AMION CONSULTING

European Union
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Birmingham City Council

Summative Assessment of the Business Growth Programme 2

Draft Report

May 2023

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Birmingham City Council

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1 Introduction

1.1 Overview

AMION Consulting, in association with Spirul, was appointed to carry out a summative assessment (evaluation) of the Business Growth Programme 2 (BGP2) on behalf of Birmingham City Council (BCC or the Council). The programme is part-funded by the European Regional Development Fund (ERDF) and the evaluation has therefore been carried out in compliance with ERDF summative assessment guidance.

1.1 Purpose of the report

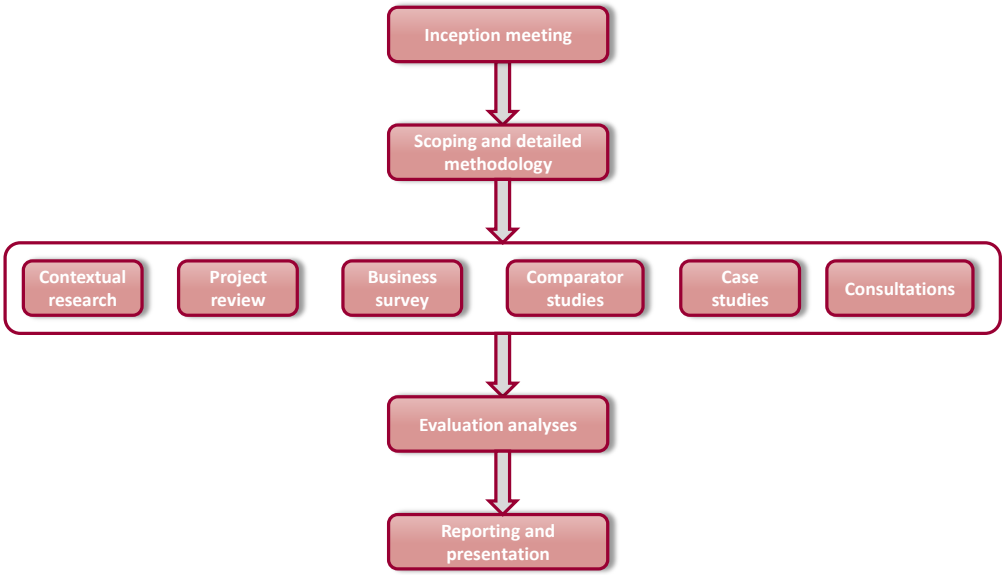
The main purposes of this report are:

- to assess the performance of the programme in relation to its outputs and expenditure;
- to assess the strengths and weaknesses of the BGP2 and identify areas for improvement for future initiatives;
- to determine the impacts, wider benefits and value for money of the programme; and
- to identify lessons and recommendations for future activity.

1.2 Approach and framework

Figure 1.1 outlines the main components of our approach to the assessment.

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 the Strategic Economic Plans (SEP) of the Greater Birmingham & Solihull (GBSLEP) and The Marches (TMLEP) Local Enterprise Partnerships and national strategies such as 'Build Back Better'. It covered strategies and policies in operation at the time of the programme's inception and those which have come into operation since then. An assessment of the economic context has also been carried out.

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

(iii) ***Business survey*** – Spirul (an independent market research company) carried out a survey of 153 businesses which have been provided with grants over the course of the programme. These included businesses accessing each of the two grant streams and in each of the two LEP areas. The number of completed interviews equated to 52% of the total number of beneficiaries to the end of the first quarter of 2023. These surveys were carried out in order to determine the impact of the BGP2 on business performance (including turnover and jobs). They also identified elements of the programme which participating businesses felt worked well or could have been improved, barriers to growth faced by beneficiaries and the types of support businesses would like to be provided with in future. Spirul also attempted a survey of businesses which withdrew their applications. However, this was abandoned as only one business responded.

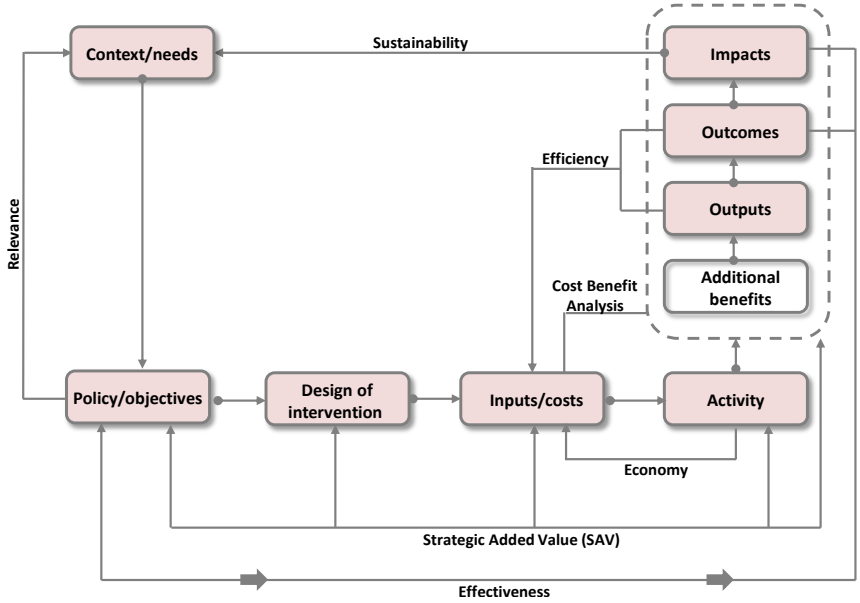
(iv) ***Consultations*** – these were carried out with the BGP2 management team and other delivery partners in order to gather qualitative feedback and views of the programme. A list of consultees is provided in Appendix A.

(v) ***Case studies*** – more detailed discussions were held with a small number of beneficiaries in order to understand the impact on individual businesses and to gain more in-depth views of the Programme.

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

Figure 1.2: Evaluation Framework



1.3 Structure of the report

The report continues in six sections, as follows:

- **Section 2** - sets out the context to the BGP2, including a description of the programme;
- **Section 3** - reviews the progress of the programme in relation to outputs and expenditure targets;
- **Section 4** - assesses the governance, management and delivery of the programme;
- **Section 5** – provides an assessment of the outcomes and impacts of the programme;
- **Section 6** - provides an assessment of value for money; and
- **Section 7** - presents the conclusions of the report and sets out the lessons learned and recommendations for future support.

2 The Business Growth Programme 2

2.1 Introduction

This section provides an overview of the BGP2 and the context within which it was developed. It sets out: the aims, objectives and targets of the programme; the economic and strategic context; and the rationale for intervention.

2.2 The BGP2

2.2.1 Overview

The BGP2 was a £37 million grant support programme that was launched in January 2019 for existing Business to Business (B2B) small to medium sized enterprises (SMEs) across the GBSLEP and TMLEP areas. The programme, which ran until June 2023, was funded through the ERDF, with match funding provided by beneficiaries towards overall project costs. The BGP2 aimed to assist SMEs looking to grow, invest and create jobs within the two LEP areas.

BCC is the Accountable Body for the programme and the Business Development and Innovation (BDI) team within BCC managed and delivered the programme in partnership with:

- Cannock Chase District Council;
- East Staffordshire Borough Council;
- Greater Birmingham Chamber Group;
- Herefordshire District Council;
- Lichfield District Council;
- North Worcestershire Economic Development (representing Wyre Forest District Council, Redditch Borough Council and Bromsgrove District Council);
- Shropshire Council;
- Solihull Metropolitan Borough Council;
- Tamworth Borough Council; and
- Telford & Wrekin District Council.

2.2.2 Grant streams

The programme provided grants through two individual streams:

- grants of between £10,000 and £1 million for businesses in the GBSLEP and TMLEP areas which had been trading for more than six months – these grants were provided to support businesses looking to expand, relocate, innovate and / or improve access to markets and

could be used for, for example, capital expenditure, new product development, improvements to production processes and systems, applying new technology, building information modelling, market development, relocation and expansion; and

- grants of up to £10,000 for businesses under one year old in the TMLEP area – these grants aimed to support the growth of early-stage businesses and could be used for both capital and revenue expenditure.

2.2.3 Objectives

The objectives of the BGP2 were:

- to stimulate growth and expansion of SMEs by offering part funding of business growth plans;
- to create new jobs as a result of SME growth plans;
- to increase turnover and competitiveness in SMEs; and
- to generate increased private sector investment in SMEs.

2.2.4 Geography

As previously stated, the BGP2 supported businesses across two LEP areas. Within these areas, six local authority areas were identified as 'more developed' and the remainder were classed as 'transitional', which has an impact on the level of ERDF match funding required. Businesses in the more developed areas were required to match their ERDF funding on a 50:50 basis, whereas businesses in transitional areas were required to provide 40%. Table 2.1 sets out the status of each local authority area covered by the BGP2.

Table 2.1: BGP2 – status of local authority areas

More developed	LEP area	Transitional	LEP area
Birmingham	GBS	Cannock Chase	GBS
Solihull	GBS	Lichfield	GBS
Bromsgrove	GBS	Tamworth	GBS
Redditch	GBS	East Staffordshire	GBS
Wyre Forest	GBS	Telford & Wrekin	TM
Herefordshire	TM	Shropshire	TM

2.2.5 Targets

Table 2.2 sets out the initial targets for the programme.

Table 2.2: BGP2 – original targets

Indicator	More developed	Transitional	Total
C1: Number of enterprises receiving support	193	229	422
C2: Number of enterprises receiving grants	193	229	422
C5: Number of new enterprises supported	16	127	143
C6: Private investment matching public support to enterprises	£4,759,040	£5,640,960	£10,400,000
C8: Employment increase in supported enterprises	402	471	873

In 2020 a Project Change Request (PCR) was submitted which reduced the C1 output targets (and consequently the C2 targets). Initially, the C1 target was based on an average grant award of £29,000 per SME, which was in turn based on the actual figure from the earlier BGP1. The PCR recognised that, at the time of submission of the PCR, the average grant award for BGP2 was £31,000 in the GBSLEP area and £41,000 in the TMLEP area. The higher grant level was because smaller SMEs were not applying for grants due to lack of confidence and Brexit uncertainty. As a result, the programme received fewer SME applications than expected, although those which were received were seeking a higher grant award. Furthermore, demand for start-up grants was much lower than anticipated and therefore the C5 target was also reduced.

The PCR also resulted in an increase in ERDF funding. The C6 and C8 output targets were increased in line with this further funding.

Table 2.3 sets out the revised targets for the BGP2 for each type of area.

Table 2.3: BGP2 – revised targets

Indicator	More developed	Transitional	Target
C1: Number of enterprises receiving support	186	171	357
C2: Number of enterprises receiving grants	186	171	357
C5: Number of new enterprises supported	2	11	13
C6: Private investment matching public support to enterprises	£10,989,929	£10,112,087	£21,102,016
C8: Employment increase in supported enterprises	613	563	1,176

2.3 Economic context

2.3.1 Overview

In relation to the economic context, the main issues of relevance to the BGP2 were:

- employment and unemployment; and

- Gross Value Added (GVA).

The performance of the two LEPs in relation to each of these indicators is reviewed in the sub-sections below.

2.3.2 *Employment and unemployment in the two LEP areas*

Over the period from 2018 to 2021, employment in both the GBSLEP and TMLEP areas grew at a rate above the regional average. Employment in the TMLEP area also grew at a rate above the national average, as shown in Table 2.4.

