Evaluation of the Marches Financial Assistance & Business Support Schemes

Stage 2

July 2015

RHCS
Planning Into Purpose

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Executive Summary

A consultancy team was appointed by Shropshire Council, to evaluate a range of business support packages, all funded by European funding, with the exception of one, Redundant Buildings Grant, which was funded by Regional Growth Fund. A separate evaluation of Phase 2 of metnet was undertaken in June 2014. The team was asked to conduct further research to develop this Stage 2 report, drawing together each of the evaluations (including metnet), considering local economic conditions and presenting factors to be considered in developing The Marches Growth Hub.

The full report details various key messages which we suggest need to be considered when developing The Marches Growth Hub. Such messages are presented below together with key comments from additional sections.

Overview of projects

The suite of support packages under review spanned a vast geographic area. Whilst whole LEP areas were covered in some, others such as OBB just related to districts within LEPs, hence benefitting areas are noted below.

Scheme[1]	Funding Source	Time-scale	Shropshire	Herefordshire	Telford and Wrekin	Worcestershire	Staffordshire
BEF	ERDF	Jul 2011 – Jun 2015	x	x	x		x
Eureka!	ERDF	Sep 2013 – Jun 2015	x	x		x	x
MGB	ERDF	Jan 2013-Jun 2015	x	x	x		
metnet	ERDF	May 2010-Mar 2014	x	x	x	x	
OBB	ERDF	Sep 2013 – Jun 2015	x				x
RBG	RGF	Feb 2012-Mar 2016	x	x	x	x	

Marketing methods

The full report considers in some detail the variety of methods used to publicise programmes, some proved more successful than others.

[1] BEF: Business Enterprise Fund; MGB: Marches Graduates for Business; OBB: Optimising Business Broadband; RBG: Redundant Buildings Grant

Table 2: Marketing methods used by different projects

Scheme	Personal	Leaflet	Press	Email	Website	You Tube	Twitter	Direct Mail	Events
BEF	x	x	x		x		x	x	x
Eureka!		x	x		x	x	x		x
MGB	x	x	x				x		x
metnet			x	x	x			x	
OBB			x	x	x	x	x		x
RBG	x	x	x						

Key messages relating to Marketing methods

- ✓ Future projects need to include a marketing budget and to develop marketing strategies. The Growth Hub should enable best practice in marketing to be shared.
- ✓ There is a need to ensure that individual local authority freedoms do not compromise branding and the need for a consistent message.
- ✓ Council websites lack the flexibility needed to run social media campaigns and the Growth Hub will need to ensure that its website and IT systems have this capability.
- ✓ External contractors showed that social media campaigns can be very effective in building awareness and keeping potential beneficiaries engaged and more use of these methods should be considered in future. However, it appears that local businesses are typically not well advanced on the IT adoption spectrum and whilst podcasts and webinars may be appropriate to use for digital projects, there is a need to ensure that the message is also accessible in other formats.
- ✓ Start up support projects need different ways of reaching potential clients and the use of informal means such as Facebook as well as publicity through accountancy firms (as developed by BEF) and other start-up support organisations should be a priority.
- ✓ It needs to be acknowledged that whilst rural businesses appear reluctant to travel to urban centres for events, local delivery in the rural areas is unlikely to achieve the same sort of attendance as the urban centres.
- ✓ Project calls defined the different activities and timings of each project, which tended to lead to independent working, rather than combining the projects to provide a 'package of support'. In future, cross-referrals and signposting to complementary programmes within the Growth Hub offers real potential to address this. Consideration will need to be given to setting up a common system which enables the uptake of different support to be tracked by individual company.

Application processes

An important factor here is that most schemes, by their very nature, were developed and implemented at speed, the imperative being to launch funding as soon as possible to maximise the available timescale for eligible businesses. The difference being Redundant Buildings Grant which used tried and tested methods, it being a well-established programme. Most schemes therefore took a variety of approaches, with considerable paperwork required from businesses which were applying for grants. As noted above, because each project was conceived individually in response to calls from DCLG, each with different geographies, project leads and timelines, this limited the potential to consider how business support needs could be met through combining the offer from different projects.

Key messages relating to Application processes

- ✓ ERDF requirements limit the flexibility of the application processes but it is recommended that all processes are reviewed in the next funding round to make applications as simple and streamlined as possible. A starting point may be review the relevance of certain pieces of information e.g. details on key personnel and building layout required by BEF. In particular, there is a need to explore the potential for reducing the information required for the smallest grants.
- ✓ Simpler forms would reduce the need for support and fit with the LEP's ethos of 'channel change' whereby services are delivered by less intensive methods. Online applications should be standard.
- ✓ In future, officers may wish to put processes in place to monitor drop out from expression of interest to application stage to enable on-going monitoring of the ease of application/eligibility.
- ✓ Whilst guidance on application completion was produced for each project, some was more comprehensive than others and there is a need to ensure that, within the parameters of ERDF, the application is as 'business friendly' as possible.
- ✓ Where application support is necessary the surgeries developed by BEF were deemed successful and an effective use of officer time.
- ✓ The appraisal panels for BEF worked well and provide a model process going forwards, but in future needs to 'fit' better with the governance of the project, learning lessons from RBG.

Accountable Body role

Herefordshire Council led on RBG whilst Shropshire Council led on all other schemes under consideration. Our research highlighted the following as important messages.

Key messages relating to Accountable Body role

- ✓ There are lessons to be learnt in the way the different councils have managed the accountable body role. Whilst direct comparisons are not possible because of the requirements of different funding streams, a key difference appears to be the extent of effective working practices across departmental boundaries. This often led to time delays in approving projects, confusion for the applicant in understanding the application decision process and as a consequence, higher project costs.
- ✓ Staff with a will to facilitate and a passion for business support are seen as essential to project success.

Impact of Financial Assistance Packages

The full report offers a range of graphs which clearly illustrate the areas and sectors benefitting across the Marches LEP area and beyond.

In terms of commenting on Value for money, the full Report notes that it is difficult to offer comparison between programmes but individually all appeared to meet Value for Money criteria.

Key messages relating to Financial Assistance packages

- ✓ Collectively the programmes have created or safeguarded just under 800 jobs and supported over 500 businesses against a very difficult economic backdrop. Over 16,000 square metres of floorspace has been brought back into economic use. Not all additional outputs have been recorded and undoubtedly the added value of the projects is greater than the DCLG outputs. Looking ahead, there need to be more consistent means of capturing outputs, electronically where possible to demonstrate impact.
- ✓ The Evolutive database is not used consistently across the different authority areas, making it difficult to share data. This needs to be addressed, as does consistent monitoring of outputs by sector.
- ✓ There may need to be consideration of local authority targets for some projects to ensure that no areas miss out, whilst recognising that each local economy has very different needs and not all projects will have similar appeal in all areas.
- ✓ To date, there has been little support to social enterprises and community interest companies. However, it was unclear in the evaluations as to whether this is because they are difficult to locate, were not normally eligible for support or did not apply.
- ✓ ERDF eligibility criteria which exclude agriculture and B2C businesses mean that alternative funding may need to be sought to support some of the more rural businesses.

Lessons learnt

Considering the range of data drawn from each of the programmes has enabled us to identify a series of issues which need to be addressed. The full report comments on the need to understand what local businesses want from support packages, the importance of marketing, the need for strong governance, the vital role of monitoring with agreed procedures capable of producing comparative statistics.

The future

Evaluation activities suggest that businesses will continue to need support on offer. However, we make that point that given the range of projects and packages available, from a range of organisations, it is important that plans for the Growth Hub factor in such current assistance. With neighbouring Growth Hubs also offering support to businesses, the Marches must complement rather than duplicate, whilst at the same time ensuring that it provides the support which local businesses need. It was very clear from the evaluations that there is a perceived demand for local support, which tends not to be met by projects run from the Black Country and Birmingham. It should also be noted that other areas of the West Midlands do not benefit from the Transition Area designation, which can bring particular benefits to large parts of The Marches LEP. We also make the point that plans must take into account the clear differences, in terms of local economies, within The Marches. Whilst the largest number of businesses relates to agriculture, in terms of employment this sector is very small. Additionally, whilst the rural economy is dominated by micro firms, Telford has a higher number of medium to large businesses. Factor in eligibility for European funds and it becomes clear the importance of shaping provision going forward.

Recommendations for future development

We offer these objective recommendations based on research completed. We also offer them in light of the imminent call for suitable ERDF projects, in late July 2015. Hence we stress the need for urgency in recommendations being taken forward by those best placed to do so.

We would propose that the Growth Hub Officer Group should include suitable Business representatives and this Group be encouraged to debate the following recommendations and establish an Action Plan to address issues raised. The authorities which make up The Marches and their partners have much good practice to take forward. As an accountable body, Shropshire Council has a sound reputation with its partners and DCLG, and a wealth of experience in managing complex ERDF grant funding programmes; this will provide a strong foundation on which it can build to the benefit of The Marches economy.

- ✓ The time taken to develop partnerships and programmes is often underestimated. Time will be needed to develop The Marches LEP Growth Hub 'brand'. Such partnerships need to be established from the outset.
- ✓ The report references support available from neighbouring Growth Hubs, notably Staffordshire and the Black Country. It is important to stress that such support may not fully meet the needs of the business base within the Marches. Nevertheless, it is important going forward, that future provision complements rather than duplicates.
- ✓ It is apparent that the approach to date has been supply led, within the confines of the framework of, largely, European funding. Looking ahead, the voice of business needs to be clearly heard when shaping future support/assistance.
- ✓ The importance of consistent monitoring across all future projects will be vital to ensure the collective impact, across a range of support packages, can be assessed. Such systems need to be agreed and implemented from the outset. The genuine benefit of Marches LEP led projects, may become ever more important. The difference made to key sectors and geographic areas, where "competing" ERDF funded projects may be in place, will be useful when judging performance.
- ✓ ERDF regulations will need to be factored into early planning discussions; eligibility and intervention rates, plus the business base within each of the Local Authority areas, will all impact of levels of likely output delivery. There may well be a need to identify alternative funding sources to ensure parity and access to support across different areas.
- ✓ In terms of marketing, looking ahead, a range of techniques will need to be used, from direct, personal contact, using agencies already embedded within local business networks to utilising social media techniques. The need to "upsell" and cross refer should also be standard practice. There should also be clear commitment to address and reduce silo working seen within the evaluations.
- ✓ The Accountable Body role will be vital in forthcoming European funding rounds, the need for effective working practices across departmental boundaries will be key to the success of future programmes. Simplified procedures, wherever possible, recognising the needs of local businesses, should be the aim. Shropshire Council has a good reputation with DCLG in its accountable body role on which to build.
- ✓ The role of external delivery in maximising available funding and potentially increasing output delivery should be further explored
- ✓ Ensuring a strong lead from business, in governance arrangements, will achieve ongoing commitment to effective delivery.

1. Introduction

A consortium of three Shropshire based consultancies was appointed in May 2015 to undertake the evaluation of Marches Financial Assistance & Business Support Schemes.

Stage 1 of the assignment consisted of evaluating the following packages within the support schemes:

- Business Enterprise Fund (BEF)
- Eureka! Moment
- Marches Graduates for Business (Growing Talent or MGB)
- Optimising Business Broadband (OBB)
- Redundant Buildings Grant (RBG)

The evaluation of metnet, completed by URSUS Consulting Ltd, was also made available to the consultancy team: and suitable content, required for the purposes of this evaluation, has been reported verbatim where appropriate.

