

The Mighty Creatives

**The Bank of TMC - final
evaluation report**

November 2015



Backing great ideas



Evaluation Services

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1 Introduction

In May 2013 The Mighty Creatives (TMC) commissioned Cloud Chamber Limited (CCL) to conduct an independent evaluation of The Bank of TMC programme ('The Bank'). The programme, supported by the European Regional Development Fund (ERDF), was established to provide enterprise awareness and bespoke business start-up support to creative young people aged 16 to 25 years old living in Leicester City, and Oadby and Wigston¹. The programme began in May 2013 and ended in June 2015.

This report represents the final findings of the programme's independent evaluation representing the performance of the programme throughout its operating life.

The fieldwork for this evaluation has comprised:

- Individual interviews with all members of the programme's management team, as well as other managers in TMC, throughout the delivery period
- Individual interviews with eight key sub-contractors/delivery partners (including Creative Business Consultants)
- An analysis of programme data including finance, outputs and over 70 individual feedback forms
- Observation at three Boot Camps and two marketing/awareness-raising events
- Qualitative interviews with 12 participants

The evaluation framework for The Bank was built on a logic model structure – the high level logic model for the programme is set out overleaf (differences between the two delivery areas – Leicester City, and Oadby & Wigston – are highlighted where necessary). For the sake of simplicity, this report is structured using the same headings as the logic model, plus a final conclusions section. To avoid duplication, we have addressed both the programme's objectives and impacts together in a single section (Section 7).

We would like to thank all those who helped with the fieldwork for this report, especially the young people who participated in the programme.

The findings contained in this report are those of the evaluator.

¹ Technically, the two intervention areas were covered by separate ERDF programme contracts. This report considers them as a single programme, but highlights differences between the two areas/contracts where necessary. The scope of the programme expanded during its lifetime – see later in this report.

Figure 1-1: Programme logic model

Rationale	Objectives	Inputs	Activities	Outputs	Outcomes	Impact
<p>Low survival rates of businesses owned by young people</p> <p>Low levels of enterprise and economic activity among young people</p> <p>Untapped potential of social enterprise sector</p> <p>Barriers to accessing traditional sources of business support</p>	<p>Promote entrepreneurialism as a career prospect for young people</p> <p>Raise the start-up rates of new social and creative businesses amongst young people</p> <p>Increase the stock of creative and social businesses in the city</p> <p>Develop the city's cultural economy and wider creative and social business sector to achieve greater sustainability & extend innovation</p> <p>Connect & share skills, knowledge and growth in the sector</p> <p>Create jobs in most disadvantaged areas of the city</p> <p>Retain talented and enterprising young people in the city</p> <p>Increase capacity and sustainability of creative and social business in the city</p> <p>Secure private investment in creative and social enterprise start up activity by securing new funds, pooling resources and building partnerships</p> <p>Sustain the legacy of the project locally and regionally</p>	<p>Leicester: £341k ERDF £117k Other match £86k Private match TOTAL: £544k</p> <p>Oadby & Wigston: £180k ERDF £76k Other match £31k Private match TOTAL: £287k Plus in-kind support</p>	<p>Programme management:</p> <p>Oversight (Steering Group)</p> <p>Marketing & publicity</p> <p>Recruitment & selection</p> <p>Monitoring</p> <p>Sub-contractor management</p> <p>Business support:</p> <p>Boot camps</p> <p>Skills workshops and seminars</p> <p>Business coaching</p> <p>Investment (Cash Awards)</p>	<p>Leicester: 65 young people assisted to start a business 90 businesses assisted</p> <p>Oadby & Wigston: 24 young people assisted to start a business</p>	<p>Improved confidence, self-esteem and a sense of place in community based action</p> <p>Improved motivation and aspiration to start up a business</p> <p>Increased participation and engagement in employment</p> <p>Learning new entrepreneurial & enterprise skills and knowledge</p> <p>Increased awareness of rights and responsibilities of young people in business and enterprise</p> <p>Increased participation in decision making and in shaping service delivery</p> <p>Increased ability to acquire the resources to make change happen</p>	<p>Economic impact:</p> <p>Increase in GVA</p> <p>Positive change in start-up rates</p> <p>Positive change in business stock</p> <p>- Leicester:</p> <p>32 new businesses</p> <p>32 new jobs</p> <p>40 businesses improving performance</p> <p>- Oadby & Wigston:</p> <p>16 new businesses</p> <p>16 new social enterprises</p> <p>16 new jobs</p> <p>Sector impact:</p> <p>Better-developed creative and social business sector</p> <p>Organisational impact:</p> <p>TMC better-placed to support young entrepreneurs</p>

Source: Programme evaluation framework (original logic model – some targets were revised during the programme: see later in the report)

2 Rationale

2.1 Introduction

In this section, we briefly consider the extent to which the programme may have been affected by changes in the wider environment in which it operated.

