0.00	0.00	0.00	0.000	0.00	
TOTAL Applications				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.00	0.00	0.00	0.000	0.00
TOTAL FUNDING ALLOCATION (£million) (August 2015 Exchange Rate)				20.65	5.94	57.37	23.90	2.82	2.27	15.11	6.67	15.75	33.23	4.59	4.201	112.94	75.34	188.29	4.201	192.49
TOTAL EARMARKED FUNDING (£million)				8.33	0.00	54.57	8.24	0.00	2.27	15.11	6.67	15.75	28.28	0.00	0.000	73.42	65.81	139.22	0.000	139.22
AVAILABLE FUNDING (£million) (August 2015 Exchange Rate)				12.31	5.94	2.80	15.66	2.82	0.00	0.00	0.00	0.00	4.95	4.59	4.201	39.52	9.54	49.06	4.201	53.26
AVAILABLE FUNDING (£million) INCLUDING APPLICATIONS				12.31	5.94	2.80	15.66	2.82	0.00	0.00	0.00	0.00	4.95	4.59	4.201	39.52	9.54	49.06	4.201	53.26
TOTAL FUNDING ALLOCATION (£million) (February 2016 Exchange Rate)				22.68	6.52	63.03	26.25	3.10	2.50	16.60	7.32	17.30	36.51	5.04	4.201	124.08	82.77	206.85	4.201	211.05
AVAILABLE FUNDING (£million) (February 2016 Exchange Rate)				14.35	6.52	8.46	18.01	3.10	0.22	1.49	0.66	1.55	8.23	5.04	4.201	50.66	16.96	67.62	4.201	71.83
AVAILABLE FUNDING (£million) INCLUDING APPLICATIONS				14.35	6.52	8.46	18.01	3.10	0.22	1.49	0.66	1.55	8.23	5.04	4.201	50.66	16.96	67.62	4.201	71.83
94% of Funding Allocation (£million) (February 2016 Exchange Rate)				21.32	6.13	59.25	24.68	2.91	2.35	15.60	6.88	16.26	34.32	4.73	3.949	116.63	77.80	194.44	3.95	198.39

**LANCASHIRE ESIF FUNDING 2014-20**

	SUMMARY (£m)				
August 2015 Exchange Rate	ERDF	ESF	Total ERDF & ESF	EAFRD	Total All Funds
Total Allocation	112.94	75.34	188.29	4.201	192.49
Earmarked Funding	73.42	65.81	139.22	0.000	139.22
Available Funding	39.52	9.54	49.06	4.201	53.26
Available Funding incl Applications	39.52	9.54	49.06	4.201	53.26

	SUMMARY (£m)				
February 2016 Exchange Rate	ERDF	ESF	Total ERDF & ESF	EAFRD	Total All Funds
Total Allocation	124.08	82.77	206.85	4.201	211.05
Earmarked Funding	73.42	65.81	139.22	0.000	139.22
Available Funding	50.66	16.96	67.62	4.201	71.83
Available Funding incl Applications	50.66	16.96	67.62	4.201	71.83

	SUMMARY (£m)				
Variance	ERDF	ESF	Total ERDF & ESF	EAFRD	Total All Funds
	11.14	7.43	18.56	0.00	18.56

Proportions	Priority Axis	Allocation (£m)	Earmarked (£m)
60% ERDF on TO1 to TO4	Total ERDF TO1 to 4	£107.85	£71.14
	% of ERDF	95%	63%
15% ERDF TO4 Low Carbon	Total ERDF TO4	£23.90	£8.24
	% of ERDF	21%	7%
20% ESF TO9 Social Inclusion	Total ESF TO9	£15.75	£15.75
	% of ESF	21%	21%



Prince's Trust

# TRUST IN BUSINESS

How Prince's Trust support increases business sustainability



NatWest

wavehill  
social and economic research

# FOREWORD



**SINCE 1983, WE HAVE SUPPORTED OVER 80,000  
YOUNG PEOPLE TO SET UP BUSINESSES.**

As The Prince's Trust reaches its 40th anniversary, I'm pleased to launch this new report on one of the longest-standing and best-known aspects of our work, the Enterprise programme. The opportunity to set up their own business remains a vital route to success for many unemployed and disadvantaged young people.

Since 1983, we have supported over 80,000 young people to set up businesses.

We have been fortunate to support many young entrepreneurs over the years and The Trust is proud of how many of them have sustained their businesses and the difference this has made to their confidence and self-esteem, to their communities, and to their individual finances.

I am delighted that this independent evaluation has confirmed that sustainability rates amongst our businesses are extremely high. More than three-quarters (76%) of Prince's Trust-supported businesses are still trading after two years and 73% after three years.

These results are better than the comparable figures for all UK start-up businesses, which is particularly impressive given the relative youth and inexperience of the entrepreneurs helped by The Trust.

In addition, those young people we have supported from disadvantaged backgrounds perform equally well. This is a tribute to the commitment and hard work of not just our staff, but particularly our volunteer mentors, the importance of whose role is specifically highlighted by the evaluation.

Above all, however, we should never forget the determination and dedication shown by every young person on this programme. The consistent and extensive support of NatWest has also been crucial to the continued development of The Trust's Enterprise programme over many years. It is through this generosity that we were able to commission a 2013 evaluation, and now to build on that to look specifically at sustainability. Independent evaluations of this type are vital to us as to ensure that we continue to do the best possible job for young people.

I hope the impact of this evaluation will spread to other organisations which support start-up businesses, and beyond them to Government and policymakers who can ensure a positive environment for young entrepreneurs. This evaluation shows that starting a business is a hugely positive opportunity for unemployed young people, and that the right support, both from organisations like The Trust and from Government, is imperative.

**Richard Chadwick**  
**Director of Programmes and Development**  
The Prince's Trust

# INTRODUCTION



**WE ARE LONG-TERM SUPPORTERS OF THE ENTERPRISE PROGRAMME, AND HAVE PROUDLY HELPED THOUSANDS OF YOUNG PEOPLE EXPLORE THEIR BUSINESS IDEAS.**



NatWest and The Prince's Trust share a common mission: to offer more young people the opportunity to turn their big ideas into reality by starting their own business. We know that self-employment is a great way for young people to achieve financial independence, as well as the pride and satisfaction that comes from being your own boss.

NatWest was one of the very first supporters of The Prince's Trust when it was established in 1976, and today we are the largest and longest standing supporter of The Trust's Enterprise programme.

This evaluation follows a study The Trust commissioned with our support in 2013, which gave some very positive findings about the Enterprise programme, but identified a gap for an evaluation of the sustainability of the businesses started by young people on the programme. It is a tribute to The Trust that this evaluation has found such high rates of business success among the young people involved. This demonstrates that our support has made, and continues to make, a real and lasting difference to the lives of thousands of young people.

Whenever I meet young people who have taken part in The Prince's Trust's Enterprise programme, I am inspired and impressed by their determination to overcome the barriers they have faced in their lives, and their drive and ambition to succeed as young entrepreneurs.

Contributing to such a life-changing scheme is an important part of our commitment to supporting entrepreneurship amongst a diverse range of people for whom it might otherwise seem a distant dream.

NatWest has maintained a large-scale, UK-wide partnership for 16 years. During that time, we've invested over £21 million in the future of young people through The Trust, and engaged our staff in fundraising and volunteering activities as well. We are long-term supporters of the Enterprise programme, and have proudly helped thousands of young people explore their business ideas.

I am delighted that we have recently renewed our commitment, and look forward to seeing many more young people starting up and succeeding in business with support from The Trust and Natwest.

**Alison Rose**  
**CEO**

NatWest Commercial and Private Banking

# BACKGROUND

## About this research

The Prince's Trust and NatWest commissioned Wavehill to undertake an evaluation of business survivability of participants of The Prince's Trust Enterprise programme.

The research was conducted between October 2015 and January 2016 with the aim of:

- Assessing the success of business sustainability for those between two and three years post start-up
- Understanding the contribution of volunteer support on business survivability and growth
- Identifying good practice, areas for improvement and learning to inform any future developments of the programme

### Methodology

The research process included: a telephone survey of 550 Trust-supported entrepreneurs two and three years post start-up (those who started a business with full start-up support from The Trust in 2012 or 2013); a second telephone survey of 80 individuals who accessed only pre-start training from The Trust; and interviews with Enterprise programme staff and volunteers. Quotas were used as part of the sampling of individuals who had been helped by The Trust, to ensure it was representative in terms of the young people's background characteristics.

### The Enterprise programme

The Prince's Trust Enterprise programme helps unemployed young people aged 18-to-30 with support and funding to assess their business ideas and decide whether self-employment is right for them; if not, support is offered to access other work or training opportunities.

The programme consists of the following four stages, alongside up to three years of ongoing mentoring for young people who launch a business:

- 1. Information Session:** A taste of what to expect from the programme
- 2. Explore Enterprise Course (EEC):** A four-day course about planning and running a business
- 3. Support to build a business:** One-to-one sessions and sometimes, small 'Will It Work' grants for test trading
- 4. Launching a business:** Young people wishing to start a business present their plans to a Launch Group which determines ongoing mentoring and start-up financial support. Those choosing not to start a business are offered progression mentoring instead

Many young people, having completed stages 1, 2 and possibly 3, choose to set up a business themselves prior to stage 4 without further support from The Trust. Throughout this report, we refer to these young people as having received "pre-start training". In contrast, those who completed all four stages of the journey are described as receiving "full start-up support". A fifth (20%) of 8,682 young people joining the programme in 2014-15 received full start-up support.



