



Ministry of Housing,
Communities &
Local Government

UK Shared Prosperity Fund: Intervention-level evaluation

Support for local businesses

TECHNICAL ANNEX

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Technical Annex – Supporting local businesses

This technical annex provides additional information on the aims of the analysis, data collection and data analysis methodologies. It concludes with additional detail on the key findings from the analysis, including further insights that emerged during the evaluation.

It is designed to help evaluators and a technical audience understand the detail of the approach and findings. This includes a quality assurance statement.

It should be read in conjunction with the main report (see [‘UKSPF intervention-level evaluation final findings report: support for local businesses’](#)).

Aims of the analysis

The business support analysis is based on the contribution analysis evaluation approach set out in the [Feasibility Report](#) (Frontier Economics and BMG Research, 2024). The evaluation used an integrated mixed-methods approach built around principles of proportionality, co-creation (and interpretation), flexibility, inclusivity, practicality and rigour. This robust and innovative approach combined complementary forms of evidence to build a balanced and robust understanding of the intervention’s effects, delivery and value.

The analysis has also benefited from consistent engagement with MHCLG and participating projects throughout the evaluation process. This collaboration has enabled the team to tailor the analytical approach to reflect the realities of available data while maintaining high standards of rigour.

In line with the overall approach for the intervention-level evaluation, the business support evaluation focuses on study groups:

- building digital capabilities (digital study group);
- providing grants to facilitate investment (grants study group); and
- reducing carbon emissions and increasing energy efficiency (decarbonisation study group).

The intervention-level evaluation focused on what worked well, for whom, and under what conditions. For the business support study groups, the evaluation was structured around three main components:

- **Impact evaluation** – aimed to assess the extent to which business support contributed to changes in businesses’ capabilities, investment, innovation, productivity, growth and environmental outcomes, and how outcomes varied across businesses and types of support.

- **Value for money (VfM) evaluation** – aimed to understand what drives value for money for the projects through a balanced judgement of meeting objectives and benefits and costs (monetisable and non-monetisable).
- **Process evaluation** – aimed to understand how the projects were designed and delivered, and to identify lessons that can inform future implementation and management.

For more detail on the aims and methodologies and how these were developed, see the [Feasibility Report](#) (Frontier Economics and BMG research, 2024).

Evaluated projects

Table 1 summarises the projects within each study group and the number of businesses supported under each. As shown, the three business support study groups comprise eight projects that collectively supported around 8,700 local businesses to build digital capability, reduce carbon and energy use, and invest through small grants. Support was typically delivered over less than three months and combined one-to-one advice, audits, grants, training sessions and networking opportunities. The total cost of the eight projects was £37.5 million (of which £17.6 million was distributed as grants), equivalent to an average support value of £4,300 per business.

Table 1 Projects and number of businesses supported within each study group

Study group	Projects	No. of businesses supported
Digital	TALK - Monmouthshire	201
	LONDON E-Business support	1,328
	Go digital - Norfolk	403
Decarbonisation	D2N2 - Decarbonisation strand	265
	BEST - North of Tyne	121
Grants	North Lanarkshire Business Support Scheme	176
	Cornwall Council Growth Hub	636
	Go succeed - Northern Ireland	5,612
Total		8,742

Evaluation framework

Impact evaluation framework

Given the complexity of the business support interventions and the absence of an appropriate control group (whether actual or identifiable through secondary data options), a contribution analysis approach was adopted, which brought together several evaluation methods and data sources to maximise learning and strengthen analytical rigour. The evaluation analysis was carried out at the study group-level, with findings presented separately for each study group.

The contribution analysis framework follows the same principles for all three UKSPF themes. There are five steps to deliver the contribution analysis:¹

1. Attribution problem: defined the purpose of the contribution analysis i.e. the objective of understanding what works, for whom and under what conditions.
2. Theory of change: theories of change for each study group set out the expected contribution channels. These formed the basis for defining the contribution claims. These have been developed for each of the business support study groups (see Theories of Change below).
3. Gather evidence: evidence was collected from several sources over time (before, during and after the support is given to businesses). These included qualitative fieldwork, bespoke surveys, monitoring data collected by frontline project teams and, where appropriate, existing literature.²
4. Assess evidence of contribution: evidence was triangulated to understand:
 - a. Has the ToC remained credible?
 - b. Did activities happen as planned?
 - c. Did the expected chain of results follow from these activities?
 - d. Is there evidence of the expected changes? (the ToC has not been disproved)
 - e. Does the evidence point in the same direction?
 - f. Are there other factors that could have contributed to the observed changes? Has their role been recognised and accounted for?
5. Revise and strengthen: findings were iterated with additional cuts of analysis and external evidence, including sense checking findings with the local authorities

¹ Appgar, M., Mayne, J., & Levine, C. (2020). Contribution analysis. *Better Evaluation*. https://www.betterevaluation.org/en/approach/contribution_analysis. (Slight modifications have been made in terms of packaging the approach into fewer steps to provide more tailored guidance for UKSPF)

² A detailed literature review for each study group was out of scope for this evaluation. External validation, including through existing literature, was sought in the feasibility stage. See [Feasibility Report](#) (Frontier Economics and BMG Research, 2024).

Step 2 determines the focus of the evaluation. The Theory of Change visually sets out the mechanisms of change, and from this, contribution claims for each study group are developed and can be tested. These claims typically focused on immediate or short-term outcomes and the associated pathways only, given this evaluation has been completed within just a few months of the end of the 3-year UKSPF funding period. The contribution claims are in Table 2.

Each claim was tested by looking at the available evidence from appropriate data sources. The assessment also considered whether other factors may have influenced the observed outcomes. In this way, a conclusion could be drawn about whether it is reasonable to believe the business support project contributed to the observed outcomes, and what other factors may have played a role. This is summarised in the overall strength of evidence for each claim.

The evaluation comprehensively assessed the data already available from secondary sources or being collected by local area project teams, and where there were gaps that new primary evidence would need to be collected. This led to a data collection exercise as described later in this annex.

Table 2 Business support contribution claims

Study Group	Contribution claim
Digital Support	Digital support contributed to increased readiness to adopt digital tools by overcoming barriers of low awareness and confidence through one-to-one advice and personalised support.
	Digital support contributed to improved online visibility, productivity and business performance by overcoming barriers to digital investment through personalised one-to-one support and, for some businesses, small grants.
Grant Support	Grant support contributed to increased and accelerated investment and innovation by overcoming barriers of cost pressures and constrained access to finance through small grants (often requiring matched funding), combined with one-to-one support.
	Grant support contributed to improved business productivity, growth and workforce outcomes by helping businesses overcome uncertainty about what to invest in through personalised one-to-one support focused on both immediate and future needs.
Decarbonisation Support	Decarbonisation support contributed to increased knowledge and capability to reduce energy use and carbon emissions by overcoming barriers of low awareness through one-to-one advice and personalised audits or decarbonisation plans.
	Decarbonisation support contributed to new and accelerated uptake of energy- and carbon-saving measures by overcoming barriers of high investment costs and

	uncertainty about what to invest in through personalised support and, for some businesses, grants.
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Data collection

Quantitative data collection

METHODOLOGY

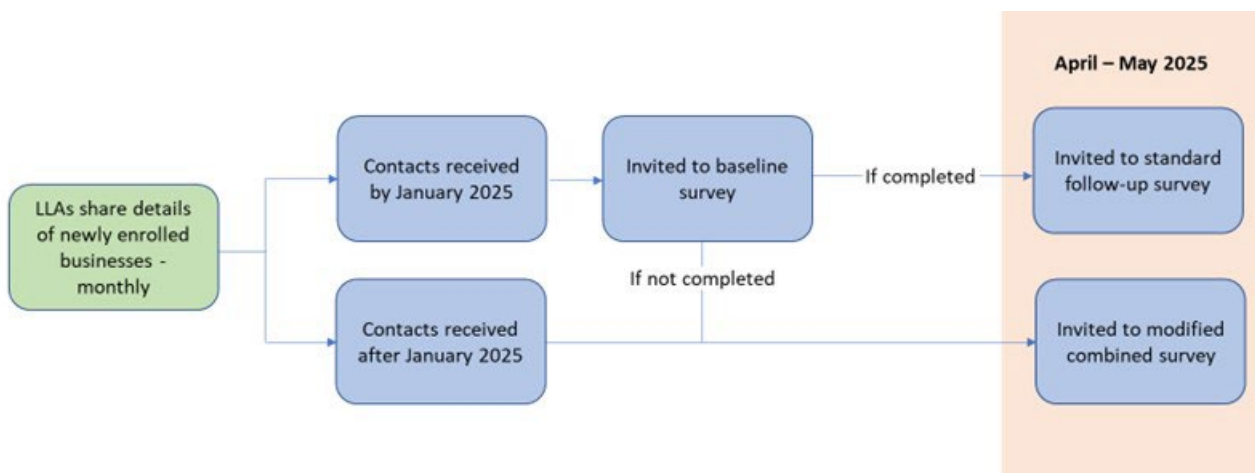
Quantitative data collection for the business support theme took the form of baseline and follow-up surveys with beneficiary businesses and the collection of monitoring data from local authorities and delivery partners.

The surveys were carried out over two distinct periods:

- Baseline survey: Conducted between March 2024 and January 2025, with timing aligned to individual beneficiaries' enrolment and start dates for support.
- Follow-up survey: Conducted between early April and late May 2025, at the end of the UKSPF 3-year funding timeline. This was either in the form of a 'standard follow-up survey' if the business had previously completed a separate baseline survey; or a 'modified combined survey' if no prior baseline survey had been completed (change in outcomes was self-assessed by businesses based on their own retrospective recollection of their situation when they applied for the support).

Local authorities were initially engaged to understand how far delivery had progressed, and to sign data-sharing agreements that would allow the evaluation team to access beneficiary contact details for survey administration. The survey data collection process is shown below.

Figure 1 Summary of survey data collection process



Survey sampling

Local authorities and delivery partners were asked to share contact details of all beneficiaries where support started from April 2024 onwards. In most cases, local authorities and delivery partners had sufficient permissions in place under UKGDPR to share contact details for the purposes of evaluation. However, one local authority did not have sufficient permission and therefore undertook an 'opt-in' exercise where beneficiaries were asked to give consent. The exercise resulted in only a small number of beneficiaries opting in, meaning that this project is not well represented in the quantitative findings.

A census approach was taken, with all contacts received from local authorities and delivery partners being invited to take part in the survey.

Only limited information was available from local authorities and delivery partners on the characteristics of beneficiary businesses, such as turnover, sector or number of employees. Any information that was available was not consistent across different local authorities and delivery partners. Therefore, it was not possible to identify, or account for, possible response bias in the completed surveys. It was also decided that it would not be appropriate to weight the data as there was not sufficient information on the profile of the total population of beneficiary businesses.

Baseline data

Local authorities were asked to share details on a monthly basis of newly enrolled businesses that consented to participate in the survey. Those businesses were then contacted to complete a baseline survey as soon as possible following their enrolment for support. Details were shared by local authorities for the baseline survey phase from the end of March 2024 to the end of January 2025.

On receipt of the contact details, an online survey link was sent to enrolled businesses (where an email address had been provided) within two working days. Reminder emails were issued three days later, followed by a telephone reminder where phone numbers were available. Around 20% of contacts did not have email addresses; these contacts were invited to take the survey by telephone within two working days of their information being shared.

Most local authorities sent an email to their enrolled businesses to advise them of the survey, and encourage them to participate, at the point at which they shared the data.