In Stage 2 of the assignment, consultants were asked to provide a collective summary document for all 6 schemes, to include:

- Comparison and analysis of different systems and processes
- Impact of the scheme and added value
- Lessons learnt
- Demand for further support
- Best practice
- Based on the foregoing information, to provide recommendations for future delivery within the Growth Hub Model.

The following is a summation of Stage 1 reports and offers a framework for a potential Growth Hub Model for the Marches.

2. The strategic context

2.1 Introduction

The strategic landscape for enterprise support has changed radically since the Redundant Buildings Grant and Business Enterprise Fund were originally conceived and in this short introductory section, the national move towards the Growth Hub model is set out, with an overview of The Marches LEP's priorities for future delivery.

2.2 The national context

Recent years have been marked by the demise of the Regional Development Agencies, the creation of LEPs and closure of Business Link. In their place, initiatives to support SME are underpinned by a new emphasis on improving the co-ordination of enterprise support through Growth Hubs; with the onus on LEPs to work with partners to develop and fund delivery.

The background to this shift was marked by 'The Plan for Growth', published alongside Budget 2011, which announced a programme of structural reforms to remove barriers to growth for businesses and to equip the UK to compete globally. The impetus for the growth strategy was to make the UK "one of the best places in Europe to start, finance and grow a business".

This Plan was followed by "Small Business Great Ambition" published by the Government in 2013 which was designed to sit alongside the Government's Industrial Strategy and re-iterated the Government's commitment to making it easier for small businesses to grow. One element of the strategy was a commitment to make it easier for businesses to get the right support at the right time. In particular, the strategy noted that, "In the wake of the financial crisis, many small businesses have struggled to access the debt and equity finance they need to expand. The credit crunch has exposed an over-reliance on bank debt and poor access to, and low awareness of, other sources of funding. This environment has stifled the growth ambitions of small businesses and, in turn, hampered Britain's economic recovery."

It continued: "business support needs to be simpler and clearer to understand and access. We are committed to making it easier for businesses to get the right support at the right time, by:

- *Simplifying the landscape for business support*
- *Creating a healthy private and third sector market place*
- *Improving the signposting and awareness of Government support*"

The strategy introduced the concept of **Growth Hubs** – a single place businesses can go for help. Their aim is to improve the coordination of support provided by local public and private sector partners, creating a more streamlined and coherent offer for businesses, based around local needs. Where Government provides funding for these services it will be conditional on the Growth Hubs cutting duplication and closing under-performing local schemes. It is therefore essential that the proposed Hub in The Marches learns lessons from the 2007-2013 ERDF programme in this respect.

The Growth Hubs will have targeted support tailored to the needs of entrepreneurs in the context of their local economy. They can provide both the local front door to business support and ensure that support is focused on business need in their locality.

Since the concept of Growth Hubs was announced, the policy has evolved to focus on "coaching" as the principle means by which BIS would encourage the development of more high growth businesses. The national policy is no longer to create a number of geographically focused "growth hubs", rather it is to tender for largely national programmes such as Coaching for Growth. The coaching for growth programme will focus on developing 10,000 additional businesses per year to add to the 20,000 naturally occurring, thus avoiding "deadweight". Contractors will be required to evidence an average of at least 20% growth per year over three years.

Overall, this means that much of the local SME market will be excluded from support because delivery will be focused tightly on 'high growth' firms. Companies with the potential to achieve 10% or 15% growth will not be eligible and yet these have been a key target of recent support programmes in The Marches.

Similarly, businesses that do not suit or want a coaching approach will not take this up. Coaching has not featured highly in recent support for SMEs with alternative approaches driving growth such as:

- Digital workshops (OBB)
- Innovation and market development support delivered through universities (Eureka!)
- Grant aid for capital investment (BEF/RBG)
- Skills of graduates used to promote innovation (Growing Talent)

2.3 The Marches LEP strategy

In The Marches, therefore, (as elsewhere) the intention is to combine the national programmes with local resources, to provide a more comprehensive offer designed to best meet local needs.

Resources from European funds and the Regional Growth Fund will be used to support this work. The European Structural and Investment Funds (ESIF) Growth Programme for England (2014-2020), has marked another turning point in business support, and placed LEPs at the heart of strategy development and delivery. Guidance to LEPs on developing ESIF strategies has placed SMEs at the heart of LEP thinking and delivery. Thematic Objective 3 of the preliminary guidance, "Enhancing the competitiveness of SME Enterprises" has been particularly important.

'SME Competitiveness' is therefore a main strand of LEPs' strategic development work, and will form a major part of LEP delivery of those EU fund strategies. The UK's EU programme has highlighted a number of areas that LEPs should consider, including access to finance, skills, and commercialisation of research and development. Through EAFRD there is an emphasis on rural SMEs too. Department for Environment Food & Rural Affairs (DEFRA) guidance for EAFRD funds includes four areas of potential delivery for LEPs including: "funding new and developing micro, small and medium sized rural business".

Alongside the ESIF programme, the Regional Growth Fund (RGF) was initially more concerned with supporting larger businesses to grow with its requirement that eligible bids must be in excess of £1 million. The fund was subsequently opened up, which has also enabled LEPs develop additional mechanisms to support SMEs through RGF.

In response to these opportunities The Marches LEP has developed a **Strategic Economic Plan (SEP)** and **European Structural and Investment Funds** (**ESIF) Strategy**. The SEP reflects on the strengths of the area, including the three urban powerhouses of Hereford, Shrewsbury and Telford, allied to the breadth of rural villages which span the Marches. It comments on the importance of SMEs plus larger businesses driving economic growth. It is proud of its heritage and recognises both the opportunities and challenges of being one of the largest LEPs in the country, covering some 2,300 square miles. The Plan articulates a clear vision for the Marches LEP of "*a strong diverse and enterprising business base, operating in an exceptional and connected environment where the transfer of technology and skills foster innovation, investment and economic growth*". It has developed five strategic priorities:

- **Supporting Businesses**: "We will create an exceptional business support environment for aspiring growth businesses through access to finance, research and incentives to innovate. We will promote the Marches as a business investment location."
- **Physical Infrastructure**
- **Skills Enhancement**
- **Low Carbon Economy**
- **Social Inclusion**

Under the 'supporting business' priority the LEP includes flexible business projects, digital inclusion and the visitor economy – all of which have been features of recent support initiatives.

It states market failures which need to be addressed by future investment as:
- A lack of critical mass to drive economic activity
- Lack of identity and appeals to investors
- Limited university offer or graduate jobs leading to a loss of the younger, highly skilled generation
- Low levels of R & D and commercialisation
- Poor virtual and physical connectivity

In relation to SMEs it identifies weaknesses as:
- low enterprise birth rates
- The enterprise culture around self-employment, whilst resilient, can have a low interest in innovation, change and high growth.

It identifies five key business sectors which drive growth:
- Advanced Engineering and Manufacturing
- Agriculture, Food and Drink
- Defence and Securities
- Environmental Technologies and Services
- Visitor Economy (leisure and business tourism)

'The 2014 – 2020 Common Strategic Framework brings together the three structural investment funds of European Regional Development fund (ERDF), European Social Fund (ESF) and Rural Development Programme for England (RDPE) under a single overarching strategy that seeks to address the Europe 2020 objectives around economic growth and job creation. The strategic activities within The Marches **ESIF Strategy**, although not directly aligned, will complement the SEP and look to deliver on some of its priorities. The strategic areas are as follows:

- Enhancing Competiveness, Research and Innovation and Enabling Technology
- Supporting the Shift towards a Low Carbon Economy
- Supporting the Environment
- Employment and Skills
- Social Inclusion

In terms of European funding The Marches LEP is split into a 'Transition Area' encompassing Shropshire and Telford and Wrekin and extending into Stoke and Staffordshire LEP, and a 'More Developed Area' into which Herefordshire falls. One of the major differences between the operation of the Transition and More Developed areas is the different intervention rate for ESF and ERDF across the two areas with separate budgets and outputs/targets to achieve.

The LEP proposes to meet this challenge by ensuring minimum standards are achieved in respect of the quality of projects and their delivery across the whole of the Marches area, whilst ensuring that the enhanced intervention rate for the Transition Area is used positively for the benefit of the whole Marches LEP.

The 2007-2013 ERDF programme operated against a backdrop of recession and of change in the business support landscape. Looking ahead, as the economy returns to growth and the Growth Hubs are rolled out, there are real opportunities to support the business base as it emerges from recession.

2.4 Wider working

The SEP identifies how the Marches LEP already collaborates with other LEP partners on a number of projects in the current 2007-2013 ERDF programme. In this regard, the recent evaluations of BEF, RBG and Eureka! all highlight successful partnership working with Worcestershire LEP and Stoke-on-Trent and Staffordshire LEP.

In addition the SEP acknowledges that Transition Areas, and those areas with geographical similarities to the Marches, have potential as partners/collaborators for future projects, especially where strengths and similarities are identified across particular sectors and activities such as food and drink.

2.5 The proposed Growth Hub

With the potential to create significant numbers of jobs and drive growth, the SEP acknowledges that the small and medium sized enterprises (SMEs) of the Marches are the backbone of the economy. The Marches LEP approach for business support reflects this. While paying particular attention to strengthening The Marches' priority sectors, ensuring that businesses are equipped to respond to the challenges of a global, knowledge-based economy, The Marches LEP is seeking new opportunities in high growth areas such as digital and creative industries, professional and financial services, energy and the environment.

Through a bespoke Growth Hub model, the LEP proposes to address the key issues of entrepreneurship, business growth (especially amongst high growth local businesses) and innovation. This delivery model will incorporate both virtual and physical hubs providing support tailored to the businesses already in operation and critically, finding and nurturing the entrepreneurs and businesses of tomorrow.

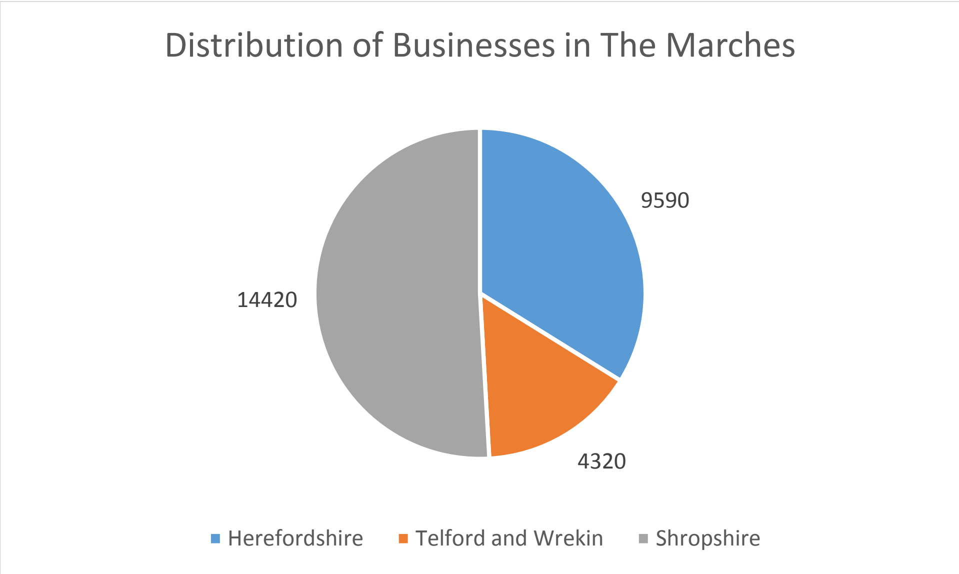
It is against this backdrop that the lessons learnt and implications for future delivery from the six separate evaluations have been developed.