# ALAN CLARKE

22, Middlesbrough

Before enrolling on the Enterprise programme in June 2012, Alan was struggling to find work and was regularly securing less than 16 hours a week.

His father mentioned perhaps starting a business with the support of The Prince's Trust and the idea for Al's Garage - which provides servicing, brakes, MOT work, exhausts, clutches and general repairs - began to grow.

Alan attended the Explore Enterprise Course, which proved to be vital.

He said: "I never knew how it worked or anything before that course. They got me to understand it all, and it has helped keep the business going. If I hadn't done the course, I'm sure my business would now be struggling.

"The support made it much easier to start-up my business. My mentor helped me make my business plan more in-depth and detailed, which was useful for the Business Launch Group when I had to present my business idea. Together with the information I gained and the funding I was given, it all helped to keep my business going. I still see my mentor from time to time – it keeps me motivated."

Over the next five years, Alan hopes to expand the business and employ more staff.



# EXECUTIVE SUMMARY

This evaluation explores the extent to which businesses established by young people supported by The Prince's Trust Enterprise programme survive and grow.

The research followed up with young people who started their businesses in 2012 or 2013 and reveals that 76% of those who received full start-up support from The Prince's Trust were still running their business two years later, and 73% three years later. In fact, these businesses enjoy higher rates of survival than those typically found across the UK.

This indicates that, with the right support, self-employment is a viable option for unemployed young people.



This relatively high survival rate holds true for all young people who received full start-up support from The Prince's Trust, regardless of their background, additional needs or level of education.

The evaluation also collected young people's impressions of the support they have received since starting their business, and both the benefits and the challenges of running their own business.

It provides evidence for how and why starting a business is hard work, recognising that it takes time to grow a business. It identifies particularly what it is that has helped these businesses survive, and reveals that the four-day Explore Enterprise Course (EEC), along with up to three years' business support from The Trust's network of volunteers, are key elements which have a lasting impact.

The Trust's person-centered approach is highly evident in the delivery of the Enterprise programme, which is designed to ensure there is sufficient time to help the young person achieve the best outcome for them, irrespective of whether it be self-employment or not.

The evaluation highlights how the Enterprise programme has helped move young people away from unemployment, providing them with the skills and one-to-one support to help them create sustainable businesses.

More than seven in 10 (71%) young entrepreneurs who had accessed full start-up support from The Trust could not identify anything missing from the support they received. The remainder identified primarily specialist (for example sector-specific) business support but also networking opportunities. Where The Trust has piloted these enhancements, it is suggested that they can help businesses survive and grow quicker, which may enable young people to derive a sustainable income from their business sooner.



# FINDINGS

01

## Self-employment is a viable option for unemployed young people

Of the young people who received full start-up support through the Enterprise programme in 2012 and 2013, 76% were still running their business two years later, and 73% three years later.

In fact, businesses which receive full start-up support from The Prince's Trust enjoy higher rates of survival than those typically found across the UK. This is all the more impressive given the relative inexperience of the young people supported on the Enterprise programme, highlighting that, with the right support, self-employment really is a viable option for unemployed young people.

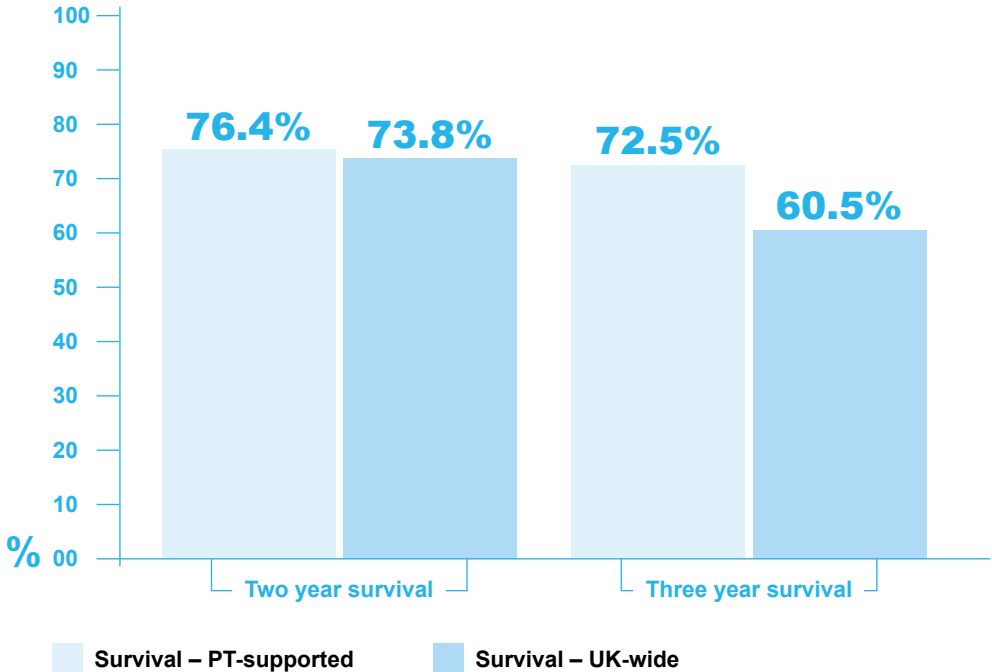
Age does seem to make a difference however, with a clear correlation between the age of the entrepreneur and the chances of the business surviving. Of those aged 18 to 24 who started a business, 54% are still running that business three years later. This rises to 70% for those aged 25 to 29, and rises again to 79% of those who are now over the age of 30.

These self-employed young people also provide some further employment, with 34% employing part-time staff and 10% employing seasonal staff.

It is encouraging to note the high level of self-employment reported by young people who had initially set up a business with The Prince's Trust. Three-quarters (75%) told researchers that they are currently self-employed; this will include those who have set up subsequent businesses as well as those still running their original business. Indeed, some mentioned to researchers that they are now running their second or even third business.



Comparison of two year and three year survival rates between Prince's Trust supported businesses and UK-wide survival rates<sup>1</sup>



**IT'S CHANGED MY LIFE SO MUCH, I NEVER THOUGHT I WOULD BE ABLE TO ACHIEVE WHAT I HAVE AND I COULD NEVER HAVE DONE IT WITHOUT PRINCE'S TRUST.**

<sup>1</sup> Business Demography Data, Two Year and Three Year Survival Rates, Office for National Statistics (based on businesses started in 2011 and 2012).

# FINDINGS

02

## Background isn't a barrier to self-employment

The Enterprise programme helps unemployed young people from a variety of backgrounds, including the hardest to reach, moving them away from joblessness to set up their own businesses.

For many young people, this is the most fulfilling employment option; the primary motivations for starting a business being to follow their own interests (57%) and to be their own boss (57%).

For others however, a need for flexible working arrangements, due to caring commitments or health issues, is another important motivation (29%).

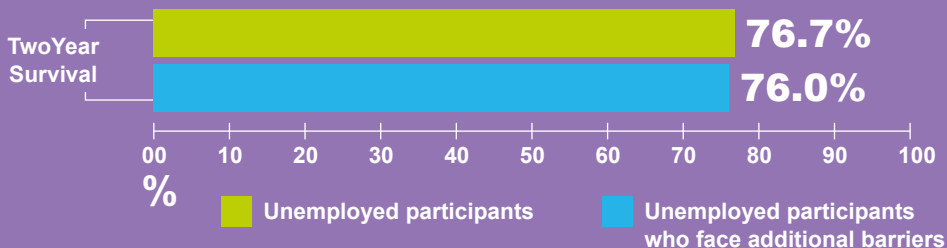
Significantly, for those aged 18 to 24, almost a quarter (24%) noted that they could not secure a job. For them, therefore, starting a business offered a viable alternative to unemployment.





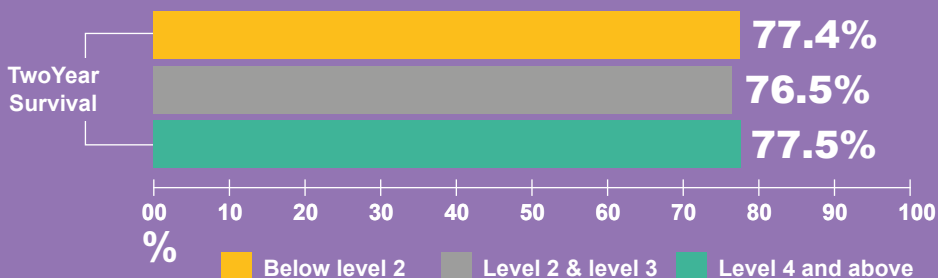
### Comparison of two year survival rates between unemployed participants and those unemployed participants who face additional barriers

Of those young people from minority and disadvantaged backgrounds, or those with additional needs<sup>2</sup> who decide to start a business with full start-up support, their businesses are as likely to survive as those of other unemployed young people on the Enterprise programme. These young people are not being held back as a result of their circumstances and many of their businesses go on to survive, proving that young people across a variety of disadvantaged groups can be successful entrepreneurs.



### Comparison of two year survival rates across participants' qualification levels

Similarly, this research shows that a lack of qualifications or educational achievement should not be considered a barrier. Of those who received full start-up support, young people educated to GCSE level are just as likely to still be running their business in year two (77.4%) as those who gained a university degree (77.5%).<sup>3</sup>



<sup>2</sup> These include: Offenders and ex-offenders; mental health needs; homeless; looked after; care leaver; single parents; refugees and asylum seekers; disabled; educational underachiever.