In total, 2,886 contacts were received for the baseline survey. Of these, 468 went on to complete the baseline survey, resulting in a response rate of 16.2%. However, only 43% of these (171 respondents) also completed a follow-up survey. If a respondent completed the baseline survey, but not the follow-up survey they were not included in the analysis, as before and after data was not available for them. Some of the respondents who completed the baseline survey, but did not complete the follow-up survey, opted out of further surveys at the end of the baseline survey (72 respondents, 15% of baseline completed surveys) and so were not invited to participate in the follow-up survey. Others were invited to participate in the follow-up survey but did not complete it despite reminder emails and telephone chasing.

Follow-up survey

The follow-up survey was sent to all participants who had completed the baseline survey (and had not opted out of further surveys) to determine the impact of the support received. In total, 396 respondents from the baseline survey were invited to complete the follow-up survey. 171 of these completed the follow-up survey, giving a response rate of 43%.

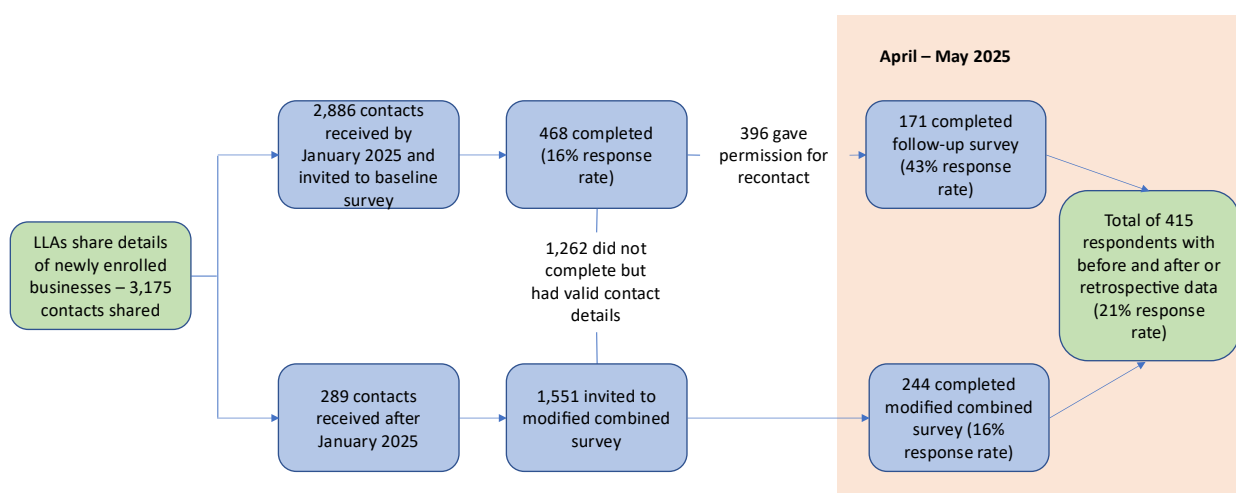
To maximise responses, beneficiaries who had not completed the baseline survey, but had valid contact details were invited to a modified combined survey. In total, 1,262 beneficiaries who were invited to take part in the baseline survey, but did not complete it, were invited to the modified combined survey.

289 newly enrolled businesses after February 2025 were also invited to the modified combined survey, which launched in April 2025. In total, 1,551 beneficiaries were invited to complete the modified combined survey. 244 of these completed the modified combined survey, giving a response rate of 16%.

In the modified combined survey respondents were asked to think back to their initial application so that a retrospective baseline could be created, as well as being asked about the impact of the support.

Together, there were 415 completed follow-up or modified combined surveys, giving an overall response rate of 21%. This is illustrated in Figure 2 below.

Figure 2 Summary of survey response rates



Limitations of the survey

When completing the follow-up survey, all beneficiaries had begun to receive some level of support; however, some had not yet received the full support package they had applied for. Others had completed their support package up to around three months before the survey. The main driver of the decision to undertake the follow-up survey at one point in time, rather than a set amount of time after support finished was the overall evaluation timelines. These did not allow for data collection to be undertaken beyond April 2025. The number of completed follow-up interviews would have been considerably smaller if only businesses

that had finished their support a set number of months prior were invited to complete the survey. It was decided that it was more important to have a larger sample size for the follow-up survey than have consistent periods of time following support. This was further complicated by some beneficiaries continuing to receive support through extended or linked projects and not having a clear date for the end of their support.

This means that some beneficiaries had a slightly longer 'post-support' timeframe in which impacts could be realised than others. However, as the maximum time since support completion for any beneficiary was three months, long-term impacts would not be expected to be observable. In addition, some beneficiaries were continuing to receive further support through extended or linked projects.

Those who completed the modified combined survey provided their baseline data retrospectively rather than in real time. Retrospective data is generally considered less reliable due to recall bias: respondents may struggle to recall or may misremember previous circumstances. This limitation was judged to be acceptable because the combined survey substantially increased the sample size and respondents had often applied for support within the previous twelve months.

The profiles of beneficiaries who completed the before-and-after surveys were compared to the profiles of those who completed the modified combined survey. This comparison showed that the profiles were broadly similar and there were no specific business demographic factors where they diverged considerably. This reinforces the decision to use the modified combined survey as a method to increase the number of data points for analysis. Tables summarising these comparisons are included in the 'Descriptive Statistics' section of this annex. No analysis was undertaken to assess whether changes in outcomes differed systematically between these groups, so any such differences cannot be ruled out.

Business surveys such as those used in this evaluation typically achieve response rates of between 10% and 35%. The baseline survey response rate was 16.2%, while 415 of the 1,947 businesses invited to complete either the follow-up or modified combined survey responded, giving an overall response rate of 21%. These rates are within the expected range for business surveys. However, lower response rates increase the risk of response bias and limit the extent to which findings can be generalised.

The completed survey sample was also small relative to the total population supported. The 415 businesses completing a follow-up or modified combined survey represented around 5% of the 8,742 businesses supported across the eight projects, while the 171 businesses providing both contemporaneous baseline and follow-up data represented around 2%. These figures are not response rates, because the survey sampling covered businesses whose support began from April 2024 onwards and whose contact details were shared for the evaluation.

There is therefore a risk that the findings reflect the experiences of survey respondents rather than the full population of supported businesses. Businesses that perceived smaller potential or realised impacts may have been less inclined to participate, and other business characteristics may also have affected the likelihood of responding. This risk could not be assessed fully because information on the characteristics of supported businesses was limited and inconsistent across projects. It was therefore not possible to assess the representativeness of the completed sample or to weight the survey data.

The survey was issued to a single representative from each business, who may not have had a complete view of all outcomes. Although many participating businesses were sole traders or micro-businesses (less than 10 employees), some were relatively larger and therefore the person completing the survey may not have had a full overview of all the impacts of the support on the business. This could limit the accuracy of the self-reported impacts. However, this is not likely to affect the majority of beneficiaries responding.

SURVEY TOPICS

The baseline and follow-up surveys covered similar topics, although the follow-up survey explored the outcomes and impacts of the support in more detail, and the extent to which they would attribute impacts to the support package they received. Table 3 shows the topics and themes covered in the baseline and follow-up surveys.

Table 3 Topics covered in business support quantitative data collection

Topic	Baseline survey	Follow-up survey
Business characteristics (length of time trading, geographical markets served, position in the supply chain, type of premises occupied, workforce size, turnover)	✓	✓
Any changes in business characteristics since receiving support and impact of support on these		✓
Feedback on the application process (including how they became aware of the support, reasons for applying)	✓	
Details of support received (including length of support, method of delivery, perceptions of usefulness)		✓
Digital support study group only: Current usage of digital technologies (including barriers to adoption and readiness to implement new technologies)	✓	✓
Digital support study group only: Confidence in IT/digital skills areas	✓	✓
Digital support study group only: Extent to which support impacted digital skills and use of technologies		✓
Digital support study group only: Plans to access further support and investment		✓
Grants study group only: Plans for using grants and expected impact	✓	✓
Grants study group only: How match funding requirements were met, including other finance sources		✓
Grants study group only: Future plans for further finance and the impact of the support on this		✓
Decarbonisation support study group only: Activities undertaken and plans for energy efficiency measures prior to support	✓	
Decarbonisation support study group only: Activities undertaken and changes to energy efficiency plans as a result of support		✓

Decarbonisation support study group only: Barriers to decarbonisation and impact of support on overcoming barriers		✓
Decarbonisation support study group only: Types of additional investment received or planned		✓
Business objectives and constraints to growth	✓	✓
Expectations of the impact of support on turnover, workforce, skills and efficiencies	✓	✓
Pride in place (satisfaction with support for businesses in their area and how businesses contribute to local community)	✓	✓

The average time taken to complete each survey varied by survey type and mode of completion and is shown in Table 4.

Table 4 Average survey completion time

Survey Type	Mode	Average Completion Time
Baseline survey	Online	16 minutes
	Telephone	19 minutes
Follow-up survey (baseline completed)	Online	14 minutes
	Telephone	17 minutes
Follow-up survey (no baseline completed)	Online	19 minutes
	Telephone	23 minutes

MONITORING DATA

In addition to the survey data, all projects in each study group shared some of the (anonymised) monitoring data they routinely collected. The content of the data varied across the projects but, at a minimum, included the **number** of businesses supported through the UKSPF-funded project; the UKSPF funding invested (project costs); the value of grants awarded, where relevant; matched funding from the businesses (mainly applicable to the Grants study group), where relevant; the aims of the projects and the locations in which the support was delivered; and descriptions of the types of support provided. Summary information is in Table 5:

Table 5 Summary of monitoring data

Study group	Businesses receiving support via UKSPF	Costs (£ million)			Matched funding from businesses (£m)
		Non-grant costs	Grants	Total costs	
Digital	1,932	3.3	0.2	3.4	0.0
Grants	6,424	15.8	16.6	32.4	15.3
Decarbonisation	386	0.9	0.8	1.6	1.3
Total	8,742	20	17.6	37.5	16.6

Note: Totals may not sum exactly due to rounding

Some projects were able to share more detailed data and case studies, which have also been reflected in the evaluation where feasible, including:

- Business characteristics: the number of businesses supported and their characteristics (e.g. size, turnover, sector)
- Details of outputs, e.g. grants awarded, numbers of staff attending training, numbers of energy audits.
- Details of outcomes, e.g. energy savings, carbon emissions reductions, jobs created, jobs safeguarded.

This data was used alongside the survey responses and primary fieldwork to inform the contribution analysis.

Qualitative data collection

METHODOLOGY

Qualitative research was conducted between January and May 2025. This included understanding how the programme was designed and delivered, as well as the experiences and outcomes for those intended to benefit. It was designed to complement the quantitative analysis, providing deeper insights into the programme's implementation and its perceived effects. The methodology included:

- One-to-one interviews.
- Paired interviews with stakeholders with shared or complementary roles.
- Mini groups (3-4 participants) and focus groups (5-8 participants) with groups of similar stakeholders, such as frontline delivery staff and beneficiaries.

Participants included a range of stakeholder groups involved in the business support theme, such as local authorities, delivery partners (e.g. consultants) and beneficiaries (i.e. business owners). The method used (one-to-one interviews, paired interviews, mini-groups, or focus groups) varied by stakeholder category and participants' schedules. Participants were purposively selected to ensure representation across organisational types and roles, as well as businesses who directly benefited from UKSPF-funded schemes.