3. Differences in the local economies within the LEP

3.1 Whilst the LEP Economic Strategy establishes a vision for The Marches, the different funding regime for ESIF funds within the LEP, combined with the different makeup of its constituent authorities suggests that some projects may need a specific geographic focus and partnerships may need to vary according to the overarching aim of each programme.

In this short section we set out some key statistics on the make-up of the local economy to identify the opportunities and challenges within the LEP.

3.2 The Marches LEP is home to 28,330 businesses, of which 51% are located in Shropshire, 34% in Herefordshire and 15% in Telford and Wrekin:



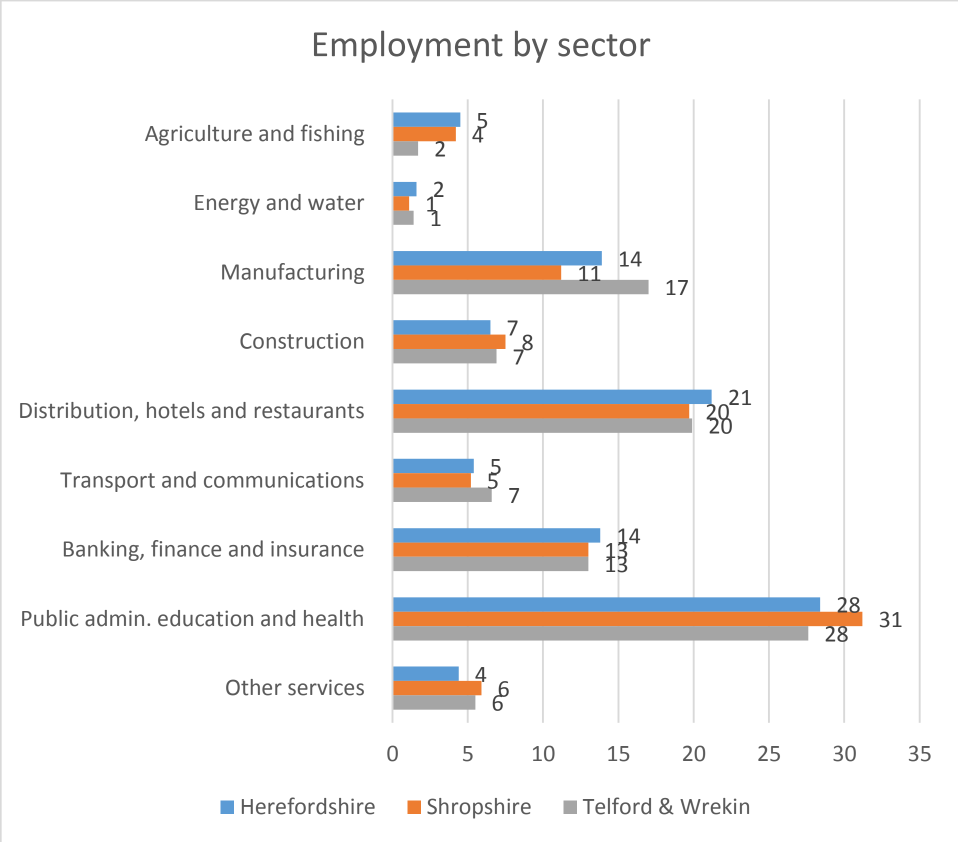
In terms of business stocks, 25% of enterprises in Herefordshire and 23% of enterprises in Shropshire are in the Agricultural sector, compared with just 4% in Telford and Wrekin. Of course, many of these businesses are small farms, nevertheless the data serves to show that when combined with the Retail sector as many as 1 in 3 businesses in Herefordshire and a similar proportion in Shropshire (30%) are excluded from ERDF support on the basis of current criteria; this is more than twice the proportion deemed ineligible in Telford and Wrekin (13%). This suggests that in relation to ERDF funding Telford and Wrekin may be expected to perform relatively well in relation to its stock of businesses compared with Herefordshire:

Table 1: Numbers of enterprises by local authority and sector

	Herefordshire	**Telford and Wrekin**	**Shropshire**	**The Marches**
Agriculture	2370	180	3260	**5810**
Manufacturing	640	440	800	**1880**
Construction	1015	490	1520	**3025**
Motor trades	315	170	490	**975**
Wholesale	385	260	650	**1295**
Retail	685	375	1025	**2085**
Transport and communications	230	200	435	**865**
Accommodation and food	470	265	840	**1575**
ICT	380	340	565	**1285**
Finance	75	60	160	**295**
Property	330	140	480	**950**
Professional services	1010	555	1760	**3325**
Business administration	670	310	880	**1860**
Public admin and defence	75	25	90	**190**
Education	165	85	190	**440**
Health services	275	190	505	**970**
Other services	500	235	770	**1505**
Total	**9590**	**4320**	**14420**	**28330**

Source: ONS IDBR

3.3 Analysis by employment shows that despite the numbers of businesses in Agriculture, in fact, the sector accounts for a very low proportion of jobs. The private sector is dominated by Distribution, Hotels and Restaurants, Manufacturing and Banking, Finance and Insurance:



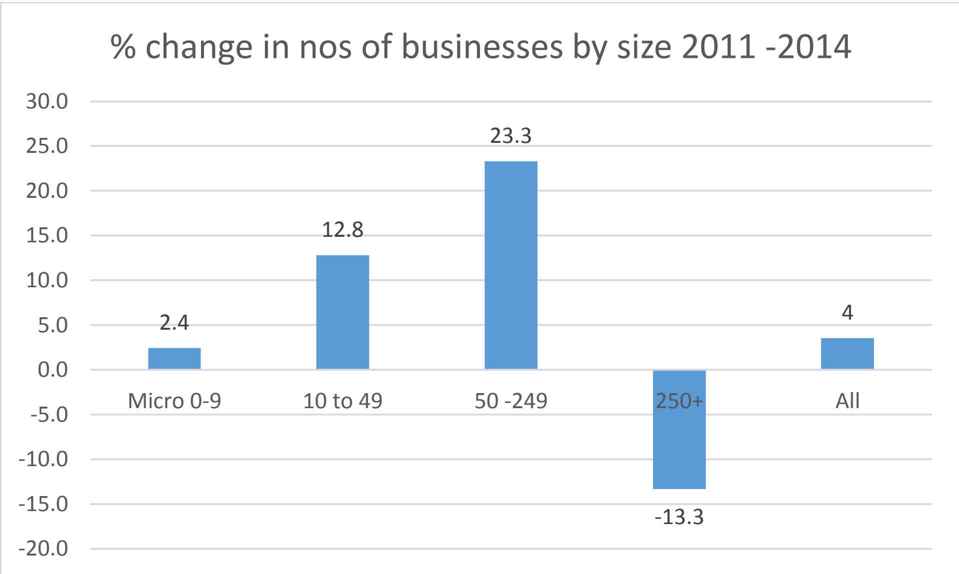
3.4 Another feature of the local economy is the very small scale of businesses across Shropshire and Herefordshire, where 90% of enterprises are classed as micro businesses with fewer than 10 employees. This is above the national average and markedly different from Telford and Wrekin which has a smaller proportion of micro businesses than average and relatively more medium to large businesses:

Table 2: Numbers of enterprises by local authority and sizeband

Employment sizeband (numbers)	Shropshire	Herefordshire	Telford and Wrekin	Great Britain
Micro (0 to 9)	13,045	8,610	3,675	1,939,490
Small (10 to 49)	1,170	820	505	212,000
Medium-sized (50 to 249)	180	135	115	36,630
Large (250+)	25	20	25	8,875
Total	**14,420**	**9,590**	**4,320**	**2,197,000**
Employment sizeband (%)				
Micro (0 to 9)	90	90	85	88
Small (10 to 49)	8	9	12	10
Medium-sized (50 to 249)	1	1	3	2
Large (250+)	0	0	1	0
Total	**100**	**100**	**100**	**100**

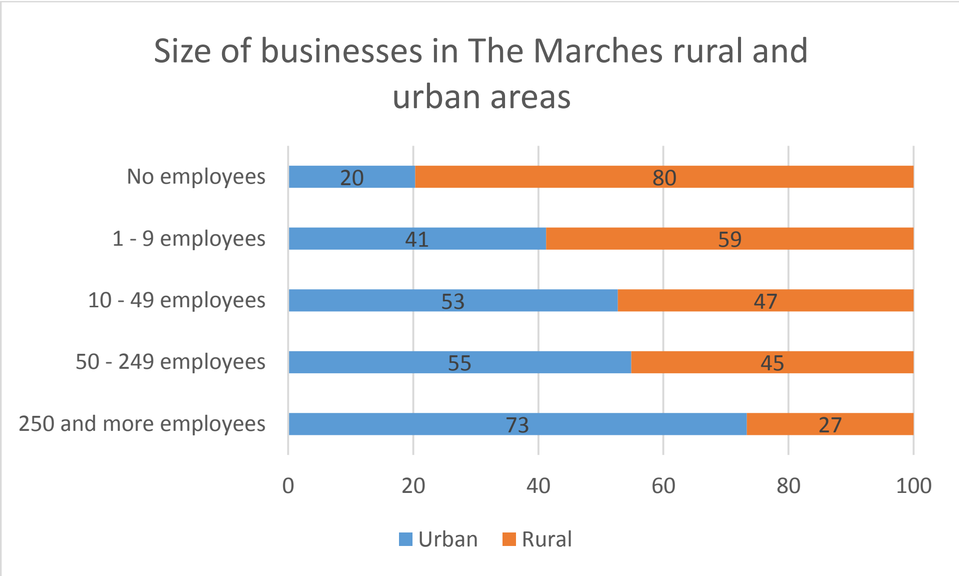
Source: IDBR ONS

3.5 Interestingly, trend data shows that it is SMEs that have underpinned the increase in numbers of businesses in the LEP in recent years with medium sized businesses (50-249 employees) having performed particularly strongly during the recession:

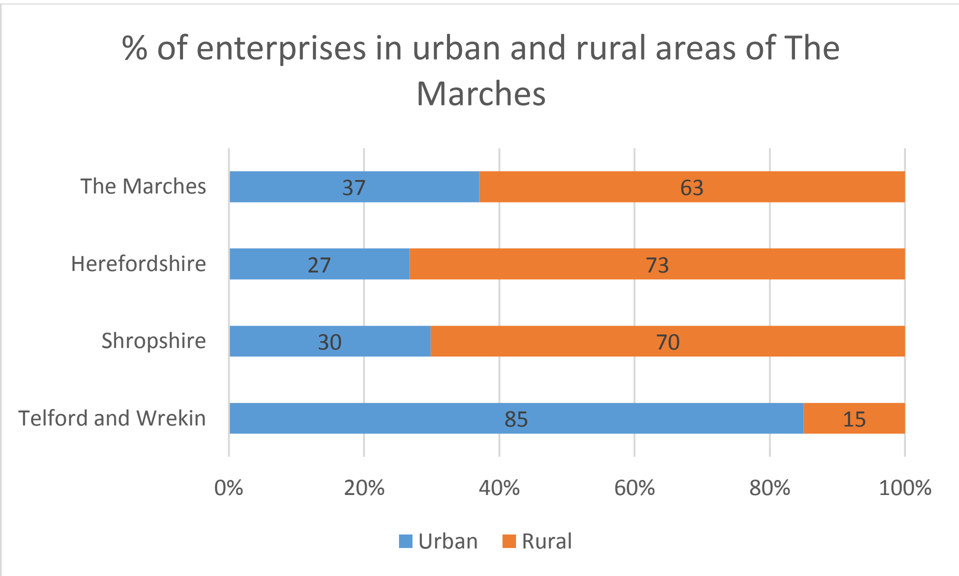


A particular issue that is relevant to large parts of The Marches is rurality. Rural areas possess a disproportionately high number of home based businesses, self-employment and jobs in micro-businesses but suffer from geographical isolation and limited choices in terms of available premises, employees and access to innovation networks and connectivity. Whilst they face a range of growth challenges, rural economies are also increasingly recognised for the contribution they make to economic development.

