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Manchester City Council

Summative Assessment of the Build a Business in Greater Manchester Libraries Project

Final Report

June 2023

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Manchester City Council

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Project

Final Report

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Executive Summary

Introduction

AMION Consulting, in association with Spirul, was appointed to carry out a summative assessment (hereafter called 'evaluation') of the Build a Business in Greater Manchester Libraries (BAB) project on behalf of Manchester City Council (MCC or 'the Council). The project is part-funded by the European Regional Development Fund (ERDF) and the evaluation has therefore been carried out in an ERDF compliant manner.

Context to the BAB project

The BAB project aimed to increase entrepreneurship and small business growth across the Greater Manchester area by providing high-quality pre-start, start-up and post-start support.

The rationale for intervention with regard to the project was largely related to information failures and risk as investing in growth or business creation is by definition an uncertain business. Working with the BAB project allowed businesses and entrepreneurs to utilise external expertise, making growth and business creation less of a risk. Another market failure of relevance to the project was asymmetric information. In the case of the BAB project, small businesses and prospective entrepreneurs may have had limited knowledge of, for example, routes to intellectual property, accessing finance or product and service marketing channels. Hence, enterprise growth and creation levels were sub-optimal. Intervention through initiatives such as the project remedied this market failure by bringing small businesses and prospective entrepreneurs together with experts in relevant fields.

The project retained its consistency with a range of policies and strategies at the national and sub-national levels that were applicable at the time of its inception, including the Industrial Strategy and 'Our Manchester'. It also retained its consistency with the changing policy and strategy environment. For example, it was consistent with the current national Build Back Better strategy and the Greater Manchester Economic Plan. This consistency resulted from the project's focus on supporting business creation and growth.

The main economic issues of relevance to the programme were:

- GVA growth in Greater Manchester consistent with the regional and national averages but relatively low GVA per person employed;
- relatively high employment growth compared to the regional and national averages but also relatively high unemployment in Greater Manchester;
- a decreasing business creation rate in Greater Manchester; and
- low two-year business survival rates compared to the national and regional averages.

Project progress

The project was funded by ERDF, with match funding provided by the participating local authorities. The project is expected to be delivered for an overall underspend, largely due to the delays in the recruitment of staff and delays in workshop delivery resulting from the Covid crisis.

Table ES1 provides summary details of spend and output performance.

Table ES1: Spend and output performance

Indicator	Target (original / revised)	Performance at time of evaluation (Q1 2023)		Projected performance at project closure (Q2 2023)		Overall assessment
		Number	% of target	Number	% of target	
ERDF revenue expenditure	£1,300,980 /£922,165	£715,370	55%	£922,165	71%	Underspend expected
C1: Enterprises receiving support	150 / 98	38	39%	98	100%	Expected to be achieved
C4: Enterprises receiving non-financial support	150 / 98	38	39%	98	100%	Expected to be achieved
C5: New enterprises supported	69 / 44	17	39%	40	91%	Shortfall expected
C8: Employment created in supported enterprises	20 / 13	To be confirmed	To be confirmed	To be confirmed	To be confirmed	To be confirmed
P11: Potential entrepreneurs assisted to be enterprise ready	540 / 354	54	15%	280	79%	Significant shortfall expected

However, the project performed far better than the output figures indicate. Build A Business engaged with approximately 1,000 individuals during the delivery period (September 2021 to June 2023). Whilst the number of potential entrepreneurs assisted was below the target, this does not accurately reflect the effectiveness of the project at engaging with this group. The number of potential entrepreneurs assisted to be enterprise ready was far greater than the number claimed, with many of the unclaimed participants engaging for at least six hours. However, only those reaching 12 hours of support could be claimed as outputs. It should also be

noted that the Covid crisis deterred a number of people who may have been interested in joining the project from participating due to concerns about face-to-face engagement.

Furthermore, a high number of participants went on to access other support from the other activities run by the SME Champions locally and through the Business & IP Centre. This could not be counted as it was not in the project submission but is relevant in highlighting the successful delivery of wider support to this client base. For example, many participants attended short courses run by SME Champions, networking events and other workshops.

Management and delivery

The BAB project was well managed and delivered, with strong teams in place, both centrally and across the participating local authorities.

Beneficiary satisfaction levels were high, with very few survey respondents expressing any dissatisfaction with any of the support provided. For example, 93% of survey respondents were either very satisfied or satisfied with the workshops provided, as were 89% with the one-to-one support provided.

One of the main strengths of the project, as identified through consultations, included its success in engaging with people from different backgrounds, providing beneficiaries with access to BIPC resources and expertise, and local delivery which provided a relaxed and familiar environment. From the beneficiary perspective, the main strengths included the quality of the workshops and the content of the support programme.

Areas for improvement identified by consultees included the need to recognise beneficiaries who complete fewer than 12 hours of support, the level of paperwork and the need to provide support in a range of libraries in each borough. Among beneficiaries, areas for consideration included the generic nature of much of the support and the need for assistance in accessing finance.

Outcomes and impacts

The BAB project has had positive impacts in terms of supporting potential entrepreneurs to explore and crystalise their business ideas and create new businesses, with an estimated 78 businesses created to date and a total of 246 forecast to be created in the long-term. The project has also been successful in supporting early-stage businesses to grow. The support provided has had a positive impact in terms of employment and GVA. These impacts are expected to become stronger over the next few years. Table ES2 sets out the business creation, employment and GVA benefits associated with the project.

Table ES2: Summary of business creation, employment and GVA benefits		
To project close	**Gross**	**Net additional**
Businesses created	78	-
Jobs created	19	13
GVA	£91,989	£63,944
To 2031	**Gross**	**Net additional**
Businesses created	246	-
Jobs created	482	325
GVA	£1,847,318	£1,284,126

Note that, according to survey results, 2027 is the final year in which jobs will be created and 2031 is the final year in which there will be turnover impacts (GVA is derived from turnover figures).

The BAB project also delivered a range of other benefits including:

- supporting unemployed and retired people back into the workforce;
- supporting equality, as evidenced by the high numbers of, for example, women and people from BAME groups supported;
- addressing the barriers to enterprise and growth faced by beneficiaries;
- improved understanding of the market for their goods and services among beneficiaries; and
- new business connections.

Value for money

The BAB project had processes and procedures in place to ensure that it was delivered in an economical manner, such as through procurement processes which were compliant with ERDF regulations.

The project has also been highly successful in meeting its objectives. For example, it has successfully created new businesses across Greater Manchester and supported people from a range of backgrounds, including refugees and people from BAME groups. Furthermore, two in three beneficiaries were women.

By project closure, the BAB project is expected to have an ERDF cost per business created of £11,823 and an ERDF cost per net additional job (allowing for leakage, deadweight, displacement and multipliers) of £70,936. Returns on investment for business start-up projects are generally very low. For example, a very similar project in the West Midlands had a return on investment of 0.16:1 at project closure. This project had been running for seven years and therefore substantially more businesses had been created and had grown by project close than through the two-year BAB project. The return on investment of the BAB project at project close is therefore not a major concern.

The long-term value for money of the project will be substantially greater. By 2031 the ERDF cost per business created is forecast to fall to £3,749, the ERDF cost per net additional job is forecast to fall to £2,837 and the return on investment is forecast to increase to 1.4:1. Note that this return on investment is greater than for the aforementioned West Midlands project.

Lessons and recommendations

A number of lessons and recommendations have been identified for future support initiatives. Elements of good practice which should be continued on future initiatives include:

- to continue with the successful approach to engaging with individuals from very diverse and underrepresented backgrounds;
- to continue to provide free access to BIPC resources and expertise;
- to continue to provide opportunities for beneficiaries to share knowledge and experience and develop business connections;
- to continue to use libraries as these provide a supportive and relaxed environment; and
- to continue with the Champions approach and provide opportunities for the Champions to share their experience.

Recommendations for consideration on future initiatives include:

- to work with funders to look for ways to reduce the level of paperwork and administration on any post-ERDF project;
- to work with funding bodies on any post-ERDF project to develop a more relaxed criteria for businesses which can be counted as outputs, including fewer hours and increasing the number of activities which can be counted towards total hours;
- to work with funding bodies on any post-ERDF project to ensure consistency of rules and administration requirements between projects;
- to provide support in a number of libraries within each participating local authority to increase accessibility; and
- to arrange workshops at different times so that it is easier for people with work and other commitments to attend.

1 Introduction

1.1 Overview

AMION Consulting, in association with Spirul, was appointed to carry out a summative assessment (hereafter called 'evaluation') of the Build a Business in Greater Manchester Libraries (BAB) project on behalf of Manchester City Council (MCC or 'the Council). The project is part-funded by the European Regional Development Fund (ERDF) and the evaluation has therefore been carried out in an ERDF compliant manner.

1.2 Purpose of the report

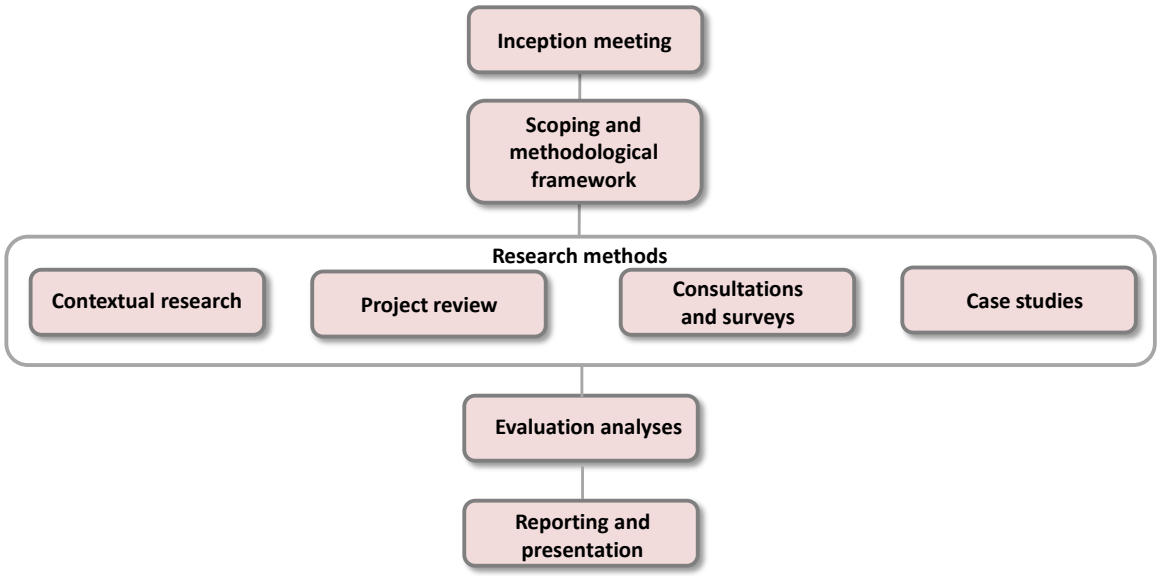
The main purposes of this report are:

- to assess the performance of the project in relation to its outputs and expenditure;
- to assess the strengths and weaknesses of the project;
- to determine the impacts, wider benefits and value for money of the project; and
- to identify lessons and recommendations for future activity.