All sessions were conducted online to maximise flexibility and minimise burden on participants. This approach enabled engagement with a geographically and organisationally diverse sample. Session lengths ranged from approximately 30 minutes (for one-to-one interviews with beneficiaries) to 90 minutes (for focus groups with delivery partners), depending on the number of participants and the depth of discussion.

TOPICS COVERED

Participants were drawn from three key stakeholder categories:

- Local authorities
- Delivery partners/staff
- Beneficiaries of UKSPF-funded schemes (i.e. businesses)

Table 6 Themes and topics covered in qualitative interviews

Theme	Topic	LA	Delivery Partner	Beneficiaries
Design & Planning	Effectiveness of intervention design processes	✓		
	Rationale for intervention selection	✓		
	Role of consultation, including engagement with excluded or disadvantaged groups	✓		
	Consideration of strategic priorities (e.g. environmental impact, local communities)	✓		
	Alignment with local priorities such as “pride in place” and “life chances” and plans for the local area	✓		
	Stakeholder role in intervention design	✓	✓	
	Whether cost benefit analyses were conducted, and who by	✓		
	Enabling factors and areas for improvement in planning	✓	✓	
	Role of UKSPF in enabling delivery	✓		
Delivery & Management	Funding sources and allocation (incl. secondary funding)	✓		
	Implementation effectiveness and adherence to plans	✓	✓	✓
	Delivery enablers and barriers	✓	✓	✓
	Stakeholder relationships and coordination	✓	✓	✓
	Beneficiary identification, engagement, and experience	✓	✓	✓
	Inclusion of different business types / underrepresented groups	✓	✓	✓
	Market capacity issues	✓		
	Role of central guidance and support	✓	✓	
	Lessons for future delivery	✓	✓	✓
	Continuity planning and sustainability beyond UKSPF funding	✓	✓	✓
	Capacity for implementation and evaluation	✓		

Theme	Topic	LA	Delivery Partner	Beneficiaries
Monitoring & Evaluation	Monitoring practices by local authorities and their impact on performance	✓	✓	
	Changes to output/outcome indicators	✓	✓	
	Use of learning from previous programmes	✓	✓	
	Suggested improvements to monitoring and evaluation processes	✓	✓	
Impact & Added value	Perceived benefits and successes	✓	✓	✓
	Barriers and challenges	✓	✓	✓
	Impact on businesses, communities, and wider UKSPF goals (incl. decarbonisation)	✓	✓	✓
	Unintended outcomes and added value	✓	✓	✓
	Short- and long-term impacts	✓	✓	✓
	Future outlook and sustainability	✓	✓	✓
Comparison with other schemes and final reflections		✓	✓	✓

Discussions with local authority stakeholders focused on programme design and planning, implementation processes, and governance; interviews and group sessions with delivery partners and beneficiaries explored how the support was accessed, experienced, and perceived in terms of relevance and impact. This enabled a rounded understanding of how the investment priority and UKSPF-funded support was delivered and received on the ground.

While all topic guides shared a core set of questions to ensure consistency, each was adapted to reflect the specific role and perspective of the stakeholder group (Table 6). The discussions covered all three evaluation dimensions (Process, Impact and VfM), with different areas emphasised depending on the stakeholder group. This approach enabled a nuanced understanding of programme delivery and effectiveness.

QUALITATIVE SAMPLING AND COVERAGE

Purposive sampling was used for the qualitative data collection. This is a non-probability technique where participants are selected based on the specific characteristics needed to answer research questions. The qualitative data collection aimed to give equal weight to each of the stakeholder groups involved in each of the projects:

- Local authority leads
- Delivery partner leads
- Frontline delivery staff
- Beneficiaries

Although the number in each of these stakeholder groups differed considerably (for example, the number of supported businesses was much larger than the number of local

authority leads involved in each project), it was felt this was the optimal approach given the resource available for qualitative data collection. This was partly due to data being collected from beneficiaries quantitatively through the surveys and partly due to resourcing constraints and the aim to reduce the burden on beneficiaries. The aim of the qualitative engagement with beneficiaries was to speak to around 6-8 from each project, and to include a mix of different types of businesses where possible.

A total of 77 individuals participated in qualitative data collection for the business support theme, across 31 separate encounters.

The level of involvement varied by project. In some instances, local authorities played a direct role in delivery alongside partners and staff, while in others, delivery was led solely by delivery partners and/or frontline staff (e.g. business consultants). Table 7 provides a breakdown of participants by stakeholder category and study group.

Table 7 Qualitative participants by stakeholder category and study group

Stakeholder category	Digital support study group	Grants study group	Decarb support study group
Local authorities (sometimes mixed with delivery)	8	7	12
Delivery Partners	8	7	11
Beneficiaries	10	6	8
Total	26	20	31

Data analysis

Impact evaluation methodology

The contribution analysis integrates several evaluation methods to ensure the analysis is robust and makes best use of evidence. These are described below.

DESCRIPTIVE ANALYSIS

The descriptive analysis was undertaken to understand the contextual factors influencing the delivery and outcomes of projects within the business support study groups. It describes the types of support delivered, over what duration, and who to, as these factors are important for interpreting impacts and for exploring how they may vary across different circumstances.

The quantitative aspect of the analysis drew on information from three main sources:

- Monitoring data, which included information such as the number of businesses supported;
- Secondary data, where available, provided wider context. This was limited due to the hyper-local nature of the interventions, which often focused on small geographical areas

or specific business groups where published secondary data are not collected at sufficient granularity; and

- Survey responses, which were analysed to generate descriptive statistics. This included examining the characteristics of businesses supported and the nature of support they received to provide context to interpret how delivery and outcomes varied across study groups.

Findings from the descriptive analysis informed the design and interpretation of the before-versus-after analysis presented below.

BEFORE-VERSUS-AFTER ANALYSIS

The before-versus-after analysis was undertaken to identify whether outcomes of interest changed over time for supported businesses. While this approach does not establish causality (an intervention causing an outcome), it highlights what has changed, how, and for whom since the time of intervention.

The analysis compared outcomes for supported businesses using primary quantitative data collected through bespoke surveys, alongside changes in perceptions of impact reported by businesses and providers through surveys, interviews, and focus groups. The analysis also used survey questions asking businesses the extent to which they attributed observed changes to the support received. This provided additional evidence on the contribution of the support to those changes.

QUALITATIVE ANALYSIS

All qualitative interviews were transcribed, giving a full written record of each interview. Interview transcripts were then summarised into thematic matrices based on the theories of change and hypotheses derived from them. Framework analysis was used to identify key themes and patterns rigorously across data, allowing for a case and theme-based approach to the qualitative analysis.³

CONTRIBUTION ANALYSIS

The contribution analysis triangulates evidence across quantitative and qualitative sources to test the 'contribution claims'.⁴ The evidence is used to assess the extent to which each contribution claim holds true and therefore the extent to which it is reasonable to claim the UKSPF support contributed to the observed changes in outcomes. The analysis and evidence also identify alternative factors that could have influenced the particular outcome.

To assess the strength of each claim, a transparent approach was used which took into account the rigour of the evaluation methods used, the number of evidence sources supporting – or countering – it, and the consistency across those sources. This is shown in Table 8.

The assessment was not limited to identifying evidence that supported each contribution claim. Contribution claims were developed iteratively from the theories of change, informed by detailed discussions with delivery partners to understand the intended mechanisms

³ Srivastava, A., & Thomson, S. B. (2009). Framework Analysis: A Qualitative Methodology for Applied Policy Research. *Journal of Administration and Governance*.

⁴ A contribution claim is a causal hypothesis— a statement describing how an intervention is expected to influence a particular type of change, including any dependencies, assumptions, or risks associated with achieving the intended effect.

through which support was expected to contribute to outcomes. These claims were then tested against evidence from multiple quantitative and qualitative sources.

Evidence was systematically reviewed to identify whether it supported, weakened or failed to support the proposed contribution pathway. Where evidence was more limited or other factors were likely to have influenced outcomes, this was reflected in a medium- rather than high-strength of evidence rating. The assessment also considered whether evidence suggested alternative explanations for observed outcomes. Rival explanations were explored through qualitative research, co-interpretation workshops with local authorities and delivery partners, analysis of contextual and secondary data, and targeted desk research. Participants were also asked to identify unexpected outcomes and external factors that may have influenced results.

Differences between evidence sources and competing interpretations were considered throughout the assessment, and the contribution claims, supporting evidence and ratings were independently reviewed and challenged by an academic expert to provide additional scrutiny and reduce the risk of confirmation bias.

Table 8 Strength of Evidence Framework

Strength	Quality of evidence/ methodology	Volume of evidence	Consistency of evidence	Evidence identifying other drivers of impact
Very high The ToC is validated	At least one methodology uses a quasi-experimental approach	<i>And</i> At least three different sources of validated evidence/ analysis with similar findings	<i>And</i> All evidence points to the same finding	<i>And</i> No other substantive drivers of the outcome are identified (or are controlled for with quasi- experimental)
High The ToC is validated	At least one methodology uses quasi- experimental	<i>Or</i> At least three different sources of validated evidence/ analysis with similar findings	<i>And</i> Almost all evidence points to the same finding	<i>And</i> Evidence on other drivers suggests a minimal effect on the outcome or would affect a small (<5%) proportion of participants only
Medium The ToC is mostly validated	<i>Either:</i> Quantitative analysis based on before vs after, supported with multi- participant qualitative insights	<i>Or:</i> At least three different sources of evidence/ analysis	<i>And</i> Most evidence points to the same findings	<i>And</i> Other drivers likely to impact on the outcome but less so than the UKSPF intervention
Low The ToC is not validated	Quantitative evidence is indicative only or absent; and qualitative fieldwork is inconclusive	<i>Or:</i> One or two indicative sources only	<i>Or:</i> Inconsistent findings (could have more than two sources which conflict)	<i>Or:</i> Other drivers more likely to explain the impact

Ratings reflect the quality, volume and consistency of evidence across sources, and the extent to which alternative explanations could account for the outcomes observed:

- High-strength evidence means that the theory of change was validated, at least three different sources of evidence or analysis produced similar findings, almost all evidence pointed to the same conclusion, and other drivers were judged to have had only a minimal influence on the outcome.
- Medium-strength evidence means that the theory of change was mostly validated, most evidence pointed to the same conclusion, and other drivers were likely to have influenced the outcome, but less so than the UKSPF support.
- Low-strength evidence means that there was either an absence of sufficient evidence to draw a conclusion or that the theory of change could not be validated, evidence pointed to differing conclusions and other factors could have explained the outcomes.

Under the framework, contribution claims could be assessed as having high-, medium- or low-strength evidence, or as having insufficient evidence at this stage.

For business support, all six contribution claims were assessed as having either high or medium-strength evidence. Where the evidence was less conclusive or other factors were likely to have influenced outcomes, this was reflected in the assessment.

LIMITATIONS OF THE IMPACT EVALUATION APPROACH

The business support evaluation adopts a contribution analysis framework rather than a fully experimental or quasi-experimental design. As set out in the Evaluation Framework section, no appropriate control group (whether actual or identifiable through secondary data) was available. The analysis therefore relies on before-and-after comparisons and triangulation of survey, monitoring and qualitative evidence to assess the extent to which UKSPF support contributed to observed changes. Quasi-experimental methodologies are included in the evidence strength framework to indicate the comparative robustness to other approaches.

Many of the outcomes used in the impact analysis are self-reported by participating businesses. Independent administrative or financial data were not available at the required level of granularity across projects.