As might be expected, the data shows that in The Marches the larger businesses (250+) are concentrated in the urban centres whereas the rural economy is dominated by very small businesses characterised by sole traders or businesses with fewer than 10 employees. However, it is interesting to note the relatively high proportion of medium sized businesses located in the rural areas. This in itself brings its own challenges for business support in terms of outreach and uptake.



3.6 Overall, almost two thirds of businesses in the Marches are in the rural area, but as with other indicators there are stark differences between Telford and Wrekin and the rest of the LEP area:



More detailed analysis shows that rural and urban economies are very similar in terms of sector composition. Whilst there are some sectors that are more heavily represented in rural than in urban (e.g. agriculture, tourism), the vast majority of sectors present in the urban economy are present in the rural economy to a similar extent.

One risk is that in partnerships with other LEPs, the most rural areas are overlooked. With increasing political emphasis on economic development, investing funds in more urban areas is likely to deliver higher returns when measured by DCLG indicators such as output, employment and additional investment leveraged. However, as the earlier round of ERDF funding shows, whilst it is more costly to reach the rural parts of Herefordshire and Shropshire, investments in rural areas can have impacts through sustaining a whole range of local businesses/supply chains and is crucial in a LEP where the majority of businesses are located in rural areas.

4. Overview of Financial Assistance & Business Support Schemes

4.1 Overview of projects

The suite of support packages under review spanned a vast geographic area. Whilst whole LEP areas were covered in some, others such as OBB had distinct eligibility, hence benefitting areas are noted below.

Table 3: Delivery areas of projects

Scheme	Funding Source	Time-scale	Shropshire	Herefordshire	Telford and Wrekin	Worcestershire	Staffordshire
BEF	ERDF	Jul 2011 – Jun 2015	x	x	x		x
Eureka!	ERDF	Sep 2013 – Jun 2015	x	x		x	x
MGB	ERDF	Jan 2013-Jun 2015	x	x	x		
metnet	ERDF	May 2010-Mar 2014	x	x	x	x	
OBB	ERDF	Sep 2013 – Jun 2015	x				x
RBG	RGF	Feb 2012-Mar 2016	x	x	x	x	

We provide here a synopsis of the schemes under consideration:

4.2 Business Enterprise Fund (BEF)

ERDF funding provided £1.26m to create a capital grants pot. The aim of the BEF was to provide small and medium enterprises (SMEs) with financial assistance to support individuals to start businesses and to encourage existing businesses to invest in projects which will result in increased profitability through efficiency savings and/or expansion and diversification and entry into new markets. Originally, the offer was for grants for up to 50% of the investment to a maximum of £1,500 for start-ups and £5,000 for existing businesses, but since 2013 the grants were increased to up to £5,000 for start-ups and £10,000 for existing businesses. Originally designed to run between July 2011 and March 2014, in 2013 this was subsequently extended to June 2015 to deal with underspend. At around the same time the project was extended into Telford and Wrekin and Staffordshire

Its targets were 212 business assists, 138 new jobs and 54 new businesses created or attracted and surviving 12 months.

4.3 Eureka! Moment

ERDF funding of £333,081 under Priority 2 – Stimulating Enterprise Development, was secured to provide a total project worth c£667k. Grant funding available (offering grants up to £10,000), equated to £420,000, based on 50% intervention rate. The remainder was allocated to salaries, workshops, audits, travel, marketing etc. The match was made up of a combination of in-kind time contributions from delivery partners and cash from Local Authority partners. The aim was to provide initial innovative support to businesses which were unable to meet the threshold of other growth/innovation schemes such as Growth Accelerator, KTPI, KEEN or Voucher Schemes, which typically target businesses likely to achieve 20% growth. The case was made that Government funding initiatives tend to be determined by the ability to deliver large scale growth, often with indicators such as delivering major job numbers and GVA increases. This has the effect of excluding sole traders, microbusinesses and home working businesses which are prevalent in the rural areas of the Marches, Worcestershire and Staffordshire.

The project aims were to provide a minimum of 24 briefings and workshops; 65 Business Assists to SMEs and 22 SMEs to engage in new collaborations with the UK knowledge base.

4.4 Marches Graduates for Business (MGB)

The project was to provide free recruitment services and support to companies; stressing the benefits of recruiting graduates with fresh ideas and skills who could aid innovation. Targeting SMEs and providing financial support (45% towards salary costs and 45% of the employers NI contribution), the project offered a series of interventions. It secured some £214,913 European funding in January 2013, to be matched to £36,094 public sector funding, with a further £178,819 to be sought from the private sector: a total project value of £429,826. The project was funded until June 2015. The original funding was to deliver 74 businesses assisted, 7 jobs created and 67 graduates placed into qualifying SMEs. Originally focussed on Shropshire, in June 2013, the benefitting area was extended to include the whole of the Marches. DCLG approved a further £260k EU funding and required an additional 30 placements.

4.5 Marches Environmental Technologies Network - metnet

The Marches Environmental Technologies Network was a business network created to deliver the Competitiveness through Collaboration programme, funded by Local Authorities (Herefordshire, Shropshire, Telford & Wrekin and Worcestershire) and the ERDF programme. metnet ran for 5 years. **Phase 1** ran from May 2010 to March 2012 and an evaluation of the first phase was published in May 2012. **Phase 2** extended the network for another 2 years (from April 2012 – March 2014). A further extension to March 2015 was recently granted (**Phase 3**). The most recent evaluation considered Phase 2, this phase secured some c£117k of European funding matched to Local Authority sources.

The aim of metnet was to support environmental technology companies across the Marches and also to assist businesses that were looking to diversify into the sector. This was achieved through a programme of information and networking events; a website (www.met-net.co.uk) and regular email bulletins to provide information and business opportunities for environmental technology businesses across the Marches and Worcestershire. The project also promoted and encouraged collaboration with the region's Higher Education Institutions. It had targets relating to assisting businesses to win new contracts (30), expand operations by 5% (50), introduce new practices (25) and access advice and information (100). There was a focus on the waste and recycling sector within each of the targets. The project outputs were 30 business assists.

4.6 Optimising Business Broadband (OBB)

The total value of OBB was £216,561, with ERDF contributing some £108,233, offering a 50% intervention. The impetus for OBB came from an acknowledgement that there was a significant knowledge gap amongst SMEs regarding the opportunities offered by fibre broadband to transform business.

The overarching aim of OBB was therefore to stimulate business interest and encourage businesses to develop their understanding and application of ICT. The long term project aim was to increase the use of superfast broadband services for the whole community, and to increase the sub-region's economic competitiveness through business growth and job creation.

The programme comprised 4 levels of support:

Level 1 – Awareness Raising – via high level and local events
Level 2 – Practical learning via webinars and development programmes
Level 3 – Face-to-face support – 1:1 support to implement action plan
Level 4 – Follow-up and specialist training, 6 months after action plan to support growth

The target was to generate 34 two day business assists.

4.7 Redundant Buildings Grant Scheme (RBG)

This was a capital grant programme and is the only one still in operation. It secured £3m in total - £1.5m in each of Round 2 and 4 of the Regional Growth Fund; it offers a 45% intervention rate (originally 30% but subsequently increased) matched to private sector funds. Its primary objective is to bring back into productive use underused and redundant buildings across the Marches LEP area. Grants ranged from £3k to £50k in the Marches LEP areas (subsequently amended during the course of the programme). It had a collective target of creating 550 new jobs with an associated aim to safeguard existing and indirect jobs. Round 4 funding is due to complete March 2016.

5. Scheme management details:

5.1 Effectiveness of Marketing/Publicity/Recruitment campaigns

The following table identifies mechanisms used by project leaders to publicise grant availability.

Table 4: Marketing methods used by different projects

Scheme	Personal	Leaflet	Press	Email	Website	You Tube	Twitter	Direct Mail	Events
BEF	x	x	x		x		x	x	x
Eureka!		x	x		x	x	x		x
MGB	x	x	x				x		x
metnet			x	x	x			x	
OBB			x	x	x	x	x		x
RBG	x	x	x						

Commentary to the above, is detailed below:

5.1.1 **Business Enterprise Fund:** No marketing budget was available and project leads had to be creative in using a number of different approaches including the insertions of leaflets with business rates. Direct contact was felt to be best which was easier in authorities with Business Support Officers such as Staffordshire and Telford & Wrekin. There were some inconsistencies in marketing, notably in Staffordshire, where expectations from businesses were raised, only to find they were outside ERDF regulations. The general view was that, given the breadth of the area, a consistent message needed to be agreed at the outset and consistent branding developed. Leaflets which were produced were too generic and contained too little detail, although these did improve over time. A particular challenge was in reaching start-ups since they are not generally listed on council databases, nor are members of chambers and it was acknowledged that new ways are needed in the future to reach this group.

5.1.2 **Eureka!:** suffered from what was described as a “tiny” marketing budget of £10k. The leaflet was described in the evaluation as “woolly” with too little direct information to effectively inform businesses what the project entailed. However, three films produced for online access proved popular (605 hits) –and boosted interest in the project. The use of Shropshire Council’s website constrained the programme, as it is insufficiently flexible to use for marketing purposes. The framework in which the Council’s Communications Team operates also limited its capacity to fully embrace social media or adopt the cutting edge technology promoted by Eureka!; as a consequence, Staffordshire University set up a twitter account for the project.

5.1.3 **Marches Graduates for Business**: Minutes of Steering Group meeting from July 2014 contain the range of marketing techniques employed by the project. Herefordshire intended to use a new PR officer who was skilled in social media. Shropshire were using social media and local press to advertise the scheme while Telford were continuing to attend Business events to promote the programme. It is clear that the project had used various ways to encourage businesses to join the scheme from pop up banners and leaflets to e leaflets and general promotion via council officers.

5.1.4 **metnet:** Marketing activities to publicise metnet amongst businesses, included internet advertising, newspaper/magazine advertisements, press releases, direct mail exercises, regular email bulletins, business consultation and baseline survey work. It was said that staff within metnet had specific marketing expertise, as such it considered itself good at "upselling" – signposting participants to other grants within the suite of business support. It was felt this approach was important to develop across the range of packages available.

5.1.5 **Optimising Business Broadband**: used mechanisms in tune with the project itself, thus various aspects of social media, deliberately designed to attract likely businesses were used. However, the most important factor here was that OBB was operated by Winning Moves, an external contractor to Shropshire Council. It already had numerous followers on Twitter and LinkedIn which it used to raise awareness of OBB. Crucially, it also meant that the project was not constrained by limitations of council websites.

An interesting aspect of OBB was the events programme, where the aim was to get businesses involved in Superfast Broadband. However, calling an event "Cloud technology" evoked little response; similarly "Cloud computing" generated little interest. Simply changing the title, for example, to "How IT can help businesses to grow", increased numbers. This illustrates that businesses for whom OBB was intended, do not yet have the understanding of technology in the broadest sense. Similarly webinars were less successful, with the final round being dropped and converted to YouTube videos.

5.1.6 **Redundant Buildings Grant**: It appeared that there was very little budget available for marketing and publicity. No specific budget was available within the scheme, but some support was provided via the LEP. It was said by one Local Authority group member that it was the responsibility of each officer from the Economic Development departments to ensure awareness of the scheme was raised in their areas. It was part of their job, if there were insufficient projects coming forward from their area, then that was a reflection on them, not the scheme itself. Some commented that there had been effective press coverage in terms of successful projects – this in itself had proved to be one of the best ways of creating interest and stimulating demand, with word of mouth being acknowledged as an effective method.