2.2 Business growth

Up to date data for the survival rates of businesses owned by young people were not available, so we have used general local business growth as a proxy for understanding overall levels of entrepreneurship. Even this data is limited, as it currently runs to 2013. However, it does help to illustrate that the relatively flat business growth that characterised the period immediately following the severe economic downturn of 2008 to 2010 (and which helped to shape the current ERDF programme) had, to a great extent, been reversed by the end of 2013. Figure 2-1 shows the net rate of business growth (business births minus deaths) for the two local authorities covered by the programme, and for Leicester and Leicestershire Enterprise Partnership (LLEP) as a whole. While all three areas showed a strong net growth in business start-ups in 2013, it is noticeable that Leicester City and, to a greater extent, Oadby and Wigston, were not able to match the LLEP's overall performance.

Figure 2-1: Net rate of business growth in LLEP and programme areas, 2010-2013

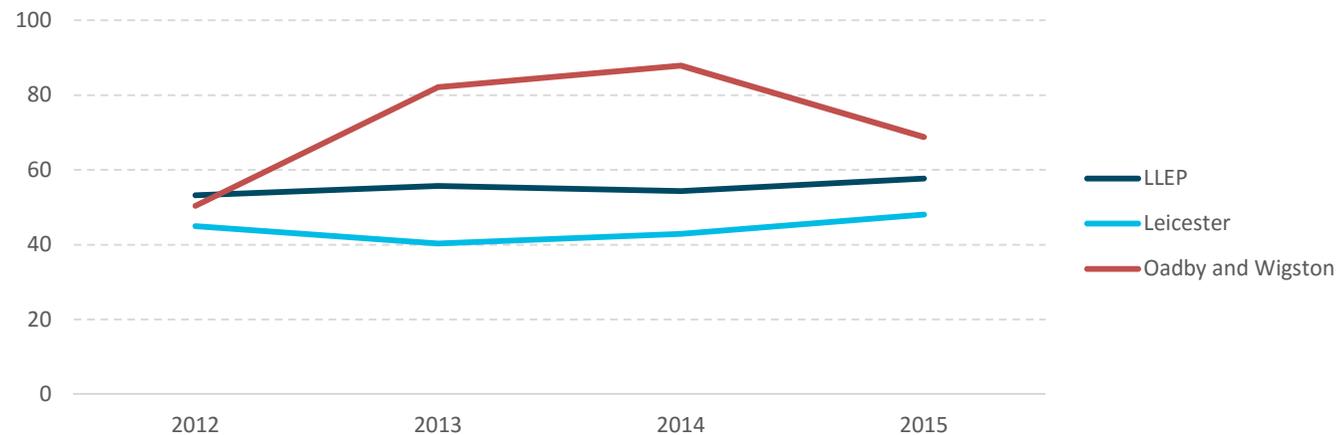


Source: Office for National Statistics

2.3 Economic activity among young people

Starting a business is recognised as one way in which people can overcome problems with finding employment and The Bank was, in part, created to provide an alternative route into economic activity for young people. Figure 2-2 shows the proportion of young people in employment from 2012 (the year before the programme began) to 2015. The data shows that employment among 18-24 year-olds in Leicester has tracked the same trajectory as the LEP as a whole, but the gap between the two has remained broadly similar throughout. The data for Oadby & Wigston is based on a small population survey, so the results may not be that accurate, but we include them for the sake of completeness.

Figure 2-2: Proportion of 18-24 year olds in employment, 2012-15



Source: Office for National Statistics (Annual Population Survey – March figures throughout)

2.4 Barriers to starting a business

Government policy towards supporting SMEs was last updated in December 2013 with the publication of Small Business: GREAT Ambition which set out a commitment to SME business growth. This was underpinned by more in-depth research into the enablers of SME growth, and barriers to

business development.² Importantly for The Bank, the research reinforced the importance of business support helping entrepreneurs and enterprises to overcome the following barriers:

- Developing the skills necessary to build and grow a business
- Promoting innovation
- Improving access to finance
- Supporting business owners in developing a vision for their business

We would not expect the business enterprise policy environment to change much as a result of the change in government in May 2015, which in any case occurred as the programme was ending.