The post-intervention survey was conducted at a single point in time at the end of the UKSPF 3-year funding timeline. As noted in the survey limitations section, some beneficiaries had completed their support up to three months before the survey, while others had not yet received their full support package. This means that the timeframe over which impacts could be realised varies across respondents, and longer-term impacts cannot yet be observed.

Monitoring data provided by local authorities and delivery partners varied in scope and granularity across projects. While sufficient to support study-group level analysis, the data did not consistently allow detailed analysis of the relative effectiveness of specific activities within each support package.

These limitations were considered in interpreting the findings, including through triangulation of evidence across surveys, monitoring data and qualitative fieldwork and

through the use of clearly defined and conservative assumptions in the value for money modelling, as described in the methodology section, below.

Process evaluation methodology

Analysis for the process evaluation was based around the process evaluation framework (as set out in the [Feasibility Report](#)). Transcripts from qualitative interviews were summarised into thematic matrices based on this framework. Framework analysis was then used to identify key themes and patterns rigorously across data, allowing for both a case and theme-based approach to the qualitative analysis. This was complemented by analysis of secondary data (where available) and quantitative survey data relevant to the process evaluation framework.

The analysis was also underpinned by the process maps developed in the early stages of the evaluation. These articulate the processes of design, delivery and implementation and operation. These maps drew on the earlier documentary review and a workshop with MHCLG delivery leads. The process maps can also be found in the [Feasibility Report](#).

Value for money methodology

The business support VfM analysis estimated monetised benefit-cost ratios (BCRs) and considered non-monetised impacts using a framework compliant with the HM Treasury [Green Book](#). The analysis monetised measurable improvements in business productivity and environmental outcomes, alongside local employment effects.

As no counterfactual was available (such as a control group to represent what would have been expected without the business support), the VfM analysis used self-reported impact and attribution data from the survey to estimate the proportion of outcomes reasonably attributable to the support. This data may be affected by recall, positivity or social-desirability bias, meaning that favourable outcomes or the influence of the support could be overstated. This uncertainty was taken into account by undertaking sensitivity tests on the key assumptions. Care was also taken to avoid double counting by ensuring benefits were only monetised where they are independent outcomes (i.e. not captured in another outcome). This involved structuring the analysis so that each benefit was allocated to one clear outcome pathway and not duplicated elsewhere. Effects that could overlap with other monetised outcomes were excluded from the analysis.

Actual observed changes in outcomes were monetised over a five-year time horizon. Annual benefits were adjusted for business attrition (10% per year), an assumed annual decay in investment-related benefits (15% per year, where applicable) and discounted at 3.5% in line with Green Book guidance.

The present value of benefits for each study group was calculated as the sum of:

- Productivity-related impacts (skills uplifts, operational efficiencies, return on capital investment, energy cost savings, and avoided borrowing costs)
- Environmental impacts (monetised carbon emission reductions)

In relation to employment impacts, two BCRs are presented:

- Excluding local employment impacts (consistent with the Green Book national-level perspective where employment may reflect displacement)
- Including local employment impacts (consistent with the UKSPF objectives and a local-level perspective where employment generated or safeguarded locally represents a net additional benefit to the area.)

The categories of monetised benefits, approach to monetisation and key assumptions are summarised in Table 9. All assumptions are cautious so as not to over-estimate the benefits.

Table 9 **Benefit components, coverage and key assumptions**

Component	Relevant study groups	General approach	Key assumptions
Productivity			
Change in skills for participating businesses	Digital support Grants	The productivity uplift per adopting business was calculated by: 1. Applying a skills premium based on peer-reviewed literature, with estimated uplifts of 2.5%–4.4% for first-time digital skills adoption and 1.4%–1.6% for additional digital skills,⁵ and a 28% uplift for training-related skills.⁶ 2. Scaling to all businesses supported in the study group based on skills confidence gains reported in the survey and the proportion of respondents attributing this to the support (“a lot” / “quite a lot”). 3. Multiplying by the average number of employees per business and gross salary at minimum wage (approx. £24,000 per year)⁷. Minimum wage was used as a conservative, consistent proxy because comparable data on the occupations and salaries of affected employees were not available across projects. Using sector-specific wages would have required additional assumptions and risked overstating benefits.	• Attribution limited to businesses reporting the programme contributed “a lot” / “quite a lot”; so non-attributable changes were excluded. • Business attrition: 10% per year⁸ • Only benefits from new skills (Digital study group) or skills gained through training (Grants study group) were monetised.
Change in operational	All	Operational efficiency improvements were valued through two complementary mechanisms:	• Digital time savings: 8 hours/week for back-office tools, 4 hours/week for online presence tools.

⁵ Garcia-Lazaro, A., Mendez-Astudillo, J., Lattanzio, S., Larkin, C., & Newnes, L. (2025). *The digital skill premium: Evidence from job vacancy data*. Economics Letters, 250, 112294. <https://doi.org/10.1016/j.econlet.2025.112294>.

⁶ House of Commons Business, Energy and Industrial Strategy Committee. (2018). *Small businesses and productivity: Fifteenth report of session 2017–19* (HC 807). UK Parliament. <https://publications.parliament.uk/pa/cm201719/cmselect/cmbeis/807/80707.htm>

⁷ This data was provided in terms of full-time equivalents (FTEs). Employees were assumed to work 37.5 hours per week.

⁸ The business attrition rate is based on ONS data that business death rates for UK SMEs have been consistently in the range of 10-12% per year. See <https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/bulletins/businessdemography/latest>

Component	Relevant study groups	General approach	Key assumptions
efficiency and return on investment		1. Estimated time savings from digital tool adoption – calculated using survey data on the proportion of businesses adopting new digital tools, the assumed number of hours saved per week (based on peer reviewed literature),⁹ attribution (“a lot” / “quite a lot”), and average hourly wage. 2. Return on investment (ROI) – calculated using the value of grants and matched funding, multiplied by the assumed ROI on capital investment (based on a published study for the UK Government) and depreciated annually to account for diminishing returns.	• Attribution: 75% (“a lot”) and 50% (“quite a lot”) applied to both current and planned adopters. • ROI: 20% central, with a 14% lower bound and 40% upper bound. The central and lower-bound assumptions are based on a review of returns to R&D, which concluded that an average private return of around 20% was defensible.¹⁰ • Depreciation: 15% per year, consistent with the rate commonly assumed in the literature on returns to private knowledge.¹¹ • Business attrition: 10% per year
Change in energy efficiency	Decarb Grants	Energy efficiency savings were estimated using survey data on the share of businesses reporting reduced energy consumption and their scale of reduction. 1. Annual savings per business were calculated using average electricity and gas consumption by business size¹², multiplied by the unit cost of energy and the level of attribution to UKSPF support. 2. These savings were aggregated across business sizes and adjusted for expected business closures.	• Average annual energy consumption: 10,000–37,500 kWh (electricity) and 10,000–47,500 kWh (gas), varying by business size. • Energy prices: electricity 29–33p/kWh; gas 5–9p/kWh.¹³ • Attribution: 100% for “significant” increases in energy efficiency; 50% for “moderate” increases. • All businesses reportedly expecting further savings are assumed to realise them in the next two years. • Business attrition: 10% per year.
Savings from reduced	All	Estimated savings reflected the avoided cost of borrowing for businesses that received UKSPF grants instead of financing investments through commercial loans. The value of the grant	• Average loan term avoided: 4 years, based on SME loan products from a typical commercial bank.¹⁴

¹⁰ <https://www.frontier-economics.com/media/015adtpg/rate-of-return.pdf>

¹¹ <https://www.frontier-economics.com/media/015adtpg/rate-of-return.pdf>

¹² <https://www.gov.uk/government/statistical-data-sets/gas-and-electricity-prices-in-the-non-domestic-sector>

¹³ <https://www.gov.uk/government/statistical-data-sets/gas-and-electricity-prices-in-the-non-domestic-sector>

¹⁴ <https://www.natwest.com/business/loans-and-finance/small-business-loan.html>

Component	Relevant study groups	General approach	Key assumptions
interest payments required on loans		was multiplied by the assumed avoided interest rate and loan duration.	Interest rate avoided: 6%, consistent with SME new loan rates.¹⁵
Environmental			
Change in environmental outcomes	Decarb Grants	The value of reduced carbon emissions was estimated using survey data on the proportion of businesses reporting energy savings and the scale of those savings. 1. Annual CO₂e savings per business were calculated using assumptions on average energy consumption (electricity and gas), emissions factors, and attribution to the intervention. 2. Savings were multiplied by the DESNZ/BEIS forecast carbon price for each year to estimate the total monetised value of greenhouse gas emission reductions.¹⁶ 3. An additional component estimated expected future savings, assuming all businesses expecting further impacts fully realised them.	- Average energy consumption: 15,000–50,000 kWh (electricity) and 15,000–65,000 kWh (gas), depending on business size. - Emissions factor: 0.19 kg CO₂e/kWh (electricity) and 0.18 kg CO₂e/kWh (gas).¹⁷ - Carbon price: £37/tCO₂e (2024) rising to £91/tCO₂e (2032). - Attribution: 100% for reported 'significant' efficiency increases, 50% for reported 'moderate' increases. - All businesses reporting expecting further savings are assumed to realise them within two years. - Business attrition: 10% per year.
Employment			
Local employment impacts	All	Survey data on the share of businesses hiring or retaining staff was scaled up by the total number of businesses supported in each project. As survey respondents were drawn from later cohorts of support, these estimates may reflect outcomes under more mature delivery conditions. Employment impacts were monetised by multiplying	- Duration of temporary employment: 3 months. - Duration of retained employment: 2 years. - Duration of unemployment if not retained: 3 months.

¹⁵ <https://www.bankofengland.co.uk/statistics/visual-summaries/effective-interest-rates>

¹⁶ <https://www.gov.uk/government/collections/carbon-valuation--2>

¹⁷ <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024?>

Component	Relevant study groups	General approach	Key assumptions
		estimated number of staff who were additional or retained by average salaries (minimum wage) and adjusting for the assumed duration of temporary and retained employment. Minimum wage was used as a consistent and conservative proxy for salaries because comparable occupation- or sector-specific wage data were not available.	

Results

Descriptive statistics

OVERALL SAMPLE

A total of **415 businesses** responded to the post-intervention survey across the three study groups. Of these, **41%** had also completed a baseline survey, while the remaining **59%** participated in the post-intervention survey only and therefore reported retrospectively on their pre-support status. Figure 3 provides an overview of the number of respondents by study group, distinguishing between those who completed only the follow-up and those who completed both the baseline and follow-up surveys.

Across all respondents – i.e. those who completed only the follow-up survey and those who completed both the baseline and follow-up surveys - the digital study group had the largest sample (n = 211), followed by the grants group (n = 133) and the decarbonisation group (n = 71).

Among respondents in each study group, the proportion who completed the latter i.e. both the baseline and follow-up surveys vary: 46% of the digital study group, 43% of the decarbonisation study group, and 32% of the grants study group.

Looking within these study groups, the distribution between survey types also varies by respondent characteristics. Across most characteristics, respondents who completed only the follow-up survey make up the majority. This pattern is particularly pronounced within the Grants programme and is concentrated among smaller and earlier-stage businesses. For instance:

- Follow-up-only participation is especially high among sole traders (82%), businesses trading for up to two years (75%), and those without a formal business plan (over 70%).