<sup>3</sup> Qualification levels:

**Entry level** – Entry Level Certificate; Foundation Diploma; BTEC Level 1 Certificate

**Level 1** – GCSE grades D – G; Level 1 NVQ

**Level 2** – GCSE at grades A\*–C; BTEC level 2; Level 2 NVQ

**Level 3** – AS and A level; BTEC level 3; Level 3 NVQ

**Level 4** – Diploma; Certificate of Higher Education; BTEC level 4

**Level 5 and above** – Foundation, Bachelors, Masters degrees and PhD

# FINDINGS

03

## Starting a business is hard work

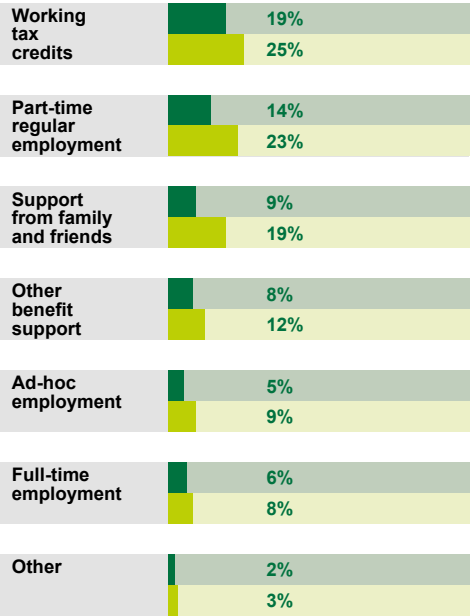
The reality of starting a business is that it requires dedication, perseverance and resilience. Young people spend an average of between 30 and 40 hours per week running their Trust-supported businesses in the first three years.

Half of these businesses (50%) had a turnover of less than £13,750 and a profit of less than £6,250 in their second and third years. Nonetheless, by comparison, only 61% of all UK business under three years old are likely to have made any profit or surplus in their last financial year (2012 Small Business Survey). For this reason, just over half (54%) of these young people have needed to supplement their earnings with additional income, whether through state benefits, part-time employment or help from family or friends.

It is noticeable that the need for the additional sources of income appears to decrease as the business develops.

In terms of support for the business itself, young people assemble this from various sources. To finance the start-up of their business, almost half (49%) draw on personal savings, and 19% benefit from a contribution from family or friends. Family and friends are also the main source of informal business advice and support that young people access outside of The Prince's Trust (20%). Of those who accessed a start-up loan through The Trust, 93% were happy that the repayment process worked for them.

### How young people receiving full start-up support supplement their earnings from their business with additional income



**Still receive now**  
**Have received at some point since start-up**



## It takes time to grow a business

Everyone faces challenges in starting a business and therefore growing a business takes time. Nevertheless, 96% of Trust-supported businesses in their second and third years reported that they were either very satisfied (52%) or satisfied (44%) with what they had so far achieved with their business.

These young people felt more financially secure than they had at start-up and also reported increased confidence in their business. Even where young people were no longer running their business, almost two-thirds who had received full start-up support (64%) felt it was likely they would start another in the future.



**FOR ME, IT WAS LIFE-CHANGING AND TO BE HONEST, IT'S AS SIMPLE AS THAT. I HAVE CONSIDERED EMPLOYMENT BUT RUNNING MY OWN BUSINESS HAS OPENED SO MANY DOORS FOR ME.**

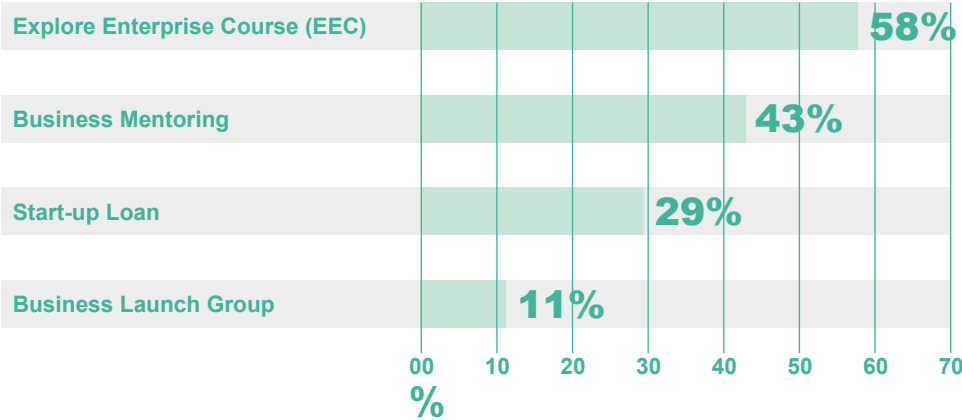
# FINDINGS

05

## There are specific things that help businesses survive and grow

Certain elements of the Enterprise programme are key ingredients for business success. When asked which aspects of the Enterprise programme young people had found most useful it is notable that the four-day initial Explore Enterprise Course (EEC) and business mentoring were by far the most popular responses (58% and 43% respectively).

Elements of the Enterprise programme considered most valuable to those accessing full start-up support



Sixty-two percent of those receiving full start-up support felt that accessing finance was the main obstacle they were facing in starting their business prior to engaging with the Enterprise programme. However, of the 68% who received a start-up loan, only 40% described it as being among the most valuable programme elements.

These findings reinforce anecdotal perspectives amongst delivery staff that whilst finance is often the hook to engage young people in the programme, the EEC and business mentoring are the critical elements that the programme offers.

Enterprise programme participants who received business mentoring but not a loan or grant were overall just as likely to report that their business was still surviving (74%) compared to those who received both (71%). Access to a start-up loan is nevertheless important, and is critical for certain businesses that have higher start-up costs, for example those that need to purchase equipment.

After accessing finance, the next most important barriers those surveyed cited in starting their business, was 'knowing how to start a business' (53%) and 'knowing where to get guidance' (45%). The value that they give to the EEC highlights the importance young people place on having time to explore their business idea and plan extensively prior to launch.

Along with the ongoing one-to-one mentor support, they viewed this time as essential for the sustainability of their businesses.

The Trust's person-centered approach is highly evident in the delivery of the Enterprise programme, which is designed to focus on taking the time required - sometimes up to a year - to help the young person achieve the best outcome for them, irrespective of whether it be self-employment or not.



**MY MENTOR WAS SO FANTASTIC AND HE REALLY BOOSTED MY CONFIDENCE, SO THAT I FEEL MORE COMFORTABLE TALKING TO AND WORKING WITH PEOPLE ON A PROFESSIONAL LEVEL.**

# FINDINGS

06

## The Prince's Trust Enterprise programme is adding value

The higher survivability rates of Trust-supported businesses compared to other businesses, as evidenced here, point to The Trust's programme as making a real difference to young people's success.

Young people themselves whom we spoke to reinforced this conclusion. A third (33%) of those who received full start-up support felt it was unlikely that they would have started their business without the support of the Enterprise programme.

Of the remainder, a quarter (25%) felt it unlikely that their business would still be surviving had they not benefitted from the support, 46% felt their business was more successful or had grown quicker thanks to the support and 80% said the support accelerated their start-up.

Looking back, young people are extremely happy overall with the support they received through the Enterprise programme (90% satisfied or very satisfied) and 95% of young people would recommend the Enterprise programme to others or have already done so.



**IT'S CHANGED MY LIFE. I'M DOING A JOB THAT I LOVE AND I'M GOOD AT AND I FEEL LIKE IT'S THE TRUST THAT HAVE GIVEN ME THE CHANCE TO DO THIS.**

# BETHAN IRELAND

25, Holywell

Bethan came across The Prince's Trust Enterprise programme through her local job centre, at a time when she was in and out of work, claiming Jobseeker's Allowance and struggling with anxiety.

Having long held an interest in working in hair and beauty, she was urged to enroll on a course by her adviser, and referred onto The Trust upon completion.

In March 2012, she launched Paint Me Pretty by Bethan, which offers hair and beauty treatments in the comfort of clients' homes. She said: "For me, the biggest thing about being involved with the Enterprise programme was how The Trust managed to make me think that I am good enough to do it. I don't even believe I'd have a business if it wasn't for The Prince's Trust and everything they've taught me, I really don't.

"The Explore Enterprise Course was the thing that really helped my business survive for the first few months. I've still got my booklet and sometimes if I'm stuck I look through it and see what I've written in there to get some ideas." Bethan has since become a Young Ambassador for The Trust and has returned to deliver talks on her experience of running her business to other young entrepreneurs.

Now in her own premises, employing three staff, Bethan has big plans for the future, possibly expanding to a second branch.



# CHALLENGES THAT REMAIN

More than seven in 10 (71%) young people who received full start-up support from The Trust could not identify anything missing from the support they received.

The remainder primarily identified additional opportunities to access specialist (for example, sector-specific) business support, but also networking opportunities.

Very few young people seek specialist support from elsewhere, and staff and volunteers suggested that young people often don't have the confidence to access external agencies, and they build up a sense of trust and understanding with The Trust.



We are aware of an external imperative to support an acceleration of business growth, so that the business can provide a sustainable income for the young person as early as possible. The new welfare system, Universal Credit, will expect self-employed claimants to be more financially self-sufficient than at present, with business owners able to pay themselves the equivalent of the minimum wage from the second year onwards.

Innovation on The Trust's programme may offer some potential solutions. Between 2012 and 2015 The Prince's Trust delivered European-funded enhancements to the Enterprise programme in some regions as pilots.