1.3 The evaluation approach and framework

Figure 1.1 outlines the main components of the approach to the evaluation.

Figure 1.1: Approach to the evaluation



The main research stages were as follows:

(i) *Contextual research* – this included a review of relevant strategies and policies at the national and sub-national levels, including 'Build Back Better' and the 'Our Manchester' Industrial Plan. It covered strategies and policies in operation at the time of the project's inception and those which have come into operation since then. An assessment of the economic context has also been carried out.

(ii) *Project review* – this was based on documentary evidence provided by the Council, including the Funding Agreement, and discussions with the project team.

(iii) *Business survey* – Spirul carried out a survey of 152 individuals and businesses which have, over the course of the project, benefited from support. These surveys were carried out in order to determine the impact of the project on business creation and business performance (including turnover and jobs). They also identified elements of the project which participating businesses felt worked well or could have been improved, barriers to enterprise and growth faced by beneficiaries and the types of support individuals and businesses would like to be provided with in future.

(iv) *Consultations* – these were carried out with the project team and partners in order to determine views of the project. A list of consultees is provided in Appendix A.

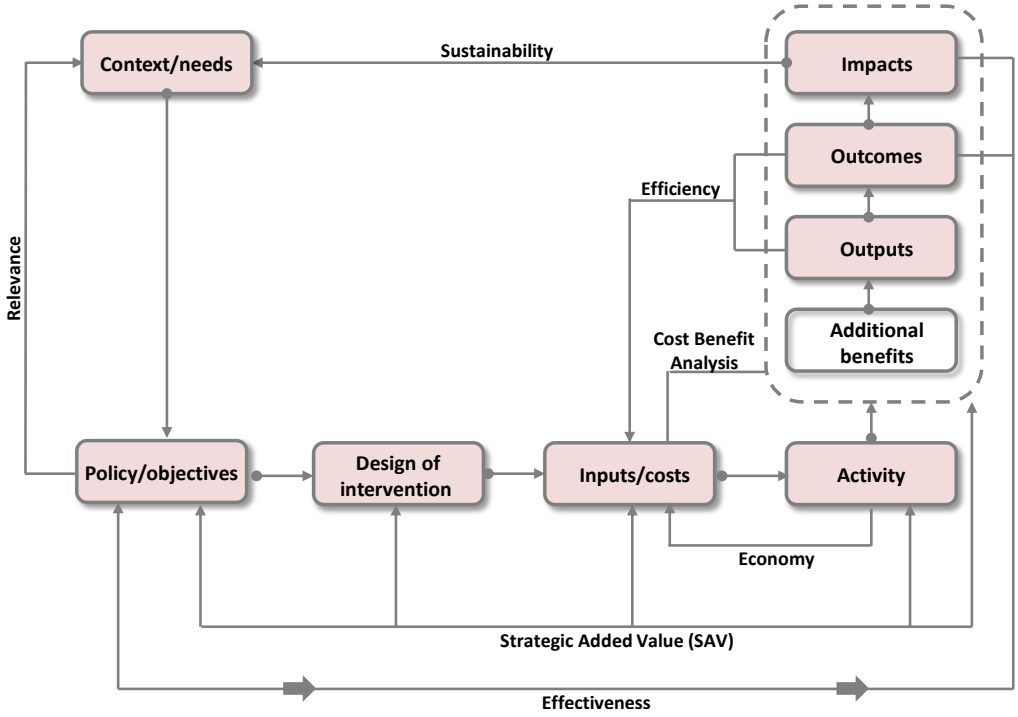
(v) *Case studies* – detailed discussions were held with three beneficiary business to investigate in more detail the strengths, weaknesses and impacts of the project.

The evaluation has been carried out in a manner that is consistent with guidance such as HM Treasury's 'Green Book' and 'Magenta Book' on appraisal and evaluation in Central Government[1] and the guidance on carrying out summative assessments prepared by the Department for Levelling Up, Housing & Communities (DLUHC).

The evaluation addresses and analyses a number of critical issues, which are set out within the evaluation framework diagram (see Figure 1.2).

[1] The Green Book: Appraisal and Evaluation in Central Government (HM Treasury, 2007)

Figure 1.2: Evaluation Framework



1.4 Structure of the report

The report continues in six sections, as follows:

- Section 2 - sets out the context to the project, including a description of the project;
- Section 3 - reviews the progress of the project in relation to output and expenditure targets;
- Section 4 - assesses the management and delivery of the project;
- Section 5 – provides an assessment of the outcomes and impacts of the project;
- Section 6 - provides an assessment of value for money; and
- Section 7 - presents the conclusions of the report and sets out the lessons and recommendations learned from the evaluation.

2 Context to the Build a Business project

2.1 Introduction

This section sets out the background to the project and provides a description of the project, including its objectives.

2.2 Programme description

2.2.1 Background

The BAB project started in January 2021 and is due to close in June 2023. The project was delivered under ERDF Priority Axis 3: Enhancing the Competitiveness of SMEs, specifically Investment Priority 3a: Promoting Entrepreneurship.

The project provided enterprise support across the GMLEP area. The project's geography comprised eight of the 10 local authorities in the Greater Manchester area (Bolton, Bury, Manchester, Oldham, Salford, Stockport, Tameside and Trafford). The other two local authorities, Wigan and Rochdale, declined to take part.

The project built on previous successful enterprise support initiatives and on a similar initiative (Start-Ups in London Libraries) operated by the British Library. The project team worked with the British Library in developing the project.

The Business and Intellectual Property Centre (BIPC) at the Central Library in Manchester was a focal point for the project. The BIPC operated a 'hub and spoke' approach which enabled its services to be offered across the participating boroughs.

2.2.2 Overview

The project provided support through:

- a 12-hour support programme delivered through four 3-hour module workshops. These were called: Know Your Market, Get Competitive; Intellectual Property – Protect Your Assets; and Power Up Your Business;
- access to business information resources and support;
- SME Champions in each borough running a programme of complimentary workshops and providing face-to-face advice;
- signposting to the BIPC for further support, including specialised one-to-one clinics;
- one-to-one business information service delivered through all partner Library Authorities;
- provision of bookable working space for local SMEs and start-ups in eight libraries; and
- showcase events featuring some of the project's alumni.

All eight participating local authorities supported and promoted the project and provided match funding over the project lifetime. The partners worked together as a collaborative network aimed at sharing information, updates, issues, opportunities and developing solutions.

2.2.3 Objectives

The overall aim of the project was to provide a practical 'grass roots' solution to business support with a pan-Greater Manchester approach, which would develop a lasting, sustainable and embedded support infrastructure for the benefit of the local economy. The specific objectives of the programme were to:

- deliver a programme of satellite support in participating boroughs, ensuring that relevant resources and expertise were accessible through established community hubs;
- upskill borough libraries to deliver their own business services in order to develop a lasting, sustainable and embedded support infrastructure for the benefit of the local economy;
- help entrepreneurs from diverse backgrounds to commercialise their ideas and set-up and run successful enterprises; and
- increase the number of sustainable businesses in the Greater Manchester area.

2.3 Economic context

2.3.1 Overview

In relation to economic factors, the main issues of relevance to the project were:

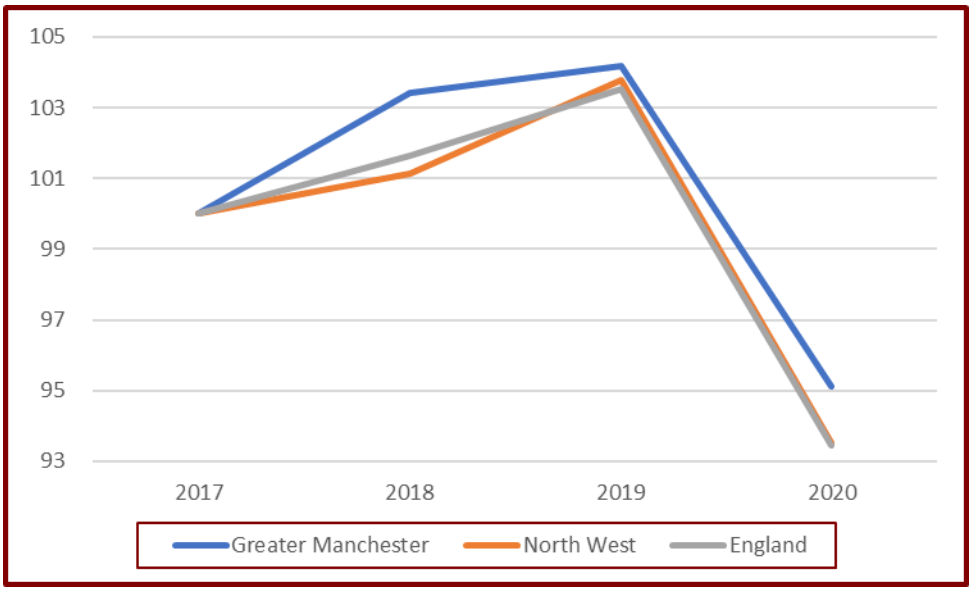
- Gross Value Added (GVA) in the Greater Manchester area;
- employment and unemployment in the Greater Manchester area; and
- business start-up and survival rates in the Greater Manchester area.