Table 2.4: Employment levels

	2018	2021	Change 2018 - 21	% change
GBS LEP	973,000	992,000	19,000	2.0%
TMLEP	312,000	322,000	10,000	3.2%
West Midlands	2,659,000	2,695,000	40,000	1.4%
England	26,808,000	27,406,000	598,000	2.2%

Source: business register and employment survey (bres), Nomis

The unemployment rates in each of the LEP areas have increased since 2018, with a notable increase in the GBSLEP area. The unemployment rate in the TMLEP area remains below the regional and national averages, as shown in Table 2.5.

Table 2.5: Unemployment rates

	2018	2021
GBS LEP	5.8%	7.0%
TMLEP	2.9%	3.2%
West Midlands	4.7%	5.0%
England	4.1%	4.5%

Source: Annual Population Survey, NOMIS

2.3.3 *GVA*

Between 2018 and 2020, the GVA of the TMLEP area increased by 1% to £14,623 million. This rate of increase exceeded the rate for England of 0.8%. The GBSLEP area recorded a decrease in GVA over the same time period, as shown in Table 2.6. It should be noted that performance in relation to GVA was impacted by the Covid crisis in all areas considered.

Table 2.6: GVA by LEP area				
	2018	2020	Change 2018 - 20	% change
GBSLEP	£37,868 million	£37,230 million	-£638 million	-1.7 %
TMLEP	£14,482 million	£14,623 million	£141 million	1.0%
England	£1,669,550 million	£1,682,752 million	£13,202 million	0.8%

Source: GVA, ONS

2.4 Strategic context

In undertaking the evaluation, consideration has been given to whether or not the BGP2 retained its consistency with the policies and strategies with which it was originally aligned and with the changing policy and strategy context. Table 2.7 provides commentary on how the BGP2 contributed to supporting the various strategies and policies outlined.

Table 2.7: Strategic context	
National Policy	
Policies, plans and strategies in operation at the outset of the programme	
Industrial Strategy White Paper (Department for Business, Energy and Industrial Strategy, 2017)	Among the aims of the Strategy was to make Britain the best place to start and grow a business. However, difficulties in accessing finance was identified as an obstacle to business growth. The BGP2 was consistent with the Industrial Strategy as it provided finance to SMEs to support their growth plans.
Policies, plans and strategies currently in place	
Build Back Better: Our Plan for Growth (HM Treasury, 2021)	The Strategy recognises the need for SMEs to be able to access finance in order to grow and become more productive. The BGP2 was therefore fully consistent with this objective of the Strategy. The Strategy also identifies a need to help underperforming areas to 'level-up'. BGP2 supported businesses in transitional areas and therefore supported the levelling-up agenda.
Sub-National Policy	
Policies, plans and strategies in operation at the outset of the programme	
GBSLEP SEP (2017) – still in operation	The objectives of the SEP are to: increase productivity and competitiveness; increase private sector investment; and increase business survival and growth. A number of priorities are set out in the SEP. These include stimulating innovation, growing key markets for inward investment and strengthening access to finance.

	The BGP2 was fully consistent with these objectives and priorities as it provided financial support to businesses, including for innovation and to businesses in key growth sectors.
TMLEP SEP (2019) – still in operation	The revised SEP set out a need to create a supportive business environment. Within this, access to finance was identified as an issue as SMEs can experience difficulties in accessing bank finance and alternative sources can charge high interest rates. The BGP2 has addressed this issue by providing grants, thereby limiting the need for borrowing by SMEs.
West Midlands Combined Authority (WMCA) SEP	The SEP recognised a need to enable the continued growth of SMEs and to improve business competitiveness. The programme addressed these issues by providing funding to support business growth.
West Midlands Local Industrial Strategy (LIS) – *still in operation*	The LIS identified access to finance generally as an obstacle to business growth. The BGP2 has addressed this issue.
Policies, plans and strategies currently in place	
West Midlands Combined Authority, Plan for Growth (2022)	The plan highlights an immediate concern for the projected below annual yearly growth rate for the West Midlands and the need to accelerate growth by overcoming barriers both in the short and long term. The BGP2 has addressed this by giving businesses the opportunity to grow and accelerate immediately, rather than needing to wait for a prolonged period of time in order to generate the finance they would need for their projects. This will increase the growth rate for the West Midlands in the short term.
TMLEP Economic Recovery Plan (2021)	The plan considers the actions needed by the Marches LEP in response to the economic downturn associated with the Covid crisis and ensuing lockdowns. Both immediate and medium-term actions for five sectors have been identified, these sectors include: Business Environment, People, Place, Innovation and Infrastructure. This echoes the government's Industrial Strategy's five foundations of productivity. The BGP2 was consistent with this as it has provided grants throughout the pandemic to support businesses, therefore putting them in the best possible position for growth following the impact of Covid crisis.
GBSLEP Delivery Plan (2022)	This sets out key aims for the area over the period from 2022 to 2023. These include a commitment to providing business advice and support to SMEs, engaging in employer-led skills activity, and supplying flexible services due to shifting political and economic circumstances.

	The BGP2 has been consistent with this by providing grant support specifically for SMEs enabling development as well as navigating an unstable economic environment.

Table 2.7 shows that at the time it was approved, the BGP2 aimed to address priorities at both the national and sub-regional levels. It maintained this consistency throughout the duration of the programme.

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[1] and/or the enhancement of the quality of life of disadvantaged groups (equity).

The rationale for intervention with regard to initiatives such as the BGP2 often relates to information failures and risk – for SMEs, investing in growth or innovation is by definition an uncertain business. There may be concerns relating to, for example, whether there is a market for any new products developed or whether any investment would leave the business financially vulnerable. In attempting growth, an SME is investing heavily in an area in which the returns are uncertain. The provision of a grant to SMEs reduces the financial risk and therefore increases the likelihood of business investment.

Another market failure of relevance to the programme is asymmetric information. In the case of grant programmes such as the BGP2, traditional sources of business finance, such as banks, have less knowledge of both the business seeking funds and the market in which the business operates. Therefore, there is a lower likelihood of finance being provided through these traditional sources, with business investment subsequently being sub-optimal. By providing finance to SMEs, the BGP2 ensures that businesses are able to proceed with their investment plans.

Another market failure addressed by the programme is externalities. When businesses make investment decisions 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 therefore through support such as that provided through the BGP2, contributes directly to the cost of the investment. Particular externalities relating to the BGP2 include improving the image

[1] Market failures can arise as a result of externalities, imperfect information, market power and public goods.

of the two LEP areas as competitive locations for businesses as the programme has the potential to showcase the business strengths of the two LEP areas. Through supporting the growth of grant recipients, the BGP2 also provides further growth in beneficiary supply chains and strengthens regional business clusters.

2.6 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 or programme;
- the rationale for the intervention by consideration of its context – in terms of, for example, contextual economic and market 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 BGP2, as shown in Table 2.8.

Table 2.8: BGP2 logic chain

Contextual conditions	• high employment growth in GBSLEP area and TMLEP area compared to the regional average • high unemployment in the GBSLEP area compared to the regional and national averages, but relatively low unemployment in the TMLEP area • declining GVA in the GBSLEP area between 2018 and 2020 and GVA growth in the TMLEP area similar to the national average
Policy context	**Initial context** • Industrial Strategy • SEPs of the two LEPs and WMCA • West Midlands Local Industrial Strategy **Evolving context** • Build Back Better • WMCA Plan for Growth • TMLEP Economic Recovery Plan • GBSLEP Delivery Plan
Objectives	• to stimulate growth and expansion of SMEs by offering part funding of business growth plans

	• to create new jobs as a result of SME growth plans • to increase turnover and competitiveness in SMEs • to generate increased private sector investment in SMEs
Inputs	• finance and human resources from BCC and partners • financial resources from ERDF • financial contributions from SME beneficiaries
Activities	• grants of between £10,000 and £1 million for businesses in the GBSLEP and TMLEP areas which had been trading for more than six months • grants of up to £10,000 for businesses which were less than one year old in the TMLEP area
Outputs	• businesses assisted through grants • jobs created in beneficiary businesses • private sector investment
Outcomes	• businesses investing in growth and innovation • new products, services and processes developed • business relocation and expansion • investment in equipment and training • businesses entering supply chains • increased sales
Impacts	• GVA growth (net additional) • employment growth (net additional)

2.7 Summary

The BGP2 aimed to stimulate business growth and the creation of jobs by providing funding towards business growth plans. The programme provided support to SMEs in the GBSLEP and TMLEP areas.

Grants were provided through two streams, these being:

- grants of between £10,000 and £1 million for businesses in the GBSLEP and TMLEP areas which had been trading for more than six months – these grants were provided to support businesses looking to expand, relocate, innovate and / or improve access to markets and could be used for, for example, capital expenditure, new product development, improvements to production processes and systems, applying new technology, building information modelling, market development, relocation and expansion; and
- grants of up to £10,000 for businesses under one year old in the TMLEP area – these grants aimed to support the growth of early-stage businesses and could be used for both capital and revenue expenditure.

The programme has 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 the Strategic Economic Plans of the two LEPs) and those that have evolved since (such as Build Back Better and the West Midlands Plan for Growth).

The BGP2 aimed to build on and address both economic strengths and weaknesses within the local economy, namely:

- high employment growth in both LEP areas compared to the regional average;
- high unemployment in the GBSLEP area compared to the regional and national averages, but relatively low unemployment in the TMLEP area; and
- declining GVA in the GBSLEP area between 2018 and 2020 and GVA growth in the TMLEP area similar to the national average.

The rationale for intervention with regard to the programme is largely related to information failures and risk as investing in growth is by definition an uncertain business. The provision of grants to SMEs reduces the financial risk and therefore increases the likelihood of business investment. Another market failure of relevance to the BGP2 is asymmetric information. Traditional sources of business finance, such as banks, have less knowledge of both the business seeking funds and the market in which the business operates. Therefore, there is a lower likelihood of finance being provided through these traditional sources, with business investment subsequently being sub-optimal. By providing finance to SMEs, the BGP2 ensures that businesses are able to proceed with their investment plans.

3 Progress of the programme

3.1 Introduction

This section provides details of programme performance in relation to expenditure and outputs.

3.2 Funding and expenditure

Table 3.1 sets out the overall funding profile for the programme to the end of the first quarter of 2023 and the expected profile for the end of the programme.

As mentioned in Section 2.2.5, the BGP2 was subject to a PCR in 2020 which increased the overall level of funding. A further PCR led to a redistribution of ERDF funding, with a reduction in capital funding and an increase in revenue funding.

Table 3.1: Funding profile

Funding	Contracted	At closure
ERDF capital funding (grants)	£7,099,289	£7,099,289
ERDF revenue funding (grants)	£6,810,632	£6,810,632
ERDF total	**£13,909,921**	**£13,909,921**
Public sector match funding	£1,817,354	£1,817,354
Private sector match funding	£21,102,016	£21,102,016
Total funding	**£36,829,291**	**£36,829,291**

3.3 Outputs

The BGP2 fell short of its targets for number of businesses supported. A number of reasons were put forward to explain this shortfall. These included competition from the Marches Business Investment Programme for businesses located in the TMLEP area, the difficulty in promoting the programme and engaging with businesses during the Covid crisis and businesses being concerned about the risks involved in investment. The programme did, however, overachieve in relation to jobs created, as shown in Table 3.2.

Table 3.2: Output performance		
Indicator	**Target**	**At programme closure**
C1: Number of enterprises receiving support	357	303
C2: Number of enterprises receiving grants	357	303
C5: Number of new enterprises supported	13	8
C6: Private investment match funding	£21,102,016	£14,876,553
C8: Employment increase in supported enterprises	1,176	1,270

3.4 Summary

The BGP2 was funded by ERDF, with beneficiaries providing match funding for their projects and public sector partners contributing to the administration costs.

Table 3.3 provides summary details of spend and output performance.