Overall

Across the programme, there was a suggestion that individual projects worked in silos, no doubt reflecting the different calls from DCLG, their different start times and geographic coverage, but in future there is a need for more cross-selling of projects. It was also suggested that marketing should take account of different sectoral needs and be targeted accordingly.

5.1.7 Key messages

- ✓ Future projects need to include a marketing budget and to develop marketing strategies. The Growth Hub should enable best practice in marketing to be shared.

- ✓ There is a need to ensure that individual local authority freedoms do not compromise branding and the need for a consistent message.
- ✓ Council websites lack the flexibility needed to run social media campaigns and the Growth Hub will need to ensure that its website and IT systems have this capability.
- ✓ External contractors showed that social media campaigns can be very effective in building awareness and keeping potential beneficiaries engaged and more use of these methods should be considered in future. However, it appears that local businesses are typically not well advanced on the IT adoption spectrum and whilst podcasts and webinars may be appropriate to use for digital projects, there is a need to ensure that the message is also accessible in other formats.
- ✓ Start up support projects need different ways of reaching potential clients and the use of informal means such as Facebook as well as publicity through accountancy firms (as developed by BEF) and other start-up support organisations should be a priority.
- ✓ It needs to be acknowledged that whilst rural businesses appear reluctant to travel to urban centres for events, local delivery in the rural areas is unlikely to achieve the same sort of attendance as the urban centres.
- ✓ Project calls defined the different activities and timings of each project, which tended to lead to independent working, rather than combining the projects to provide a 'package of support'. In future, cross-referrals and signposting to complementary programmes within the Growth Hub offers real potential to address this. Consideration will need to be given to setting up a common system which enables the uptake of different support to be tracked by individual company.

5.2 Application processes

5.2.1 **BEF:** Once businesses had been screened to identify that they were eligible for funding and the investment they intended to make fitted the Fund's criteria they were invited to apply for a grant. Investment had to be of clear benefit to the company and relate to capital investment such as property repairs, purchase of fixed assets, machinery not including road vehicles, equipment with a minimum 1 year life span. In line with ERDF requirements, the application process included submission of a business plan, cash flow, audited accounts and 12 month trading figures. There was no option to complete electronically. Given the grant size available, however, beneficiaries were reluctant to complete such detail, particularly when compared to Green Bridge, an ERDF programme offering grants from £10k to £100k which required similar information.

In turn the complexity of the process created an administrative burden: businesses required 1:1 support to submit suitable applications with a knock-on effect in appraisal and approval. Latterly the use of surgeries to deliver support was considered good practice. On a positive note, the rigour of the process meant that all the businesses supported have survived, despite the recession. Each Local Authority area had individual appraisal panels which then made recommendations to the Project Board. Each panel reviewed projects in their own area, until the project was drawing to a close. Then, for efficiency reasons, panels reviewed any pending applications. It was at this stage that it became apparent that there was little consistency in each panel's approaches. It was felt this was largely due to a lack of guidance and an agreed understanding of what was eligible spend especially around IT. Additionally, Shropshire's Finance Team raised specific financial issues post Appraisal Panel, and Board approval, which incurred further delays. A further issue concerned the Project Board where it proved difficult to recruit business representatives leaving Local Authority Officers to chair meetings. This in turn meant those business representatives who were prepared to become a member were hesitant to attend, believing there was little else to do, other than rubber stamp recommendations.

5.2.2 **Eureka!:**

The project aimed to engage targeted businesses and stimulate interest through tailored briefings and innovation workshops. The programme and content of these sessions were to be in response to demand, which was to be reviewed quarterly at the Project Delivery Group meetings. The free workshops and briefings were themed sessions looking into specific topics in more depth with a focus on how research, development and innovation activities can ensure SMEs stay ahead of the competition, through the provision of local case studies.

It was felt that Herefordshire businesses did not engage as much as they may have done due to the distance to travel to workshops outside Herefordshire in the main urban centres. Eureka! was felt to be a crowded marketplace, with many projects competing for the same market, even though the purpose of Eureka! was to reach those excluded from other programmes.

Some Delivery Partners were more familiar with the needs of larger companies rather than some of the "lifestyle" businesses coming forward for Eureka! and were more comfortable with innovation areas, other than marketing, which seemed to be required by many such companies.

To secure a grant, businesses were asked to prepare of brief for consultants, obtain 3 quotes, supply 2 years of accounts plus a financial forecast. Helpful guidance was produced to aid businesses in developing the brief and completing the application form. However, the view was expressed in the evaluation that the application was too long even though it was reduced so that all businesses had to do was to send in accounts and provide consultants' briefs for the quotes – this put a lot of people off but was deemed necessary for ERDF purposes. It was also considered that the appraisal/application could be simplified. Small companies tend to outsource their finance operations and it was thought that they did not know what a cashflow forecast is or may not have had a business plan.

On receipt of applications the Project Delivery Group assessed the needs of businesses against a set of agreed criteria and then awarded a grant or offered other support such as signposting, referral and identifying alternative grant and voucher schemes.

5.2.3 **Marches Graduates for Business (MGB):** Enquiries were generated through a range of networks and marketing/public relations: those received were initially checked for eligibility by a designated officer in each of the counties, and if eligible were supported to complete their applications. Applications were then submitted to Shropshire Council and considered by an Appraisal Panel drawn from Local Authority officers and a DWP representative. If approved, the vacancy was advertised and a vetting visit undertaken at the same time as the interview. No funds were awarded until the Council were satisfied appropriate systems were in place. A two week placement visit was conducted and businesses then submitted monthly claims. Reviews occurred at 3 and 6 months (via email) with businesses completing a final questionnaire at the end of the placement. Some delays occurred in recruiting suitable graduates and the Council incurred substantial administrative time and costs.

5.2.4 **metnet:** It was not clear from information supplied, how companies were recruited to the project. That said, it seems the project was reliant on a number of events held across the benefitting area to elicit initial interest. It also used a dedicated website www.met-net.co.uk to maintain information on registered businesses within the network. In the timescale of the project, membership increased from 294 to 510 companies.

5.2.5 **OBB**: the external website made it possible for any company to sign up through the website and social promotion, and this self-selection approach by businesses made it difficult to ascertain ERDF eligibility. In future, it would be worthwhile considering the development of an online filter mechanism to address this issue.

5.2.6 **RBG**: Herefordshire Council Local Authority officers undertake a site visit and discuss the proposed project with companies which have completed a simple one page form. This is reviewed by the Lead Officer. If the basic eligibility criteria are met, the applicant is invited to complete a full project application of some 17 pages. The form is quite onerous, as one would expect for a publicly funded scheme, and there is a significant proportion of drop out at this stage. Applications above £10k are subject to a separate, independent, financial appraisal. The Lead Officer undertakes a comprehensive appraisal of the project which is submitted to the Steering Group for consideration. Research has confirmed that projects are considered, questions asked and approved or rejected based on information supplied. There is evidence of good debate and a well-functioning, committed membership with no sign of vested interest on behalf of members, the needs of business being the paramount consideration. Clear guidance is available to assist in completion of the application form and claims forms. Business Plan templates and suitable prompts are available. All such elements are testament to a long established programme.

5.2.7 Key messages

- ✓ ERDF requirements limit the flexibility of the application processes but it is recommended that all processes are reviewed in the next funding round to make applications as simple and streamlined as possible. A starting point may be review the relevance of certain pieces of information e.g. details on key personnel and building layout required by BEF. In particular, there is a need to explore the potential for reducing the information required for the smallest grants.
- ✓ Simpler forms would reduce the need for support and fit with the LEP's ethos of 'channel change' whereby services are delivered by less intensive methods. Online applications should be standard.
- ✓ In future, officers may wish to put processes in place to monitor drop out from expression of interest to application stage to enable on-going monitoring of the ease of application/eligibility.
- ✓ Clear guidance on application completion should be produced as was done by the Eureka! project.
- ✓ Where application support is necessary the surgeries developed by BEF were deemed successful and an effective use of officer time.
- ✓ The appraisal panels for BEF worked well and provide a model process going forwards, but in future needs to 'fit' better with the governance of the project, learning lessons from RBG.

5.3 Accountable Body role

5.3.1 Shropshire Council held the Accountable Body role for the following programmes:

BEF: Shropshire Council held the role of accountable body from the outset. During this time it developed its systems and processes to a high level and a Progress and Verification visit from DCLG in 2012 raised no real issues. Within BEF, it has been noted that during the 20 day turnaround allowing the Project Officer to draw up a funding agreement, the finance department within the Council raised further queries. This caused delays which, in some instances, led to businesses deciding to withdraw, given they could wait no longer for grant funding. Some questioned whether there was duplication in roles, between the finance officer, the project officer and the financial expert on each appraisal panel.

Project management was said to be good with the post holders having responsibility for receiving applications, liaising with applicants, monitoring progress (in terms of project development, expenditure and outputs), attending appraisal panels and ensuring adequate appraisal is undertaken, and attending the project manager steering group. Files were well maintained although some Appraisal Panel members felt meetings could have been better structured. Whilst monitoring was slow to become established in the early days of BEF, it is now thought to be comprehensive and effective.

Eureka!: The Project Manager was appointed in January 2014 (4 months after commencement of programme) with the Claims/Monitoring officer appointed in August 2014. These delays undoubtedly contributed to less than expected performance in the early days of the programme and in future there is a need to build in realistic lead times into bids.

The Project Delivery Group comprised representatives from each of the councils as well as representatives from each of the Delivery Partners; CTB, University of Worcester, Staffordshire University, SBEN (through Staffordshire County Council) and University of Wolverhampton. The vast geography of the area meant that getting to meetings took a long time, and some said that more one to one meetings between partners and the project lead may have been a better use of time, although staff resources would have meant this would have been impractical. In future, the use of video conferencing/skype would be worth consideration.

Whilst delivery membership changed due to staff movements, the project lead was praised in the evaluation for managing all partners.

MGB: Shropshire Council acted as the Accountable Body for this scheme, and feedback from participants was in the main very positive, with only one or two commenting that the paperwork was onerous. There were some comments that the need for evidence relating to NI contributions proved somewhat problematic, with the recommendation being it might have been more manageable to simply pay 50% of the net salary, rather than 45% of salary and NI.

The Appraisal Panel and Steering Group seems to have worked well, with clarity around roles and relationships. Some delays were experienced in recruitment of graduates.

metnet: Businesses and Local Authority partners, were very positive about how metnet has been managed and delivered, and impressed by the highly professional service provided by the metnet team. Businesses found the metnet officers to be approachable and knowledgeable and the events were very well organised. However, quarterly Project Board meetings were not always held - but this is not through want of trying by the metnet project team, rather, this stems from the increased pressures that partners face which makes it difficult to get all the partners together on the same day. In terms of lessons learnt, regarding programme management, the evaluation noted a number of factors: having project staff with the right skills in areas such as engagement with businesses, organisation of events, interpersonal and networking skills; knowledge of the EGS sector; project management and general 'approachability' for businesses.

OBB: The Council was responsible for coordinating the monitoring, reporting, budget management, procurement and contracting. Winning Moves was appointed as the delivery contractor. The evaluation found that the project had been well managed, across different geographic areas.

Winning Moves over achieved output targets and the project clearly benefitted from having a lead provider well versed in IT and social media. From a slow start, the programme gathered momentum with Winning Moves using innovative methods to ensure output targets were met, including development of webinars and the subsequent transfer of them to YouTube. It was felt the project clearly benefitted from not being seen as another Council project.

