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Evaluation of the GBSLEP Pivot & Prosper Grant Fund Programme

Summary

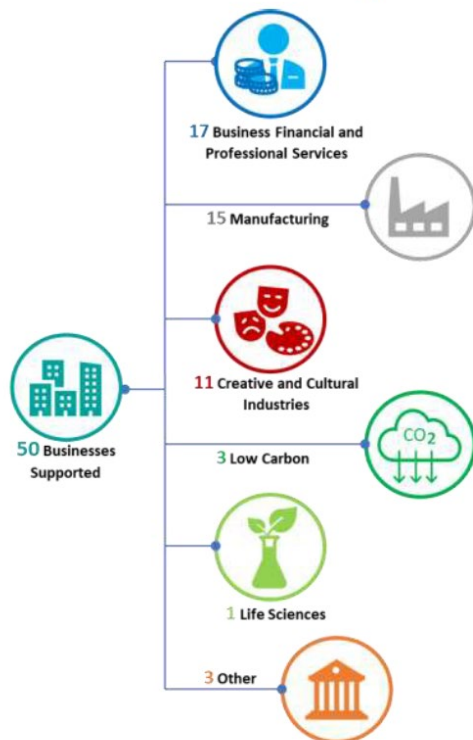
June 2021

This report is based on independent evaluation undertaken by WM REDI

Introduction

The Pivot & Prosper grant fund programme was aimed at helping businesses recover quickly from the COVID-19 crisis. It provided a grant for businesses that could evidence a clear plan for new ways of working, build resilience, increase employment and lead to growth in productivity and improved sustainability. 120 enquiries were received for the fund resulting in 74 full applications. 50 projects were funded with a total grant of £1,778,766 which was matched £1,410,461 in additional funding (44 percent which was more than 25 percent matching required). 2 businesses did not take up their offer.

Number of Businesses Supported



This summary is based on analysis of project documents and a small number of interviews with stakeholders. This report aims to pull out key learning from the implementation of the pilot to inform the development of a scaled provision along similar lines in the region. The main findings from the evaluation were:

Marketing and awareness

- The Pivot & Prosper grant scheme was launched on 18th June 2020 during the GBSLEP step forward campaign which started on 9th June and ran for seven weeks.
- The scheme's launch was timely. Businesses had progressed several stages in their response to COVID 19 during the period between March and July 2020 and were at the stage of being open to explore new business models and opportunities. GBSLEP partners communication channels were primed as a result of their increased interactions with businesses seeking advice and assistance (e.g. applications to local authorities for rates relief). Social media was particularly effective with target sectors.

Application process

- Applicants were able to make an informed decision about likelihood of success because eligibility criteria were clear.
- There was high conversion rate from expression of interests to applications reported by Growth Hub account managers. Time constraints meant the Growth Hub adopted a light touch approach to diagnostic reviews with applicants.
- The application process was considered relatively straight forward by applicants.
- There was praise for the support they had received by applicants in completing their application for both Growth Hub and GBSLEP staff with several specific references to individuals who had been particularly helpful in their queries
- Some applicants reported they were unable to develop a sufficiently detailed tender documents for goods and services they needed to obtain three quotes required or in some case a single supplier.
- We found evidence of companies drawing on professional advice in developing their application (e.g. use of accountant, Growth Hub).

- Applicants with previous experience of public sector tendering saw this as an advantage in answering some of questions on the wider economic and social benefits to their locality and regional economy.
- Applicants were able to outline their value proposition and could draw on the support of their account manager
- The application process helped businesses interviewed develop a better understanding of their project might work.
- Those that resubmitted and were successful stressed the importance of not being too technical and using plain English.
- The Grant Approval Panel reported the pre-scoring and due diligence completed before they met allowed them to focus on the applications around the cut off score and through discussion of these applications were able to refine their judgements and anchor their decisions.
- The success of the application process was due to a team effort between GBLEP and the Growth Hub