Table 3.3: Spend and output performance				
Indicator	**Target**	**Projected performance at closure (Q1 2019)**		**Overall assessment**
		Number	**% of target**	
ERDF expenditure	£13,909, 921	£13,909, 921	100%	Target achieved
C1: Number of enterprises receiving support	357	303	85%	Moderate shortfall
C2: Number of enterprises receiving grants	357	303	85%	Moderate shortfall
C5: Number of new enterprises supported	13	8	62%	Shortfall
C6: Private investment matching public support to enterprises (grants)	£21,102,016	£14,876,553	70%	Shortfall
C8: Employment increase in supported enterprises	1,176	1,270	108%	Target exceeded

4 Programme management and delivery

4.1 Introduction

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

4.2 Programme delivery

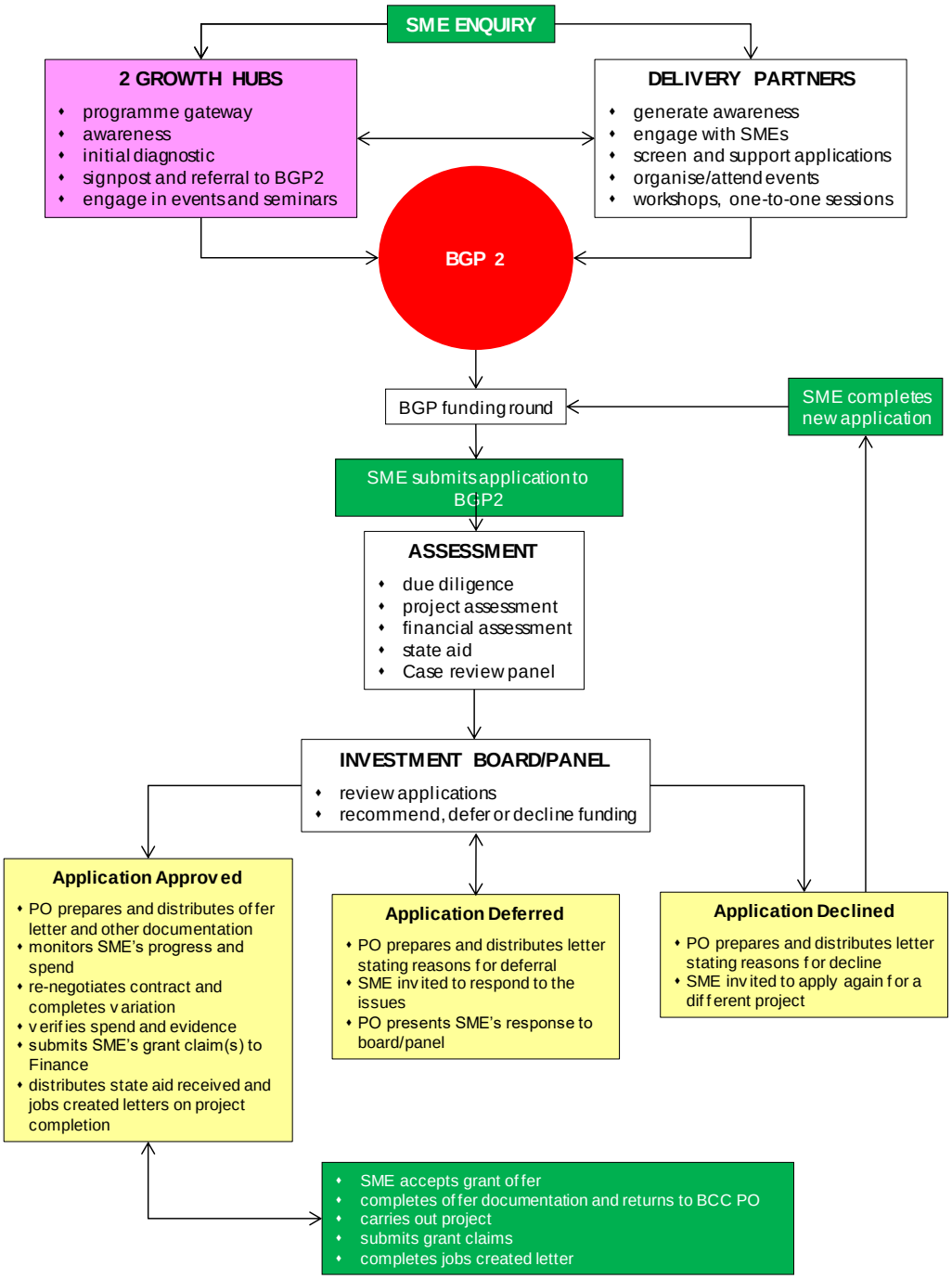
4.2.1 Roles and responsibilities

The BGP2 was managed and administered centrally by the BCC BDI on behalf of GBSLEP and TMLEP. BCC acted as the Accountable Body and reported directly to DHLUC as the managing agency for the European Funding. The other delivery partners involved with the programme included the local district and borough councils within the LEP areas as set out earlier in section 2.2.1, the Birmingham and Solihull Chamber Group and private sector businesses who sat on the Investment Board in an advisory capacity to review applications and recommended approval or refusal.

The roles and responsibilities of the partners are summarised below and set out in Figure 4.1, which also outlines the SME client journey through the application and approval process:

- **LEP Growth Hubs** – provided the programme gateway, awareness raising, initial diagnostic, signposting and referral to the BGP2 and were engaged in events and seminars;
- **Delivery Partners** – generated awareness; engagement of SMEs; screened and supported applications; and organised/attended events, workshops, one-to-one sessions;
- **Investment Board/Panel** - reviewed applications and recommended, deferred or declined funding;
- **Birmingham City Council** - Accountable Body with responsibility for: due diligence; project assessment; financial viability assessment and compliance with state aid; preparation of papers for the case review panel; contract management; performance management and financial management of the programme including preparation and submission of claims to DHLUC.

Figure 4.1: SME Client Journey (chart provided by Birmingham City Council)



4.2.2 Marketing and promotion

Marketing and promotion of the programme was carried out centrally by the BDI team and also at a local area level by the district and borough councils, private sector business support agencies active in the areas, the universities, the Growth Hubs and Chambers of Commerce within each of the LEP areas.

A range of mechanisms were used to market the programme and the financial support available to potential beneficiaries through the programme. These included the use of:

- promotional material – such as leaflets and videos;
- direct online marketing using existing business databases and targeting of industrial estates via leaflet drops/door to door marketing;
- word of mouth – via business account managers working in business support;
- social media and websites; and
- attendance at business events.

Within the TMLEP area, there was a competing programme similar to the BGP2, the Marches Business Investment Programme, which had an impact on the take-up of support in the TMLEP area. In order to improve performance and increase the number of applications from the area, the BDI team conducted a targeted marketing campaign to reach SMEs, which included video case studies, press campaigns, email campaigns, event attendance, sector specific mailshots, LinkedIn activity and a phone campaign. As a result of this pro-active approach, the number of applications increased in the TMLEP area.

4.3 Management and governance arrangements

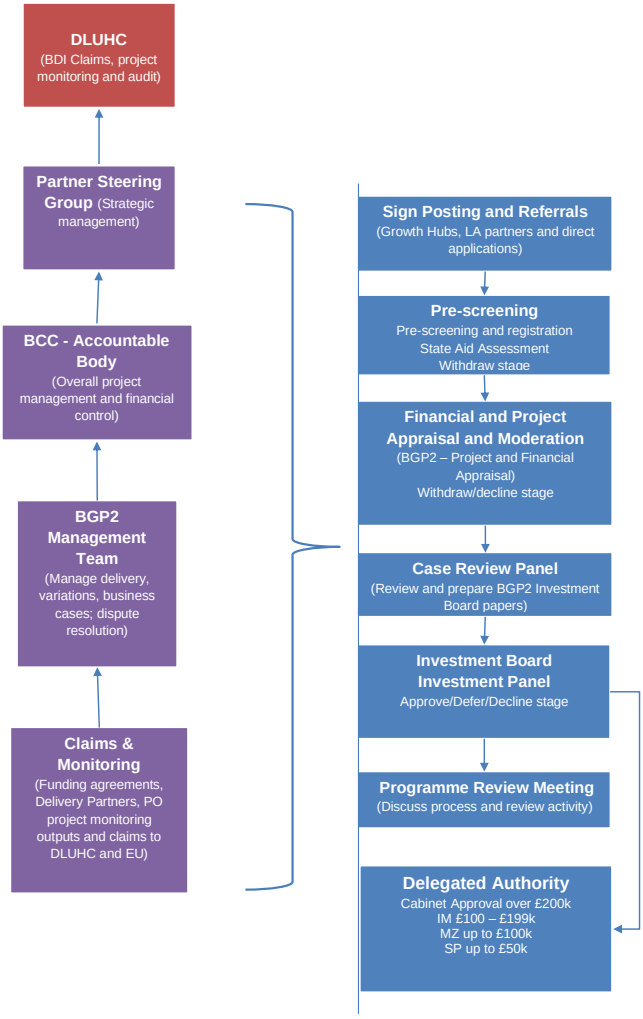
4.3.1 Governance arrangements

The BGP2 governance arrangements are set out in Figure 4.2 below, but broadly comprised:

- **BCC as the Accountable Body –** with responsibility for BGP2 oversight and financial control – including responsibility for reporting to DHLUC (the managing agency for the European Funding);
- **BGP2 Partner Steering Group** – chaired by the BGP2 Programme Manager with strategic representatives from the delivery partners. This group monitored the work of the central management team and performance of the programme to ensure that it is on track to deliver the targets set out at the outset of the programme;
- **BCC Investment Panel** – chaired by the BGP2 Programme Managers on a rotation basis, this panel met on a fortnightly basis to appraise applications and make recommendations in respect of applications for grants of £30,000 or below. The panel comprised representatives from the local districts and all papers were circulated a week in advance;

- **Investment Board** – this independent board/panel met on a monthly basis to consider applications of above £30,000. The board comprised representatives from industry and a private sector chair. All case review papers and financial appraisals were circulated a week in advance and minutes were produced following each meeting;
- **BGP2 Programme Management Team –** the BDI team were responsible for managing delivery, project variations and change requests. The team comprised a manager with overall responsibility for the programme; a number of programme managers who oversaw marketing and promotion, ICT systems and procedures, governance procedures and financial control; a number of project officers who were responsible for client and contract management and were assigned to SMEs following approval; a finance officer; support officer; and some graduate interns who provided administrative support; and
- **Financial and Project Assessment –** carried out by BCC officers, but independently from the Programme Management team to provide rigour to the assessment process.

Figure 4.2: Governance of the BGP2 Programme



Source: Birmingham City Council

4.3.2 Internal management processes

Within BCC, the application, appraisal, contract management and monitoring stages of the programme were all managed by different and dedicated personnel within the team. For each stage there were a series of guidelines available for both SMEs and programme partners which clearly outlined the process and paperwork that needed to be completed for each project application. For example, there were a range of process maps similar to the SME client journey shown in Figure 4.1, which provide details of:

- the indicative timescales for BGP2 applications from enquiry through to funding approvals; and
- SME project variations – outlining procedures to be followed in the event of: a funding agreement cancellation/withdrawal; change of supplier; switching between categories of spend; an increase or decrease in grant funding; a project extension; grant not spent by the end date; and failure to deliver the required project outputs (i.e. jobs created).

A series of partnership delivery agreements were also in place which clearly set out the terms and conditions associated with the provision of services for the duration of the programme and the funding that would be provided for the delivery of these services. These were managed by the Programme Managers within the BDI team.