2.5 The business support landscape

There have been few new developments in business support since The Bank began operating. Much of the provision at a local or sub-regional (LLEP) level is ERDF-funded and has been running for a similar time to The Bank. National initiatives remain broadly the same. However, the business support environment has matured since the significant changes it underwent in 2010 with the change in government, and what were then new ideas have now become more mature and mainstream (e.g. Start-up Loans, and the New Enterprise Allowance).

2.6 Programme implications

The data picture is not perfect, but it does suggest that the original rationale for the programme was valid at the time that it started and continued throughout its life: business creation and youth unemployment were both at a low ebb just before the programme begun and, while the trajectory was upward from that point, the programme's geographical areas struggled to keep pace with the wider sub-region suggesting that they required additional support.

² See our December 2013 report on Enterprise Research

3 Inputs

3.1 Introduction

In this section we provide a high level overview of the programme's funding – both ERDF and match. There is no detailed analysis of expenditure; rather the evidence is used to help demonstrate the volume of programme activity, and the extent to which it has met its match funding expectations.

3.2 Income and expenditure

Income and expenditure for the programme is set out in Figure 3-1 below. The programme achieved its expected match funding targets, and underspent by just £3k overall on its ERDF funding in Oadby and Wigston. Note that these figures are slightly different to those stated in the logic model as the funding was subject to reprofiling during the course of the programme.

Figure 3-1: Actual and budgeted expenditure (£000s)

Funding type	Oadby & Wigston		Leicester City	
	Actual	Budget	Actual	Budget
ERDF contribution	151	154	341	341
Match funding (all sources)	94	94	203	203

4 Activities

4.1 Introduction

In this section, we consider the quality and relevance of the programme's activities, from its management and sub-contracting arrangements through to the participants' satisfaction with the support they received. For the latter, we draw on our interviews with participants as well as information from the session feedback forms provided to us by the programme (Figure 4-1).

Figure 4-1: Feedback forms received

Activity (number of sessions)	Responses
Boot Camps (5)	25
Grant application support seminars (7)	21
Creative (peer) mentoring	6
Finance seminars (2)	6
Leadership seminars (2)	5
Marketing seminars (2)	5
Sales seminar (1)	2
Total	70

4.2 Programme management and organisation

Staffing

The Bank had some early challenges with keeping up with its administration due to the absence of a permanent member of staff to cover this role for the first six months of the programme's life. The recruitment of a Finance and Administration Officer in late 2013 improved the processes which, due to ERDF requirements, can be very labour-intensive and time-consuming. The administration of the ERDF funds was made more difficult by the

frequent change of ERDF contract manager at the Department for Communities and Local Government: the programme dealt with seven different contract managers over two years, and several periods where there was no person in post.

Delivery partner relations

The Bank's delivery partners have all been positive and enthusiastic about the programme and their involvement in it. This is despite the fact that, in some cases, they did not receive as much work as they had originally anticipated, or were contracted to deliver (delivery took place through subcontracting agreements with a number of different organisations and individuals). Some of the partners we interviewed remarked on occasional difficulties in agreeing and then implementing changes with TMC (e.g. in contracts or delivery), and a desire to understand more clearly the different roles and responsibilities of the two posts responsible for managing the programme which had occasionally led to confusion. To an extent, this reflects the nature of the programme, in that TMC wanted to make it flexible enough to adapt to demand and identify what worked.

Creative Business Consultants

One of the most significant changes to the programme's structure came in late 2013 with the recruitment of a cadre of Creative Business Consultants (CBCs). These independent consultants brought a wide range of experience from across the creative sector. In some cases, they were working with the more established delivery partners to run the Boot Camps; they also mentored young people and supported the grant application programmes. The CBCs were also involved in supporting existing businesses.

The CBCs were very enthusiastic about working with young people, and overall had a positive opinion about TMC and its objectives: "Really, really helpful people...TMC is very approachable and very young people-centric" (CBC). However, some CBCs expressed some disappointment that their introduction to the programme – which was characterised by team-building and a collaborative ethos – has not been followed through and that in practice they tended to work alone rather than as a collective programme. As with some of the other delivery partners, they also noted how their expected contribution to the programme had changed over time (for example, with a shift to supporting existing businesses).

4.3 Marketing and recruitment

While the output figures indicate a strong headline performance in terms of participation volumes (see Section 6), the programme's biggest challenge from the start was recruiting sufficient numbers of the right young people to the programme, i.e. those who were most likely to go on to start and grow a business. TMC recognises that more research might have been done to assess the demand for the programme at its development stage,

although reliable statistics in this area are very limited at the local level. TMC nevertheless made significant efforts to address the situation (see below).