These issues are covered in the sub-sections below.

2.3.2 GVA

Between 2017 and 2019, the GVA of the Greater Manchester area increased by 4.2% to £51,011 million. However, the area's GVA then fell by 9.1% from 2019 to 2020 due to the Covid crisis. This rate of change was consistent with the regional and national rates, as shown in Figure 2.1.

Figure 2.1: Indexed change in GVA 2017 to 2020 (2017=100)



Source: ONS

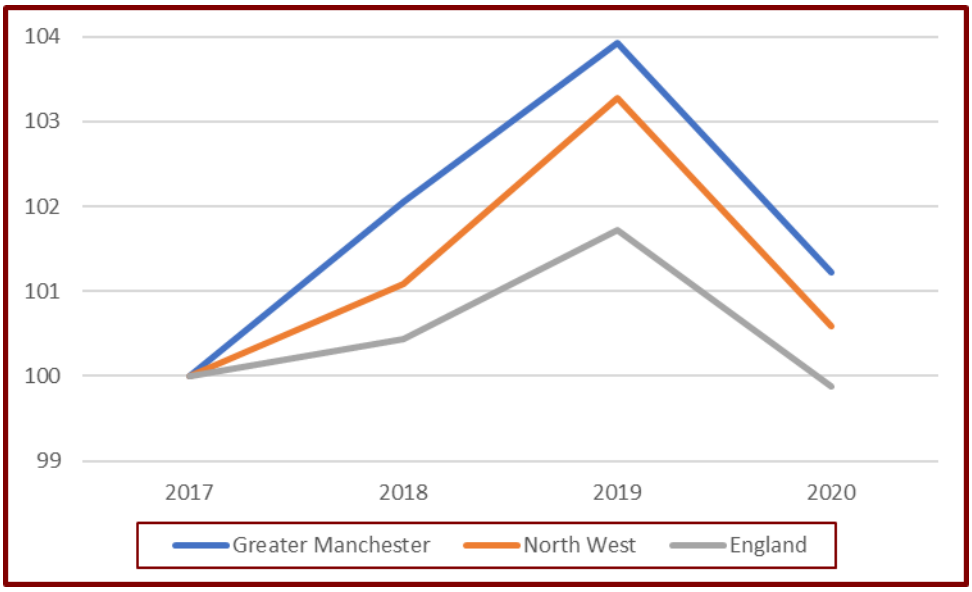
In terms of GVA per person employed[2] in the Greater Manchester area, between 2017 and 2019 the figure increased by 0.2% to £36,765. This rate of increase was below the regional rate of 0.5% and the England rate of 1.8%. Greater Manchester's GVA per person employed was only 57.5% of the national figure of £63,939. It was also below the regional figure of £54,974. For all comparator areas, GVA per person employed fell in 2020, with Greater Manchester experiencing the smallest fall between 2019 and 2020 at 6.2%, compared to decreases of 7.5% and 8.2% in the North West and England respectively.

2.3.3 Employment

Between 2017 and 2020, employment in the Greater Manchester area increased by 1.2% to 1,351,250. This rate of increase was above the regional and national rates, as shown in Figure 2.2.

[2] Calculated using ONS GVA data and Business Register and Employment Survey (BRES) data from NOMIS

Figure 2.2: Indexed change in employment 2017 to 2020 (2017=100)



Source: BRES, Nomis

2.3.4 Unemployment

Between October 2017 and September 2018, 4.5% of the economically active working age population of the Greater Manchester area were unemployed, above the North West rate of 4.2% and the England rate of 4.3%. For the period October 2021 to September 2022, the unemployment rate in the Greater Manchester area had risen to 5.1%. The unemployment rate in the North West increased slightly to 4.3% over the period and the rate for England fell to 3.8% (source: annual population survey, Nomis).

In January 2023, 4.8% of the working age population of the Greater Manchester area were in receipt of Job Seekers Allowance or Universal Credit, above the regional and national rates of 4.1% and 3.6% respectively (source: claimant count, Nomis).

2.3.5 Business demography

Businesses created

Between 2017 and 2021, the number of businesses created in the Greater Manchester area decreased by 13.7% to 17,510. This decrease was larger than the regional decrease of 8.6%, whilst the number created in England increased by 2.0%.

In 2017, there were 88.1 working age residents in the Greater Manchester area per business created. By 2021 this had increased to 104.4, an increase of 18.6%. The North West had 118.5 working age residents per business created in 2021, an increase of 11.8% compared to the figure for 2017. England had 109.7 working age residents per business created in 2021. This was a decrease of 0.1% compared to the figure for 2017 (source: ONS business demography).

Number of businesses

Between 2017 and 2021, the number of businesses in the Greater Manchester area increased by 0.9% to 119,160. This rate of increase was below the regional figure of 1.2% and the national figure of 3.3% (source: ONS business demography).

In 2017 there were 15.1 working age residents in the Greater Manchester area per business. By 2021 this had risen to 15.3, an increase of 1.4%. The North West had 15.9 working age residents per business in 2021, an increase of 1.0% compared to the figure for 2017. England had 13.7 working age residents per business in 2021. This was a decrease of only 1.4% compared to the figure for 2017 (source: ONS business demography).

Two-year survival rates

The two-year survival rate for businesses created in 2019 in the Greater Manchester area was 73.9%. This was below the regional and national figures of 74.2% and 74.5% respectively. Within the Greater Manchester area there were a wide range of figures. For example, the two-year survival rate in Trafford was only 67.1% and Salford was 69.7%. The other eight local authority areas all had figures above the Greater Manchester area average, with Oldham having the highest two-year survival rate at 78.2% (source: ONS business demography).

2.4 Strategic policy context

In undertaking the evaluation, consideration has been given to whether or not the project retained its consistency with the policies and strategies with which it was originally aligned and with the changing policy and strategy environment. Table 2.1 sets out the level of consistency of the BAB project with various strategies and policies at the national and sub-national levels.

Table 2.1: Strategic context	
National Policy	
Policies, plans and strategies in operation at the outset and early stages of the programme	
Industrial Strategy - Building a Britain Fit for the Future (BEIS, 2017)	Among the aims of the Strategy was to make Britain the best place to start and grow a business. This included providing opportunities for businesses and prospective entrepreneurs to receive appropriate advice and support and be challenged by other businesses people. The project was fully consistent with this as it provided business support to prospective entrepreneurs and existing businesses in the Greater Manchester area.
Policies, plans and strategies currently in place	
Levelling Up White Paper (2022)	This sets out plans for improving opportunity equality and prosperity across the whole of the UK through the Levelling Up agenda. Specific Levelling Up objectives are set out in the White Paper including improving living standards, the level of skills in the workforce, and improving local pride.

	The BAB project has supported these aims by helping to boost the local economy through increased business prosperity as well as helping smaller community-based businesses.
Build Back Better: Our Plan for Growth (2021)	This plan sets out the UK government's strategy to support economic growth following the Covid crisis and associated restrictions on the economy. The plan identifies infrastructure, skills and innovation as core pillars of growth. These will be used to level up the whole of the UK. The project aligned itself with this as it supported growth in a number of underperforming local authority areas in Greater Manchester.
Sub-National Policy	
Policies, plans and strategies in operation at the outset of the project	
'Our Manchester' Industrial Plan (2019)	The aims included in the plan included a key focus on increasing the inclusivity of the Manchester economy, through individuals as well as businesses. The plan aimed to build on the positive practices already seen throughout the city to increase the pace and scale of change to create an inclusive economy. The project has supported this by assisting a wide range of SMEs from different sectors as well as individuals from various backgrounds.
Policies, plans and strategies currently in place	
Greater Manchester Strategy 2021-2031, GMCA (2021)	The key strategy objectives in this plan are: creating a greener Greater Manchester, a fairer Greater Manchester and a more prosperous Greater Manchester. The plan aims to generate greater investment and new opportunities as part of the levelling up programme, as well as developing a deeper understanding of inequalities in issues such as jobs. By supporting individuals who otherwise may not have been able to afford to pay for the type of support provided by the project, BAB has helped to close the gap with regard to these inequalities.
Greater Manchester LEP Economic Plan (2021)	The business support offered to the beneficiaries of the BAB project aligned with this plan as it drove economic growth, which is key area of focus for the LEP.
GMCA Greater Manchester Strategy – Our People, Our Place (2022)	The main theme for this strategy is helping to deliver a thriving and productive economy in all parts of Greater Manchester through investing in science, innovation and business. A key priority is to make it easier for start-up and existing businesses to grow. The BAB project fully supported this aim.

Table 2.1 shows that at the time it was approved, the BAB project was highly consistent with national and sub-regional policies. It maintained this consistency through the evolving policy environment.

2.5 Market failure

The rationale for public sector intervention will normally involve justifying an activity in terms of its expected impact on economic efficiency, or in terms of stated Government policy objectives (such as social objectives) or some combination of the two. Where markets fail to work perfectly, resource allocation does not occur relative to the marginal cost of provision. The correction of market failures leads to improvements to the supply side of the economy and increases productive capacity. In the case of economic development initiatives such as this, the rationale will often be based upon the correction of a market failure or missing market issue and/or the enhancement of the quality of life of disadvantaged groups (equity).

The rationale for intervention with regard to initiatives such as the BAB project often relates to information failures and risk – for small businesses and prospective entrepreneurs, investing in growth or business creation is by definition an uncertain business. There may be concerns relating to, for example, whether there is a market for their products and services or whether their business plans are achievable. In attempting growth or business creation, a small business or prospective entrepreneur is investing heavily in an area in which the returns are uncertain. Working with the BAB project allows businesses and entrepreneurs to utilise external expertise, making growth and business creation less of a risk.