The key features of each stage of the client journey are described below:

(i) Application stage

At the enquiry stage, clear guidelines were in place designed principally for use by programme partners' management personnel (i.e. project managers) and SME beneficiaries at the early stages of considering an application. Guidance was provided for early stage 'benchmark visits' to provide key information about the objectives of the programme, compliance, and eligible/ineligible activities and expenditure. These visits also enabled the development and shaping of project proposals to ensure effectiveness and relevance in the context of programme objectives and the application process.

The benchmark visit provided programme participants with a clear picture of the programme, including their obligations during and after the project. For SME beneficiaries, alongside this face-to-face guidance, documents were also provided illustrating the SME client journey as set out earlier in Figure 4.1, from enquiry through to application processing and the SME claim process for the payment of grant.

Project managers within BCC were also provided with a detailed manual 'pre-screening guide' to navigate the recording and entry of data into the online client application ICT system, which was managed centrally by project managers within the BDI team.

The application and appraisal process was managed through a series of funding rounds.

(ii) Appraisal stage

Following the submission of an application, BCC assigned a project manager to the case who prepared it for review by an appraisal panel. The internal assessment and due diligence process implemented by BCC as the accountable body was extremely robust, to ensure that consistency

was applied to all applications and public funding/grants were awarded to bona fide companies. The process covered a series of legal checks in terms of eligibility and compliance with State aid, and an assessment of financial viability using expertise from other departments within the Council. If all checks were cleared, a report was then prepared for consideration by either the Investment Panel for applications for less than £30,000 or the Investment Board for applications for more than £30,000.

A set of clear guidance notes and templates were available for:

- project appraisal and moderation;
- financial appraisal; and
- the case review panel.

(iii) Contract management

Following approval of the project, individual contracts were drawn up on a case-by-case basis which set out the specific requirements, targets, criteria and dates for the delivery of outputs. These contracts or funding agreements were drawn up and monitored through the active involvement and assignment of a Project Officer allocated to each SME beneficiary for the duration of the contract. At the contract stage, project managers and clients also had guidance in the form of a project variation flowchart. This process was principally designed to determine courses of action in the event of projects requiring variation from the original contract agreement. Alongside this, individual templates were in place for the funding agreements (which differed depending on the grant approved) and grant variation requests.

(iv) Performance monitoring

Project officers were responsible for ensuring SMEs were aware of the processes and procedures governing the monitoring and financial claims. Terms of reference and responsibility for the monitoring duty were clearly allocated and explained within the documentation related to the BGP2 key processes and the BGP2 governance arrangements. For SMEs, guidance was available for completing claims and evidencing job outputs and jobs created, including an employee monitoring form. Similarly, guidance was also available for project officers responsible for tracking BGP2 claims and finance. A key requirement of the monitoring process involved SME visits to verify expenditure, which were carried out by either the project officer from the central team or the local business development officers within the districts.

4.4 Strengths of the programme and areas for consideration

4.4.1 Strengths

A number of strengths of the BGP2 were identified through discussions with the programme team and programme partners. These include:

- the Project Officers provided a single point of contact for applicants and beneficiaries. This made communication easier and enabled strong relationships to be developed;

- the level of scrutiny for applications ensured that only deliverable and impactful projects were selected;
- the BGP2 team developed strong relationships with good communication with partners such as the local authorities and the Growth Hubs;
- reducing the number of funding pots from four on BGP1 made the process less complicated for applicants;
- having funding rounds with deadlines allowed businesses to focus on their applications and also helped BCC to manage the funds better;
- the programme has been well-managed and delivered by a team at BCC with appropriate expertise and experience;
- during and immediately following the Covid crisis many businesses were struggling and were hesitant about investing in growth. BGP2 provided both a lifeline during this difficult period and a catalyst for business investment;
- BGP2 was also flexible during the Covid crisis. For example, many businesses were unable to create the expected jobs during the crisis and were able to delay this job creation until the economy strengthened;
- BGP2 was versatile in that funding could be applied to many different aspects of the business such as relocation and marketing. It was also able to support a wide variety of sectors;
- businesses were able to request additional funding if opportunities for further growth arose;
- the BGP2 team provided unsuccessful applicants with feedback to help them to submit improved applications in later funding rounds;
- grant recipients were able to change projects if necessary due to changing circumstances. This included, for example, changing suppliers and changing equipment needs; and
- the application process helped businesses to think about their business plans and the direction they wanted their business to go in;
- BGP2 has provided work experience for graduates to work with the Council team. Graduates have been a valuable resource and have also developed their own workplace skills;
- the Investment Board provided the right balance between public sector members and private sector members. Public sector members had an understanding of the need to use public funding responsibly and private sector members understood the needs and opportunities facing businesses.

4.4.2 Areas for consideration

A number of areas for consideration were also identified through the discussions. These include:

- BGP2 linked job creation to the level of grant. However, businesses can become more productive without increasing job numbers, for example through the acquisition of new equipment. Some flexibility in this criteria could have been introduced. Given the low levels

of unemployment in the Marches and the difficulty some Marches businesses had in terms of recruitment, linking job creation to the level of grant may have deterred some potential applicants in the Marches;

- similarly, other grants were available to help businesses recover from the Covid crisis which did not require job creation. These may have been more attractive to businesses;
- furthermore, finding new employees could be difficult for some businesses due to skills shortages;
- the programme could have been promoted better in the Marches, for example through more attendance at events and a stronger relationship with TMLEP. With the Marches not being part of the West Midlands Combined Authority, some businesses in the Marches do not regard themselves as being in the West Midlands and therefore look for more local support;
- there was low demand for the smaller grants for early-stage businesses in the Marches. Potential reasons for this identified through the consultations include the need to invest match funding being too much of a risk, the level of administration involved in applying for the grant and the challenges associated with job creation. Furthermore, there was a similar local programme in the TMLEP area to support new businesses which did not require job creation by beneficiaries. This was the Small Equipment Grant (SEG) scheme, which was part of the Marches Business Investment Programme. New businesses in the TMLEP area were often referred to the SEG scheme rather than BGP2;
- the level of administration and paperwork could also have deterred businesses from applying. This included the need for financial forecasting, which can be difficult for many smaller businesses; and
- the period for assessing grant applications could be lengthy. For example, the Investment Board met monthly, which led to a significant wait for some businesses, who may have needed a grant to help start a new contract or fulfil an existing contract. The Investment Panel met every two weeks, which helped speed up the process for smaller grants. However, it should be noted that applications submitted to the Investment Board were for larger amounts and, given the Board's responsibility to ensure that public funding was used appropriately, were subject to greater scrutiny. Applicants therefore needed to provide more information than for lower grants, such as annual reports, accounts and financial projections. Delays in decision making were often caused by omissions in evidence submitted alongside the application or by queries raised by the Investment Board regarding the evidence provided.

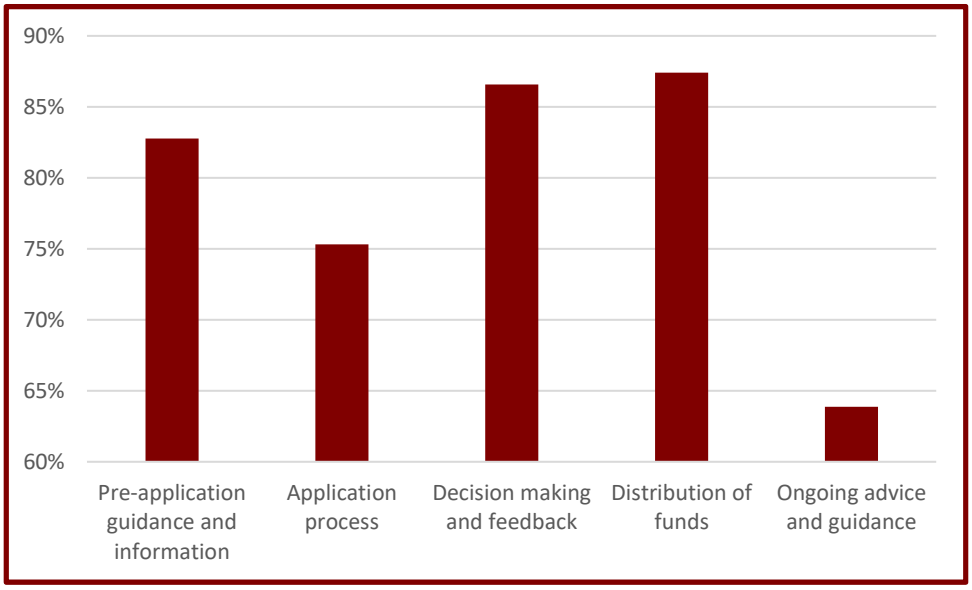
4.5 Beneficiary views

4.5.1 Overall satisfaction levels

As shown in Figure 4.3 below, overall satisfaction levels with regard to the various stages of the application and approval process have been very high, particularly so for the decision-making and

feedback and the distribution of funding stages, which had overall satisfaction levels in excess of 85%.

Figure 4.3: Overall satisfaction levels



Source: Beneficiary survey 2023, Spirul

4.5.2 Strengths of the programme and areas for consideration

The main strengths of the programme from the beneficiary perspective were that the process went smoothly, the straightforward application process and the support from the Project Officers, as shown in Table 4.1.

Table 4.1: Strengths of BGP2 – beneficiary perspective

	Percentage of respondents
The whole process went smoothly	36%
Straightforward application process	27%
Support and communication from the Project Officers	21%
Availability of funding	15%
Funding helped the business to grow	7%
Speed of the process	5%
Promotion of the programme	3%

Source: Beneficiary survey 2023, Spirul

The main area for concern from the beneficiary perspective was the complexity of the application process. It should be noted that 38% of respondents could not identify any potential improvements. Table 4.2 sets out the main areas of concern identified by survey respondents.

Table 4.2: Areas for concern – beneficiary perspective	
	Percentage of respondents
The application process	26%
The process took a long time	7%
Communication from the BGP2 team	7%
More guidance needed on the application process	7%
The need for three quotes	5%
The programme should be better promoted	4%
The need to create jobs	3%

Source: Beneficiary survey 2023, Spirul

4.6 Summary

The BGP2 was well managed and delivered, with a strong team in place with a high level of experience and the ability to respond to business needs. Many of the team were retained from the previous BGP, which ensured continuity of expertise and experience.

Beneficiary satisfaction levels were high, with relatively low percentages of survey respondents expressing any dissatisfaction at any stage of the process.

The main strengths of the programme, as identified through consultations, included the single point of contact for businesses provided by the Project Officers, the level of scrutiny for applications, the strong relationships with partners and having only one funding pot as opposed to the four on BGP1. From the beneficiary perspective, the main strengths included the smooth process and support from the Project Officers.

Areas for improvement identified by consultees included the need to weaken the link between grant levels and job creation. The Funding Agreement placed a responsibility on the programme to ensure that jobs were created and that targets for businesses supported were met as far as possible. Looking beyond ERDF, building a case for a more productivity based programme may be a consideration.

Another issue identified was better promotion in the Marches. However, it should be noted that promoting the programme through event attendance was not possible for much of the programme due to the Covid crisis. Therefore, social media had to be used rather than face to face meetings.

5 Outcomes and impacts

5.1 Introduction

This section sets out the benefits attributable to the BGP2. These include quantifiable benefits such as jobs created as well as wider benefits such as the impact on addressing barriers to growth.