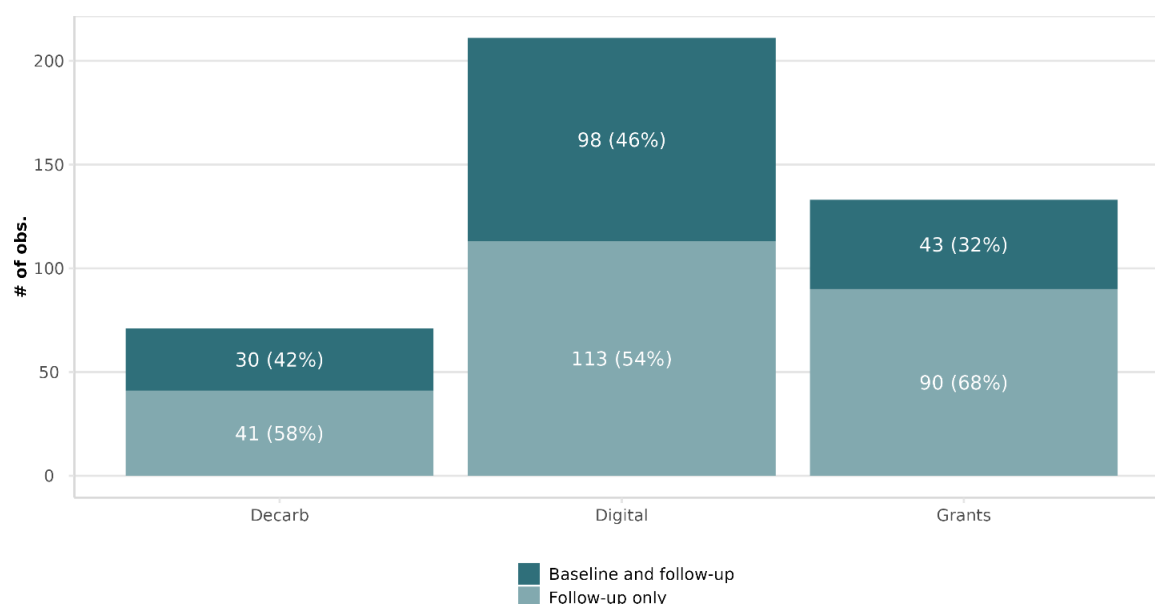
However, this pattern is not universal, and in some subgroups a slight majority completed both the baseline and follow-up surveys.

- For Digital, completion of both waves is slightly higher among businesses with one or more employees (55%), those with only an informal business plan (55%), and those trading in non-local markets (53%).

For Decarbonisation, a similar pattern is observed among businesses trading in non-local markets (52%), with the clearest contrast seen among those receiving more than three months of support, where a majority (67% completed both the baseline and follow-up surveys).

Across all study groups, most businesses described themselves as **already established and ready to grow or to scale (61%)**, while **17%** identified as start-ups. This is broadly consistent with their reported length of trading: **51%** of all businesses had been trading for more than five years, including **37%** that had been operating for ten or more years. Only **9%** had traded for less than 12 months, and **1%** had not yet started trading.

Figure 3 Sample sizes by study group and survey stage



Note: "Baseline and follow-up" corresponds to businesses that have completed the pre-stage and the post-stage surveys. "Follow-up-only" are respondents that only completed the post-stage survey.

Before applying to the project, across all study groups, the majority of businesses traded only locally as **64%** reported that their sales activity did not extend beyond their own region. Among these, **18%** sold only on their own premises, and a further **26%** reported that sales did not reach outside a 20-mile radius of their business location. Some traded more widely as **17%** reported customers outside their region but within the UK, and **18%** conducted sales overseas.

Most participating businesses were small enterprises, typically sole traders or micro-businesses. Prior to the intervention, **34%** reported having no employees and **23%** employed one or two people. Of the remaining businesses, **13%** had between two and nine employees and **10%** had more than nine employees (**18%** did not state their employment size).

BY STUDY GROUP

Digital study group (51% of respondents, n = 211):

This group had the highest share of respondents completing both survey stages (**46%**). Businesses tended to be younger and smaller relative to those in the other groups. **20%** classified themselves as start-ups and **44%** described themselves as established and ready to grow. Their trading history aligns with this profile: **34%** had been trading for five years or fewer, and only **9%** for more than twenty years. Digital participants were predominantly micro-businesses, with **45%** reporting no employees and **28%** employing one or two people, while only **7%** reported more than two employees.

Grants study group (32% of respondents, n = 133):

This group had the lowest proportion of respondents completing both survey stages (32%). Grants respondents tended to be more established than those in the digital group: 15% were start-ups, while 36% described themselves as established and ready to scale. Their trading history reflects this, with 39% having operated for more than ten years, including 22% trading for over twenty years. Employment sizes were also somewhat larger: 20% had between two and nine employees, and just over 12% had more than ten employees.

Decarbonisation study group (17% of respondents, n = 71):

In this group, 43% completed both baseline and follow-up surveys. The decarbonisation group contained the most mature businesses: only 10% identified as start-ups, while 31% reported being established and ready to scale. A notably high proportion (48%) had been trading for more than twenty years, the highest share of any group. Employment levels were also correspondingly higher, with 26% reporting more than ten employees and 8% reporting 50 or more.

Table 10 summarises the distribution of lifecycle stage and trading history across the three study groups, showing clear variation in business maturity and longevity.

Table 10 Self-reported trading history and lifecycle stage

Lifecycle	Decarbonisation	Digital	Grants	Total
A start-up	10%	20%	15%	17%
Established and ready to grow	28%	44%	29%	36%
Established and ready to scale the business	31%	16%	36%	25%
Established but facing challenges	15%	11%	13%	12%
Established with no plans for growth/scaling	13%	5%	5%	6%
Anticipating business closure in the next 2 to 3 years	0%	0.5%	0%	0.2%
Other	3%	4%	3%	4%
Years of trading	Decarbonisation	Digital	Grants	Total
Not yet started trading	1%	1%	2%	1%
Less than 12 months	3%	10%	11%	9%
1-2 years	10%	24%	12%	18%
3-5 years	6%	22%	25%	20%
6-10 years	14%	14%	15%	14%
11-20 years	18%	19%	14%	17%
More than 20 years	48%	9%	22%	20%

Note: Percentages may not sum to 100 due to rounding.

PRE-POST RESPONDENTS COMPARED TO RETROSPECTIVE RESPONDENTS

171 respondents completed both baseline and follow-up surveys (pre-post), and 244 respondents completed the combined modified survey (retrospective). These two respondent groups were broadly similar across key demographics.

Retrospective respondents were more likely than pre-post respondents to have one to two employees (25% compared with 17%) and three to four employees (12% compared with

6%). Overall, there were no fundamental differences in employee numbers between the two groups.

Table 11 Self-reported number of employees prior to support

	Pre-post	Retrospective
None	37%	34%
1 to 2	17%	25%
3 to 4	6%	12%
5 to 9	12%	7%
10 to 19	5%	4%
20 to 49	6%	3%
50 to 99	2%	1%
100 to 249	1%	2%
250+	0.5%	0%
Don't know/prefer not to say	15%	13%

Note: Percentages may not sum to 100 due to rounding.

In terms of turnover immediately prior to support beginning, retrospective respondents skewed a little towards a turnover of £250,000 or less (34% had a turnover of £1-£85,000 compared to 26% of pre-post, and 11% had a turnover of £85,001 - £250,000 compared to 5% of pre-post). However, they were also less likely to respond 'don't know or prefer not to say', which could account for the differences.

Table 12 Self-reported turnover prior to support

	Pre-post	Retrospective
No turnover	1%	0%
£1 - £85,000	26%	34%
£85,001 - £250,000	5%	11%
£250,001 - £500,000	7%	5%
£500,001 - £1,000,000	3%	4%
£1,000,001 - £2,000,000	2%	3%
£2,000,001 - £3,000,000	1%	1%
£3,000,001 - £4,000,000	0%	1%
£4,000,001 - £5,000,000	1%	0%
£5,000,000+	1%	3%
Have not had a full financial year	7%	5%
Don't know/prefer not to say	46%	32%

Note: Percentages may not sum to 100 due to rounding.

In terms of the geographical markets within which they traded prior to support beginning, the two groups were broadly aligned. The two groups also had similar make-ups in terms of business cycles, and in terms of whether their support had ended at the point of surveying (78% of pre-post said that it had ended vs 79% of retrospective).

In terms of the length of the support received, the main difference is that those in the pre-post group were more likely to say the support has lasted 6 to 12 months (21%, compared

to 10% for retrospective). However, overall, the proportions for which support lasted less than 6 months or more than 6 months were broadly similar.

Table 13 Self-reported length of support

	Pre-post	Retrospective
Just one interaction	14%	17%
A week	5%	2%
Up to a month	9%	14%
2 to 3 months	28%	31%
3 to 6 months	14%	14%
6 to 12 months	21%	10%
More than a year	5%	5%
Don't know	4%	6%

Note: Percentages may not sum to 100 due to rounding.

Additional detail on results presented in the main report

Key results were reported in [‘UKSPF intervention-level evaluation final findings report: support for local businesses’](#). This section provides further detail.

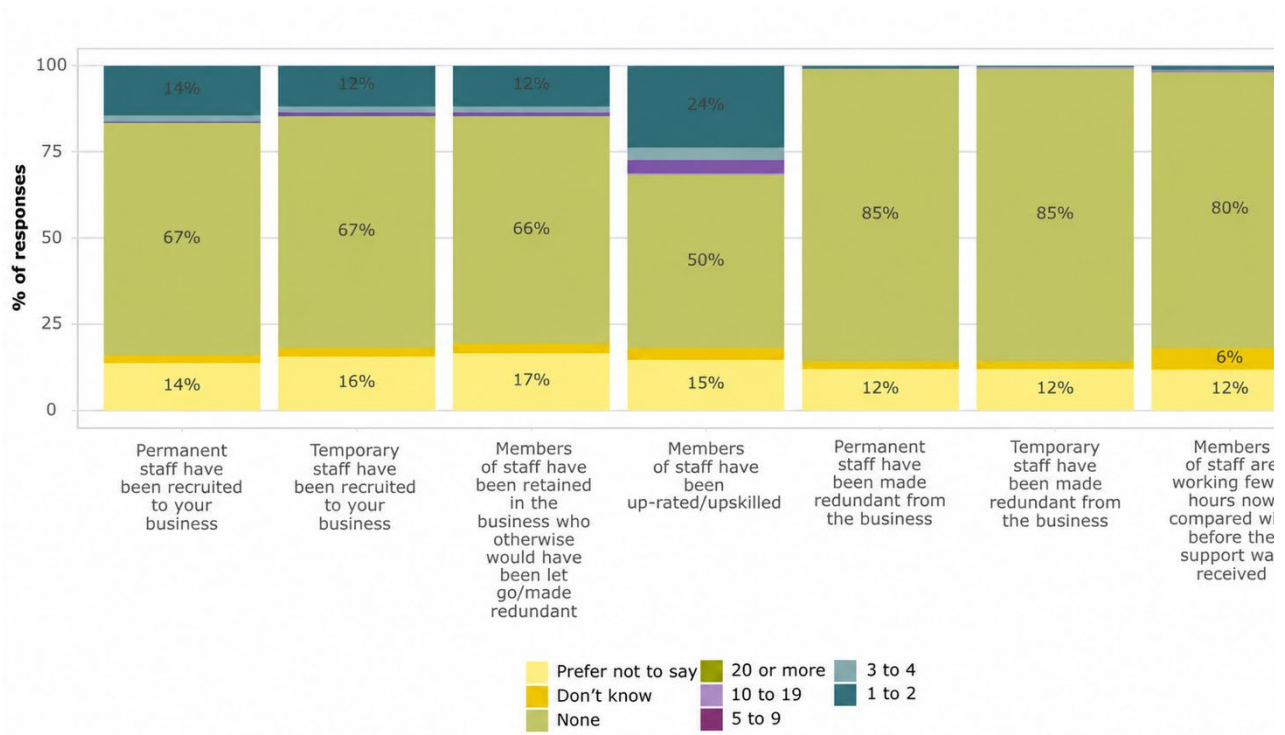
Employment and turnover effects

To complement the outcomes discussed in the main evaluation report, the survey captured the impacts of the projects on employment (Figure 4). The results indicate self-reported changes in employment: 16% of all businesses reported that they recruited additional permanent staff and 15% reported recruiting additional temporary staff. Safeguarding jobs was also evident as 15% of businesses reported retaining staff who otherwise would have been made redundant. About one third (33%) of businesses reported that members of staff have been upskilled.