Another market failure of relevance to the project is asymmetric information. In the case of the BAB project, small businesses and prospective entrepreneurs may have limited knowledge of, for example, routes to accessing finance or product and service marketing channels. Hence, enterprise growth and creation levels are sub-optimal. Intervention through initiatives such as the project remedy this market failure by bringing small businesses and prospective entrepreneurs together with experts in relevant fields.

Another market failure addressed by the project is externalities. When firms and prospective entrepreneurs make decisions regarding investment in any activity they do so based on the expected return to their organisation only. They may or may not recognise that others also benefit, such as suppliers, customers, competitors, even other companies in other sectors and society in general. However, as those outside the organisation cannot be made to contribute directly towards the cost of the investment the firm does not value these benefits regardless of their scale or scope. Where the benefits to the organisation are considered too few relative to the cost to the organisation no investment will take place even if the benefits external to the organisation would be sizeable. The public sector, however, on behalf of society in general, recognises the wider benefits of enterprise growth and creation and therefore through support such as that provided through the project contributes directly to the cost of the investment. Particular externalities relating to the project include improving the image of the Greater Manchester area as a business centre as the project has the potential to showcase the enterprising nature of the area.

The project also addressed equality issues by providing targeted support to underrepresented groups such as young people, women and Greater Manchester's refugee community.

2.6 Project logic chain

Logic chains are an essential element of the approach to assessing programmes and projects. The use of logic chains can assist in demonstrating how activities, and the inputs these entail, deliver key outputs and outcomes and how they contribute to wider priorities and target impacts. In particular, the development of logic chains can serve as a useful framework for assessing:

- the causal connections between inputs, activities, outputs, outcomes and impacts – this is important in determining the extent to which benefits are attributable to the project;
- the rationale for the intervention by consideration of its context – in terms of, for example, contextual economic conditions and the extent to which they are having adverse consequences for levels of investment and the competitiveness of the area; and
- the intervention's design – in other words, the relevance of the chosen activities to the achievement of the desired outcomes.

As part of the evaluation, a hypothetical logic chain was developed for the project, as shown in Table 2.2.

Table 2.2: Build a Business – Logic chain

Contextual conditions	• GVA growth consistent with the regional and national averages but relatively low GVA per person employed • Relatively high employment growth compared to the regional and national averages but also relatively high unemployment • decreasing business creation rate in Greater Manchester • low two-year business survival rates compared to the national and regional averages
Policy context	**Original context** • Industrial Strategy • Our Manchester **Evolving context** • Levelling Up White Paper • Build Back Better • Greater Manchester Strategy • Greater Manchester LEP Economic Plan • GMCA Greater Manchester Strategy
Objectives	• to deliver a programme of satellite support in participating boroughs, ensuring that relevant resources and expertise were accessible through established community hubs

	• to upskill borough libraries to deliver their own business services in order to develop a lasting, sustainable and embedded support infrastructure for the benefit of the local economy • to help entrepreneurs from diverse backgrounds to commercialise their ideas and set-up and run successful enterprises • to increase the number of sustainable businesses in the Greater Manchester area
Inputs	• funding from ERDF and partner local authorities • human resources from partner local authorities and external consultants
Activities	• a 12-hour support programme delivered through four workshops • access to business information resources and support • SME Champions providing workshops and advice • signposting to the BIPC for further support • one-to-one business information service • workspace in eight libraries • showcase events
Outputs	• businesses supported • employment created in supported businesses • potential entrepreneurs assisted to be enterprise ready • enterprises receiving information, diagnostic and brokerage support
Outcomes	• businesses created and surviving • businesses growing
Impacts	• employment growth • GVA growth

2.7 Summary

The BAB project aimed to increase entrepreneurship and small business growth across the Greater Manchester area by providing high-quality pre-start, start-up and post-start support.

The rationale for intervention with regard to the project was largely related to information failures and risk as investing in growth or business creation is by definition an uncertain business. Working with with the BAB project allowed businesses and entrepreneurs to utilise external expertise, making growth and business creation less of a risk. Another market failure of relevance to the project was asymmetric information. In the case of the BAB project, small businesses and prospective entrepreneurs may have had limited knowledge of, for example, routes to intellectual property, accessing finance or product and service marketing channels. Hence, enterprise growth

and creation levels were sub-optimal. Intervention through initiatives such as the project remedied this market failure by bringing small businesses and prospective entrepreneurs together with experts in relevant fields.

The project retained its consistency with a range of policies and strategies at the national and sub-national levels that were applicable at the time of its inception, including the Industrial Strategy and 'Our Manchester'. It also retained its consistency with the changing policy and strategy environment. For example, it was consistent with the current national Build Back Better strategy and the Greater Manchester Economic Plan. This consistency resulted from the project's focus on supporting business creation and growth.

The main economic issues of relevance to the programme were:

- GVA growth in Greater Manchester consistent with the regional and national averages but relatively low GVA per person employed;
- relatively high employment growth compared to the regional and national averages but also relatively high unemployment in Greater Manchester;
- a decreasing business creation rate in Greater Manchester; and
- low two-year business survival rates compared to the national and regional averages.

3 Progress of the project

3.1 Introduction

This section provides details of project performance in relation to expenditure and outputs and also sets out forecasts for expenditure and outputs at project closure.

3.2 Funding

The project is funded by the ERDF, with match funding being provided by the eight partner local authorities. ERDF provided 50% of the overall funding. All of the funding is revenue-related.

Table 3.1 sets out the funding profile for the project, including funding to the first quarter of 2023 and the forecast funding expected at project closure.

Table 3.1: Funding profile

	ERDF	Local authority partners	Total
Contracted	£1,300,980	£1,300,980	£2,601,960
To Quarter 1 2023	£715,370	£715,370	£1,430,740
Forecast for project completion	£922,165	£922,165	£1,844,330

The underspend was largely associated to delays in the recruitment of project staff and delays in workshop delivery resulting from the Covid crisis.

3.3 Outputs

Table 3.2 sets out the performance of the project in relation to outputs. Note that the output figures are monitoring based.

The output targets for the project were revised downwards from the initial application due to the delayed start to the Covid crisis.

Table 3.2: Performance against targets

	Original target	Target	To Q1 2023	Forecast for project completion
C1: Enterprises receiving support	150	98	38	98
C4: Enterprises receiving non-financial support	150	98	38	98
C5: New enterprises supported	69	44	17	40
C8: Employment created in supported enterprises	20	13	To be confirmed	To be confirmed
P11: Potential entrepreneurs assisted to be enterprise ready	540	354	54	280

3.4 Summary

The project was funded by ERDF, with match funding provided by the participating local authorities. The project is expected to be delivered for an overall underspend, largely due to the delays in the recruitment of staff and delays in the project starting due to the Covid crisis.

Table 3.3 provides summary details of spend and output performance.

Table 3.3: Spend and output performance

Indicator	Target (original / revised)	Performance at time of evaluation (Q1 2023)		Projected performance at project closure (Q2 2023)		Overall assessment
		Number	% of target	Number	% of target	
ERDF revenue expenditure	£1,300,980	£715,370	55%	£922,165	71%	Underspend expected
C1: Enterprises receiving support	150 / 98	38	39%	98	100%	Expected to be achieved
C4: Enterprises receiving non-financial support	150 / 98	38	39%	98	100%	Expected to be achieved
C5: New enterprises supported	69 / 44	17	39%	40	91%	Shortfall expected
C8: Employment created in supported enterprises	20 / 13	To be confirmed	To be confirmed	To be confirmed	To be confirmed	To be confirmed
P11: Potential entrepreneurs assisted to be enterprise ready	540 / 354	54	15%	280	79%	Significant shortfall expected

However, the project performed far better than the output figures indicate. Build A Business engaged with approximately 1,000 individuals during the delivery period (September 2021 to June 2023). Whilst the number of potential entrepreneurs assisted was below the target, this does not accurately reflect the effectiveness of the project at engaging with this group. The number of potential entrepreneurs assisted to be enterprise ready was far greater than the number claimed, with many of the unclaimed participants engaging for at least six hours. However, only those reaching 12 hours of support could be claimed as outputs. It should also be noted that the Covid crisis deterred a number of people who may have been interested in joining the project from participating due to concerns about face-to-face engagement.

Furthermore, a high number of participants went on to access other support from the other activities run by the SME Champions locally and through the Business & IP Centre. This could not be counted as it was not in the project submission but is relevant in highlighting the successful delivery of wider support to this client base. For example, many participants attended short courses run by SME Champions, networking events and other workshops.

4 Project management and delivery

4.1 Introduction

This section presents a review of the management and delivery of the project. This has been informed by a review of documentary evidence and consultations.

4.2 Management and delivery

Key roles included:

4.2.1 Project Board / Steering Group

The Project Board oversaw the operational delivery and strategic development of the project. The project board comprised individuals from the participating local authorities as well as business owners.

4.2.2 Service Development Specialist for Libraries

This role involved initial development of the project. As the project progressed, the role included managing funding, developing events and activities, working with economic development teams in the participating local authorities and reporting to Heads of Service in partner authorities.

4.2.3 Project Manager

The Project Manager was the first point of contact for the Champions and the local authority partners. The Project Manager was responsible for, for example:

- arranging workshops and individual support;
- project administration;
- ensuring that the project was delivered within budget;
- ensuring that all project activity and expenditure were compliant with regulations; and
- compiling output figures.

4.2.4 Project Champions

The SME Champions were the main facilitators in the local authorities. They were responsible for, for example: providing one-to-one support; supporting workshops; signposting beneficiaries to other support promoting the project to various stakeholders in the authority area; promoting the project locally; administration at borough level. The SME Champions also delivered significant additional activity such as in-house workshops and networking events. They were also the main link between the BIPC in Manchester and the boroughs.

4.2.5 Library services

Within each participating borough the library services were responsible for managing the project. This included, for example, recruiting the Champion, working with other departments (such as economic development), working with the Job Centre, promoting the project and managing the administration at a local level.