5.2 Businesses assisted

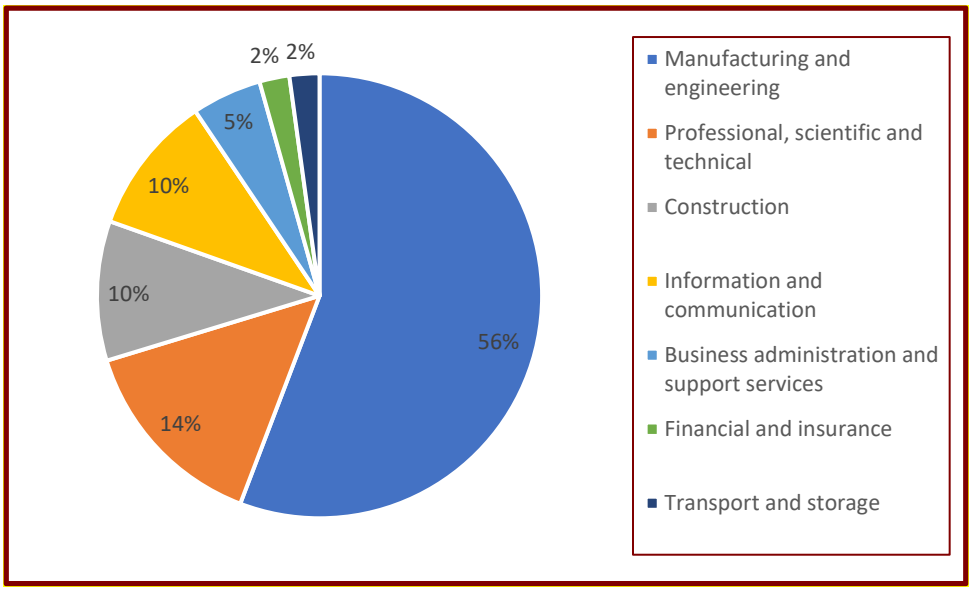
5.2.1 Overview

To the end of the first quarter of 2023, 289 businesses had been supported through the programme, including seven early-stage businesses. By programme closure, the total number of businesses receiving grants is forecast to increase to 303, including eight early-stage Marches-based businesses.

5.2.2 Business beneficiaries by sector

Survey results indicate that the majority of beneficiaries of the BGP2 were from the manufacturing & engineering sector. Figure 5.1 provides details of beneficiaries by sector.

Figure 5.1: Beneficiaries by sector



Source: beneficiary survey

5.3 Jobs created

5.3.1 Jobs currently created

Monitoring reports indicate that 1,217 gross jobs had been created to the end of the first quarter of 2023. This figure has been used in the value for money analysis. It should be noted that survey results suggest a higher figure, with 1,283 jobs created, including 13 created through the smaller grants for early-stage businesses in the Marches.

The additionality of the programme 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 9% of employees of beneficiary businesses reside outside of the GBSLEP and TMLEP areas;
- **displacement** – survey data indicates that 17% of gross jobs created have resulted from activity which has been displaced elsewhere in GBLSLEP and TMLEP areas by the programme;
- **multiplier effects** – a multiplier of 1.35 has been used. The mean figures for 'Individual Enterprise Support' initiatives at the sub-regional and regional levels as set out in 'Research to Improve the Assessment of Additionality'[2] are 1.25 and 1.44 respectively. A midpoint has been chosen as the geography of the programme covers two LEP areas; and
- **deadweight** – the business survey data indicates that 19% of the gross jobs created would have been created without the programme.

Using the additionality factors outlined above, Table 5.1 sets out the number of net additional jobs created by the programme to the end of the first quarter of 2023.

[2] Additionality Guide BIS 2009.pdf

Table 5.1: Net additional jobs to end of Quarter 1 2023		
	Monitoring-based	**Survey-based**
Gross jobs created	1,217	1,283
Leakage (9%)	110	115
Gross local direct effect	1107	1,168
Displacement (17%)	188	198
Net local direct effect	919	969
Multiplier effect (35%)	322	339
Total gross local effect	1241	1,308
Deadweight (19%)	236	249
Total net additional job created	**1,005**	**1,060**

Note: Figures subject to rounding

The programme had therefore created over 1,000 net additional jobs in the two LEP areas to the end of the first quarter of 2023 using monitoring figures and nearly 1,100 using survey figures.

At programme closure, monitoring data indicates that 1,270 jobs will have been created, including 12 in early-stage Marches based businesses. This equates to 1,049 net additional jobs using the additionality factors set out above.

5.3.2 Forecasts for future jobs created

Many of the benefits associated with the programme will be delivered in the future as beneficiaries grow their businesses further as a result of the support received. A forecast for the employment impact to 2028 has therefore been carried out. 2028 is the final year in which survey beneficiaries identified that employment impacts would be generated. The survey indicates that the number of jobs created may increase by a further 1,212 by 2028, including 12 in early-stage Marches based businesses. Adding this to the monitoring-based figure of 1,217 jobs created to date suggests that 2,429 gross jobs could be created by 2028.

Table 5.2 sets out the number of gross and net additional jobs forecast to be created by the programme by 2028.

Table 5.2: Net additional jobs to 2028	
	Jobs
Gross jobs created	2,429
Leakage (9%)	219
Gross local direct effect	2210
Displacement (17%)	376
Net local direct effect	1835
Multiplier effect (35%)	642
Total gross local effect	2477
Deadweight (19%)	471
Total net additional job created	**2,006**

The programme is, therefore, forecast to deliver over 2,000 net additional jobs across the two LEP areas by 2028.

5.4 Private sector investment

To date, the BGP2 has delivered over £14 million of private sector investment, with this expected to increase to nearly £15 million by programme closure. Table 5.3 sets out a breakdown of private sector investment.

Table 5.3: Private sector investment			
	Private sector match	**Private sector leverage**	**Total**
To the end of Q1 2023	£9,339,024	£5,121,586	£14,460,610
Forecast for programme close	£9,686,032	£5,190,521	£14,876,553

Source: Monitoring returns

5.5 Turnover and GVA impact

5.5.1 Turnover impact

69% of businesses surveyed who received grants of over £10,000 have already recorded growth in turnover, as have 55% of Marches based early-stage businesses who received grants of up to £10,000.

Table 5.4 shows the increase in turnover to date among programme beneficiaries.

Table 5.4: Turnover increases to date	
	Turnover increase
Grants of over £10,000 to GBSLEP and TMLEP businesses	£133,549,479
Grants of up to £10,000 for TMLEP early-stage businesses	£533,273
Total	**£134,082,752**

Source: Beneficiary survey, 2018

5.5.2 GVA created to the end of Quarter 1 2023

The GVA to turnover ratio for the West Midlands is 32.5%[3]. Based on a turnover figure of £134,082,752, the gross GVA to date attributable to the programme is £43,576,895. 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 5.5 sets out the gross and net additional GVA to the end of the first quarter of 2023.

Table 5.5: Gross and net additional GVA to the end of Quarter 1 2023			
	Grants of over £10k in GBSLEP and TMLEP areas	**Early-stage grants of up to £10k in TMLEP area**	**Total**
Gross GVA	£43,403,581	£173,314	**£43,576,895**
Displacement (17%)	£7,378,609	£29,463	**£7,408,072**
Net local direct effect	£36,024,972	£143,851	**£36,168,823**
Multiplier effect (35%)	£12,608,740	£50,348	**£12,659,088**
Total gross local effect	£48,633,713	£194,198	**£48,827,911**
Deadweight (19%)	£9,240,405	£36,898	**£9,277,303**
Net additional GVA	**£39,393,307**	**£157,301**	**£39,550,608**

The BGP2 is therefore estimated to have delivered nearly £40 million in net additional GVA across the two LEP areas.

5.5.3 Forecasts for future GVA created

The nature of the programme is that, in many cases, further turnover increases will accrue in future years as businesses supported grow further. GVA has therefore been estimated to the end of 2031. 2031 is the last year in which beneficiaries identified that there would be a turnover impact. Table 5.6 sets out the gross and net additional GVA to 2031.

[3] Annual Business Survey

Table 5.6: Gross and net additional GVA to 2031			
	Grants of over £10k in GBSLEP and TMLEP areas	**Early-stage grants of up to £10k in TMLEP area**	**Total**
Gross GVA	£242,419,559	£1,645,098	**£244,064,657**
Displacement (17%)	£41,211,325	£279,667	**£41,490,992**
Net local direct effect	£201,208,234	£1,365,431	**£202,573,665**
Multiplier effect (35%)	£70,422,882	£477,901	**£70,900,783**
Total gross local effect	£271,631,116	£1,843,332	**£273,474,448**
Deadweight (19%)	£51,609,912	£350,233	**£51,960,145**
Net additional GVA	**£220,021,204**	**£1,493,099**	**£221,514,303**

The BGP2 is therefore forecast to deliver over £220 million in net additional GVA by 2031.

5.6 Wider benefits

5.6.1 Sustainability

The BGP2 has had a significant impact on improving the environmental performance of beneficiaries, with many grant recipients either having already improved their performance or expecting to improve their performance in relation to a range of sustainability indicators, as shown in Table 5.7.

Table 5.7: Actual and expected sustainability improvements	
Barrier	**% of respondents**
Producing less waste	34%
Reduced transport related emissions	29%
Using less energy	21%
Using fewer materials in the production process	20%
Producing low carbon products and services	19%
Producing products which last longer	17%

Source: Beneficiary survey, 2023

5.6.2 Assisting with recovery from the Covid crisis

The BGP2 has also played a substantial role is assisting beneficiaries to recover from the Covid crisis. 69% of survey respondents confirmed that the Covid crisis had had a negative impact on their businesses. Of these, 85% stated that the grant had helped the business to recover from the crisis.

5.6.3 Supporting businesses through the current economic crisis

The BGP2 is also playing an important role in helping businesses through the current economic crisis. 58% of survey respondents confirmed that the current economic crisis is having a negative impact on their businesses. Of these, 78% stated that the grant is helping the business to manage the crisis.

5.6.4 Tackling barriers to growth

Grants of over £10,000 for businesses in the GBSLEP and TMLEP areas

Grants of over £10,000 to businesses in both LEP areas have been successful in addressing a wide range of barriers to growth. The most commonly cited barrier was insufficient capacity due to premises or equipment constraints, as shown in Table 5.8.

Table 5.8: Barriers to growth – grants of over £10,000

Barrier	% of respondents identifying as a barrier	Very effective / effective at addressing barrier[4]
Insufficient capacity due to premises or equipment	81%	99%
Recruitment issues	31%	84%
Workforce skills	30%	88%
Market dominated by a few companies	12%	88%
Lack of managerial ability	11%	87%
Lack of knowledge of customer needs	4%	100%
Lack of knowledge of how to enter supply chain	4%	83%

Source: Beneficiary survey, 2023

Grants of up to £10,000 for early-stage businesses in the TMLEP area

The smaller grants for early-stage Marches businesses have also been successful in addressing a wide range of barriers to growth. The most commonly cited barrier was, again, insufficient capacity due to premises or equipment constraints, as shown in Table 5.9.

[4] The figure in the final column is the percentage of respondents who identified the issue as a barrier who found the support provided to be effective in addressing the barrier.

Table 5.9: Barriers to growth – grants of up to £10,000 for early-stage businesses		
Barrier	**% of respondents identifying as a barrier**	**Very effective / effective at addressing barrier[5]**
Insufficient capacity due to premises or equipment	64%	100%
Workforce skills	18%	100%
Recruitment issues	9%	100%
Lack of knowledge of how to enter supply chain	9%	100%

Source: Beneficiary survey, 2023

5.6.5 *Other wider benefits*

Among the surveyed businesses which stated that the programme had already delivered turnover and jobs benefits, a broad range of wider benefits were also identified, with the most commonly cited being investment in new equipment, gaining a better understanding of the market and investment in staff training. Table 5.10 sets out the wider benefits delivered.