Few businesses reported their employee levels declined: 1% of businesses reported that they had made permanent staff redundant, and 1% reported they had made temporary staff redundant. Just 2% of businesses stated that employees are now working fewer hours. More than half of all businesses (57%) reported an increase in turnover following the support received. However, attribution to the support varied, and not all reported changes can be directly linked to the intervention. Among those reporting growth, the scale of increase varied by study group, ranging from up to 10% for decarbonisation support, up to 25% for grant support, and between 20% and 50% for digital support.

Anticipated impacts on turnover and employment in the next 1-2 years were reported by businesses (see Figure 5). About two thirds (64%) anticipated a moderate or significant increase in turnover, and 35% expected their number of employees to grow. Only three businesses anticipated a moderate or significant decline in revenues and two businesses expected a reduction in staff numbers.

Figure 4 Employment impacts on the business following the support

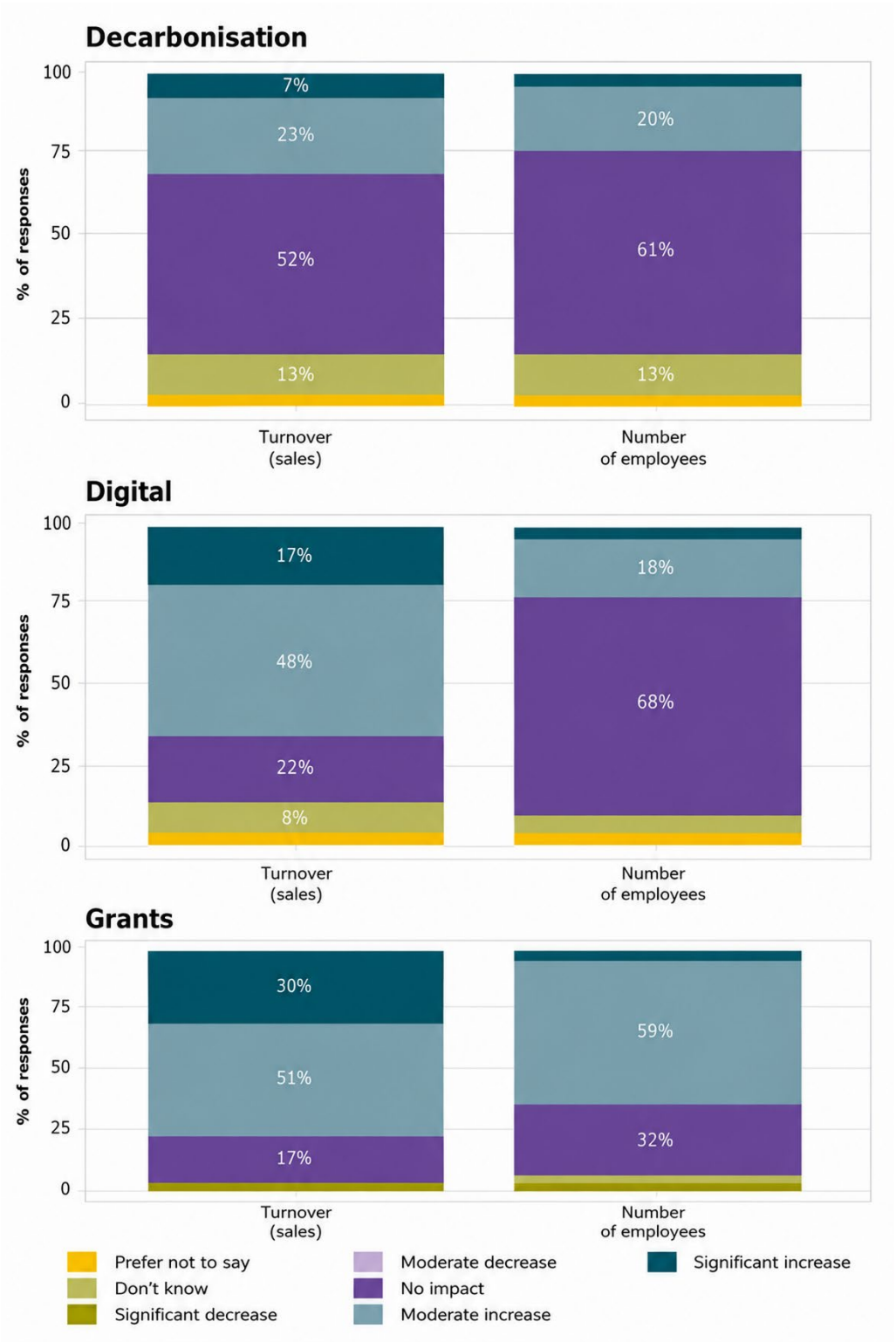


Note: n = 415

Grant investment

The distribution of grant sizes varies substantially across the three study groups, mainly because of the objectives and nature of support offered. Not all businesses in the digital group were offered a grant. Of those that were, survey respondents reported they typically received small grants of less than £1,000. Only one business in the digital study group reported they received a grant of £5,001-£10,000. In contrast, respondents in the grants and decarbonisation study groups received a wider spread of grant funding as for these projects, grants were a core part of the support offer, where eligibility conditions were met. For decarbonisation, the most frequently awarded grant size was £10,001- £20,000, reported to have been received by 32%; 42% received a grant of less than £10,000 and four businesses (12%) reported they had received more than £20,000. For the grants study group, the distribution was more even, where 46% received a grant of less than £5,000, 16% received grants in the range of £5,001-£20,000 and 18% received a grant of more than £20,000.

Figure 5 Expected turnover and employment impacts over the next 1-2 years by study group



Note: Categories such as “moderate” and “significant” increases are based on self-reported perceptions and are not directly comparable across businesses of different sizes (e.g. sole traders versus larger firms).

Figure 6 Amount of grant funding received

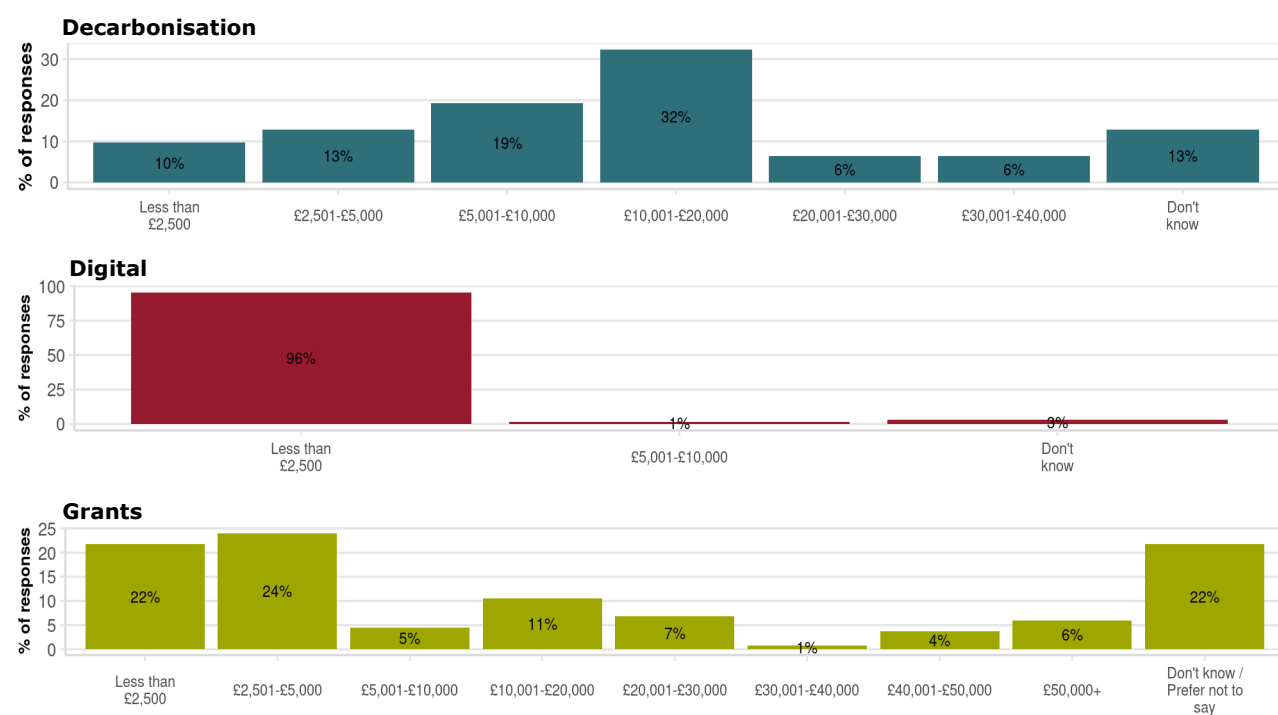
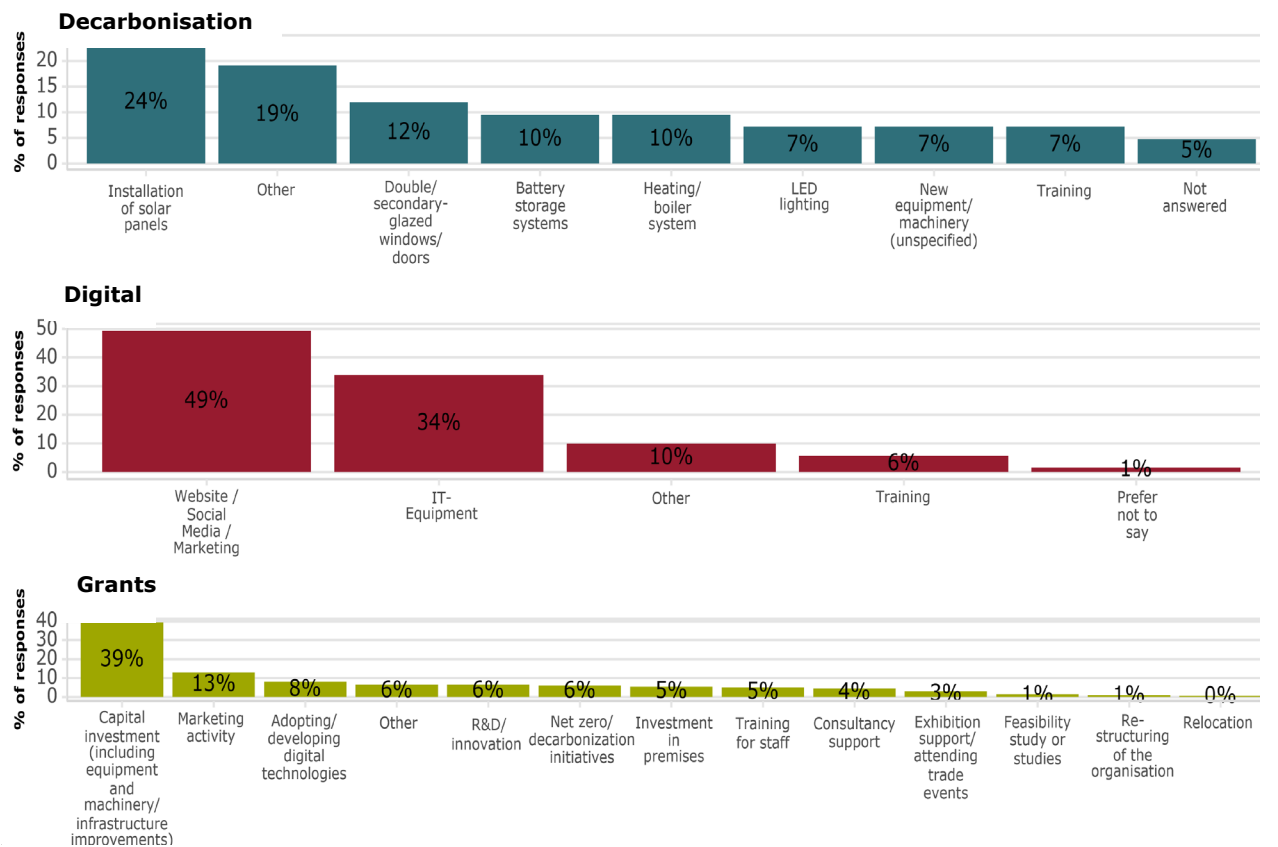