4.2.6 Project Compliance

Manchester City Council has an extensive track record in the administration of ERDF projects and programmes, and in particular the projects and programmes team within City Policy undertook this role. They provided the following support;

- checking of all payroll information to ensure compliant and that eligible costs could be included;
- checking of staff time sheets of project staff to make sure could be claimed;
- provided training to SME Champions on the requirements and the relevant paperwork;
- ensuring that the project was delivered within budget;
- ensuring that all project activity and expenditure were eligible with regulations; and
- checking of and compiling outputs.

4.2.7 External consultants

External consultants were recruited to deliver the Power Up Your Business workshops. The contract was awarded to Wendy Breakell from 'Break Into Business'.

4.3 Strengths of the project and areas for consideration

A number of strengths of the BAB project were identified during the consultations. These included:

- the project has been successful in engaging with individuals from very diverse and underrepresented backgrounds, including female entrepreneurs, people from BAME groups and refugees. In many cases, the SME Champions have adapted to meet the needs of particular groups, such as refugees;
- access to BIPC resources and expertise has been of great value to beneficiaries in developing and exploring their business proposals;
- pre-starts and early-stage businesses lack funding and the project has provided access to resources such as databases and other BIPC resources at no cost to the participant;
- the project has successfully brought beneficiaries together, for example through workshops and networking events. This has enabled knowledge and experience to be shared and

business connections to be developed. It has also enabled a business community to be developed;

- the project has been successful in facilitating business creation and growth;
- the project has been delivered in a supportive and relaxed environment which has made beneficiaries feel at ease;
- the team working on the project, both centrally and across the participating local authorities, have been fully committed to delivering a successful project for the benefit of participants;
- many beneficiaries have continued to engage following completion of the support programme by speaking at events and passing their knowledge to other participants;
- the project has enabled the eight local authorities and their respective Champions to work together and to learn from each other's experiences;
- the project has enabled the SME Champions to develop lasting relationships with participants by ensuring that participants have a single point of contact on the project;
- the project has raised the profile of business support delivery through libraries with a number of key agencies. This has given this approach to business support more credibility;
- the project has been flexible. For example, beneficiaries could attend workshops and events in any participating borough. They could also participate in online workshops from the British Library; and
- the Champions have played a significant role in improving the confidence of participants with regard to developing their business ideas.

Areas for consideration identified during the discussions included:

- the level of paperwork and administration for both team members and beneficiaries was considered excessive by a number of people consulted. This included the need for beneficiaries to complete State Aid paperwork despite the fact that their turnover was far below the State Aid threshold;
- many individuals and early-stage businesses did not complete the 12 hours of support needed to be claimed. Reasons for this included, for example, some beneficiaries feeling that particular workshops were not relevant to their needs. There should be a means of recognising the overall level of engagement in terms of beneficiaries assisted, with the focus not just being on those that can be claimed as outputs;
- recognition that the challenge in completing all 12 hours was difficult for some attendees due to the post-Covid reluctance to attend group events;
- support other than workshops should have counted towards the 12-hour requirement in the early stages of the project. For example, local activities organised by Champions were beneficial for participants but could not be counted at the outset of the project, although this changed as the project progressed;

- the criteria for recognising businesses as claimable outputs resulted in a number of businesses not being claimed as they were not registered with HMRC or Companies House. This criteria needs to be relaxed on future projects;
- due to the type of the entrepreneurs (early starters) and access to relevant software there was a requirement for wet signatures. This was inconsistent with other ERDF projects For example, the BAB project required four wet signatures from beneficiaries to prove attendance at workshops while the British Library's similar project, 'Start-Ups in London Libraries' only required digital signatures. Similarly, changing a workshop location required substantial administrative inputs, whereas this was not the case for the British Library;
- the 'Power Up Your Business' workshops provided a lot of information for beneficiaries and should have been split into two sessions on different days;
- within each borough the support was delivered in the main library. Providing support in a wider range of libraries within each borough may have made participation easier;
- participants may have benefited from some form of recognition on completing the course, such as a certificate; and
- some of the workshops were difficult for some participants to attend due to issues such as childcare and work. Offering workshops at different times may have been helpful.

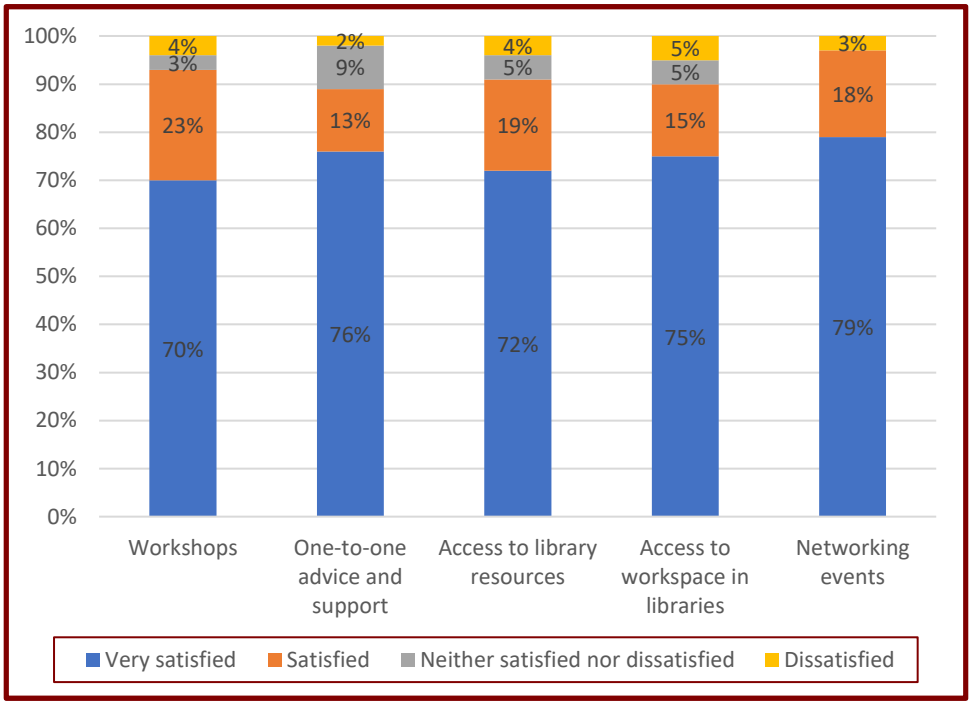
4.4 Beneficiary views

4.4.1 Prospective entrepreneurs

Satisfaction and suitability

Satisfaction levels among project participants who had yet to start a business when joining the project were very high, with satisfaction rates of around 90% and above for all types of support provided. Particularly high satisfaction rates were related to the workshops (93%) and networking events (97%), as shown in Figure 4.1.

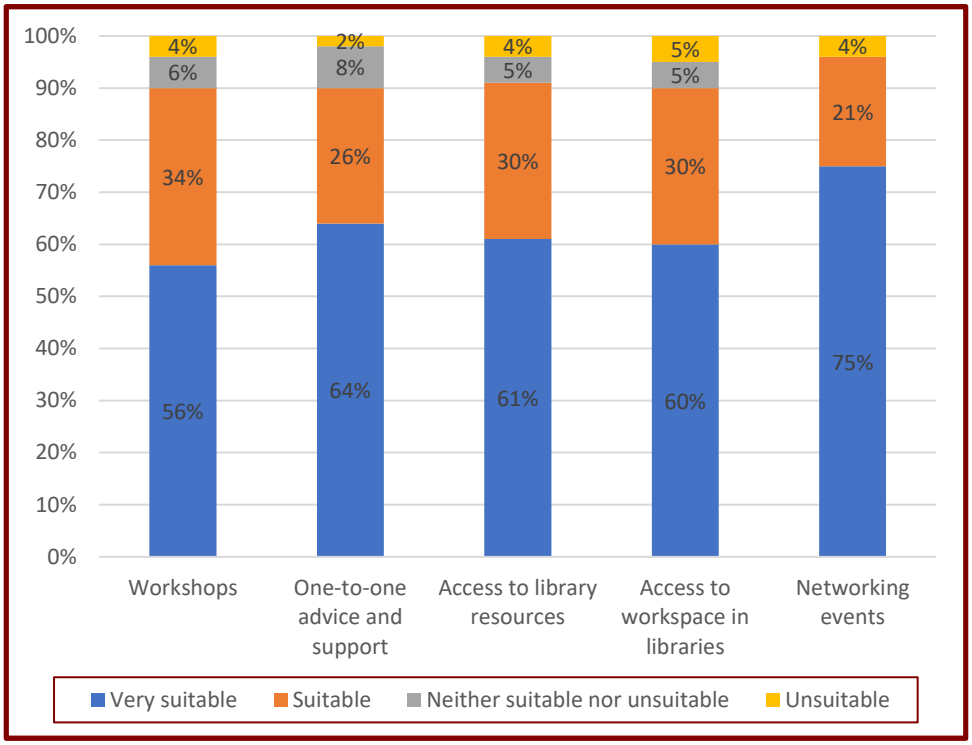
Figure 4.1: Satisfaction levels – prospective entrepreneurs



Source: beneficiary survey, 2023

Project participants who had yet to start a business on joining the project found the support to be either suitable or very suitable for their needs, with suitability rates of 90% and above for all types of support provided. A particularly high suitability rate (96%) was provided by the networking events, as shown in Figure 4.2.

Figure 4.2: Suitability levels – prospective entrepreneurs



Source: beneficiary survey, 2023

Strengths and areas for consideration

The main strengths identified by survey respondents who had not started a business prior to joining the project were the overall quality of support and the quality of the workshops. Table 4.1 sets out the main strengths of the project identified by survey respondents who had not previously started a business.

Table 4.1: Strengths - survey respondents who had not previously started a business	
	Percentage of respondents
Overall quality of support	51%
Quality of workshops and trainers	31%
Quality of one-to-one support	15%
Content of the support programme	13%
Meeting other people in the same situation	12%
Structure and organisation of the support programme	9%
Access to library resources	9%
Increased confidence	4%

Source: beneficiary survey, 2023

In relation to areas for improvement, the most commonly identified issues among survey respondents who had not started a business prior to joining the project were that the workshops were too generic and the need for help in how to access finance, as shown in Table 4.2.