Table 5.10: Wider benefits (% of respondents)		
	Grants of over £10k in GBSLEP and TMLEP areas	**Early-stage grants of up to £10k in TMLEP area**
Invested in new equipment	84%	100%
Invested in staff training	81%	71%
Developed any new products, services or processes	63%	57%
Gained a better understanding of the market	43%	57%
Invested in innovation or received innovation support	39%	29%
Increased sales to overseas markets or started exporting	23%	14%
Opened offices or production facilities in other areas	21%	14%
Benefited from private investment	12%	43%

Source: Beneficiary survey, 2023

[5] The figure in the final column is the percentage of respondents who identified the issue as a barrier who found the support provided to be effective in addressing the barrier.

5.7 Summary

The BGP2 has had a significant impact in terms of employment and this impact is expected to increase over the next few years. The impact to date in terms of GVA is also substantial and is expected to increase significantly over the next few years. Table 5.11 sets out the employment and GVA benefits associated with the programme.

Table 5.11: Summary of employment and GVA benefits

To end of Quarter 1 2023	Gross	Net additional
Jobs created (monitoring based)	1,217	1,005
GVA	£43,576,895	£39,550,608
To programme closure	**Gross**	**Net additional**
Jobs created	1,270	1,049
GVA	£43,576,895	£39,550,608
Forecast to 2031	**Gross**	**Net additional**
Jobs created	2,429	2,006
GVA	£244,064,657	£221,514,303

In addition, the BGP2 has secured over £14 million in private sector investment in beneficiary businesses to date.

The programme has also delivered a range of other wider benefits including:

- helping businesses to manage the Covid crisis and current economic crisis;
- addressing barriers to growth;
- investment in new equipment and associated training required;
- new product, service and process development;
- improved understanding among beneficiaries of their markets (for both goods and services);
- investment in innovation;
- increased exports;
- establishment of offices or facilities in other locations; and
- private investment in beneficiary businesses.

6 Value for money

6.1 Introduction

This section sets out an assessment of the value for money of the BGP2. It comprises an analysis of economy, effectiveness and efficiency.

6.2 Economy

The BGP2 has been delivered economically. For example, beneficiary businesses are required to comply with ERDF procurement rules. In addition, project selection and the levels of grant provided are based on detailed scrutiny of applicants and projects.

6.3 Effectiveness

The programme 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 programme has met its original objectives. Overall, it is assessed to have significantly achieved all of its objectives.

Table 6.1: Effectiveness of the BGP

Objective	Achievement of the objective to date	Comments
To stimulate growth and expansion for SMEs by offering part funding of business growth plans	√√√	A significant majority of businesses surveyed stated that their businesses had grown as a result of the grant provided, with many confirming that their growth plans would not have proceeded without support.
To create new jobs as a result of SME growth plans	√√√	To date, over 1,200 jobs have been created, with over 2,400 jobs forecast to be created by 2028.
To increase turnover and competitiveness in SMEs	√√√	To date, the combined turnover increase among beneficiary businesses is over £134 million, with significant further increases forecast in the future.
To generate increased private sector investment in SMEs	√√√	The BGP has generated £1.10 in private sector funding for every £1 of grant provided.

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

6.4 Efficiency

Table 6.2 sets out an assessment of the forecast efficiency of the BGP2 at programme closure.

Table 6.2: ERDF value for money of the BGP2 to programme closure

		BGP2
A	Total ERDF cost (£)	£13,909,921
B	Gross jobs created	1,270
C	Net jobs created	1,049
D	Private sector investment	£14,876,553
E	Net GVA increase	£39,550,608
F=A/B	ERDF cost per gross jobs created	£10,953
G=A/C	ERDF cost per net job created	£13,260
H=D/A	Ratio of private sector investment to ERDF cost	1.1:1
I=E/A	Ratio of GVA increase to ERDF cost	2.8:1

Many of the benefits associated with the BGP2 are anticipated to be delivered in the future. Table 6.3 sets out the forecast efficiency of the programme to 2031.

Table 6.3: ERDF value for money of the BGP2 to 2031

		BGP2
A	Total ERDF cost (£)	£13,909,921
B	Gross jobs created	2,429
C	Net jobs created	2,006
D	Private sector investment	£14,876,553
E	Net GVA increase	£221,514,303
F=A/B	ERDF cost per gross jobs created	£5,727
G=A/C	ERDF cost per net job created	£6,934
H=D/A	Ratio of private sector investment to ERDF cost	1.1:1
I=E/A	Ratio of GVA increase to ERDF cost	15.9:1

Table 6.3 shows that the efficiency of the BGP2 in terms of ERDF cost per job created and the return on investment could increase significantly by 2031.

6.5 Summary

This section has demonstrated that the BGP2 had processes and procedures in place to ensure that it was delivered in an economical manner, such as through ensuring that beneficiaries adhere

to ERDF procurement rules and rigorous beneficiary selection procedures. The programme has also been successful in terms of meeting its own objectives.

At programme closure, the programme had an ERDF cost per net job of £13,260 and a return on investment (net additional GVA to ERDF) of 2.8:1. Furthermore, the long-term value for money of the programme is expected to be substantially higher with, by 2031, the ERDF cost per net additional job forecast to fall to under £7,000 and with the return on investment forecast to increase to 15.9:1.

7 Conclusion

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 BGP2 and recommendations for future activity.

7.2 Conclusions

BGP2 aimed to stimulate the growth and expansion of SMEs by offering grant funding towards the implementation of business growth plans and, in doing so, create jobs, GVA and improved competitiveness among the business base. This summative assessment highlights that the programme has been successful in meeting these objectives and to date has been successful in creating over 1,200 jobs, with nearly 2,500 forecasted in the next few years. The combined increase in turnover among beneficiary businesses is over £130 million and the programme has been successful in generating £1.10 private sector match funding for every £1 of public funding spent.

The programme sought to address barriers faced by SMEs, particularly in relation to accessing finance for a range of growth propositions and the majority of businesses surveyed reported that their businesses had grown as a result of the grant funding provided, with many confirming that their growth plans would not have proceeded without support.

The activities supported by the programme were well aligned with Government and LEP level strategies, including Build Back Better and the Strategic Economic Plans of the two LEPs.

Consultations with both stakeholders and businesses confirmed that the programme benefited from strong management and governance arrangements which featured: a pro-active administration team; clear objectives and supporting documentation; streamlined processes to ensure an efficient turnaround of applications; effective governance; and the implementation of benchmark visits which were used to verify spend and develop ongoing relationships with local businesses.

The robust processes and procedures put in place to deliver the BGP2 have resulted in the delivery of a highly effective programme that has delivered good value for money. By programme closure, the programme had an ERDF cost per net job of £13,260 and a return on investment of 2.8:1. Furthermore, the long-term value for money is expected to be substantially higher, and by 2031 the ERDF cost per net additional job is forecast to fall to under £7,000, with a return on investment of 15.9:1.

7.3 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 to use Project Officers as a single point of contact for applicants and beneficiaries;

- to continue with only one funding pot as this has simplified the process compared to the previous programme;
- to continue to provide grants for differing activities such as premises improvements, relocation and marketing and to continue to support a wide range of sectors;
- to continue to provide unsuccessful applicants with feedback to help them to submit improved applications in later funding rounds; and
- to continue to allow grant recipients to change projects if necessary due to changing circumstances.

Areas for consideration identified during the discussions included:

- to consider weakening the link between grant level and job creation as businesses can become more productive without increasing their workforce and skills shortages can make recruitment difficult. Job creation as a requirement can also deter some businesses from applying;
- the programme could have been promoted better in the Marches, for example through more attendance at events and a stronger relationship with TMLEP;
- the level of administration and paperwork could have deterred businesses from applying; and
- reducing the period for assessing larger grants should be considered as some businesses may need a grant quickly to help start a new contract or fulfil an existing contract.

Appendix A: Consultees

Consultations have been carried out with:

Delivery Partners:	Representative:
Growth Hub	Ian McLaughlan
Cannock Chase DC	Debbie Harris, Ann Oldnall
East Staffordshire BC	Kelly Kerr-Dulworth
Shropshire C	Delia Yapp
Solihull MBC	Jon Lander
Herefordshire Council	Nadine Kinsey
Telford and Wrekin Council	Elliott Payne
Wyre Forest DC/North Worcestershire	Georgina Harris
Marches LEP	Rachel Laver
FSB	Karen Wooley
Management and Administration of the Programme	
BCC	Mohammed Zahir
BCC	Suresh Patel
BCC	Carol Alderson
BCC	David Messenger
BCC	Sue Jones
BCC	Aftab Khan
BCC	Manjit Bassra
Investment Board	Siri Siriwardene
Investment Board	Paul Jennings

Appendix B: Example Topic Guide

1	What has been your role in the Business Growth Programme 2?
2	Could you have had a stronger role?
3	In terms of programme design, were these right? Was it sufficiently flexible to meet the needs of businesses in the area?
4	Strategic fit - does it fill gaps in provision and complement other sources of funding in your area? i.e. what other funding is available?
5	In developing the programme, were any lessons from the earlier programme taken into consideration?
6	How well has the programme been marketed and promoted to eligible businesses?
7	Are the governance, management and delivery arrangements appropriate to the needs of the programme?

8	Could the governance, management and delivery arrangements have been improved? If so, how?
9	What have been the most positive and negative aspects of working with Birmingham City Council?
10	In terms of performance to date, would you say that take-up by businesses of the support available has been, higher, lower or about the same as expected?
11.	If take-up has been higher or lower than expected, why do you think this is?
12.	What impact do you think the programme has had on the sub-regional economy?
13	What would you say are the overall strengths and weaknesses of the programme?
14	Are there any other comments you would like to make or lessons for the future programme?

Appendix C: Case Studies

Birmingham Case & Cabinet Makers	
Birmingham Case & Cabinet Makers are a Birmingham-based firm who create handmade, bespoke presentation and display cases for medals, trophies, jewellery, crystalware and more. These cases are often used for the distribution of awards from the government or the monarchy. They are also used in major sporting events across the country such as Formula 1. The company applied for a grant in order to purchase some extra equipment that was needed for production purposes. Without the grant the project may not have gone ahead due to the required cost as it would have taken the company a lot longer to secure the funds needed, which could have caused challenges due to scarcity as there is only one supplier of the equipment they needed. A grant of approximately £26,300 was provided towards overall project costs of over £53,000. The company found out about the BGP2 scheme as they were enquiring about applying for a grant and were directed to the City Council from the Chamber of Commerce website. The grant has allowed the business to facilitate the expansion of its operations and widen its offer. Three jobs have been created as a result of the project as well as an apprenticeship and a further 12 jobs have been safeguarded as a result of the grant. The grant from the BGP2 scheme played a crucial role in the survival and the recovery of the business during and following the Covid-19 pandemic. Birmingham Case & Cabinet Makers see the main strength of the BGP2 programme as the ease of access to the funding available. The broad range and unrestrictive uses for the money that was acceptable under the programme has also been a key highlight. The help and support from the Council has been extremely helpful, with an extremely informative and responsive attitude to customer support.	

Kings Accountancy	

Kings Accountancy is a Herefordshire based general practice accountancy firm located in Ross-on-Wye. It was founded in 2017 by Michelle Kings and has since grown to a client base of approximately 200. The firm generally works for local small businesses across a variety of sectors.

The company applied for the grant to enable them to rent out office space, onboard another employee and purchase office equipment such as computers. This was in response to the growth of the company which had exceeded its previous home office set up. The grant enabled the company to expand on a larger scale and to purchase a higher standard of office furnishings and equipment than would have been possible had they not had the grant. Without a grant they would have moved into a much smaller office with furnishings that would have looked less professional, and would not have been able to afford equipment such as computers. A grant of approximately £10,000 was provided towards an overall project cost of £20,000.