Figure 7 Investments made using grants



Note: Businesses could give multiple responses. Total no. of businesses receiving a grant: Decarbonisation 31, Digital 67, Grants 133.

Figure 7 provides an overview of what businesses reported they invested their grants in, shown across the investment categories. In the decarbonisation group, most respondents said they used their grant funding either for the installation of solar panels (24%) or to improve energy efficiency such as by investing in double or secondary glazed windows / doors (12%) or heating / boiler systems (10%). The digital group reported they primarily invested in their websites, social media or other marketing efforts (49%), followed by IT-equipment (34%). A small proportion of businesses (6%) used the grant to finance training. The grants study group invested in a wider range of assets, equipment and activities though capital investments were most popular including equipment and machinery and infrastructure improvements (39%). A smaller share of this study group used the grant for funding marketing activities (13%) or adopting / developing digital technologies (8%).

Value for money results

The value for money analysis suggests that the business support interventions are likely to have delivered at least acceptable, and in many cases high value for money overall. This reflects the range of measurable benefits observed across the three study groups, including improvements in productivity, energy efficiency, carbon reduction and local employment, alongside wider non-monetised benefits such as increased business confidence, innovation capacity and future investment.

The BCR estimates draw on the monetised outcome categories and assumptions set out in the methodology above (see Table 9), including productivity, environmental and local employment impacts, with benefits adjusted using survey-based attribution to reflect the proportion of outcomes attributable to the support, and scaled to the full population of supported businesses.

Estimated BCRs are presented separately for each study group in Table 14. These show variation in the pattern and scale of monetised benefits across digital, grants and decarbonisation support, reflecting differences in the types of outcomes generated by each form of support. Across all the interventions represented by the business support study groups, the average overall monetised BCR was 2.4, rising to 5.6 when local employment benefits are included (see Table 14). This means that every £1 of UKSPF funding generated £2.40 in monetised benefits, increasing to £5.60 when including local employment benefits.

Table 14 **Benefit-cost ratios by study group**

Study group	BCR excluding local employment	BCR including local employment
Digital	2.1	4.6
Decarbonisation	2.6	6.9
Grants	2.3	5.5
All	2.4	5.6

The BCRs reflect only the benefits that could be robustly monetised and for which care was taken to avoid double counting. The monetised benefit categories were productivity, environmental benefits and local employment. Other benefits have not been monetised but provide additional evidence that the interventions delivered wider value. These include turnover increases, innovation and product development, and confidence and readiness effects that may support future growth.

To avoid double counting, other benefits have not been monetised in the BCR but are below for reference as they add further evidence on how the outcomes were achieved in line with the Theory of Change and are therefore included in the contribution analysis. These are:

- Turnover increases were reported by an average of 57% of businesses (range of 30-81%) across study groups (not monetised because they cannot reliably be converted into estimated changes in profit/GVA).
- Innovation and product development appear to have been driven by improved digital capacity and capital investment. Around half (49%) of all businesses introduced new products, and among grant recipients 69% developed or launched new products or services.
- Confidence and readiness spillovers for smaller businesses are reported, which can generate cumulative growth impacts over time. Most (70%) grant recipients reported that the support increased their confidence “a lot” or “quite a lot”, and 61% of digital-support businesses reporting increased readiness to implement new technologies.

These estimates should be interpreted as indicative, as they are based on self-reported survey data and modelling assumptions in the absence of a counterfactual.

SENSITIVITY TESTING

Sensitivity testing was undertaken to assess the robustness of the overall VfM results to changes in key assumptions. This analysis focused on the aggregate model because the same core assumptions underpin the study-group estimates, including assumptions on business attrition, attribution weights, returns on investment, avoided borrowing costs, energy savings and employment durations. The sensitivity tests therefore provide an indication of the robustness of the VfM findings overall, rather than separate tests for each study group individually.

One-way sensitivity analysis was conducted by varying individual parameters to make them more conservative, while holding others constant (see Table 15). Most one-way tests have a relatively modest effect because they vary one modelling assumption at a time, while leaving the survey-derived scale of outcomes and other model inputs unchanged. In all cases, the BCR remains above 2, when excluding local employment, and above 4.5 when including local employment. Even when all of the most conservative assumptions in Table 15 are applied *together*, the BCRs remain above 1.5 and 3.5, respectively.

Several tests also relate to benefit components that account for only a small proportion of the aggregate results. The BCR excluding local employment is principally driven by operational-efficiency and investment-related benefits, while the higher employment-inclusive BCR is additionally driven by the estimated scale of local employment effects. The sensitivity results therefore demonstrate robustness to the specific assumptions tested, rather than to all sources of uncertainty.

Table 15 **Sensitivity testing**

Component	Relevant study groups	Scenario tested	BCR excluding local employment	BCR including local employment
Central case			2.37	5.58
Productivity				
Change in skills for participating businesses	Digital Grants	Skills premium reduced by 50%	2.33	5.54
Change in operational efficiency and return on investment	All	Digital time savings reduced by 50%	2.29	5.50
		Attribution: 75% → 50% ("a lot") and 50% → 25% ("quite a lot")	2.30	5.52
		ROI: 20% → 14% (lower bound)	2.21	5.42
		Annual decay in investment-related benefits: 15% → 25%	2.07	5.28
Savings from reduced interest payments required on loans	All	Average loan term avoided: 4 → 2 years	2.32	5.54
		Interest rate avoided: 6% → 3%	2.32	5.53
Environmental				
Change in energy efficiency Change in environmental outcomes	Decarb Grants	Attribution: 100% → 75% for "significant" increases in energy efficiency; 50% → 25% for "moderate" increases	2.36	5.58
Employment				
Local employment impacts	All	Duration of retained employment: 2 → 1 year	2.37	4.52
Multiple				
Multiple	All	Business attrition 10% → 15% per year	2.18	5.32

Response bias could not be adjusted for directly because there was insufficient information on the full population of supported businesses to derive survey weights. No

separate adjustment was applied solely because outcomes were self-reported; instead, the VfM analysis used businesses' reported attribution of outcomes to the support, alongside conservative modelling assumptions and sensitivity testing of key parameters.

Quality assurance statement

Quality assurance (QA) was a core part of the evaluation from inception through final reporting. Table 16 sets out the principles of the QA and how these were achieved.

Table 16: Quality assurance principles achieved

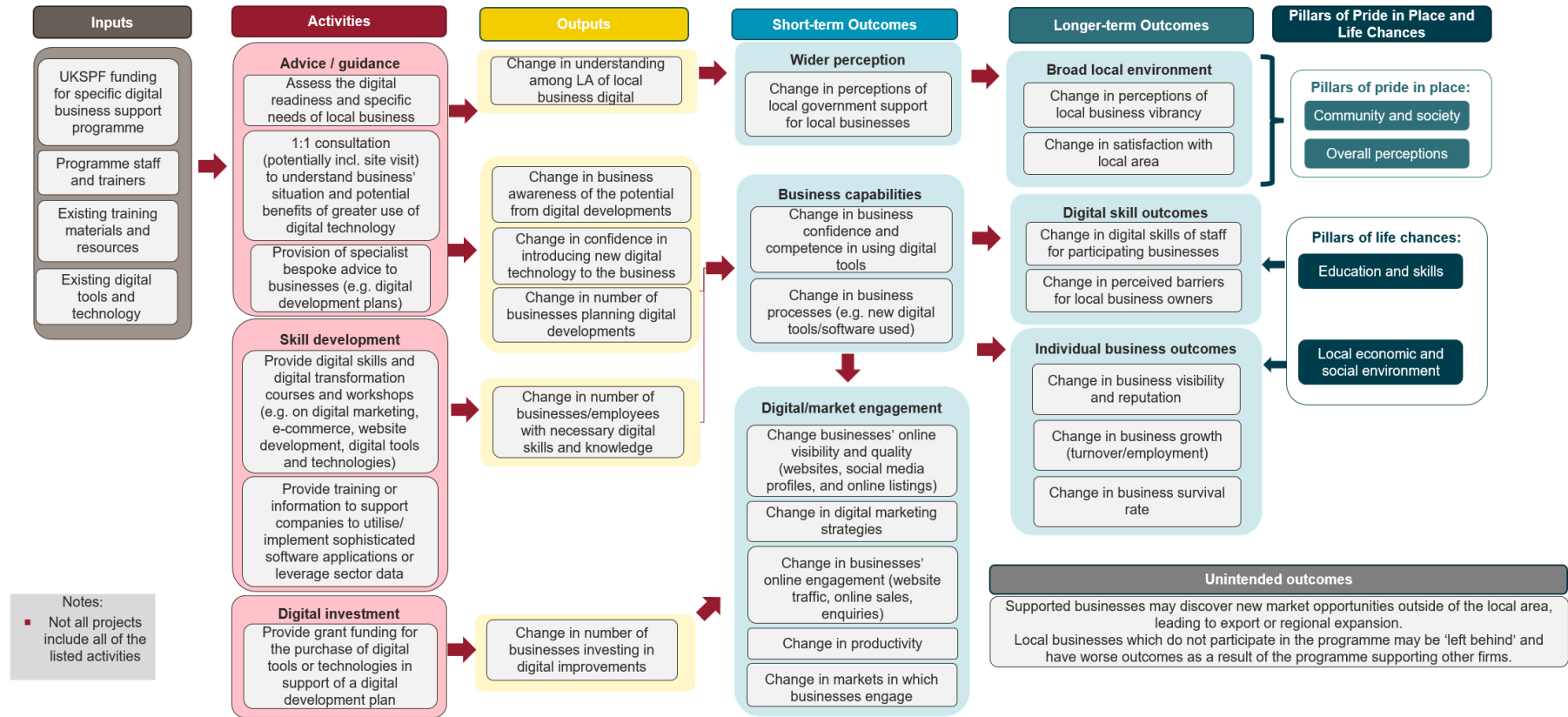
QA Principle	How it was achieved
Embedded at all stages of the analytical cycle	Quality assurance was integrated throughout the evaluation, from feasibility and design through implementation, interpretation and reporting. QA covered both conceptual checks (e.g. alignment with delivery experience and prior evidence) checking survey analysis and the assumptions and calculations used in the VfM modelling). This ensured issues identified at later stages could be fed back into earlier methodological choices where required.
Proportionate and tailored	QA was applied proportionately, reflecting the importance of each component to overall findings and the degree of uncertainty in the underlying data. Greater scrutiny focused on elements with the greatest potential to affect robustness or credibility, including project selection, survey design, econometric modelling and value for money analysis. More extensive sensitivity testing was undertaken where findings were particularly exposed to modelling assumptions, notably in VfM analysis.
Independent and objective	Review and challenge were provided by independent experts at a range of levels, within Frontier Economics and BMG Research, by MHCLG, by other departments such as DWP and DBT, and additional expert advisors from the Technical Advisory Group convened by MHCLG. This has included oversight and technical QA from Frontier staff outside the core delivery team, challenge from the UKSPF policy team and technical advisors, and targeted peer review from academic experts on specific methodological components such as econometric design and variable selection methods. Drawing on this breadth of expertise has helped ensure that the analysis was subject to different perspectives, and that key assumptions, methods and interpretations were tested objectively throughout the evaluation
Transparent and replicable	A core part of the approach was to work transparently with all stakeholders involved in the UKSPF intervention-level evaluation. All QA was supported by a clear decision-making trail through MHCLG and evaluation team methodology discussions, with slides and key discussion points recorded in each case and reported to MHCLG monthly. The evaluation team also maintained clear version control and detailed appendices to support the analysis. This has ensured that