It should be noted that nearly half of respondents (46%) were unable to identify any aspects of the project which did not meet their particular needs to the highest possible standard and could therefore not identify any areas for improvement.

Table 4.2: Areas for improvement - survey respondents who had not previously started a business	
	Percentage of respondents
Nothing – could not identify any areas for improvement	46%
Workshops were too generic	9%
More help in relation to access to finance	6%
Workshops should be in closed rooms in libraries	4%
More feedback and aftercare	4%
The project was not well promoted	3%
Workshops should be longer	2%

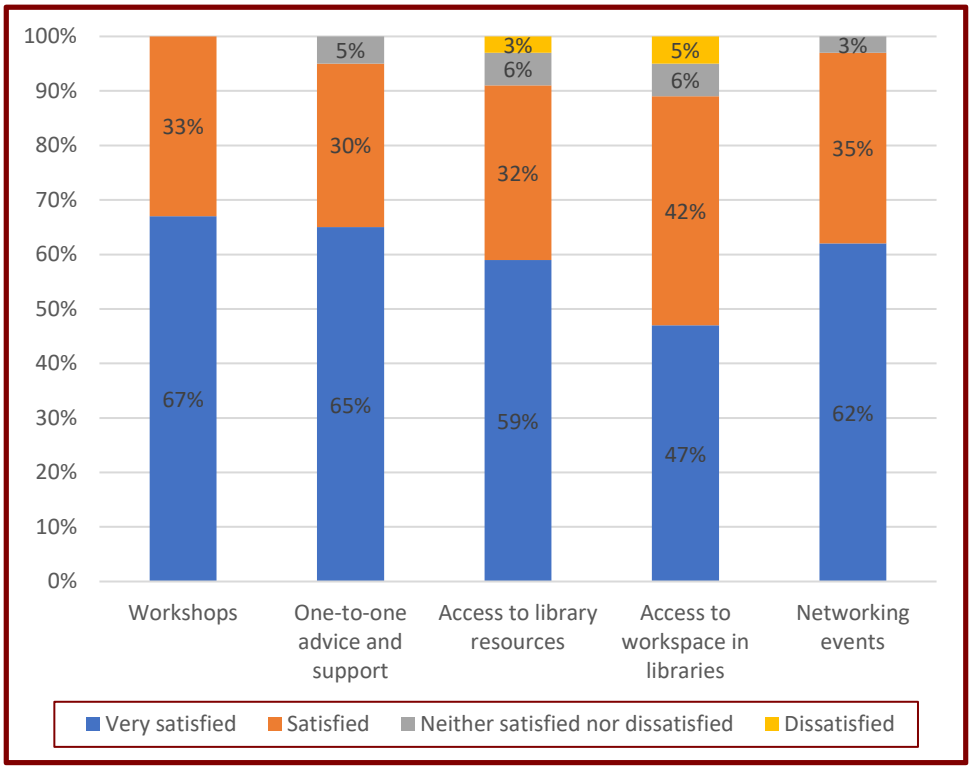
Source: beneficiary survey, 2023

4.4.2 Existing businesses

Satisfaction and suitability

Satisfaction levels among project participants who had already started a business when they joined the project were also very high, with satisfaction rates of around 90% and above for all types of support provided. Of particular note is the workshops, which had a satisfaction rate of 100%, as shown in Table Figure 4.3.

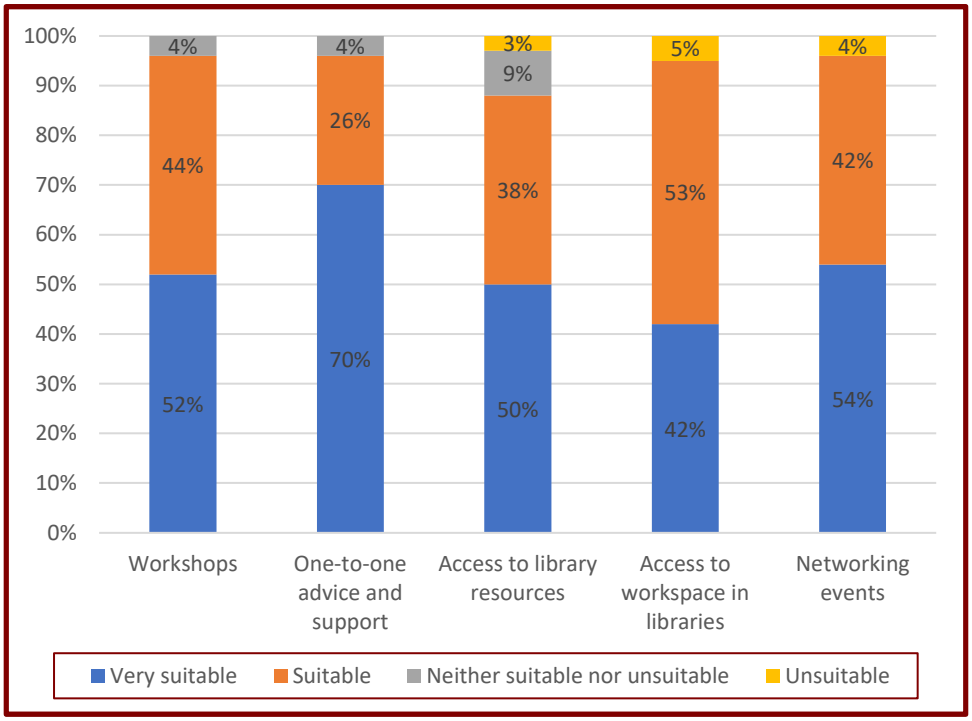
Figure 4.3: Satisfaction levels – existing businesses



Source: beneficiary survey, 2023

Project participants who had already started a business also found the support to be either suitable or very suitable for their needs, with suitability rates of around 90% and above for all types of support provided. Particularly high suitability rates were evidenced for the workshops and the one-to-one support (both at 96%), as shown in Figure 4.4.

Figure 4.4: Suitability levels – existing businesses



Source: beneficiary survey, 2023

4.4.3 Strengths and areas for improvement

The main strengths identified by survey respondents who had already started a business were the quality of the workshops and the overall quality of support, as shown in Table 4.3.

Table 4.3: Strengths - survey respondents who had already started a business

	Percentage of respondents
Quality of workshops and trainers	39%
Overall quality of support	33%
Quality of one-to-one support	16%
Meeting other people in the same situation	12%
Content of the support programme	8%
Structure and organisation of the support programme	8%
Access to library resources	8%
Increased confidence	4%

Source: beneficiary survey, 2023

In relation to areas for improvement, the most commonly identified issues among survey respondents who had already started a business were the generic nature of the support and the need for more advice on marketing through social media, as shown in Table 4.8.

It should be noted that 37% of respondents were unable to identify any aspects of the project which did not meet their particular needs to the highest possible standard and could therefore not identify any areas for improvement.

Table 4.8: Areas for improvement - survey respondents who had already started a business

	Percentage of respondents
Nothing – could not identify any areas for improvement	37%
Workshops were too generic	18%
Need for training on social media marketing	10%
Improved accessibility through more online engagement	8%

Source: beneficiary survey, 2023

4.5 Summary

The BAB project was well managed and delivered, with strong teams in place, both centrally and across the participating local authorities.

Beneficiary satisfaction levels were high, with very few survey respondents expressing any dissatisfaction with any of the support provided.

The main strengths of the project, as identified through consultations, included its success in engaging with people from different backgrounds, providing beneficiaries with access to BIPC resources and expertise, and local delivery which provided a relaxed and familiar environment. From the beneficiary perspective, the main strengths included the quality of the workshops and the content of the support programme.

Areas for improvement identified by consultees included the need to recognise beneficiaries who complete fewer than 12 hours of support, the level of paperwork and the need to provide support in a range of libraries in each borough. Among beneficiaries, areas for consideration included the generic nature of much of the support and the need for assistance in accessing finance.

5 Project outcomes and impacts

5.1 Introduction

This section sets out the benefits attributable to the BAB project. These include quantifiable benefits such as businesses and jobs created as well as wider benefits such as the impact of the project on addressing barriers to enterprise and growth.

5.2 Businesses created

Survey results show that 28% of prospective entrepreneurs who participated in the BAB project have gone on to start a business. A further 50% were planning to start a business in the future and 20% were yet to decide. For those planning to start a business in the future, all of the businesses will be created by 2025 according to survey responses.

Based on the expected figure of 280 potential entrepreneurs supported at project closure, Table 5.1 sets out an estimate of the number of businesses already created and forecast to be created in the future as a result of the support provided.

Table 5.1: Business creation

	Number of businesses
Already created (28% of beneficiaries)	78
Forecast to be created in the future (60% of beneficiaries)	168*
Total	**246**

Note: Percentages subject to rounding
*: The 60% comprises the 50% of respondents who stated that they would start a business plus half of the 20% who were undecided about whether they would start a business.

Among survey respondents who decided to delay starting a business, the main reasons given were:

- the need for more time to work on their ideas (73% of those who are delaying starting a business);
- lack of finance (57%);
- the need for more business support (49%);
- the level of risk involved (35%); and
- the current economic circumstances (29%).

Note that respondents could provide more than one answer in relation to delaying starting a business.

If a person does not have appropriate business skills or their idea is not feasible, then not starting a business is the most suitable way forward for that individual. The project ensured that only

people with the right personal skills and ideas were encouraged to start a business. It should be noted that only one survey respondent definitely decided not to start a business after being supported. The reason given was that they were leaving the area.

5.3 Jobs created and safeguarded

5.3.1 Jobs created to project closure

Project monitoring has yet to confirm how many jobs have been created by the project. The following analysis is therefore based on survey data.