These offered varying combinations of dedicated business coaches, business sustainability managers, one-to-one sessions with specialist mentors and group workshops (on accounting or marketing, for example) alongside the standard elements of the Enterprise programme. In some cases, specialist mentors and workshop sessions have continued beyond the lifetime of the funding thanks to volunteer support.

Feedback related to these initiatives has been highly favourable, accompanied by suggestions that businesses are more likely to survive and grow more quickly as a result.





# STACIE JONES

26, Shropshire

Having moved to Brighton to pursue a career in the creative industries, Stacie was confronted by fierce competition and struggled to secure employment.

She was claiming Jobseeker's Allowance when a friend mentioned The Prince's Trust Enterprise programme. Stacie had been keen to start her own business but lacked confidence and was worried about managing financially.

She said: "You think no one will help you, and that you can't live on no money when trying to start a business. The Prince's Trust was able to support me whilst I was claiming benefits - I thought I'd be stupid not to do it." She launched SJ Consultancy, a marketing and design company, in 2012. After completing the Enterprise programme, Stacie chose not to receive financial support but did work with a mentor to develop her business plan.

She said: "I had someone that I was able to ask questions to, even silly questions. Having someone to chat to was invaluable." Now in her own office with an intern, Stacie continues to develop her technical and business skills. She plans to continue to grow her business and take on additional staff.

"The Trust gave me the confidence to start my business and believe that my goal was achievable. That's the main thing that's made a difference with start-up, survivability and growth."





# ACKNOWLEDGMENTS

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The Prince's Trust and Wavehill would like to thank all the young entrepreneurs, volunteer mentors and members of staff who gave up their time to talk to researchers and share experiences. We are also grateful to NatWest for providing the funding to make this evaluation possible.



**WHEREVER I GO I TELL PEOPLE IT'S THE BEST THING I'VE EVER DONE AND IT'S TURNED MY LIFE AROUND. EVERYONE AT THE PRINCE'S TRUST HAS A BIG HEART AND THEY TRULY CARE.**



Prince's Trust



To find out more about The Prince's Trust:

Visit: **[princes-trust.org.uk](https://princes-trust.org.uk)**

Email: **[info@princes-trust.org.uk](mailto:info@princes-trust.org.uk)**

Call: **0800 842 842**

**Prince's Trust House**

9 Eldon Street

London EC2M 7LS





**Item 8.**

**Private & Confidential: NO**

**Date: 25<sup>th</sup> May 2016**

**LEP Boost Business Lancashire Annual Report**

**Report Author: Andy Walker, Head of Business Growth LCC**

## **Executive Summary**

In 2015, the Department for Business Innovation and Skills (BIS) made a revenue grant to each of the 39 emerging Growth Hubs in England. This payment was aligned with but not part of the Growth Deal. As a condition of this funding, BIS requested that an Annual Report be prepared and signed off by the LEP before submission.

The body of this report contains the submission we have made.

BIS have made a further offer of revenue grant for 2016/17 and 2017/18 and similar reporting requirements will be in place to account for the use of this resource. Given that BIS have developed a standard template for the submission of data, we should then be able to compare performance across hubs.

## **Recommendation**

The LEP BSM Board is asked to:

- (i) note the Report,
- (ii) approve its submission to BIS

## **Boost Business Lancashire Annual Report 2015-16**

### **Overview and Summary**

Boost Business Lancashire is Lancashire's Business Growth Hub, targeting a range of support services on the county's high growth companies. It has operated since April 2013 and has delivered a range of business support programmes, funded through a combination of ERDF, BIS and Lancashire County Council's own resources, up to October 2015. Lancashire County Council has now been successful in applying for ERDF funding to deliver a new suite of programmes for a further 3-year period from January 2016, although because of the need to procure delivery partners, in effect the new phase of Boost activities commenced in March 2016.

This report covers 2015-16, the final year of the initial three-year Boost project, and looks forward to the next iteration of the growth hub whose design has been heavily influenced by the experience over the past three years. Therefore in addition to the figures for the past 12-month period, the report also highlights the main achievements of the previous three years.

The overall objective of the Boost project is to improve the competitiveness of SME within Lancashire. The project is focused on growth – encouraging individuals who have the potential to set up high growth businesses and supporting existing businesses that have the capacity for growth. The specific aim of Boost Business Lancashire is 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.

Throughout the development of Boost we have been conscious of the need for the business support offer within Lancashire to be directly relevant to the needs of businesses, and to be easily understood. In this regard we have worked in closely in partnership with the public and private sectors to develop initiatives that complement the existing business support infrastructure.

In each case we handle, it is the role of Boost to help businesses to pinpoint the barriers to their growth and to help them overcome these.

**The core objectives** of Boost are therefore:

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

To achieve this, our approach has been to:

- bring together a selection of services for pre-starts, start-ups and established businesses;

- use centralised marketing to reduce confusion and direct clients towards a central gateway;
- stimulate demand, better understand beneficiaries' needs and refer clients to support (both within and outside of Boost);
- ensure a consistent client experience, while accommodating alternative entry-points into the programme through a standardised approach to diagnosing business needs and CRM system;
- focus on businesses, or business ideas with high growth potential.

Over the past three years, six individual programmes have contributed to the overall delivery 'offer' from Boost, ranging from support for pre-start individuals to management and leadership support for managers with high growth aspirations.

Over the past 12 months Boost has dealt with 411 business cases, creating 669 new jobs and has helped to launch 102 new businesses. This builds on our achievements since Boost was launched in 2013. Over that 3-year period our overall targets were to reach out to 3000 businesses, to support 1477 cases involving 1269 unique business assists plus 208 pre start supports. In the final analysis, we dealt with 2962 businesses, delivering 1560 interventions to 1274 unique businesses plus support to 286 pre start individuals.

## **A. Progress to date**

### **Governance**

In terms of governance, the Lancashire Enterprise Partnership is responsible for the allocation of EU funding for business support within Lancashire and for the coordination of business support activities across the LEP area as it relates to its Strategic Economic Plan. Boost, the Lancashire Business Growth Hub is accountable to the LEP in respect of these two elements. It is also responsible to Lancashire County Council, in respect of the match funding that the local authority provides for Boost, and to BIS in relation to its funding.

### **Lancashire Enterprise Partnership (LEP) - Lancashire Business Support Management Board**

The board has been established by the LEP with a remit to consider skills development and related business support priorities across the LEP geography, specifically to:

- Develop and promote business support strategy, initiatives and programmes aligned with agreed priorities, as part of the LEP's Strategic Economic Plan;
- Seek to co-ordinate and commission a publicly funded business support offer that is clear, fit for purpose and which complements both commercial and national offers.
- Commission and maintain an evidence-base to help understand key business support demands in the LEP area;
- Identify and work with other LEP areas on business support issues of strategic and cross-boundary significance; and
- Advise on the deployment of business support funding directly accessed or influenced by the LEP and make best use of public investment in this policy area.
-

The board is private sector led and comprised of between 4 and 10 representatives of business membership organisations (e.g. Chambers of Commerce, Federation of Small Businesses) and senior business people drawn from the overall LEP board. Although not directly responsible for allocating funding, the board has an important role in influencing and guiding the coordination of business support in the area and in the provision of informed views to the overall LEP board regarding priorities for intervention. Boost reports quarterly to the Board in relation to its key performance indicators and in respect of the business support simplification agenda. The Board take an active interest in the performance of Boost and its impact on the Lancashire economy, mainly in terms of jobs and GVA.

## The Delivery Framework

The delivery model for Boost over the past 3 years has been a combination of serviced delivered by core partners under service level agreements with public sector providers and procured services, delivered by private sector partners. The Boost Partnership has been made up of:

- University of Central Lancashire (Innovation Clinic) – [Partnership arrangement]
- University of Lancaster (Lancashire Forum, Leadership and Management project) – [Partnership arrangement]
- Regenerate Pennine Lancashire (Boost Gateway and Growth Sectors Support) - [Partnership arrangement]
- Community and Business Partners (Growth Mentoring) – [Procured service]
- Winning Pitch (Growth Accelerator) – [Procured service]
- Winning Pitch (Lancashire LEAP – Business Start Up project) – [Procured service]

Each partner had its own delivery team, comprising full-time and part-time staff together with specialist advisors and consultants.

Each partner was given specific targets at the start of the project that would contribute to the achievement of the overall target outputs. The partners have all worked well together to delivery Boosts objectives and targets. This has been underpinned by regular performance management meetings in the form of the **Boost Operational Group** – this Group has met monthly throughout the life of Boost to consider progress against targets and to take remedial action where needed. The Group has also been an important forum for sharing information and promoting discussion between partners.

The Hub Gateway – the intended route for business to contact the growth hub, has comprised of a small team of staff based in regenerate in Accrington, whose role has been primarily to help assess the eligibility of business to participate in the Boost project and to signpost them, either to the most relevant Boost strand or to other business support, including national organisations such as UKTI and MAS, and regional projects such as Assess to Finance. The Gateway has also established two way referrals with the Business Growth Service nationally and the Business Support Helpline.

The Gateway is backed by a freephone helpline and the Boost Web portal, which enables businesses to access services online or to register for more intensive Boost

support. In practice most diagnostic activity has been undertaken remotely with the face-to-face contact with businesses being conducted by delivery partners.

## The Boost Website

The website for Boost provides a comprehensive source of information for businesses, from a directory of business support products to a calendar of business support events. It also provides an online magazine containing the latest information and case studies of businesses who have benefited from Boost support. The site provides links to regional and national business support, and acts as a portal for those businesses wanting to access more in depth support to help them grow.