	changes could be traced over time and that the basis for key judgements is transparent and, where required, replicated.
Robust to uncertainty	This work has been subject to many sources of uncertainty, including limitations in data availability, missing information, measurement issues, modelling assumptions, and attribution estimates. The contribution claim framework was adapted to expand pure theory-based evaluation to include quantitative econometric analysis which enhanced rigour, and no single evidence sources was relied on in isolation, which mitigated risks from uncertainties. A strength of the evidence framework was developed for testing the contribution claims specifically considered the likelihood of other drivers of impacts and the certainty with which conclusions can be made. Quantitative analysis and underlying code were subject to review by data scientists independent from the analytical team. Quantitative work was subject to QA on formulae, reasonableness of results, management of uncertainties and transparency in assumptions. Where findings were subject to particular limitations or uncertainty, the reports have made this clear, and evidence has been interpreted accordingly.
Validation, verification and communication	Validation, verification and communication were key elements of this intervention-level evaluation. Validation checks ensured that the methods, assumptions and outputs were appropriate to the evaluation questions and intended use, while verification checks ensured that the analysis was implemented correctly through technical review of code, calculations and data processing. For example, the Technical Advisory Group provided structured challenge in the feasibility stage and value for money models were tested with different assumptions. Ongoing and clear communication with MHCLG also formed an important part of the QA process, helping to ensure that limitations and caveats have been clearly explained and that findings are interpreted appropriately. For instance, pre-analysis plans for value for money were agreed with MHCLG. Co-interpretation sessions of the findings with Local Authorities verified findings and tested that the communication of the findings was fit for purpose.

Independence means a separation between the reviewer and the analyst which allows a "clean" review without preconceptions or influence from the analyst. It ensures unbiased evaluation by preventing conflicts of interest or cognitive blind spots from compromising the objectivity of the evaluation.

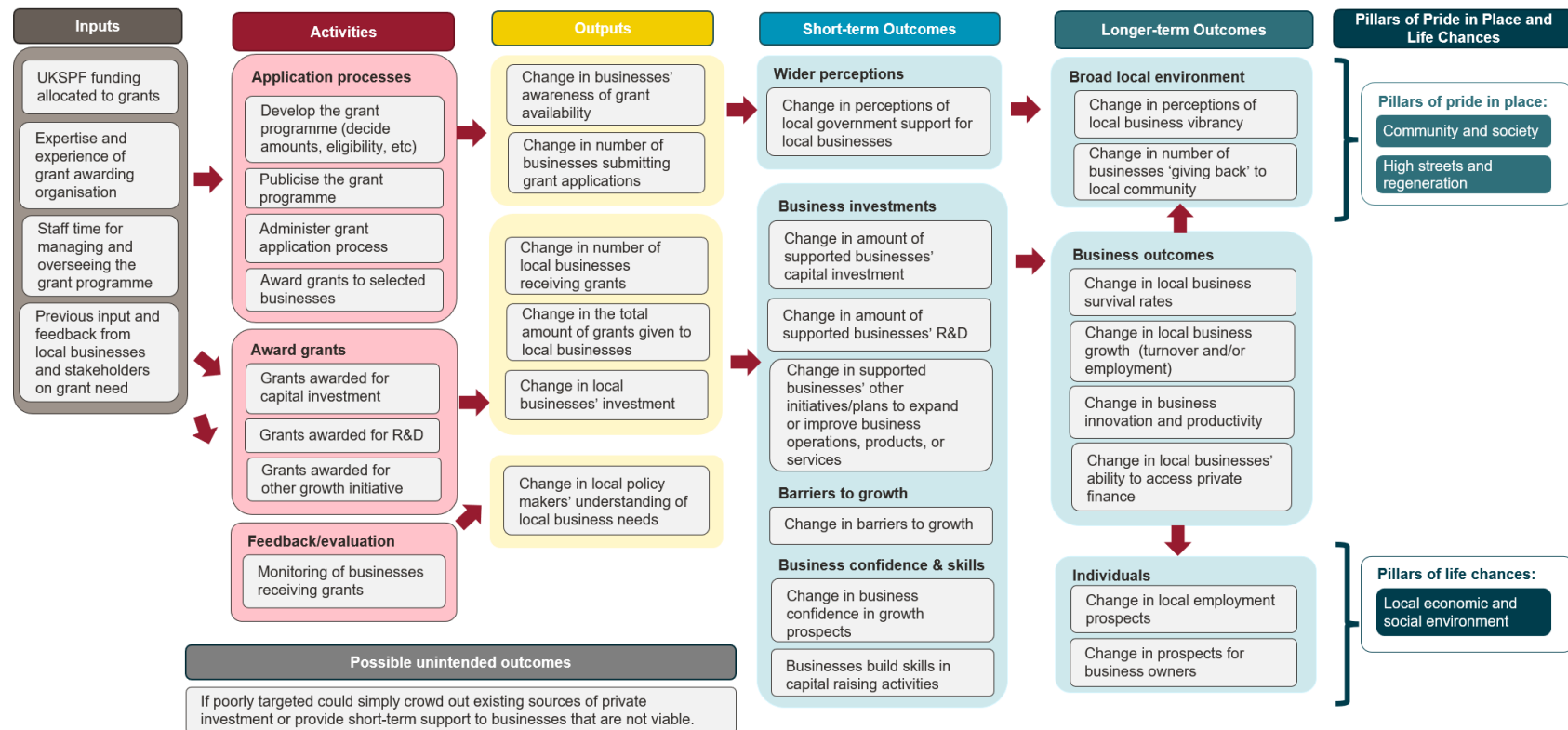
Theories of change

Figure 8 Projects to support the digital development of local businesses



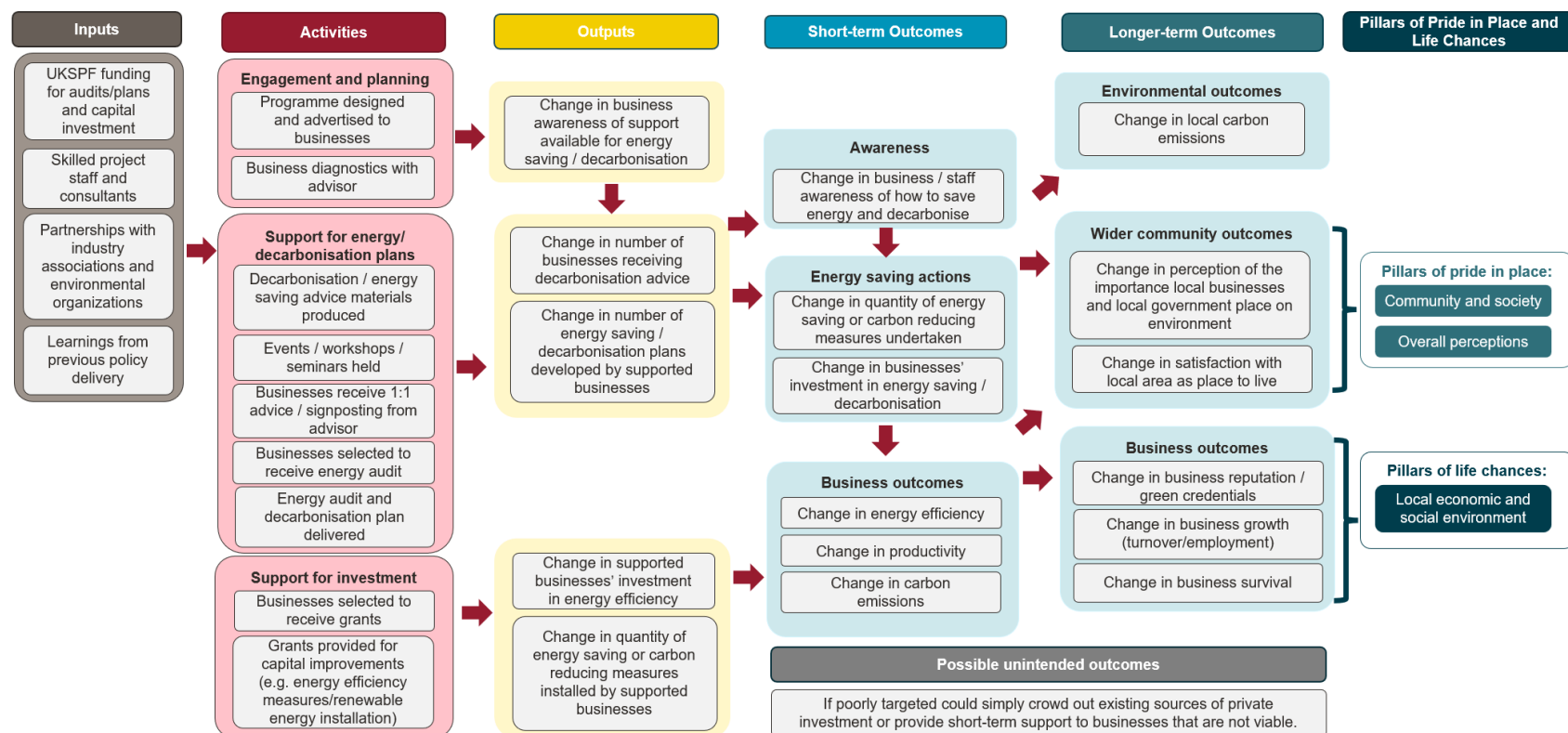
Note: The logic model reflects the entire study group and therefore picks up activities across different projects. Not all projects include all of the activities and lead to all of the outcomes outlined.

Figure 9 Projects providing grants to local businesses



Note: The logic model reflects the entire study group and therefore picks up activities across different projects. Not all projects include all of the activities and lead to all of the outcomes outlined.

Figure 10 Projects to support local businesses to decarbonise



Note: The logic model reflects the entire study group and therefore picks up activities across different projects. Not all projects include all of the activities and lead to all of the outcomes outlined.