The additionality of the project in relation to jobs has been assessed through assumptions in relation to leakage, displacement, multiplier effects and deadweight. The adjustments made to allow for additionality are based upon the responses to the surveys and standard benchmarks:

- leakage – survey data indicates that 3.1% of employees of beneficiary businesses reside outside of Greater Manchester;
- displacement – survey data indicates that 43.6% of gross jobs created have resulted from activity which has been displaced elsewhere in Greater Manchester by the BAB project. Although this figure appears high, it reflects the very local nature of many of the businesses and beneficiaries supported. As businesses grow and provide goods and services over a wider geography, this figure would be expected to fall. It should be noted that this displacement figure is similar to the figure for the British Library's SiLL project;
- multiplier effects – a multiplier of 1.45 has been used. This is consistent with the mean figure for 'Individual Enterprise Support' initiatives as set out in 'Research to Improve the Assessment of Additionality' (BIS, 2009); and
- deadweight – the survey indicates that 15.0% of the gross jobs created would have been created without the support provided.

Survey data indicates that eight jobs have been created, among the 40 existing businesses supported (although we understand these have yet to be claimed) and 11 in the 78 businesses created. Table 5.2 sets out the number of net additional jobs created by the project. Note that these figures have not been included in Section 3 as only monitoring figures can be used in that section

Table 5.2: Net additional jobs at project close	
	Jobs (survey-based)
Gross jobs created	19
Leakage (3.1%)	1
Gross local direct effect	18
Displacement (43.6%)	8
Net local direct effect	10
Multiplier effect (45%)	5
Total gross local effect	15
Deadweight (15.0%)	2
Total net additional job created	**13**

Note 1: Figures subject to rounding.

5.3.2 Forecasts for future jobs created

Many of the benefits associated with the BAB project will be delivered in the future as beneficiaries grow their businesses further and additional new businesses are created as a result of the support provided. A forecast for the employment impact to 2027 has therefore been carried out. 2027 is the final year in which surveyed beneficiaries identified that employment impacts would be generated. Among pre-starts, taking into consideration businesses already created by beneficiaries and businesses expected to be created (from Table 5.1), the survey indicates that the number of jobs created is forecast to increase by 413 to 424. For existing businesses, a further 50 jobs are forecast by 2026, bringing the total for existing businesses to 58. The overall gross number of jobs forecast to be created by 2027 is therefore 482.

Table 5.3 shows that the BAB project is forecast to deliver over 300 net additional jobs by 2027.

Table 5.3: Net additional jobs to 2027	
	Jobs
Gross jobs created	482
Leakage (3.1%)	15
Gross local direct effect	467
Displacement (43.6%)	204
Net local direct effect	263
Multiplier effect (45%)	119
Total gross local effect	382
Deadweight (15.0%)	57
Total net additional job created	**325**

Note 1: Figures subject to rounding.

5.4 GVA impact

5.4.1 Impact to project closure

The turnover impact at project closure is consistent with other business start-up support projects, such as a West Midlands based similar project. This is due to the very small nature of many of the businesses supported and created. The turnover impact of the project at project closure is an estimated £254,114. This equates to a gross GVA figure of £91,989 (based on a GVA to turnover ratio for the North West of 36.2% from the annual business survey).

Net additional GVA has been calculated by adjusting for displacement, deadweight and multipliers, for which the rates identified in Section 5.3.1 have been applied. As GVA is a workplace-based measure, no allowance for leakage has been included.

Table 5.4 sets out the gross and net additional GVA generated by the project to project closure.

Table 5.4: Gross and net additional GVA to project closure	
	GVA
Gross GVA	£91,989
Displacement (43.6%)	£40,107
Net local direct effect	£51,882
Multiplier effect (45%)	£23,347
Total gross local effect	£75,229
Deadweight (15.0%)	£11,284
Net additional GVA	**£63,944**

Note: Figures subject to rounding

The project had therefore generated nearly £64,000 in net additional GVA by project closure.

5.4.2 Forecasts for future GVA created

The nature of the BAB project is that, in many cases, further turnover increases will accrue in future years as businesses supported grow further and additional new businesses are created. GVA has therefore been estimated to 2031. 2031 has been identified as the final year in which turnover impacts will be generated as survey data suggests that future businesses created through the project will be created by 2025 and that turnover impacts will last for seven years from business creation. Assuming the first turnover impacts are in 2025 for these businesses, the final impacts will be in 2031. For existing businesses supported and businesses already created through the project, turnover benefits are within the 2023 to 2031 timeframe.

Table 5.5 sets out the gross and net additional GVA to 2031

Table 5.5: Gross and net additional GVA to 2031

	GVA
Gross GVA	£1,847,318
Displacement (43.6%)	£805,431
Net local direct effect	£1,041,887
Multiplier effect (45%)	£468,849
Total gross local effect	£1,510,737
Deadweight (15.0%)	£226,610
Net additional GVA	**£1,284,126**

Note: Figures subject to rounding

The project is therefore forecast to generate nearly £1.3 million in net additional GVA by 2031.

5.5 Impact on cross-cutting themes

The BAB project has supported equality across Greater Manchester by providing assistance to people from different ethnic groups as well as people of different ages and disability status, as shown in Table 5.6.

Table 5.6: BAB – beneficiaries by demographic group			
Gender	**Percentage**	**Disability**	**Percentage**
Female	67%	Disabled	16%
Male	32%	Not disabled	80%
Not provided	1%	Not provided	4%
Age	**Percentage**	**Ethnicity**	**Percentage**
Up to 29	12%	Asian – Asian British	18%
30 to 34	11%	Black - African	12%
35 to 39	17%	Caribbean – Black British	2%
40 to 44	18%	Mixed	7%
45 to 49	14%	White	50%
50 to 54	8%	Other ethnic group	5%
55 to 59	7%	Not provided / wouldn't say	6%
60 to 64	4%		
65 and above	1%		
Not provided	7%		

Source: beneficiary survey, 2023

5.6 Social benefits

The project has played a role in bringing unemployed and retired people back into the workforce and in helping homemakers return to work. The survey indicates that 14% of beneficiaries who have started a business as a result of the support provided or who plan to start a business in future were previously unemployed and 5% were retired. A further 3% were previously homemakers.

The project has also delivered a number of other social benefits, as set out in Section 4 of this report. These include:

- engaging with individuals from very diverse and underrepresented backgrounds, including female entrepreneurs, people from BAME groups and refugees; and
- increasing confidence levels among beneficiaries.

5.7 Wider benefits

5.7.1 Pre-starts

Barriers to enterprise

The BAB project has been successful at addressing the barriers to enterprise faced by beneficiaries who went on to start a business following support. The most common barrier was a lack of knowledge of support available, with 83% of respondents who went on to start a business facing this barrier.

Table 5.7 sets out the main barriers faced by prospective entrepreneurs and the extent to which the BAB project has addressed these.

Table 5.7: Barriers to enterprise

Barrier	% of respondents identifying as a barrier	Very effective / effective at addressing barrier
Lack of knowledge of support available	83%	88%
Confidence	76%	86%
Lack of knowledge of setting up a business	72%	90%
Regulatory issues	59%	94%
Concerned about risks	52%	80%
Lack of finance	52%	67%
Lack of awareness of market opportunities	41%	83%

Source: Beneficiary survey, 2023
Note: the second column shows the percentage of respondents identifying a barrier. The final column shows the percentage of those identifying a barrier who felt that the project had addressed this. Respondents could identify more than one barrier.

Other wider benefits

The BAB project has delivered a range of wider benefits to prospective entrepreneurs who went on to start a business. Table 5.8 sets out the main wider benefits delivered. Note that the figures are the percentages of the 10 survey respondents who have started a business and for whom the project has delivered benefits to date.

Table 5.8: Wider benefits – prospective entrepreneurs

Wider benefit	% of respondents
Gained a better understanding of the market for your product or service	100%
Made new business connections and contacts	80%
Been referred to other relevant business support organisations	70%
Developed any new to the business products, services or processes	50%
Developed any new to the market products, services or processes	50%
Invested in new equipment	30%
Invested in innovation or received innovation support	20%
Accessed public or private sector funding	20%
Invested in staff training	10%

Source: Beneficiary survey, 2023

5.7.2 Existing businesses

Barriers to growth

The BAB project has also been successful at addressing the barriers to growth faced by early-stage business beneficiaries. The most common barrier was understanding and exploiting intellectual property, with 72% of respondents who had already started a business facing this barrier.

Table 5.9 sets out the main barriers faced by existing businesses and the extent to which the BAB project has addressed these.

Table 5.9: Barriers to growth

Barrier	% of respondents identifying as a barrier	Very effective / effective at addressing barrier
Understanding and exploitation of intellectual property	72%	89%
Ability to develop a profitable business model	66%	79%
Promoting the business	64%	84%
Market knowledge	60%	77%
Accessing dependable professional advice	58%	86%
Expertise - managerial skills	50%	80%
Competitive marketplace	48%	83%
Risks involved in growth	36%	67%
Expertise - workforce skills	14%	86%
Recruitment	10%	40%

Source: Beneficiary survey, 2023
Note: the second column shows the percentage of respondents identifying a barrier. The final column shows the percentage of those identifying a barrier who felt that the project had addressed this. Respondents could identify more than one barrier.

Other wider benefits

The BAB project has delivered a range of wider benefits to existing businesses. Table 5.10 sets out the main wider benefits delivered. Note that the figures are the percentages of the survey respondents for whom the project has delivered benefits to date.

Table 5.10: Wider benefits – existing businesses	
Wider benefit	**% of respondents**
Made new business connections and contacts	86%
Gained a better understanding of the market for your product or service	68%
Developed any new to the market products, services or processes	50%
Been referred to other relevant business support organisations	45%
Invested in new equipment	36%
Invested in staff training	32%
Developed any new to the business products, services or processes	32%
Accessed public or private sector funding	23%
Invested in innovation or received innovation support	14%

Source: Beneficiary survey, 2023

5.8 Summary

The BAB project has had positive impacts in terms of supporting potential entrepreneurs to explore and crystalise their business ideas and create new businesses, with an estimated 78 businesses created to date and a total of 246 forecast to be created in the long-term. The project has also been successful in supporting early-stage businesses to grow. The support provided has had a positive impact in terms of employment and GVA. These impacts are expected to become stronger over the next few years. Table 5.11 sets out the business creation, employment and GVA benefits associated with the project.