The main challenges faced by the programme regarding marketing and recruitment were as follows:

- **Targeting and engaging young people is hard:** there is no single good marketing route to young people. They use many different ways of accessing information, both 'physically' and online. For example, the participants we spoke to had found out about The Bank from a range of different sources including Twitter; referrals from other business support services (e.g. Prince's Trust); attendance at careers fairs and other networking events with a TMC presence; and a leaflet from a university tutor. The Bank tried a range of direct routes to young people, including online and via social media, and to their parents through the local press. It also staged specific events to try and attract young people. These had varying levels of success
- **Identifying those with a real desire to start a business, or a good business idea, is even more difficult:** entrepreneurs, especially young entrepreneurs, do not always self-identify as such. Picking out and targeting young people with the desire and aptitude to start their own business is an imprecise science – even more so in socially and economically disadvantaged communities. Broadening the programme's intake to include more young people, but without that initial spark of an interest in enterprise, risked fundamentally altering the focus of The Bank. Early attempts to do this (for example in association with Juniper Training, an event that we observed) were not successful: the programme's materials were not suited to the audience
- **The Bank's unique offer was a challenge to differentiate:** while The Bank certainly offered business support with a different perspective to other more mainstream providers like the Prince's Trust, that difference was quite hard to articulate through its marketing and messaging
- **The Bank did not have strong brand awareness:** TMC consultees acknowledged that The Bank's brand was not easy to differentiate from TMC more generally, and in the early stages in particular did not really have the feel of a young person's initiative. Participants we spoke to referred to TMC more frequently as the source of their business support than 'The Bank', and the two seemed interchangeable in their minds
- **The Bank did not have a very high profile with local 'feeder' websites:** while the programme team gradually (and successfully) built relationships with potential referral and partner organisations, it was not particularly well linked to from other business support sites
- **Demand for the service was unknown:** as mentioned already, it was very difficult to know how many young people were in the programme areas who wanted and needed the support that The Bank offered. Several delivery partners commented that they thought the programme's performance targets were over-ambitious in terms of participation volumes.

4.4 Appropriateness, relevance and quality of programme activities

The programme delivered a range of different activities over its lifetime, the main ones being the following:

- **Boot Camps:** two-day introductory workshops for young people providing an overview of starting a business
- **Business support seminars:** more detailed seminars, each focusing on a particular aspect of business support, e.g. leadership, finance, marketing and sales
- **CBC mentoring:** one-to-one business mentoring provided by a CBC with the agenda set by the young person
- **Grants for young start-ups:** a business development grant of up to £5,000, subject to a successful application and pitch
- **Grant application workshops:** specific support to help applicants apply for the young start-up grant scheme
- **Grants for established businesses:** the Grow Grant Scheme, which ran for the final six months of the programme, extended support via small grant provision (£550-£1,650) to creative businesses working with children and young people in Leicester City (i.e. not directly to young people)

Participants and delivery partners agreed that the activities provided by The Bank were broadly the right ones to support young people interested in starting and growing their businesses. Delivery partners noted that The Bank provided a similar mix of services to other successful enterprise and business support schemes (e.g. access to grant finance; mentoring; marketing, business finance and planning seminars, etc.). We would agree, based on our wider knowledge of the business support sector.

The young people who took part in the programme were very satisfied with the experience. This is borne out by the feedback forms from individual programme sessions, as well as our interviews with participants.

Figure 4-2 shows the average scores from the feedback forms for three indicators of delivery quality. The statements are rated on a scale of 1 to 4, with 4 being the highest mark possible (“Excellent”); in all three criteria, no activity received a score of less than 3 (“Good”) from a participant.

“It’s a good introduction to business for someone who has an idea... and needs access to a flexible package of support that they can determine themselves”

“The offer is right”

“The programme worked well; it was well-designed”

Delivery partners

Figure 4-2: Feedback scores on standard of delivery (n=70)

Activity	Usefulness of content	Standard of facilitation/speakers	Standard of venue/catering
Boot Camps	3.7	3.8	3.7
Grant application seminars	3.8	4.0	3.9
Leadership seminars	3.6	3.8	3.8
Finance seminars	4.0	4.0	3.8
Marketing seminars	3.6	3.6	3.8
Sales seminars	4.0	4.0	4.0

Source: participant feedback forms

Participants also commented positively about the style of delivery, as the quotes below illustrate. While they found it quite hard to articulate, many seemed to recognise that The Bank offered business support in a slightly different way to other providers; one which recognised the subtly different needs of creative people and their businesses.

“I’m a creative, visual learner; it was really helpful to visualise the business. When you say something it can sound really boring, but when you draw it, it puts things into perspective”

“The visual material helped with my dyslexia”

“I’m hearing the same things [about business start-up] but The Bank delivers it from a different angle”

“Coming to an organisation that is open about creative businesses is really important; others close their doors”

“Traditional business support didn’t understand my idea. TMC have absolutely helped me and they’re really nice people as well”

Participants

4.5 Feedback on specific activities

We comment below on specific feedback received about the main programme activities.