The company heard about the BGP2 grant scheme through a client who was also applying to it. The company was in a good position at the time to expand so took advantage of the opportunity.

The grant has allowed Kings Accountancy to increase its workspace, which now includes five offices, a reception area and meeting rooms, making the practice look more professional. It has also allowed them to increase their online presence and advertising by helping to fund their website development. One job has been created as a result of the project and a part time job has been safeguarded. Since the project they have also onboarded another part-time employee and have experienced a significant increase in turnover which is forecast to continue in future.

Kings Accountancy see the main strengths of BGP2 as being related to the support the team were able to provide during the pandemic. They were still able to provide a high level of support despite uncertainty and working remotely. Additionally, the programme allowed the project to go ahead on a much larger scale and to a higher standard than would have otherwise been possible.

Appendix D: Business Questionnaire

Business Growth Programme 2 – Evaluation Questionnaire

Good morning/afternoon. My name is ..... from Spirul. Birmingham City Council is carrying out a final evaluation of the Business Growth Programme.

We are carrying out a survey of businesses which have benefited from the programme to support this study. This survey should take less than 20 minutes to complete. Please could you spare some time to answer some questions?

All of Spirul's surveys are conducted under the Market Research Society's Code of Conduct, your answers will be treated as completely anonymous.

SECTION 1 - COMPANY DETAILS

Q1	Business name	
	Interviewee name	
	Job title	
	Telephone number	

Q2	**In which of these Local Enterprise Partnership areas is your business located? (SINGLE CODE ONLY)**	
	Greater Birmingham and Solihull	
	The Marches	
	Don't know	

Q3	**In which local authority area within Greater Birmingham & Solihull or the Marches is your business predominantly located? (WRITE IN)**	
	Don't know	

The rest of this survey relates to your business activities in Greater Birmingham & Solihull and the Marches

SECTION 2 – SUPPORT RECEIVED FROM THE PROGAMME

Q4	**Did your company receive a grant for new or early stage businesses of up to £10,000? (SINGLE CODE ONLY)**	
	Yes	GO TO Q5
	No	GO TO Q10
	Don't know / won't say	GO TO Q10

Q5	**How much was this grant for? (WRITE IN. ANSWER IN £s)**	
	Value of grant	£
	Don't know / won't say	

Q6	**What was the overall value of the project that this grant was for? (WRITE IN. ANSWER IN £s)**	
	Project cost	£
	Don't know / won't say	

Q7	**In what year did you receive your grant? (SINGLE CODE ONLY)**	
	2019	
	2020	
	2021	
	2022	
	2023	
	Don't know / won't say	

Q8	**Prior to receiving the grant, what barriers to growth did your company face? (CODE ALL THAT APPLY)**	
	Market dominated by a few companies	
	Insufficient capacity due to premises or equipment	
	Recruitment issues	
	Workforce skills	
	Lack of knowledge of how to enter supply chain	
	Lack of knowledge of customer needs	
	Lack of management ability	
	Other (please state)	

Q9	**How helpful has use of the grant been in helping you overcome these barriers? (SINGLE CODE FOR ALL THAT APPLY)**						
		Very helpful	Helpful	Neither helpful nor unhelpful	Unhelpful	Very unhelpful	Don't know / won't say
	Market dominated by a few companies						
	Insufficient capacity due to premises or equipment						
	Recruitment issues						
	Workforce skills						
	Lack of knowledge of how to enter supply chain						
	Lack of knowledge of customer needs						
	Lack of management ability						
	Other (please state)						

Q10	**Did your company receive a grant of over £10,000 for businesses which are at least one year old? (SINGLE CODE ONLY)**	
	Yes	GO TO Q11
	No	GO TO Q16
	Don't know / won't say	GO TO Q16

Q11	**How much was this grant for? (WRITE IN. ANSWER IN £s)**	
	Value of grant	£
	Don't know / won't say	

Q12	**What was the overall value of the project that this grant was for? (WRITE IN. ANSWER IN £s)**	
	Project cost	£
	Don't know / won't say	

Q13	**In what year did you receive your grant? (SINGLE CODE ONLY)**	
	2019	
	2020	
	2021	
	2022	
	2023	
	Don't know / won't say	

Q14	**Prior to receiving the grant, what barriers to growth did your company face? (CODE ALL THAT APPLY)**	
	Market dominated by a few companies	
	Insufficient capacity due to premises or equipment	
	Recruitment issues	
	Workforce skills	
	Lack of knowledge of how to enter supply chain	
	Lack of knowledge of customer needs	
	Lack of management ability	
	Other (please state)	

Q15	**How helpful has use of the grant been in helping you overcome these barriers? (SINGLE CODE FOR ALL THAT APPLY)**						
		Very helpful	Helpful	Neither helpful nor unhelpful	Unhelpful	Very unhelpful	Don't know / won't say
	Market dominated by a few companies						
	Insufficient capacity due to premises or equipment						
	Recruitment issues						
	Workforce skills						
	Lack of knowledge of how to enter supply chain						
	Lack of knowledge of customer needs						
	Lack of management ability						
	Other						

Q16	**What did you use your grant or grants for? (CODE ALL THAT APPLY)**	
	Business consultancy support	
	Support to develop new products, processes or services	
	New premises	
	Expansion or improvement of current premises	
	Capital equipment	
	Staff training	
	Other (please state)	

Q17	**Without funding from the programme, would your project have gone ahead? (SINGLE CODE ONLY)**	
	No, not at all	GO TO Q19
	Yes, but on a smaller scale without alternative funding	GO TO Q19
	Yes, but later and without alternative funding	GO TO Q19
	Yes, as planned, using alternative funding sources	GO TO Q18
	Don't know / won't say	GO TO Q18

Q18	**If you had not received a grant through the Business Growth Programme, what alternative source of funding would you have used? (CODE ALL THAT APPLY)**	
	Company reserves	
	Bank loan	
	Outside private investment	
	Other (please state)	
	Don't know / won't say	

Q19	**Please indicate how satisfied or dissatisfied you were with the quality of service you received in relation to the following: (SINGLE CODE ONLY FOR EACH)**						
		Very satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Very dissatisfied	Don't know
	Pre-application guidance						
	Application process						
	Decision making and feedback						
	Distribution of funds						
	Ongoing advice and guidance						

Q20	**What do you think worked well on the programme and what could have been better? (WRITE IN)**	
	WORKED WELL	**COULD BE BETTER**

SECTION 3 – IMPACT OF SUPPORT PROVIDED

Q21	**Has your use of the grant received had…? (SINGLE CODE ONLY)**		
	A measurable economic impact on the business already (employment, turnover) but not likely to have further measurable impact		GO TO SECTION 4 THEN SECTION 6
	A measurable economic impact on the business already and expected to have a further measurable impact in the future		GO TO SECTION 4 THEN SECTION 5 THEN SECTION 6
	No measurable economic impact yet, but is expected to have a measurable impact in the future		GO TO SECTION 5 THEN SECTION 6
	No measurable economic impact yet and is not expected to have a measurable impact in the future		GO TO SECTION 6

SECTION 4 – QUANTIFICATION OF BENEFITS ACHIEVED

Q22	**As a result of the project or projects supported through the grant or grants provided, has the number of people employed by your business in Greater Birmingham & Solihull and The Marches increased? (SINGLE CODE ONLY)**		
	Yes		GO TO Q23
	No		GO TO Q26
	Don’t know / won’t say		GO TO Q26

Q23	**By how many has the number of people employed by your business in Greater Birmingham & Solihull and The Marches increased as a result of the support provided? (WRITE IN)**		
	Number		GO TO Q24
	Don’t know / won’t say		GO TO Q25

Q24	**How many of these jobs are full-time? (WRITE IN)**		
	Number		GO TO Q26
	Don’t know / won’t say		GO TO Q26

Q25	**If you are unable to provide a figure, could you provide an estimate of the percentage increase in employment in your business as a result of the support provided? (WRITE IN)**		
	Percentage (%)		
	Don't know / won't say		

Q26	**If you had NOT received a grant or grants from the programme, do you think your current business turnover would be lower? (SINGLE CODE ONLY)**		
	Yes		GO TO Q27
	No		GO TO Q29
	Don't know / won't say		GO TO Q29

Q27	**By how much do you think your current business turnover would be lower if you had not been supported through the programme? (WRITE IN)**		
	Value (£)		GO TO Q29
	Don't know / won't say		GO TO Q28

Q28	**If you are unable to provide a figure, could you provide an estimate of the percentage lower your business turnover would be if you had not received grant support (WRITE IN)**	
	Percentage (%)	
	Don't know	
	Won't say	

Q29	**Approximately how long do you expect to sustain the measurable impacts of the support provided? Please provide an answer in years (WRITE IN)**		
	Number of years		GO TO Q31
	Don't know / won't say		GO TO Q30

Q30	**If you are unable to provide an answer in years, could you provide an answer within one of the following ranges (SINGLE CODE ONLY)**	
	Up to one year	
	Between one and 3 years	
	Between 3 years and 5 years	
	Over 5 years	
	Don't know / won't say	

Q31	**As a result of the project which your grant was used for, has your business ….? (CODE ALL THAT APPLY)**	
	Benefited from private investment	
	Developed any new products, services or processes	
	Opened offices or production facilities in other areas	
	Invested in new equipment	
	Invested in staff training	
	Gained a better understanding of the market for your product or service	
	Invested in innovation or received innovation support	
	Increased sales to overseas markets or started exporting	
	Other (please state)	

SECTION 5 – QUANTIFICATION OF ANTICIPATED FUTURE BENEFITS

Q32	**As a result of the grant or grants provided, do you expect the number of people employed by your business in Greater Birmingham & Solihull and The Marches to increase in the future? (SINGLE CODE ONLY)**		
	Yes		GO TO Q33
	No		GO TO Q35
	Don't know / won't say		GO TO Q35

Q33	**As a result of the support received through the programme, by what percentage do you think the number of people employed by your business in Greater Birmingham & Solihull and The Marches will increase in the future? (WRITE IN)**	
	Percentage (%)	
	Don't know / won't say	

Q34	**In what year do you expect this change in employment to be achieved? (WRITE IN)**	
	Year	

Q35	**As a result of the support provided, do you expect your turnover to increase in the future? (SINGLE CODE ONLY)**		
	Yes		GO TO Q36
	No		GO TO Q38
	Don't know / won't say		GO TO Q38

Q36	**As a result of the support received through the programme, what percentage increase in future turnover do you expect? (WRITE IN)**	
	Percentage (%)	
	Don't know / won't say	

Q37	**In what year do you expect this increase in turnover to be achieved? (WRITE IN)**	
	Year	

Q38	**Approximately how long do you expect to sustain the measurable future impacts resulting from the support provided? Please provide an answer in years (WRITE IN)**		
	Number of years		GO TO SECTION 6
	Don't know / won't say		GO TO Q39 THEN SECTION 6

Q39	**If you are unable to provide an answer in years, could you provide an answer within one of the following ranges (SINGLE CODE ONLY)**	
	Up to one year	
	Between one and 3 years	
	Between 3 years and 5 years	
	Over 5 years	
	Don't know / won't say	

SECTION 6 – SUSTAINABILITY

Q40	**As a result of the grant, does your business use less energy in its operations than previously, or do you expect to use less energy in the future? (SINGLE CODE ONLY)**		
	Yes		
	No		
	Don't know / won't say		

Q41	**As a result of the grant, has your business developed any low carbon products, or do you expect to develop any low carbon products in the future? (SINGLE CODE ONLY)**		
	Yes		
	No		
	Don't know / won't say		