Whilst the overall management costs by Shropshire Council were high on such a small budget, however, this was a pilot project to test out external delivery and in future commissioning activity could be combined, providing more cost efficiencies and better Value for money.

RBG: Herefordshire Council was responsible for managing the Redundant Building Grant Scheme and had done so since 2003. There are clear systems in place, including ongoing monitoring systems and arrangements for Steering Group meetings. Contributors were keen to stress their appreciation of the management of the programme by Herefordshire Council officers. The move to different application systems for different levels of grant was reflective of business feedback. There is an excellent working relationship between the project lead and the finance section within the Council. The Finance Section simply make grant payments, leaving responsibility for appraisal, monitoring and validation of payments to the project staff. This has reduced bureaucracy as far as possible.

5.3.2 Key messages

- ✓ There are lessons to be learnt in the way the different councils have managed the accountable body role. Whilst direct comparisons are not possible because of the requirements of different funding streams, a key difference appears to be the extent of effective working practices across departmental boundaries. This often led to time delays in approving projects, confusion for the applicant in understanding the application decision process and as a consequence, higher project costs.
- ✓ Staff with a will to facilitate and a passion for business support are seen as essential to project success.

6. Impact of the financial assistance packages

6.1 Output Achievement

Table 4 below details the outputs achieved to date by the different projects. It should be noted, we have been unable, within the scope of the evaluations, to check the veracity of the outputs reported, and numbers quoted are taken from information provided by Project Officers.

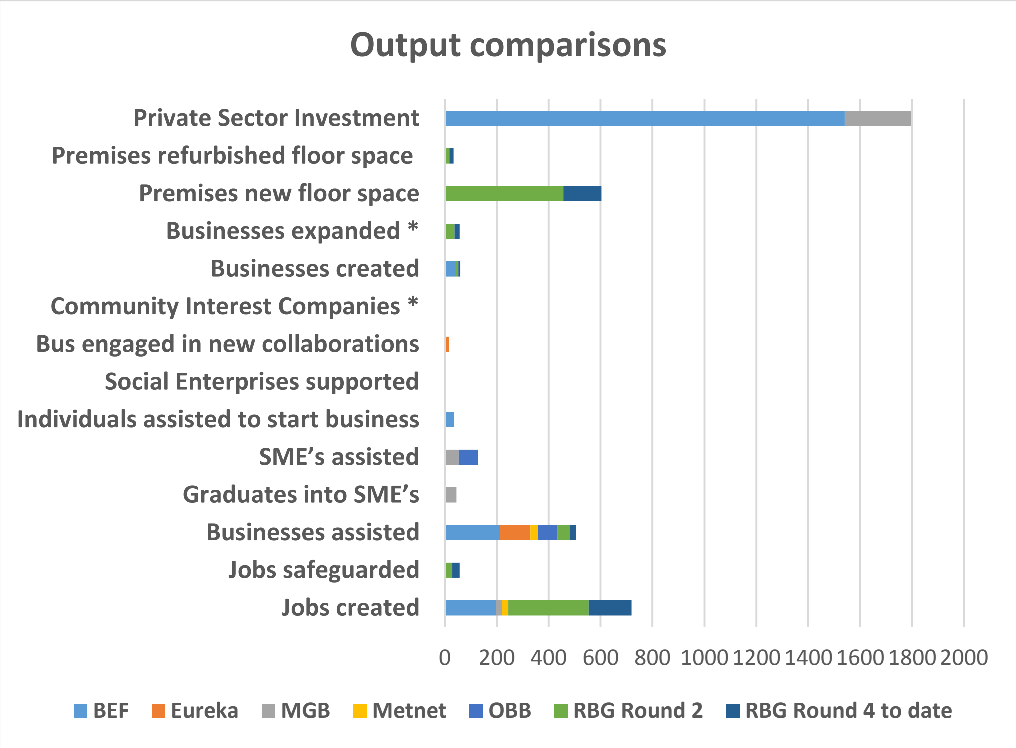
The majority of outputs listed are classified as ERDF outputs, with the exception of those starred, which are project specific outputs:

Table 5: Output achievement

Outputs	BEF	Eureka!	MGB	metnet	OBB	RBG Round 2	RBG Round 4 to date	Total
Jobs created	196		23.5	25		309.3	165.8	**719.6**
Jobs safeguarded						28.5	28.2	**56.7**
Businesses assisted	212	120		29	75	48	24	**508**
Graduates into SME's			45					**45**
SME's assisted			53		75			**128**
Individuals assisted to start business	35							**35**
Social Enterprises supported					2			**2**
Businesses engaged in new collaborations		16						**16**
Community Interest Companies *	3							**3**
Businesses created	39					13	8	**60**
Businesses expanded *						38	19	**57**
Premises new floor space						457.43 m^2	146 m^2	**605 m2**
Premises refurbished floor space						17,882 m^2	16,000 m^2	**33,882 m2**
Private Sector Investment	£1.54m		£256k			£3.87m	£2.67m	**£8.34m**

As can be seen, there are significant variations between the different projects, with the largest focus being upon jobs created/safeguarded and businesses assisted, as expected. There is clearly added value also delivered by the projects not captured as part of their monitoring processes – for example, across the range of projects and evaluations, it has not been possible to identify all private sector investment levered. There has also been impact upon businesses in terms of increased turnover, but this too has not always been collected through monitoring processes.

6.1.1 The following chart shows in graphical format the levels of outputs per project:



N.B It should be noted that the Private sector investment above does not include that levered by RBG – as this would render the remainder of the graph unreadable. An additional £6.5m should be added to the total above, representing the RBG private sector investment.

6.1.2 Commentary on output delivery:

Eureka!: The fact that all delivery partners (the universities) were based to the east of The Marches meant that delivery partners were engaged in considerable travel time, whether from Worcester to Herefordshire or from Wolverhampton to west Shropshire. With the development of a Shrewsbury campus for Chester University and a Hereford campus for Wolverhampton University, plus the involvement of Harper Adams University a whole new range of potential delivery partners may in future lead to better and easier geographical coverage.

Business assists have been significantly over-achieved and although the project has not yet been fully monitored, it is expected that by the end of the project, additional collaborations will be identified. The programme has also fostered the development of relationships between the local authorities and universities – a valuable development in the ever diversifying arena of business support.

Marches Graduates for Business: Positive comments were received from businesses with some continuing employment and commenting that sales revenue had increased as a direct result of graduate input. Others could identify a positive economic benefit and a graduate having the ability to train colleagues in new systems and processes.

metnet: URSUS reported that outputs, including a range of project targets, were largely achieved. It notes geographic distribution is reasonably well balanced with events being held across the Marches and actively targeting businesses. It commented that, of businesses responding to a survey, 68% rated metnet as being "very useful". It had clearly helped businesses to: find new market opportunities, improve networking, collaborate more effectively, win new contracts, increased awareness of other sources of business support and diversify operations.

In terms of lessons learnt, it was said metnet: had developed into a strong brand, proved the benefit of a sector specific network for EGS businesses, delivered across the right geographic scale - a smaller area may not have had the critical mass of businesses necessary

OBB: As a result of the programme, businesses are doing things differently; taking on Superfast Broadband where they can and engaging in social media. Whilst there was some comment that the programme was small scale in its achievements, it was only ever intended to be small-scale at this stage of fibre broadband roll out, and the experience will be invaluable in planning future digital enterprise support. In addition to the one to one business assists, the events have reached hundreds of participants and the scale of the twitter and LinkedIn followers and webpage hits indicates the appetite for continued engagement.

It was noted that local companies are now engaged and this provides a readymade market for taking things forward in the future. The need for market research was identified, to take these companies to the next stage and ensure their views and needs are taken on board. Integration with other programmes such as the Business Enterprise Support fund would also allow businesses to benefit from capital grants and other forms of support.

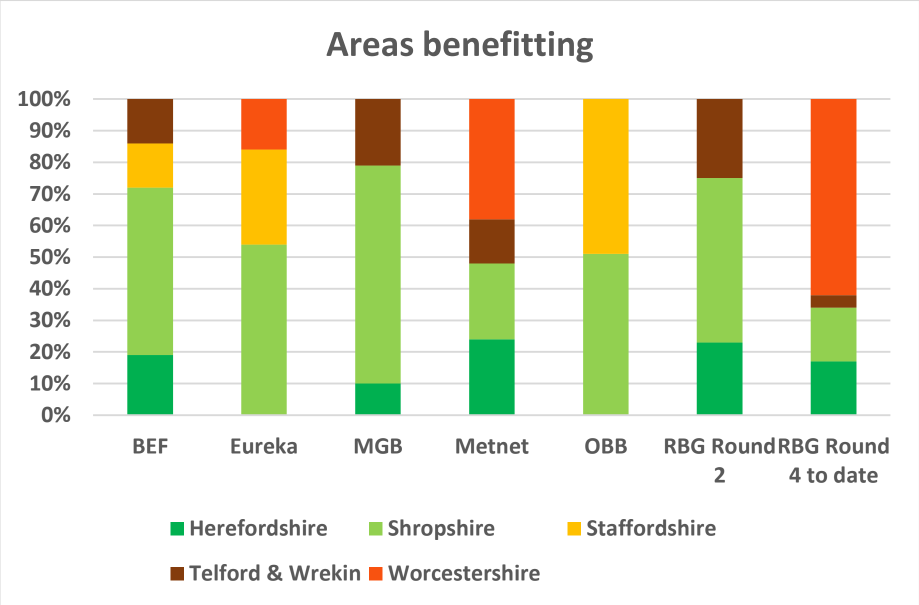
6.2 Areas benefiting from individual project activities

We note below the % of grant funding invested in each area, per each programme. In respect of OBB, numbers quoted relate to eligible engagement and business assisted by local authority.

Table 6: Areas of delivery

Outputs	BEF	Eureka	MGB	metnet	OBB	RBG Round 2	RBG Round 4 to date
Herefordshire	19%		10%	24%		23%	17%
Shropshire	53%	54%	69%	24%	51%	52%	17%
Staffordshire	14%	30%			49%		
Telford & Wrekin	14%		21%	14%		25%	4%
Worcestershire		16%		38%			62%

These percentages are displayed below in graphical format:



As a caveat to the above, it needs to be borne in mind that not all areas benefited from each project. However, as can be seen, Shropshire has notably benefited to a greater extent across the range of projects than other counties. This is potentially due to the fact that Shropshire has a greater concentration of businesses than its neighbours: this is considered further in section 9 below. However, it is worth noting that Herefordshire also had the potential to benefit from Eureka!, but ultimately did not do so: some audits were undertaken in the county, but none were then taken forward to grant stage.