## Summary of Boost Business Support 'offer'

	Business Stage			Sector Targeting		Areas of Focus					
	Pre-start	Start-up	Established	Specific Sectors	All Sectors	Management Skills and Capacity	Workforce Skills	Strategy Development /	Product / services development	Market Research / Competitor	Investment Readiness
Innovation Clinic											
Growth Accelerator											
Growth Sector Support											
Growth Mentoring											
LEAP											
Lancashire Business Forum											

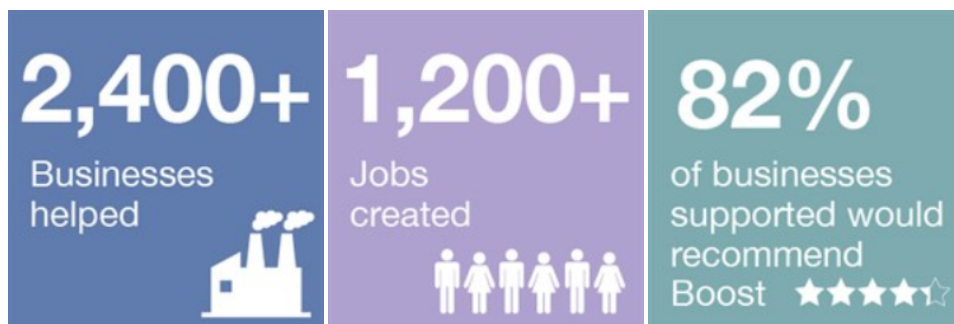
## The Client Journey

Clients have been able to contact Boost directly through a number of channels – via the website, the Gateway telephone helpline or in person. They have been referred from intermediary agencies such as solicitors or accountants, or they may have been referred from one or other of the delivery organisations or other Boost affiliated initiatives. All companies contacting the Gateway has undergone a diagnosis of need to establish Boost eligibility and determine the most appropriate onward support programme, both considering Boost and external offers. At this stage their eligibility to access one of the Boost core offers is be assessed. In many cases it is anticipated that the Gateway team of advisors were be able to deal with the enquiry at source or to refer the company or individual onto the most appropriate support organisation.





## B. Key Achievements



### Headline achievements

Overall Boost has been a very successful project and has for the most part met its target outputs and core objectives. We have confined our business engagement activities to companies with growth potential and whilst this has created tension with those businesses who fall outside this definition (who wanted access to Boost services), it has meant that we have been able to secure a high proportion of businesses actually demonstrating growth.

The number of businesses assisted to improve their performance has been the headline target for Boost. The target represents those businesses that satisfy the gateway criteria as being Boost eligible (satisfying ERDF criteria and being growth oriented), and who have been referred for more intensive support to one of the Boost partners. At the outset, Boost set out to help 3,000 businesses over a 3-year period. In the event, some 2951 businesses were supported in the 2.5 years to December 2015.

Considerable effort has been expended to monitor performance against the headline target and to inform and drive the marketing effort to generate a steady stream of businesses to Boost.

The project has met its overall target for 2013-15, with **1274** unique business assists being recorded against a target of 1269. As a programme that was launched at a time of economic recession, Boost has made a significant contribution to the growth of SMEs in Lancashire, with **909 of the 1274** businesses assisted demonstrating improved performance and **over £50 million** of additional GVA secured for the Lancashire economy.



Annual targets for each of the outputs were not set for Boost, as these lag considerably behind actual activity. Rather a monthly profile of client engagement and referrals were used to drive business traffic to the delivery partners. Progress against the three-year output targets that had been set at the start of Boost were however monitored and reported at the Operational Group each month, and to the LEP Business Support Board each quarter. The following table shows the actual achievements in the past 12 months and over the three-year life of Boost.

***Boost Business Lancashire 3 year targets and achievements (2013-15)***

Indicator	Achieved 2015-16	Targets 2013-15	Achieved 2013-15
A. Pre-start individuals assisted	22	208	286 (137%)
B. Businesses assisted to improve their Performance	411	1269	1274 (100.1%)
Total number of business assists (A+B)	433	1477	1560 (105%)
Businesses with actual improved performance	849*	795	909 (114%)
Jobs created	669*	1468	1166 (80%)
Jobs safeguarded	334*	461	294.3 (64%)
GVA increase	£48.53m*	£18.1m	£50.94m (281%)
Businesses created	102*	180	104 (58%)
People assisted with skills	32	450	450 (100%)

\* Note – achievement of certain Boost outputs in 2015-16 are as a result of activities in the previous two years due to the time lag in the collection of data.

The target for the number of new businesses launched by Boost was **180**. It was somewhat disappointing that at the end of the project **104** new businesses had been recorded. In mitigation, the delivery partner (Winning Pitch) reported that recent monitoring shows that the number of new business starts is projected to rise significantly in the early part of 2016, as many individuals who have participated in the LEAP start up programme in the latter half of 2015 intend to commence trading in 2016.

The conversion rate of 36.4% new businesses from 286 individuals who received pre-start support is less than may be expected for this type of support programme. The lessons in providing pre-start support during the lifetime of Boost have been used to enhance the design of the start-up programme for Boost during 2016-18 in order to improve this conversion rate. Greater emphasis will be placed on the viability and sustainability of new businesses and in subjecting the business plans of new starts to much more rigorous scrutiny.

In addition to recording jobs created, Boost has monitored those instances where businesses have made a direct link between the support received from the Lancashire Growth Hub, and the safeguarding of jobs within their businesses. Whilst the achievement of **294.3** jobs safeguarded against the target of **461** may seem somewhat disappointing, it should be remembered that Boost has operated against a

backdrop of the UK economy emerging from a deep recession, and most businesses supported by Boost have either recorded significant new jobs, an increase in GVA, or other growth related activities.

The apparent underperformance in jobs safeguarded is therefore more than offset in terms of the numbers of businesses demonstrating improvement and the level of GVA secured.

The measure of improved Gross Value Added (GVA) is an important indicator of growth in the Lancashire economy through increased economic activity. The methodology for recording GVA is well established and within Boost the evidence has been gathered directly from the SMEs supported.

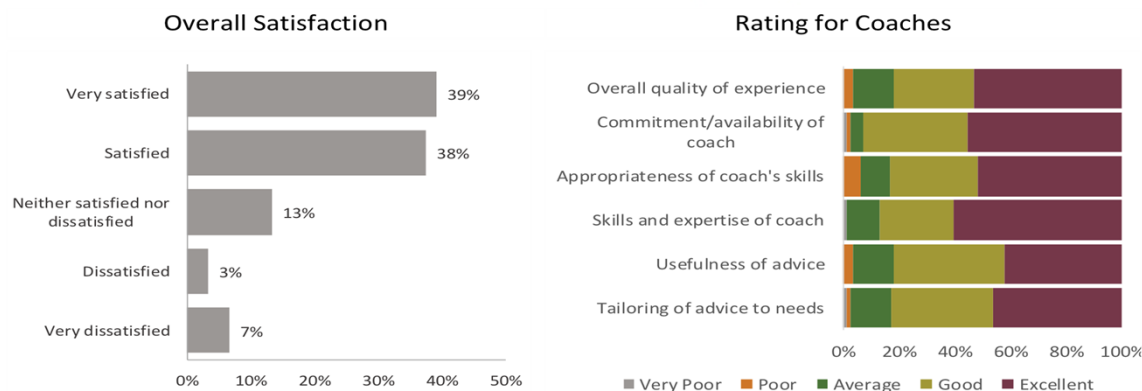
The programme target of **£18,100,000** has been over achieved by a factor of 281%. Some **£50,943,000** of increased GVA has been reported by 407 businesses supported through Boost since July 2013. This is a significant achievement, particularly at a time of economic recovery, and provides a good platform for the new phase of Boost from 2016 onwards.

This growth has not resulted in as high an increase in employment in the businesses concerned as might have been expected. This is attributed to businesses being more cautious as the economy moves out of recession, investing in more efficient production methods and processes rather than in job creation.

## **Client Satisfaction**

In December 2015, Regeneris Consulting invited Boost's clients to complete an online survey to gauge their opinions of the programme and to gain an understanding of how Boost has impacted their business performance. The survey received 138 responses (a response rate of 12%) and carries with it a margin of error of 8% at the 95% confidence level. This should be borne in mind when interpreting the results.

To supplement the online survey, Regeneris Consulting carried out a small number of in-depth interviews with a selection of clients. These were selected from the clients that had reported the most substantial impacts, either in response to the survey or in Lancashire CC's monitoring data, so they are not a representative group. The purpose of these conversations was to explore the factors that have supported impact and understand the ways in which businesses have benefited from the support on offer and explore what might have happened to these businesses in the absence of their work with Boost. It should be noted that although the data was gathered in December 2015, the businesses surveyed could have received help from Boost at any stage since 2013.



It is encouraging to note that some 77% of clients were satisfied or very satisfied with the support they had received from Boost, and only 10% expressed dissatisfaction. This does however indicate room for improvement and more robust client satisfaction measures are now being built into the Boost CRM system to allow feedback to be picked up and acted upon at an earlier stage, rather than at the end of the programmes. Businesses were also pleased overall with the quality of the individual advisors, with most receiving good or excellent ratings. It is also significant to note that 82% of companies supported would recommend Boost to other businesses.