Analysis of applications

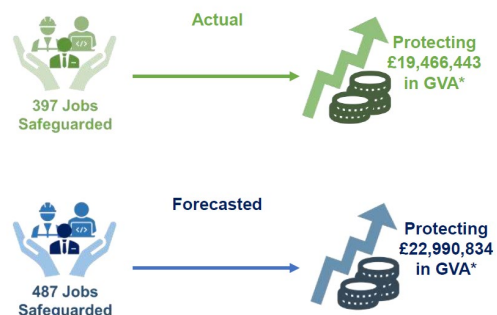
- The volume of applications varied by location reflecting: (a) local business demography with some areas having fewer eligible businesses in target sectors; and (b) overlapping LEP geographies resulting in competing programmes as was the case in North Worcestershire. Most applications included an element of digitalisation.
- Based on the applications submitted and approved, the Pivot & Prosper pilot will potentially safeguard 397 jobs and create 145 jobs. **When this is multiplied by average GVA per employee by sector results in £29.8m retained productivity in the region.** This represented a very favourable return on investment for business support schemes.

Location of Businesses Supported



Findings

- The scheme has clearly supported businesses in pivoting their business model. They have used the grants as intended to support everyday innovation including new products and services, developing, and implementing new business models and revisiting their value proposition. To support this, they were sourcing external advice, investing in training, and identifying new markets.
- The main impacts businesses reported were digitalisation, new products, improved skills, and growth. Over two thirds of the survey respondents reported both revenue and productivity growth.
- In terms of soft not easily quantified impacts Pivot & Prosper has resulted in firms having a new outlook and optimism and were able to test new ways of doing business.



- **To date the scheme has safeguarded 397 jobs and resulted in 108 new jobs which equate to retained £19.5m GVA.** Given the timing of the evaluation meant some businesses had still complete and report the outcomes of their project these figures indicate the pilot was very effective in achieving its intended outcomes. **In the absence of being able unable to undertake rigorous econometric modelling due to the absence of meaningful comparison group our estimates for cost per job are £3,552 and BCR of 10.9.** These figures are very favourable to typical BCRs for business support of 2.6 and innovation programmes of 7.2

Our Assessment of Pivot & Prosper

- Pivot & Prosper is example of locally designed intervention can be quickly developed and introduced. In less than 90 days, from when lockdown was announced on the 23rd March until 18th June GBSLEP conceived and implemented a totally new scheme and established new processes to manage it. To do so GBSLEP pivoted their own business plan and commitments to respond quickly and effectively to the needs of businesses in its area.
- The scheme has a sound economic rationale and clear aims that were readily understood by partners and applicants within the context of the pandemic. The scheme was well designed and executed.
- The scheme is usefully focused around supporting everyday innovation which is important for sustainable productivity growth.
- Based on our initial assessment based on actual and promised jobs safeguarded and new jobs created the scheme has provided value for money.

Future

- There are aspirations to scale up Pivot & Prosper scheme to support 1,000 firms across the three LEP West Midlands geography. This

might involve agents within the region that currently deliver voucher schemes to support business access advice and consultancy support such as Aston University, Birmingham City Council and Coventry University to provide the necessary delivery infrastructure and referrals. Assuming an average grant of £30,000 which is the midpoint of the £20,000 to £40,000 made available in the pilot a full-scale programme would provide £30 million in grants and draw in at least £7.5 million in matched funding based on 25 per cent matched funding requirement. (Source: Outline Business Case)

Recommendations

- Future variants of Pivot and Prosper scheme would benefit from an online system that provides notifications including receipt of application and submission of claims.
- GBSLEP considers variations of Pivot & Prosper to enable local firms to respond to specific challenges such as decarbonisation
- Pivot & Prosper maintains a focus on creating and securing good jobs as a precondition to retaining high level of grant assistance.
- GBSLEP secures permission from scheme participants for longitudinal tracking of their performance and their data to be linked to interdepartmental business register to allow the creation of a synthetic comparison group to fully understand longer term economic benefits of the pilot.
- Where possible GBSLEP should maintain the agility that it has demonstrated in designing and delivering Pivot & Prosper in future schemes and continue to draw on the expertise of its partners.

Disclaimer

The views expressed in this report are those of the authors and are not those of West Midlands Regional Economic Development Institute (WM REDI) or Greater Birmingham and Solihull Local Enterprise Partnership who commissioned the evaluation. WM REDI is funded by Research England.