6.3 Sectors benefitting from individual project activities

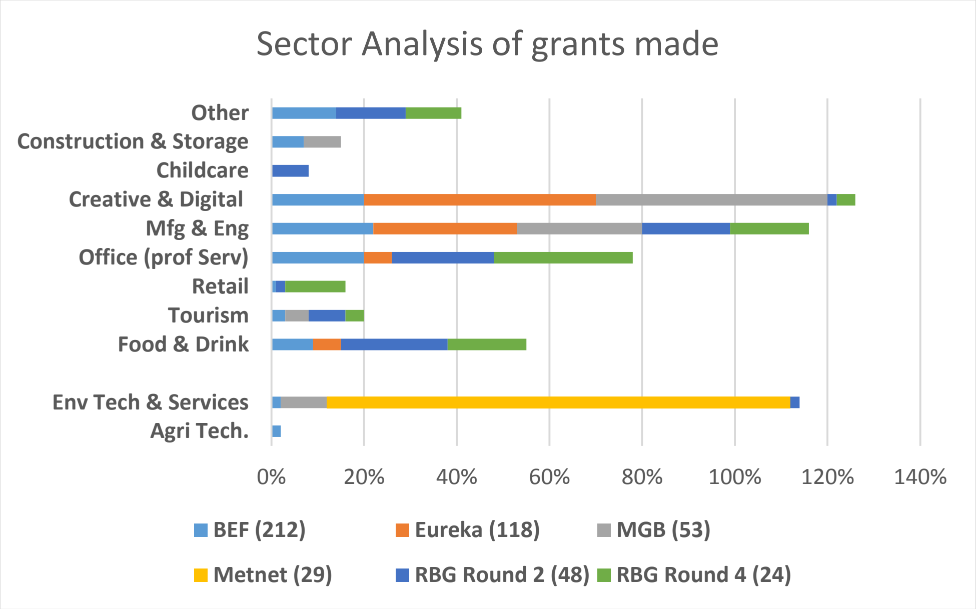
We note below in Table 7 those sectors which have benefitted, in terms of grants, where such information is available from information provided by Accountable Bodies.

The health warning, in relation to the following, is that inconsistent monitoring between projects, in terms of identifying benefitting businesses, has made what should be a relatively simple process, somewhat harder. We have used best endeavours to aggregate results, presented below.

Table 7: Sectors benefitting from the projects

Sector	BEF	Eureka	MGB	metnet	OBB	RBG Round 2	RBG Round 4
Agri Tech.	2%				NOT AVAILABLE		
Env Tech & Services	2%		10%	100%		2%	
Food & Drink	9%	6%				23%	17%
Tourism	3%		5%			8%	4%
Retail	1%					2%	13%
Office (Professional Services)	20%	6%				22%	30%
Mfg & Eng	22%	31%	27%			19%	17%
Creative & Digital	20%	50%	50%			2%	4%
Childcare						8%	
Construction & Storage	7%		8%				
Other	14%					15%	12%

It is interesting to note here, that those sectors which have benefitted most, excluding metnet (which was specifically focussed on environmental services and thus skews the overview), include Creative & Digital and Manufacturing & Engineering. Perhaps reflecting ERDF eligibility criteria, the fit between sectors supported and LEP priority sectors such as tourism and 'agritech' is not as evident as might have been expected. Again, comparison is easier in graphical format, as below. Note, however, the different scale of projects given in brackets in the legend:



6.4 Key messages

- ✓ Collectively the programmes have created or safeguarded just under 800 jobs and supported over 500 businesses against a very difficult economic backdrop. Over 0.6m square metres of floorspace has been brought back into economic use. Not all additional outputs have been recorded and undoubtedly the added value of the projects is greater than the DCLG outputs. Looking ahead, there need to be more consistent means of capturing outputs, electronically where possible to demonstrate impact.
- ✓ The Evolutive database is not used consistently across the different authority areas, making it difficult to share data. This needs to be addressed, as does consistent monitoring of outputs by sector.
- ✓ There may need to be consideration of local authority targets for some projects to ensure that no areas miss out, whilst recognising that each local economy has very different needs and not all projects will have similar appeal in all areas.
- ✓ To date, there has been little support to social enterprises and community interest companies. However, it was unclear in the evaluations as to whether this is because they are difficult to locate, were not normally eligible for support or did not apply.
- ✓ ERDF eligibility criteria which exclude agriculture and B2C businesses mean that alternative funding may need to be sought to support some of the more rural businesses.

7. Financial commentary: value for money indicators, maximising European/public funding

The following table provides an overview of funding available to each project with an indication of spend profile, where these have been made available by Accountable Bodies.

Table 8: Overview of funding by project

Finance	BEF	Eureka	MGB	metnet	OBB	RBG
	£	£	£	£	£	£
Income						
ERDF	£1,403,381.00	£229,581	£291,492.00	£216,884.00	£108,233	
RGF						£3,000,000
Private Match	£1,243,096.00	£98,512	£256,311.00	£18,000.00		£6,544,371
Public Match	£160,285.00	£131,069	£35,181.00	£198,884.00	£108,233.00	
Total	**£2,806,762**	**£459,162**	**£582,984.00**	**£433,768.00**	**£216,466.00**	**£9,544,371.00**

7.1 Value for money indicators

It is difficult to fully comment on value for money indicators, without the benefit of benchmarking figures against which to judge. Whilst figures for the 2014 -2020 European programme have been prepared by Regeneris consulting, on behalf of DCLG, outputs do not directly correlate to the 2007 - 2013 programme. Therefore it has been assumed that projects would have been initially appraised, against agreed criteria, within value for money parameters. We therefore ask readers to refer to Table 4 in the preceding section in terms of output delivery.

BEF: The creation of 196 jobs provides an average cost per job of £6,454. This is in the lower to mid-range of the accepted norm of between £5k and £10k per job. Combined with the ratio of private sector investment, which was some 22% above target, this suggests that the project has offered good value for money. Interviews with those involved in BEF confirmed this analysis with general agreement that the project offered good value for money and met a real need in the local economy. In particular, it was felt that the project has gained real momentum in the past 12 months. It was felt that BEF:

- Enabled firms to bring forward investment which they would not have been able to fund without the grant aid.
- Supported firms at a difficult economic time, when bank lending was at an all-time low.
- Became a catalyst for growth.

- Improved business survival rates

Overall, the results and the concept were thought to be good, especially in the last 12 months and there is real potential for the future.

Eureka!: Figures provided for output delivery, as detailed previously, confirm that the project has almost doubled its targets for businesses assisted. Research also found that 72% of project audits were undertaken with micro employers with up to 10 employees: one of the primary target groups for the project. Despite there being a level of underperformance in grants awarded and business engaged in new collaborations, the evaluation concluded the project had delivered value for money.

Marches Graduates for Businesses (MGB): Section 4 shows the numbers of outputs delivered by the project, which are all in excess of original targets. However, it must be borne in mind that jobs created (23.5 against an original target of 7) need to still be in existence twelve months following their establishment to fully meet the output criteria. Given such jobs are subject to the vagaries of market conditions, there is no guarantee at this stage, as to their sustainability. As a pilot project it should be noted that it was difficult to estimate take up when designing it. Figures provided also show that businesses assisted have over achieved, some 53 versus 42. However, if one looks simply at cost per job, this has proved to be a relatively high figure: some £13,883, but bearing in mind this includes the cost of a 6 month placement and combine this with the added value of a graduate placement and work experience, it becomes a much more reasonable figure. Furthermore, companies have commented, anecdotally, on rising turnover, increased sales and improved systems and processes: this due to additional qualified and fresh minded staffing capacity.

metnet: URSUS in its evaluation, concluded that the project had provided good value for money and been efficient in its delivery. This view was based on the project assisting with contract wins and increased turnover, GVA of approximately £1-£1.4 million and an estimated 18 to 26 new jobs. Compared with the total metnet project cost over the two years of £234k, this equated to an investment of £8.9k to £12.48k per job generated. It also brought wider economic benefits in strengthening networks and supply chains, stimulated business investment in innovation and R&D and helped to develop new products and services.

OBB: Interviewees to the evaluation believed that OBB provided very good value for money compared to other programmes. This was view was based on the fact number of businesses which had been engaged, together with the number of in-depth reviews, along with the impact of twitter and YouTube. The total fee paid to Winning Moves to deliver activity over the duration of the project was £139,362.50. Whilst in this pilot project management costs (£77k) appear relatively high, the scope to manage more external delivery contracts has been realised.

RBG: In Round 2 of RBG, the outturn of jobs created and safeguarded was 337.8 (against an original target of 330). However, such jobs need to be sustained for the three years required period, to satisfy BIS requirements – should this be the case, the equivalent cost per job will be £4,440. Should these jobs be combined with the ratio of private sector investment, which was also some 11% above target, this suggests the scheme will prove to be very good value for money.

In addition to the jobs and private sector leverage, if one considers the cost of the administration of the scheme, this equates to a very healthy percentage of some 5% of the grant value. Also, when compared to the level of private sector investment, there is a very healthy ratio, with RGF providing £75k towards the costs, the projects themselves contributing 3% - equating to £42,750, a ratio of circa 33:1.

Round 4 is not due to complete until March 2016, however, should the forecast jobs materialise and be sustained for 3 years, the average cost per job would stand at £5,543 – slightly higher than Round 2 outturn, but still well within reasonable limits. In terms of private sector leverage, an expected ratio is 2.25:1 – at the current stage this stands at 2.49:1 – already exceeding the target. Refurbished and new floor space add to the value for money exhibited.

8. Lessons Learnt

Reflecting on the collective evaluations, enables identification of a number of development areas going forward: addressing issues raised, will provide a useful framework for delivery of the Growth Hub.

8.1 Understanding the Business base of the Marches

Understanding local economies and how they work, is crucial. These evaluations have thrown up many examples of the need to “know” what works. Take the example of OBB where simply changing the title of events evoked greater or lesser response from businesses. The level of existing technological ability, let alone appetite for such new technology, needs to be clearly factored into future planning. Conversely, in relation to innovation support with Eureka!, some of the delivery partners from outside The Marches were less geared up to the ‘lower’ level of innovation support which local businesses perceived they needed.

There were strong views on the need to retain support for business in the rural fringes of the Marches, particularly in RBG. It was said business prefer the local approach, thus broadening the geographic area still further might prove problematic.

It is clear that the role of Universities within some of the financial assistance packages, has been considerable. Going forward, the development of the University Centre Shrewsbury and the opening of a satellite site in Hereford, by Wolverhampton University, may bring further opportunities to develop larger delivery networks, within the Marches.

8.2 Marketing

How to market programmes will be key going forward. The experience of OBB, which was delivered outside Local Authority restrictions, proved the value of having IT experience – witness the delays suffered by Eureka in trying to gain momentum whilst meeting the regulatory requirements of a public authority. Whilst the 1:1 personal approach by some businesses, there were concerns about reliance on local authority officers acting as recruiters, given potential ongoing cutbacks to services. The need to engage with existing bodies across the Marches such as the NFU and CLA, plus leading estate/land agents for RBG was thought to be a way forward.

The rural aspect of the Marches needs to be factored into future planning – how to reach far flung businesses which are either reluctant or unable to travel to events – what is the role techniques such as podcasts and webinars can play when findings also suggest that some companies (particularly SMEs) may not have the capability, time or interest, to gain sufficient skills required to participate?

Practical issues such as travelling to meetings (issues seen in Eureka) need to considered when considering broadening benefitting areas – perhaps considering Skype or video conferencing could be a better use of time.

8.3 Governance

The need to ensure business representation at Board level is vital, witness the difference between RBG and BEF where business input clearly drove the Steering Group of RBG. The Group felt empowered to take substantial and substantive decisions on relatively large grant funding. In BEF, it proved difficult to recruit, with business loathe to commit time to "rubber stamping", in contrast, private business leaders made a real contribution to the appraisal panels. Going forward, pressures on business representatives need to be a primary concern: accommodating their work patterns as far as possible will be vital.

8.4 Programme Management/Monitoring

There is a common strand throughout the evaluations: the need to integrate support packages to ensure maximum benefit to the local business base. There is evidence to suggest that some benefit to businesses was lost due to a lack of signposting to available capital grants. The Growth Hub should enable a suite of financial assistance packages to be developed which clearly articulate the availability, eligibility and benefits of a range of products.