## Impact

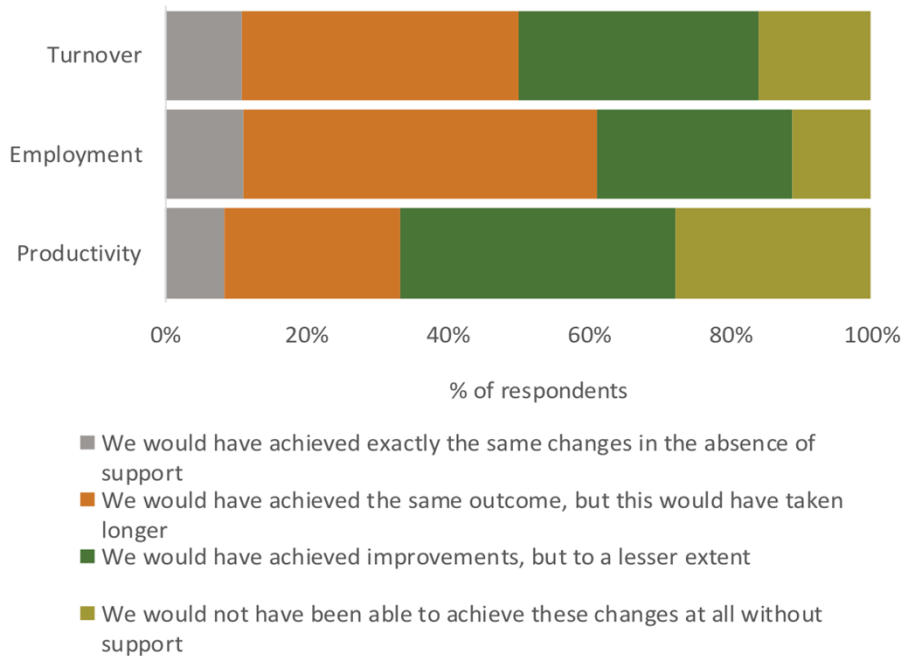
The survey carried out by Regeneris asked respondents to reflect upon any changes to turnover, employment and productivity since receiving Boost support and to consider any future changes in business performance yet to materialise.

A considerable proportion of businesses reported changes in turnover, employment and productivity since working with Boost. Almost one third of businesses reported that they had not yet seen a change in any of these indicators. This is most likely a reflection of the large number of businesses that have received support relatively recently. The assistance that these clients have benefitted from has yet to bring about changes in business performance. This is certainly implied in the responses that show that the majority of clients reporting no change in business performance had been assisted recently, i.e. in 2015.

The survey responses suggest that there will be further impacts on business performance to come. The proportion of businesses expecting further growth is substantially higher for each of the three performance indicators whilst fewer businesses expect no changes in the future.

While impacts observed to date are relatively small, there are encouraging prospects for the next three years. Although over half of respondents expect revenue to rise by less than £100k, approximately 20% of businesses reported future turnover increases are expected to be in excess of £1m. Similarly, although there is a notable concentration of businesses that anticipate minor employment increases, over one fifth of respondents forecast employment to increase by between 10 and 49 workers over the next three years.

It is also very encouraging to observe the extent to which respondent acknowledge the contribution of Boost in helping them to achieve their growth objectives, with 90% of businesses stating that Boost had a positive impact on their growth:



## C. Contribution to Business Support Simplification

### Simplifying Business Support

The Lancashire Enterprise Partnership through its Business Support Management Board is trying to ensure 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 easily navigable
- Makes best use of limited public resource
- Doesn't "crowd out" private sector activity

Boost – Lancashire's Business Growth Hub sits at the centre of this and is resourced to fully understand what business support is available, to conduct and manage a dialogue with businesses to determine a hierarchy of needs and to draw in those who are not currently using business support services. Over the past 3 years we have listened to businesses regarding the nature of business support they require and have reflected this in the design of our programmes. We have also commissioned interim and final evaluations of Boost in its initial phase of delivery, and we have used all of this feedback to redesign Boost from 2016 onwards.

In terms of building on the experience of Boost, we intend to build on the good practice and successful approaches that we have developed over the past 3 years, and respond to the feedback from Lancashire businesses on the kind of support that they have valued most.

Boost is central to the Lancashire Enterprise Partnership's aspiration to develop an infrastructure of publicly funded business support which is simple, well understood by business and genuinely drives the growth of SME's within the sub-region. Boost has been the subject of close monitoring and continuous operational review (via our

monthly Operational Group). We have used our experience and the feedback from Lancashire's SME community to amend the delivery model.

We propose to strengthen and improve the 'Gateway' function – the point at which most businesses will initially interact with the Growth Hub. In addition to the core functions – telephone helpline, website and CRM system, we have introduced a new IDB role for the Gateway, where the needs of SMEs can be more accurately assessed, enabling them to be directed to the most appropriate support for their growth needs. This could be to one of the Boost core 'offers', to national and regional programmes, or to other appropriate support.

We have also significantly redesigned the pre-start element of Boost to improve the conversion rate from businesses engaged to actual new businesses being launched.

## **Mapping Business Support in Lancashire**

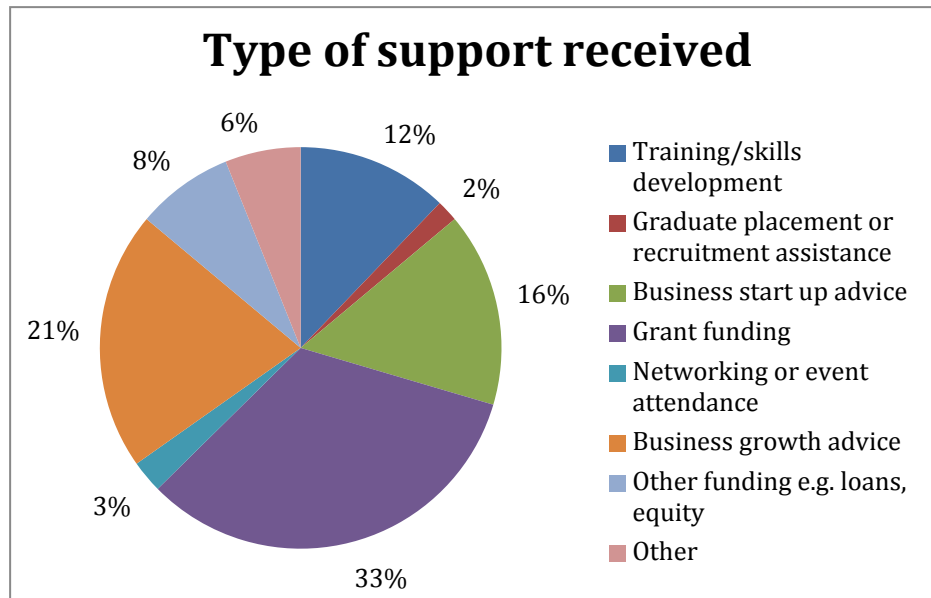
To support the simplification process and to identify how businesses access relevant support, during January 2016 a survey was issued to 8083 Lancashire businesses with the aim of obtaining:

- an understanding of levels of different types of support received and views of historic business support received, if any
- views of what type of support might be useful in the future

The data set was established from two main sources - 6131 business and potential start-up individuals that had had contact with Boost Business Lancashire (delivered by a range of partner organisations) and earlier programmes delivered by Regenerate Pennine Lancashire (going back to 2011). These records were drawn from the Evolutive database that is well established as the common client management system for the Lancashire Growth Hub. An additional 1952 records were acquired in order to obtain a data sample of businesses that were not known to have previously accessed business support.

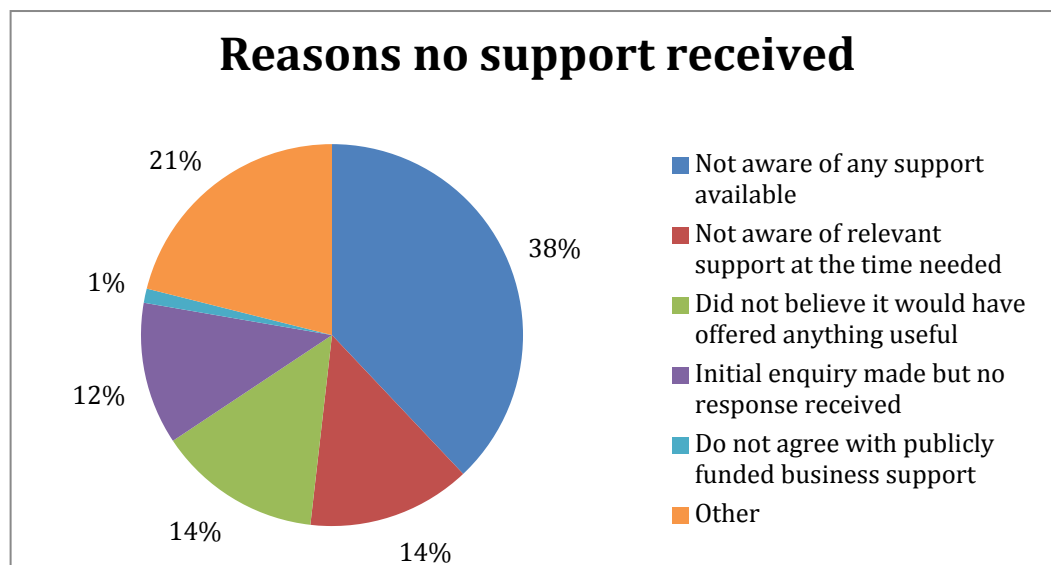
37 local business support providers were also invited to complete an online survey followed up with a number of email and telephone reminders. 21 responses were received covering 35 distinct support offers spanning a range of support including, advice, mentoring, workshops, grants and skills. 56% of support offers were targeted specifically at existing businesses with 40% aimed at those considering starting a business.