Table 5.11: Summary of business creation, employment and GVA benefits		
To project close	**Gross**	**Net additional**
Businesses created	78	-
Jobs created	19	13
GVA	£91,989	£63,944
To 2031	**Gross**	**Net additional**
Businesses created	246	-
Jobs created	482	325
GVA	£1,847,318	£1,284,126

Note that, according to survey results, 2027 is the final year in which jobs will be created and 2031 is the final year in which there will be turnover impacts (GVA is derived from turnover figures).

The BAB project also delivered a range of other benefits including:

- supporting unemployed and retired people back into the workforce;
- supporting equality, as evidenced by the high numbers of, for example, women and people from BAME groups supported;
- addressing the barriers to enterprise and growth faced by beneficiaries;
- improved understanding of the market for their goods and services among beneficiaries; and
- new business connections.

6 Value for money

6.1 Introduction

This section sets out an assessment of the value for money of the project. It comprises an analysis of economy, effectiveness and efficiency.

6.2 Economy

The BAB project was delivered economically. For example, all procurement followed public sector regulations and all salaries and consultancy fees were at market rates.

6.3 Effectiveness

The BAB project has contributed to the delivery of the objectives of a number of strategies and policies, as shown in Section 2.4 of this report.

Table 6.1 sets out an assessment of the extent to which the project met its original objectives.

Table 6.1: Effectiveness of the BAB project

Objective	Achievement of the objective to date	Comments
To deliver a programme of satellite support in participating boroughs, ensuring that relevant resources and expertise were accessible through established community hubs.	√√√	The project has successfully delivered support in local communities through library services.
To upskill borough libraries to deliver their own business services in order to develop a lasting, sustainable and embedded support infrastructure for the benefit of the local economy.	√√√	Library services in all of the participating boroughs have provided support and strengthened their offer as a result of participating in the BAB project.
To help entrepreneurs from diverse backgrounds to commercialise their ideas and set-up and run successful enterprises.	√√√	The project has supported a diverse range of beneficiaries, including refugees. 67% of beneficiaries were women and 50% were from BAME groups.
To increase the number of sustainable businesses in the Greater Manchester area.	√√√	The project is forecast to create 246 new businesses in Greater Manchester.

√ = minimal achievement √√= moderate achievement √√√ = significant achievement

6.4 Efficiency

6.4.1 To project closure

An assessment of the efficiency of the project in relation to outputs and outcomes projected for the end of the project has been carried out. This is presented in Table 6.2.

Table 6.2: ERDF value for money of the project to project closure

		ERDF
A	ERDF cost (£)	£922,165
B	Existing businesses supported	98
C	Prospective entrepreneurs supported	280
D	Businesses created	78
E	Gross jobs created	19
F	Net jobs created	13
G	Net GVA increase (£)	£63,944
H=A/B	ERDF cost per existing business supported	£9,410
I=A/C	ERDF cost per prospective entrepreneur supported	£3,293
J=A/D	ERDF cost per business created	£11,823
K=A/E	ERDF cost per gross job created	£48,535
L=A/F	ERDF cost per net job created	£70,936
M=G/A	Ratio of GVA increase to ERDF cost	0.06.1:1

6.4.2 To 2031

An assessment of the efficiency of the project in relation to outputs and outcomes projected for 2031, the final year in which benefits were identified, has also been carried out. This is presented in Table 6.3 and shows significant improvements in cost per business created and cost per job as well as a substantial improvement in the GVA to funding ratio.

Table 6.3: ERDF value for money of the project to 2031		
		ERDF
A	ERDF cost (£)	£922,165
B	Businesses created	246
C	Gross jobs created	482
D	Net jobs created	325
E	Net GVA increase (£)	£1,284,126
F=A/B	ERDF cost per business created	£3,749
G=A/C	ERDF cost per gross job created	£1,913
H=A/D	ERDF cost per net job created	£2,837
I=E/A	Ratio of GVA increase to ERDF cost	1.4:1

6.5 Summary

This section has demonstrated that the BAB project had processes and procedures in place to ensure that it was delivered in an economical manner, such as through procurement processes which were compliant with ERDF regulations.

The project has also been highly successful in meeting its objectives. For example, it has successfully created new businesses across Greater Manchester and supported people from a range of backgrounds, including refugees and people from BAME groups. Furthermore, two in three beneficiaries were women.

By project closure, the BAB project is expected to have an ERDF cost per business created of £11,823 and an ERDF cost per net additional job (allowing for leakage, deadweight, displacement and multipliers) of £70,936. Returns on investment for business start-up projects are generally very low. For example, a very similar project in the West Midlands had a return on investment of 0.16:1 at project closure. This project had been running for seven years and therefore substantially more businesses had been created and had grown by project close than through the two-year BAB project. The return on investment of the BAB project at project close is therefore not a major concern.

The long-term value for money of the project will be substantially greater. By 2031 the ERDF cost per business created is forecast to fall to £3,749, the ERDF cost per net additional job is forecast to fall to £2,837 and the return on investment is forecast to increase to 1.4:1. Note that this return on investment is greater than for the aforementioned West Midlands project.

7 Conclusions and lessons learned

7.1 Introduction

This section sets out the main conclusions of the evaluation. It also identifies a number of lessons that can be learned from the project and recommendations for future activity.

7.2 Conclusions

The BAB project has had a very positive impact in terms of facilitating business creation and business growth across the eight participating Greater Manchester local authority areas through the provision of support to potential entrepreneurs and early-stage businesses. The performance has been particularly positive in light of a number of challenges, including the limited delivery period and delivery in the immediate aftermath of the Covid crisis in which many people were unwilling to participate in face-to-face and group activities. The project has, to date, resulted in significant increases in the number of businesses and jobs across the area, with the number of businesses and jobs created expected to increase substantially by 2027 as a result of the support provided. It has also increased turnover among beneficiaries with further increases forecast. These are forecast to translate into substantial GVA benefits over the next few years. The project has also delivered a range of wider benefits including addressing barriers to enterprise and growth, improved market understanding and new business connections.

The project has been successful in responding to the needs of businesses by providing both one-to-many workshop support and individual mentoring support. This has resulted in high satisfaction rates among beneficiaries with the services provided.

The BAB project has been well-managed and delivered by a dedicated team. This has ensured that the project has been delivered smoothly.

The project has been effective in meeting its own objectives. Over the next few years, when businesses created and supported by the project grow further as a result of the support provided, the cost per business created and net job created and the return on investment will improve substantially.

7.3 Lessons learned and recommendations

A number of lessons and recommendations have been identified for future support initiatives. Elements of good practice which should be continued on future initiatives include:

- to continue with the successful approach to engaging with individuals from very diverse and underrepresented backgrounds;
- to continue to provide free access to BIPC resources and expertise;
- to continue to provide opportunities for beneficiaries to share knowledge and experience and develop business connections;

- to continue to use libraries as these provide a supportive and relaxed environment; and
- to continue with the Champions approach and provide opportunities for the Champions to share their experience.

Recommendations for consideration on future initiatives include:

- to work with funders on any future project to look for ways to reduce the level of paperwork and administration on any post-ERDF project;
- to work with funding bodies on any post-ERDF project to develop a more relaxed criteria for businesses which can be counted as outputs, including fewer hours and increasing the number of activities which can be counted towards total hours;
- to work with funding bodies on any post-ERDF project to ensure consistency of rules and administration requirements between projects;
- to provide support in a number of libraries within each participating local authority to increase accessibility; and
- to arrange workshops at different times so that it is easier for people with childcare and work commitments to attend.

Appendix A: Consultees

Consultations have been carried out with:

- Central Team
  - Jonathan Ebbs (Manchester City Council)
  - Michael Waistell (Manchester City Council)
  - Ian Hargreaves (Manchester BIPC)
- Champions
  - Joe Drury (Trafford)
  - Sean Martin (Stockport)
  - Karen Yates (Salford)
  - Claire Stirrup (Bury)
- British Library
  - David Gimson
- Local authority partners
  - Jayne Tramontana (Bolton Council)
  - Farook Atcha (Bolton Council)
  - Louise Clark (Tameside Council)
  - Victoria Varley (Oldham Council)
- External consultant
  - Wendy Breakell

Appendix B: Example Topic Guide

1	Could you your role in the BAB project?
2	Do you think the management and delivery arrangements for the project are appropriate and could they be strengthened?
3	What do you consider to be the strengths and weaknesses of the project?
4	Is there anything on the project that could be done differently next time?
5	What do you think the impact of the project has been in Greater Manchester?
6	How well do you think the project responded to changing economic circumstances?
7	Are there any other comments you would like to make?

Appendix C: Case Studies

With You HR

With You HR is a HR consultancy company which assists new businesses and new employers by guiding them through people management processes.

Through Build A Business, With You HR initially took part in the course of workshops and then returned to the project to use the knowledge available from the team at the library to trademark their business. The project was also able to support the business in researching potential customers and gave them access to their databases.

The support from the project gave the business a great foundation for progressing towards growth and development. They were able to do their own research and apply new processes to their business growth journey as a result of the insights provided by Build A Business.

One of the most helpful parts of the project the business found was the support of their SME Champion who helped in setting up a networking group and has subsequently put the business in contact with lots of people.

"I wouldn't have learnt half the things I have without the project."

Ardea Upholstery

Ardea Upholstery is a handmade chair and soft furnishings upholstery company which specialises in using artists' and designers' work on each piece.

Build A Business was able to support Ardea by reassuring them that their idea for business development was viable and achievable. It provided a good focus point and structure for the business during the early stages of their start-up.

The business found the networking opportunities encouraged by the project beneficial. Through the project, Ardea was able to connect with another participant on the project who helped them to build their website. The similar stages in terms of business development that the other participants were at was highlighted as a key strength.

Additional signposting of opportunities for additional training such as marketing and social media and the one-to-one support from their local SME Champion was helpful in building on the knowledge gained in the workshops. The project has been encouraging in fostering resilience and creating a supportive environment.

"I am so grateful for the knowledge I have gained."

Ardea