Q42	**As a result of the grant, does your business use fewer materials in the manufacture of your products than previously, or do you expect to use fewer materials in future? (SINGLE CODE ONLY)**		
	Yes		
	No		
	Don't know / won't say		

Q43	**As a result of the grant, does your business manufacture products which last longer than previously, or do you expect to manufacture products which last longer in future? (SINGLE CODE ONLY)**		
	Yes		
	No		
	Don't know / won't say		

Q44	**As a result of the grant, does your business produce less waste than previously? (SINGLE CODE ONLY)**		
	Yes		
	No		
	Don't know / won't say		

Q45	**As a result of the grant, have your emissions from transport decreased? (SINGLE CODE ONLY)**		
	Yes		
	No		
	Don't know / won't say		

SECTION 7 – EXTERNAL ECONOMIC SHOCKS

Q46	**What impact did the Covid crisis have on your business? (SINGLE CODE ONLY)**		
	A significant negative impact		
	A moderate negative impact		
	No impact		
	A positive impact		
	Don't know / won't say		

Q47	**To what extent has the grant helped your business to recover or grow following the Covid crisis? (SINGLE CODE ONLY)**		
	The grant has helped significantly		
	The grant has helped moderately		
	No impact		
	Don't know / won't say		

Q48	**What impact is the current economic crisis having on your business? (SINGLE CODE ONLY)**		
	A significant negative impact		
	A moderate negative impact		
	No impact		
	A positive impact		
	Don't know / won't say		

Q49	**What impact is the grant having on your prospects for recovery and growth during and following the current economic crisis? (SINGLE CODE ONLY)**		
	A significant impact		
	A moderate impact		
	No impact		
	Don't know / won't say		

SECTION 8 – FUTURE DEMAND

Q50	**Which of the following types of support do you think SMEs in your area will need over the next few years? Please select only the most important three (CODE ONLY THREE)**	
	Mentoring	
	Leadership training	
	Recruitment advice	
	Business planning advice	
	Access to graduates	
	Opportunities to collaborate with other businesses	
	Opportunities to collaborate with universities and research centres	
	Intellectual property advice	
	Guidance on feasibility and market demand	
	Export support	
	Access to finance	
	Other (please state)	

SECTION 9 – BUSINESS INFORMATION

Q51	**How many employees does your business employ in Greater Birmingham & Solihull and The Marches? (WRITE IN)**	
	Number of employees	
	Don't know / Won't say	

Q52	**What percentage of your workforce in Greater Birmingham & Solihull and The Marches would you estimate are full-time? (WRITE IN)**	
	Percentage	
	Don't know / won't say	

Q53	**What proportion of your workforce in Greater Birmingham & Solihull and The Marches do you estimate live within Greater Birmingham & Solihull and The Marches? (SINGLE CODE ONLY)**	
	0 to 9%	
	10% to 19%	
	20% to 29%	
	30% to 39%	
	40% to 49%	
	50% to 59%	
	60% to 69%	
	70% to 79%	
	80% to 89%	
	90% to 99%	
	100%	
	Don't know / won't say	

Q54	**What was the turnover of your business during your last financial year? (WRITE IN)**		
	Turnover	£	GO TO Q56
	Don't know / won't say		GO TO Q55

Q55	**If you don't know / preferred not to state your turnover, would you be able / willing to estimate your turnover in relation to the following bands? (SINGLE CODE ONLY)**	
	£0 to £50,000	
	£50,001 to £100,000	
	£100,001 to £250,000	
	£250,001 to £500,000	
	£500,001 to £750,000	
	£750,001 to £1 million	
	£1 million to £1.5 million	
	£1.5 million to £2 million	
	£2 million to £5 million	
	£5 million to £10 million	
	£10 million to £20 million	
	Over £20 million	
	Don't know / won't say	

Q56	**As a percentage of turnover, what would you estimate your profit to have been in the last financial year? (WRITE IN)**		
	Percentage profit	£	
	Don't know / won't say		

Q57	**What percentage of your goods and services are sold to customers in Greater Birmingham & Solihull and The Marches? (WRITE IN)**	
	Percentage	
	Don't know / won't say	

Q58	**What percentage of your market is served by competitors from Greater Birmingham & Solihull and The Marches? (WRITE IN)**	
	Percentage	
	Don't know / won't say	

Q59	**What percentage of your turnover goes on bought-in materials, components and services from suppliers located in Greater Birmingham & Solihull and The Marches? (WRITE IN)**	
	Percentage	
	Don't know / won't say	

Q60	**Within which of the following broad sectors would you say that your business predominantly operates? (SINGLE CODE ONLY)**	
	Manufacturing	
	Construction	
	Transport and storage	
	Information and communication	
	Financial and insurance	
	Property	
	Professional, scientific and technical	
	Business administration and support services	
	Other (please state)	
	Don't know / won't say	

CLOSE/THANK PARTICIPANT

Thank you very much for your time and co-operation. I'll just confirm that my name is ..... from Spirul on behalf of Birmingham City Council and this interview has been conducted within the Code of Conduct of the Market Research Society.

Appendix E: Impact by Grant Size

Introduction

This appendix provides details of the impact of the BGP by grant size, based on survey responses. The focus of this appendix is on grants of above £10,000.

Jobs created

Jobs created to date

Table E1 sets out the number of jobs created to date by grant size among survey respondents, along with the number of jobs per respondent and the efficiency in terms of level of grant per job.

Table E1: Number of jobs by grant size

Grant size	Number of respondents	Number of jobs	Jobs per respondent	Grant per job
Up to £20,000	57	112	2.0	£7,277
£20,001 to £50,000	45	251	5.6	£5,781
£50,001 to £100,000	34	293	8.6	£9,573
Over £100,000	2	33	16.5	£8,606

Source: Beneficiary survey

Table E1 shows that larger grants are more effective in term of the number of jobs created per beneficiary, but, on the whole, smaller grants, that is grants of up to £50,000, are more efficient in terms of the cost per job created.

Table E2 sets out the percentage of beneficiaries for each grant size who expect an increase in employment in the future.

Table E2: Future job expectations by grant size

Grant size	% of respondents expecting an employment increase
Up to £20,000	53%
£20,001 to £50,000	49%
£50,001 to £100,000	56%
Over £100,000	50%

Source: Beneficiary survey

Table E2 shows that, in relation to future jobs, there is no definitive relationship between the size grants and the expectancy to create further jobs.

Turnover

Turnover generated to date

Table E3 sets out the turnover increase generated to date by grant size among survey respondents.

Table E3: Turnover increase by grant size

Grant size	Number of respondents	Number with a turnover increase	% with an increase	Average increase
Up to £20,000	57	40	70%	18%
£20,001 to £50,000	45	29	64%	21%
£50,001 to £100,000	34	25	74%	27%
Over £100,000	2	2	100%	25%

Source: Beneficiary survey

Table E3 shows that, overall, the percentage of beneficiaries with a turnover increase rises as the level of grant increases and there is some relationship between the level of grant and scale of impact.

Table E4 sets out the future turnover impact by grant size.

Table E4: Expected future turnover increase by grant size

Grant size	Number of respondents	Number expecting a turnover increase	% with an increase	Average increase
Up to £20,000	57	34	60%	19%
£20,001 to £50,000	45	24	53%	46%
£50,001 to £100,000	34	22	65%	24%
Over £100,000	2	1	50%	Not specified

Source: Beneficiary survey

Table E4 shows that there is no defined relationship between grant size and either the percentage of beneficiaries expecting a future increase in turnover or the scale of any future turnover increases.

Appendix F: Impact by LEP Area

Introduction

This appendix provides details of the impact of the BGP by LEP area, based on survey responses and monitoring data.

Jobs created

Jobs created to date

Table F1 sets out the number of jobs created to March 2023 by LEP area, along with the average number of jobs per beneficiary.

Table F1: Number of jobs by LEP area

LEP area	Number of grants	Number of jobs	Jobs per grant
GBSLEP	172	671	3.9
TMLEP	117	546	4.7

Source: Monitoring data

Table F1 shows that, although fewer grants have been provided and jobs created, the number of jobs per grant is larger in the TMLEP area than in the GBSLEP area.

Table F2 sets out the percentage of respondents in each LEP area who expect an increase in jobs in the future and the average scale of increase.

Table F2: Forecast future employment impact by LEP area

LEP area	Number of respondents	% expecting a jobs increase	Average increase
GBSLEP	94	56%	22%
TMLEP	57	67%	33%

Source: Survey data

Table F2 shows that both the proportion of beneficiaries expecting an increase in jobs and the average increase per business are highest in the TMLEP area.

Turnover

Turnover generated to date

Table F3 sets out the turnover increase generated to date by LEP area, based on survey responses.

Table F3: Turnover increase by LEP area				
LEP area	**Number of respondents**	**Number with a turnover increase**	**% with an increase**	**Average increase**
GBSLEP	94	70	74%	22%
TMLEP	57	33	58%	20%

Source: Beneficiary survey

Table F3 shows that the GBSLEP area has the highest percentage of respondents with a current turnover increase as a result of the grant provided. In terms of the average increase per beneficiary with a turnover increase, there is very little difference between the two LEP areas.

Table F4 sets out the future turnover impact by LEP area.

Table F4: Future turnover increase by LEP area				
LEP area	**Number of respondents**	**Number expecting a turnover increase**	**% expecting an increase**	**Average increase**
GBSLEP	94	53	56%	22%
TMLEP	57	38	67%	34%

Source: Beneficiary survey

Table F4 shows that the TMLEP area has the highest percentage of respondents expecting a future turnover increase as a result of the grant provided and also the highest average increase per respondent.

Appendix G: Impact by Type of Area

Introduction

This appendix provides details of the impact of the BGP by type of area, based on survey responses and monitoring data.

Jobs created

Jobs created to date

Table G1 sets out the number of jobs created to date by type of area, along with the average number of jobs per beneficiary.

Table G1: Number of jobs by type of area

Type of area	Number of grants	Number of jobs	Jobs per grant
More developed	161	618	3.8
Transitional	128	599	4.7

Source: Monitoring data

Table G1 shows that, although fewer grants have been provided and jobs created, the number of jobs per grant is larger in transitional areas than in more developed areas.

Table G2 sets out the percentage of respondents in each type of area who expect an increase in jobs in the future and the average scale of increase.

Table G2: Forecast future employment impact by type of area

Type of area	Number of respondents	% expecting a jobs increase	Average increase
More developed	90	48%	31%
Transitional	63	62%	30%

Source: Survey data

Table G2 shows that the proportion of beneficiaries expecting an increase in jobs is significantly higher in transitional areas. The average future increase per beneficiary expecting to create jobs is very similar for the two types of area.

Turnover

Turnover generated to date

Table G3 sets out the turnover increase generated to date by type of area, based on survey responses.

Table G3: Turnover increase by type of area				
Type of area	**Number of respondents**	**Number with a turnover increase**	**% with an increase**	**Average increase**
More developed	90	66	73%	20%
Transitional	63	38	60%	25%

Source: Beneficiary survey

Table G3 shows that more developed areas have the highest percentage of respondents with a current turnover increase as a result of the grant provided whereas the average increase in turnover per respondent with an increase is higher in transitional areas.

Table G4 sets out the future turnover impact by type of area.

Table G4: Future turnover increase by type of area				
LEP area	**Number of respondents**	**Number expecting a turnover increase**	**% expecting an increase**	**Average increase**
More developed	90	50	56%	20%
Transitional	63	40	63%	37%

Source: Beneficiary survey

Table G4 shows that transitional areas have both the highest percentage of respondents with an expected turnover increase as a result of the grant provided and the highest average expected increase in turnover per respondent.