38% of respondents reported that they had received publicly funded business support whilst 62% stated that they had not. This split is perhaps initially surprising, given that the majority of the dataset was drawn from a database of previous contacts. This is indicative of the fact that many business do not recognise the source of their support. However the dataset included any contact with a range of business support programmes, including those that did not ultimately receive support either through their own choice or for reasons of eligibility.

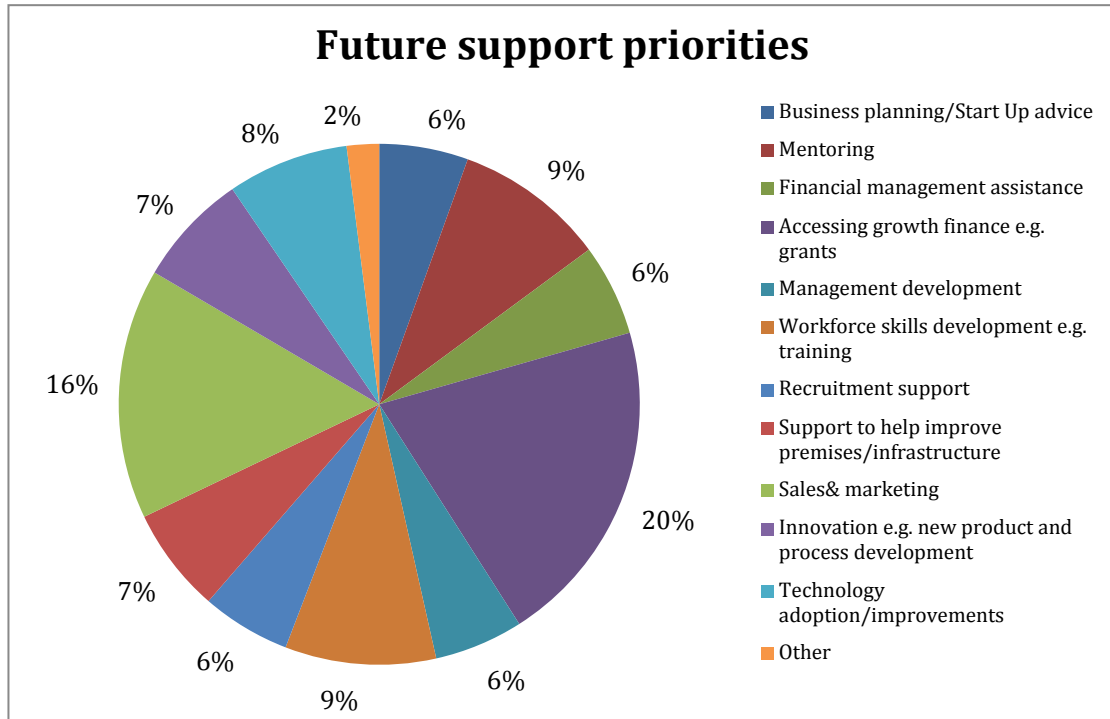


Over half of respondents stated that they were either not aware of any available support or more specifically that they had not been aware of any relevant support at that time that it would have been needed. Those who stated “other” were asked to provide comments. The comments ranged from issues around eligibility, frustration with attempting to obtain support and a number of respondents that reported that they actually provided business support themselves.

The lack of awareness is a particular concern, as most business support programmes do undertake marketing and promotional activities to seek to engage with relevant potential beneficiaries via a range of channels. Effective engagement, particularly with those who have not previously engaged with business support remains a key challenge for business support programmes.



Respondents were also asked what types of business support they would like to see in the future and were allowed to select up to 3 options. The chart below shows a broadly even spread of support types with exceptions for accessing growth finance (20%) and sales and marketing support (16%).



Overall there was good awareness amongst respondents of the name of the support programme they had benefited from and the organisation that had provided it. With the range of business support schemes and providers, there was inevitably some confusion and misunderstanding most had at least an approximate idea of the support and provider. Boost Business Lancashire, Winning Pitch and Regenerate were particularly well represented in responses, which reflects the dataset used in the survey.

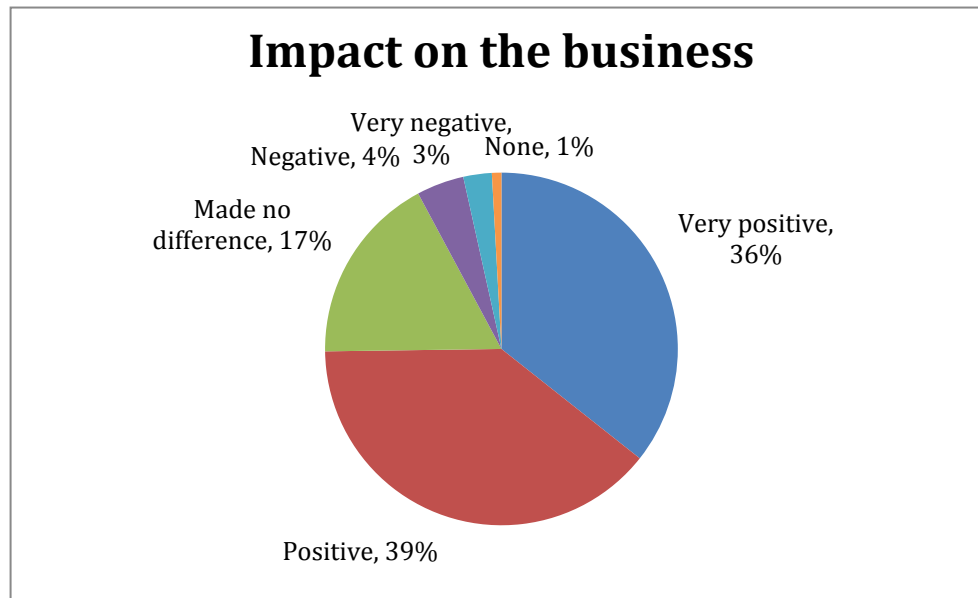
A percentage breakdown of the type of business support received across the 115 instances shows a strong weighting towards grant funding, followed by business growth and start up support. The “other” responses included businesses that had been supported via the recent flood recovery and resilience programmes.

In terms of satisfaction with business support, 62% of respondents reported that they had never received any external business support with over half of those reporting a lack of awareness of any relevant support that may have been available. Of the 38% of businesses that had received support, grants and business growth support were the two most common types of intervention. 75% of supported businesses reported a positive impact with a similar proportion stating that they would recommend the support to peers. Of concern is the number of businesses that stated that they had not received support due to lack of awareness and the quarter of those that had received support not deeming it good enough to consider recommending it to peers.

It was encouraging that 62% of business support experiences were rated as either excellent (40%) or very good (22%) with only 15% poor (8%) or very poor (7%). It



would be encouraging if a future survey based on the new round of emerging support programmes could see the negative views reduced to single figures. Respondents were also largely positive regarding the impact that the support had had on their business with 75% reporting either a positive or very positive impact. 76% of respondents stated that they would recommend the support they had received to other business contacts, although 22% reported that they definitely would not.



## Lancashire Business Support Provider Survey

The survey of Lancashire business support providers was undertaken during February and March 2016. The aim of the provider survey was, in part, to gather up to date information on current and emerging business support offers from local providers. The information will be used to update the Boost Business Lancashire Support Finder resource. The support finder will be openly available via the Boost web site and will also be used by Gateway advisors in helping to recommend appropriate support offers. Additionally the survey sought providers' views on what they saw as the current issues and priorities in relation to start up and business support in Lancashire.

The survey was circulated to 37 organisations in mid-January 2016 and was followed up several times by both email and telephone. 21 of the contacted organisations provided responses, submitting information on a total of 35 distinct support offers or programmes. Not all responses were from organisations originally contacted, as there was some helpful sharing of the survey between organisations (e.g. onward circulation by Manchester Growth Company).

Although the survey was aimed at gathering information about public sector funded business support, 29% of respondents identified themselves as private sector. This is not inconsistent as private sector organisations are also involved in the delivery of support using public funds. Most support programmes were available to businesses across Lancashire. A small number were limited to a subset of borough council areas, usually divided on an east/west geography. Some borough councils offer support that is specific to their own area.



41% of the support offers were specific to SMEs with the remaining 59% being available to businesses of any size. No support was available to large companies that wasn't also available to SMEs.

A majority of support (56%) was available only to existing businesses but pre starts were well catered for, being eligible for 40% of the support recorded via the survey. Support was either available to all business sectors (57%), or a range of priority sectors excluding retail. Only one retail specific scheme was recorded in the survey.

Where financial support was offered in the form of grants, the minimum grant offer ranged from £200 to £10,000 and the maximum offered ranged from £500 to £1m. The minimum loans offered ranged from £500 to £5000 whilst the maximums ranged from £500 to £150,000.

The key deliverables from the support offers were heavily weighted towards the creation of new jobs (29%).

Most programmes that provided an end date were due to end in either 2017 or 2018. Finally, providers were asked for any additional comments they had regarding business support provision in Lancashire with 10 providing a response. Key points raised included:

- A lack of non high growth potential (generic) start up provision
- A lack of support for retail businesses.
- A lack of support providing mentoring to non high growth potential companies.
- The demise of national products, although one respondent provided an update on plans to seek funding to provide a North West equivalent of the former Manufacturing Advisory Service national offer.