It is also apparent that, whilst RBG is a well-established programme and clearly benefitted from existing systems, some of the ERDF projects had to make rapid progress from a standing start. It seems that some suffered, in terms of slower than expected progress. Reviewing output delivery across the various projects has been made more difficult by differences in monitoring systems. This is particularly noticeable when trying to compare sectors which have benefitted from project funding. It is apparent various sector "names" have been used rather than accepted Standard Industrial Classification (SIC) Codes. Whilst we have aggregated into appropriate categories and used LEP key sectors where we can, going forward, simple agreement on commencement of the Growth Hub, of where companies "fit" would do much to improve capturing of performance.

The role of finance within financial assistance programmes needs to be clarified. In Herefordshire, applications above £10k for RBG, are subject to independent financial appraisal. Similarly, the finance section of the Council do little other than issue payments: responsibility is devolved to the project team. Whilst this is RGF funding, which perhaps is not subject to the same level of scrutiny as European funds, such good practice could be developed across European programmes. Shropshire Council clearly has officers who have the appropriate level of expertise; sharing this with colleagues and empowering to act on financial matters, should be a priority.

Outsourcing responsibility for delivery to Winning Moves in OBB clearly worked in terms of achievement of outputs. This may be an option which could prove attractive to a public sector working within a Government agenda which is focused on reducing the role of the state. The question was posed by some contributors: How can we expect Local Authorities to provide oversight, management etc. going forward?

It will be crucial to ensure that agreed guidance is developed based on the views of participating Local Authorities. This includes a financial input to ensure Appraisal members are fully aware of the requirements of colleagues to meet ERDF regulations, particularly. This should do much to reduce perceived delays in grant approval. Best practice in terms of paperwork systems should be considered and utilised – e.g. RGB with guidance notes to support various aspects of the programme.

Consider also the plethora of similar grant funding, noted in section 8 which follows. – a particular issue for OBB – where does the Growth Hub model fit within such competing funds, especially against a government agenda which will make funding conditional on reducing duplication of support.

8.5 Best practice

Whilst we comment above on lessons learnt from operating the range of projects which have been subject to evaluation, we also note best practice which should be built upon.

OBB clearly demonstrated the benefit of outsourcing delivery to a partner external to the Local Authority. Released from the bureaucracy, which frames public sector services, this enabled delivery to be founded on available expertise including the use of excellent social media techniques to raise awareness. This in turn led to higher output delivery and a greater return on investment in terms of value for money indicators. MGB also over performed in terms of job creation which may have been due to the brave step of supporting graduate recruitment in SMEs which have, historically been adverse to such investment. Clearly this paid dividends given the anecdotal comments of companies confirming improving sales and turnover figures.

Practices and procedures within RBG clearly provide a framework for effective paperwork systems which should be noted going forward. Also, the lead provided by the Steering Group owed much to the relationships within the Accountable Body and ability of officers to create the environment which enabled effective decision making.

9. Likely future demand

9.1 Introduction

The evaluations commented, where they were able, on likely future demand for the type of services offered by the various project activities. It was noticeable in some of the projects that there were competing projects which, in some cases, duplicated services available from the projects under review. This was particularly noticeable in Eureka where research found it was said, it was a crowded market place, with consultees commenting *"The grant funding overlapped with quite a lot of ERDF funding – last year there was a lot of money thrown at people from all directions."*

It is therefore recommended that a mapping exercise is conducted, of available grant funding, which might be of interest to companies within the Marches. A useful starting point is the report produced by Good2Great, which was appointed by Telford & Wrekin Council, on behalf of the Marches LEP, in March 2015. The company conducted a comprehensive mapping exercise of Business Support available across the Marches (this noted, amongst others, that the previous ERDF programme (2007-2013) alone had over 70 projects offering business support.)

It is worth noting one source of grant funding which has become available since the production of the Good2great report. The Green Shoots Fund Plus was launched in June 2015, it is a Regional Growth Fund offering some £4m in funding. It is aimed at SMEs working in key sectors such as advanced manufacturing, buildings and environmental technologies and business to business services; it will not support retail and agriculture. Administered by the University of Wolverhampton and part of the Black Country Growth Hub, it is available to SMEs across the Marches LEP area.

9.2 Overview of competing demand

Research for the Evaluation reports found several likely sources of funding. Eureka noted grants available from Coventry University under "Eco Business" and Cannock Chase District Council which launched new funding programmes. Worcester Council's Proof of Concept scheme was also quoted as was the availability of innovation vouchers. OBB found that Woman in Broadband operated by Women in Rural Enterprise, offered similar services, which led to cross referrals. Research for the Business Enterprise Fund identified Green Bridge as having grants for businesses of between £10k to £100k but with a more simplified application process. Marches Graduates for Business (MGB) was similar to the Knowledge Exchange and Enterprise Network (KEEN) run by Wolverhampton University. Similarly, Redundant Buildings Grant (RBG), offering large capital grants for building refurbishment did not see the type of competition seen in the Business Enterprise Fund.

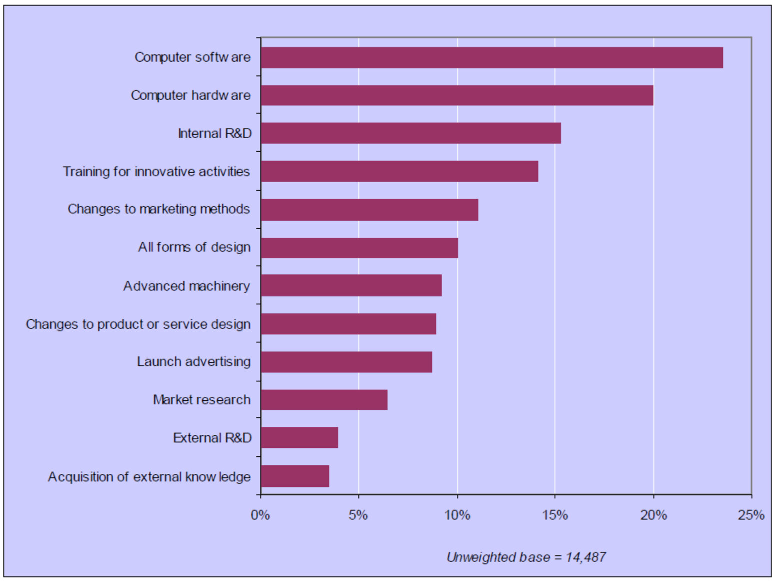
9.3 Likely future demand

Whilst it is difficult to fully assess likely future demand, given the factors noted above and the vital role of marketing in stimulating demand, it is probable that businesses would see the benefit of recruiting graduates. Within the restrictions applicable to MGB, businesses stated they would have wished to offer second placements, given they employed their initial graduates. Such definitive evidence from benefitting companies would prove a powerful marketing tool. Additionally, the forthcoming opening of the University Campus Shrewsbury and Wolverhampton campus at Hereford, may also provide useful stimulus to the graduate market in due course. In terms of RBG, there remain significant numbers of redundant buildings across the Marches allied to views that there will be an appetite from companies to expand as the economy improves.

9.4 Innovation

Innovation has been a priority of earlier ERDF projects such as Eureka!, MGB and BEF and continues to be a LEP priority. In fact, one of the areas of dispute over BEF capital grants was whether software and IT could be considered eligible innovative investment. Data from the BIS UK Innovation Survey 2013 published in October 2014 provides evidence to indicate that in fact, computer software and computer hardware are the top-most innovation investments in the UK and therefore to exclude them is to exclude the area of investment most likely to lead to innovation:

Figure 1: Innovation activities invested in (all enterprises)



Source: BIS UK Innovation Survey 2013

Further analysis of the Innovation Survey data by the Enterprise Research Centre (Benchmarking Local Innovation) shows that The Marches continues to perform poorly in relation to innovation and is ranked 33rd out of the 39 LEPs, suggesting a real need to boost the economy in this area and provide The Marches with 'first rung of the ladder' support. This contrasts with neighbouring Gloucestershire which is 5th, the Black Country which is 16th but similar to Staffordshire which is 31st and Worcestershire which is 26th.

9.5 Stakeholder views

Stakeholders reported in the evaluations that whilst the economy is on a new trend of growth, small businesses continue to find it difficult to borrow the small sums of money that have been awarded through grant aid. A recent report by the National Audit Office[2] supports this analysis and noted that despite a significant volume of lending, SMEs often experience problems in obtaining finance. Lenders like to rely on SMEs' track record and the security provided by their existing asset base, as these factors help them avoid the high transaction costs of conducting detailed due diligence on every SME. However, smaller and newer businesses, as well as innovative, high-growth businesses may find it difficult to give potential lenders this assurance.

The report shows that SMEs that are less than five years old have their bank loan applications rejected in around 38 per cent of cases, while the figure for SMEs over five years old is only 19 per cent. Similarly, firms with a turnover of less than £1 million are rejected in 27 per cent of cases, compared with only 16 per cent for firms with a turnover of more than £1 million. Furthermore, since the economic downturn, regulatory requirements have reduced banks' willingness and ability to lend. This has had a particular impact on SMEs, as lending to smaller enterprises involves capital charges up to five times higher than those of other forms of lending, reflecting the higher risk involved.

Against this background, the continued availability of financial assistance to SMEs broadens the options for newer businesses and start-ups seeking to invest and grow.

9.6 Digital Inclusion

Another priority for the LEP is digital inclusion and connectivity. Projects like OBB have been aimed at improving the uptake of advanced IT in The Marches and there continues to be significant scope to take forward this work to improve the take up of superfast broadband particularly in Shropshire and Herefordshire.

[2] NAO: (Nov 13) Improving access to finance for SMEs

10. Recommendations for future developments

We offer these objective recommendations based on research completed. We also offer them in light of the imminent call for suitable ERDF projects, in late July 2015. Hence we stress the need for urgency in recommendations being taken forward by those best placed to do so.
We would propose that the Growth Hub Officer Group should include suitable Business representatives and this Group be encouraged to debate the following recommendations and establish an Action Plan to address issues raised.

i. The time taken to develop partnerships and programmes is often underestimated. Time will be needed to develop The Marches LEP Growth Hub 'brand'. Such partnerships need to be established from the outset.

ii. The report references support available from neighbouring Growth Hubs, notably Staffordshire and the Black Country. It is important to stress that such support may not fully meet the needs of the business base within the Marches. Nevertheless, it is important going forward, that future provision complements rather than duplicates.

iii. It is apparent that the approach to date has been supply led, within the confines of the framework of, largely, European funding. Looking ahead, the voice of business needs to be clearly heard when shaping future support/assistance.

iv. The importance of consistent monitoring across all future projects will be vital to ensure the collective impact, across a range of support packages, can be assessed. Such systems need to be agreed and implemented from the outset. The genuine benefit of Marches LEP led projects, may become ever more important. The difference made to key sectors and geographic areas, where "competing" ERDF funded projects may be in place, will be useful when judging performance.

v. ERDF regulations will need to be factored into early planning discussions; eligibility and intervention rates, plus the business base within each of the Local Authority areas, will all impact of levels of likely output delivery. There may well be a need to identify alternative funding sources to ensure parity and access to support across different areas.

vi. In terms of marketing, looking ahead, a range of techniques will need to be used, from direct, personal contact, using agencies already embedded within local business networks to utilising social media techniques. The need to "upsell" and cross refer should also be standard practice. There should also be clear commitment to address and reduce silo working seen within the evaluations.

vii. The Accountable Body role will be vital in forthcoming European funding rounds, the need for effective working practices across departmental boundaries will be key to the success of future programmes. Simplified procedures, wherever possible, recognising the needs of local businesses, should be the aim. Shropshire Council has a good reputation with DCLG in its accountable body role on which to build.

viii. The role of external delivery in maximising available funding and potentially increasing output delivery should be further explored

ix. Ensuring a strong lead from business, in governance arrangements, will achieve ongoing commitment to effective delivery.