### **Key findings and recommendations from the survey**

A survey report has been produced which covers these issues in more detail. The full report is being presented to the Lancashire Enterprise Partnership for separate consideration, however its main recommendations are summarised below:

1. The Growth Hub Gateway should have a key role in considering how private sector business support can complement publicly provided support as part of its information diagnostic and brokerage function.
2. It is recommended that consideration be given to the establishment of a flexible Lancashire wide capital fund that aligns with existing Rosebud provision, such that a small percentage of any offer may be in the form of a grant, whilst the majority is the subject of a loan agreement.
3. Consideration should be given to
  - a. The provision of more flexible/generic start up and early stage business support.
  - b. More diligent scrutiny of applications for high growth support to provide reassurance, as far as is possible, that the proposed business idea really does have high growth potential.
  - c. More in-depth evaluation of high growth start up programmes to check whether the proportion of businesses that started up and sustained is significantly better than a “do nothing”

- d. More in depth evaluation of high growth start up programmes to determine how closely actual beneficiary company performance aligned to growth projections outlined at the outset of the support.
4. Programmes should only be funded where an evidenced demand can be demonstrated and should come with a robust marketing plan that coordinates with the overall marketing and engagement activity of the Lancashire Growth Hub Gateway service.
5. There is currently a gap in Lancashire for an independent (i.e. non institution specific) innovation and technology support offer. National provision may fill this gap but experience has shown that the most effective engagement by national offers has resulted when there has been a local support presence to introduce and guide the national offers. Consideration should be given to whether this role can be fulfilled via the Lancashire Growth Hub Gateway advisors, or whether dedicated provision may be required.
6. There is a key role for the Lancashire Growth Hub Gateway service in maintaining up to date and detailed knowledge of existing and emerging support in order to ensure effective coordination and the avoidance of duplication.
7. The role of the Lancashire Enterprise Partnership's Business Support Management Board in informing the LEPs feedback and commentary of proposed and active Lancashire Programmes should be more formally established.
8. Funding and delivery agreements should give consideration to a greater degree of results based payments, rather than simpler but potentially less effective payment by volumes of throughput models. These should be backed by closer performance monitoring and the inclusion of contract break points during project delivery.
9. Effective evaluation should be intrinsic to any project. This should include evaluation of the initial premise for the project compared to actual activities, delivery arrangements and performance and the tangible impacts for the beneficiaries. Evaluation should take place at the appropriate time and be staged if necessary, for example, some impacts may be immediate whilst others may only be realised over a longer period.
10. Local funding decision makers should pay particular attention to the following in terms of potential scope for duplication, inconsistency and confusion - Start up support and Financial products – e.g. loans, grants.
11. The renewed Growth Hub Gateway service needs to play a key operational role in ensuring effective alignment and coordination between national and local business support offers. This is important to:
  - a. ensure appropriate Lancashire companies receive sufficient benefit from national offers.
  - b. Achieve joined up delivery, avoiding overlap and “initiative” fatigue. The local team can help to deploy the appropriate national resources in a timely manner and may often make linkages that national programme representatives may not have achieved without the benefit of local knowledge.
12. Specifically, there should be closer working between the Growth Hub Gateway and the deliverers of the New Enterprise Allowance Programme. For example, further support may be needed by the NEA beneficiary either in parallel with the NEA support or after it has ended.
13. Most support has relatively broad eligibility or exclusions. Consideration should be given to whether there is a requirement for specific support provision to benefit particular Lancashire growth sectors

## D. Record Keeping and Evaluation

In order to monitor the performance and impact of Boost, we maintain a comprehensive database – a CRM system that records all contacts with businesses and captures essential information on each individual or business we support in order to tailor the most relevant support to them. When all companies sign up for support from Boost, they consent to the information given and held on the CRM system being shared with funding bodies and business support providers.

Over the period 2013-15, Boost has also been the subject of two independent evaluations, carried out by Regeneris, the economic development consultancy. The first of these, an 'interim' evaluation was carried out in 2014, when Boost had been operating for 12 months. The second report – their 'final' evaluation was carried out at the end of 2015.

The interim evaluation highlighted the initial slow start in meeting targets for expenditure and outputs, and recognised the early issues around the Growth Hub establishing itself as the new focus for business support in Lancashire, nevertheless it reported good levels of customer satisfaction. To a large extent the findings of the evaluation were a consequence of a slow start in setting up the systems and processes needed to manage the requirements of the ERDF funding, and the need to undergo a lengthy procurement process for some of the delivery strands. In particular the project was affected by delays in establishing the national Growth Accelerator programme, which provided some of the match funding for Boost.

Also, it should be understood that at the time of the interim evaluation, because of the time lag between support given to businesses, and the outcomes being realised, much of the impact from that early period of activity could not be recorded until later in the lifetime of the project.

Over the intervening period however significant effort has been expended in establishing the credibility of Boost and in bringing the initiative back on track with its performance targets. The final evaluation reports highlights the good progress made in aligning the target and actual performance figures. CLG in their outturn evaluation of Boost were extremely pleased with the progress made and the contribution made to the ERDF Operational Programme.

Both evaluations are available for reference, but their main findings are summarised below:

### Interim Evaluation (August 2014)

- Boost got off to a slow start and it will now be difficult to get spend and outputs back on track. The model is not working in the way it was expected to and Boost is not reaching the clients who are most in need of help to access business support;
- Although the volume of support delivered is less than expected, it is important to recognise that Boost's clients are largely very positive about the services they have received and it appears to be having a positive impact on their performance;

- Although there no evidence to suggest that any substantial changes to the delivery strands themselves are needed, Boost does need to reflect upon how much it can realistically expect to deliver and where the underlying concept is heading;
- In the short term, Boost should focus on practical changes that will help to deliver the ERDF contract. Lancashire County council and partners do however need to be realistic about the scale of the challenge and the possibility that the short term fixes, could take Boost further away from the Growth Hub ideal.

### **Final Evaluation (December 2015)**

- Boost was an ambitious project, with challenging targets and high expectations. It involved forming a new delivery partnership and faced the additional challenge of complying with the ERDF funding and reporting regimes alongside complex delivery arrangements;
- Boost under-performed in the initial stages (2103-14) but strong performance management in the 2014-15 period has enabled the project to reach its main targets, and it has made significant contributions to the Lancashire economy in terms of new jobs and GVA;
- Some of the focus on delivering contractual targets within a tight timescale has been at the expense of more strategic aspirations, such as focusing on high growth and in developing stronger partnerships;
- The Gateway did not perform to its full potential, in particular the important diagnostic stage was too light touch and process driven;
- The Evolutive CRM system was under-utilised by partners. In particular the time lag in entering data by partners meant that the system was rarely up to date and most of the data entry took place in the last few weeks of 2015. This made it more difficult to track clients and coordinate marketing activities;
- Clients were mostly satisfied but there is room for improvement;
- Whilst the outputs are good, the short-term impacts are modest. However the return on investment is expected to be positive, especially if the projected investment by businesses continues.

### **Going Forward**

Today Boost is in a very different place from where it stood in 2013, at the start of the growth hub journey. The Boost 'brand' is now well recognised, and much has been learned about what works and what does not, and in particular what support businesses most value. The feedback from the two evaluation reports has been used to inform the design of Boost going forward.

Among the changes implemented or in the pipeline are:

- Performance measures now incorporated into delivery contracts
- An upgraded and refocused Gateway function with an enhanced Information, Diagnostic and Brokerage Role;

- A redesigned business start-up service to improve the formation rate of new businesses;
- A dedicated project management team within LCC including specialist ERDF funding expertise;
- A new business support coordination Group to link all Boost and other public funded Business Support projects;
- A new Memorandum of Understanding to be signed by all ESIF funder business support projects;

## E. Lessons Learned/Good Practice

Feedback from the Interim Evaluation of Boost, carried out in 2014 and 2015, together with feedback from consultation with SMEs and the views of partners at monthly management meetings have all contributed to the learning process. The most significant issues have included:

- The need for more robust training of delivery partners in using the CRM system;
- The need to clarify output definitions at the very start of the project;
- Greater flexibility is needed for companies to move from one delivery strand to another;
- Better IDB activity during the early stages of intervention will avoid certain problems later on;
- The need to align the CRM system more fully with the quarterly claims process
- The need for more consistency in the way delivery partners maintain beneficiary files;
- Better screening of pre-start and early stage businesses is required;
- Better signposting of non-Boost eligible companies to other relevant support

Challenges we have faced include the amount of time and resources that have had to be allocated to the process of administering, claiming and disbursing the ERDF funding allocated to the project. In particular the eligibility checks on beneficiary companies and signposting businesses to single strands of support have been recurring issues (ERDF rules mean that businesses can only be supported once within a single project). The coordination of diverse delivery partners has also been a challenge.

Along the journey we have assembled a considerable knowledge bank of case studies, highlighting the barriers and obstacles that businesses have faced and how these have been overcome with support from the growth hub. In the next iteration of the project we intend to build on the good practice and successful approaches that we have developed over the past 3 years, and respond to the feedback from Lancashire businesses on the kind of support that they have valued most.

Our key assets going forward include:

- A well developed CRM system giving access to over 3000 records with the capability to support strong performance management
- Experienced delivery partners operating within tight performance frameworks
- A dedicated project management team including specialist ERDF funding expertise
- Clear support and strategic direction from the Lancashire Enterprise Partnership