Boot Camps

While the Boot Camps were affected by low turnout and attendance, the feedback from the participants was positive. The Boot Camp was recognised for what it was – an introduction to business and enterprise. Few of the participants we spoke to found all of the information on offer new (as Section 6 illustrates, many had sought business support elsewhere); but that does not appear to have impacted negatively on their experience.

Reflecting their various different starting points on the road to starting a business, participants differed in what they found most useful from the Boot Camps. In the feedback forms, several mentioned the information on business structures, legalities, and the introduction to finance and tax as having been particularly useful. As many participants had received some business support elsewhere before, there tended to be some elements that weren't entirely new to them, although they often appreciated hearing the advice delivered slightly differently.

There was only one major improvement that was suggested by one or two participants, and that was to put the sessions on at times more convenient to those who were full time students or working (i.e. evenings and weekend).

“The Boot Camp has been a reality check; the information has been a bit overwhelming but there are a lot of supportive people around to help and advise”

“They understand that we’re really new to business...they take time to listen and answer”

“I learned how your business plan has to be detailed...you can’t just come up with an idea and think it’s going to happen”

“It gives you a breadth of understanding about how a business works and all the thinking you have to do behind that”

“I feel that I’ve gained knowledge and materials that have helped me”

“Sessions have been good; nice variety of speakers”

“This has been a great session. I have learned so much that is relevant to my business, and business in general”

Participants

Mentoring

The positive impact of mentoring on young people in general, and in the sphere of business support, is well-researched and recognised. The evidence from The Bank's participating mentors (CBCs) and mentees reflects this. Feedback from young people was uniformly positive. They particularly valued the following from their mentors:

- Offering emotional support, strengthening personal confidence and determination
- Providing structures and techniques for business planning
- Giving access to their personal contacts and networks to source more specialist advice and support
- Making space for them to consider the creative aspects of their business ideas

The CBC mentors also found the experience very rewarding, and appear to have provided more support in practice than was required under their contracts. This reflects the CBCs' commitment to supporting young people in business. They also recognised that good business support needed to include the development of skills, and the encouragement of collaboration within a seminar environment (like the Boot Camp) alongside any one-to-one support like mentoring.

"It's lovely to talk to people who are ahead of you in terms of experience. It's good for morale, I felt boosted...it's been more important than business support"

"[Boot Camp] was focused on business; mentoring has been a lot more about creativity"

"My mentor worked hard to understand the [product] concept for the purposes of financial planning"

"{My mentor has provided] advice for life, not just advice for the business"

"[My mentor] helped me a huge amount"

"[My mentor] gave me quick feedback so I could move forward"

Mentees

"I've seen [my mentees] transform within a year"

"We're harnessing something in creativity and finding a way of expressing it through business...it's like a chemical experiment"

"I've massively exceeded my hours with all of [my mentees]"

Mentors

Specialist seminars

We did not interview participants about their experience of the various specialist seminars put on by The Bank, so we are reliant on their (limited) written feedback. Participants said that they found the following of most use:

- Leadership: understanding leadership styles and what it takes to become a good leader
- Finance: a useful introduction to tax, cashflow, invoicing and pricing
- Marketing and sales: the importance of marketing, having a plan, the marketing mix

Grants to young start-ups

Awareness of The Bank's grant scheme was very high among the participants we spoke to, even those who were not considering applying. The pre-panel seminars were thought to be very helpful in preparing the applicants for the grant panel interviews. Across the 7 seminars where we have feedback forms, more than half (12/21) of participants expected to apply for grant funding within the month.

Participants did not regard the panel process as particularly stressful. This appears to be because the young people were well-prepared (from the seminars) and because the atmosphere in the room was relaxed and welcoming. Nevertheless, one CBC panel member was keen to stress that the panel took the grant application procedure very seriously: "For a young person, £10,000 [including the £5,000 match] is a lot of responsibility...it's not something I would ever consider lightly."

The majority of participants we spoke to who had not decided to take up the offer of a grant explained that their business ideas were not sufficiently well-formed to require funding, or that they had no immediate need for finance.

Panel session:

"The pitch was not as scary as I thought it would be"

"I've learned quite a lot about pitching myself to funders"

Grant seminar:

"fantastic information explained very well and friendly"

"the help was great and I gained a lot with the support"

"all very useful, easily digestible, thanks so much!"

Participants

"[The panels] are quite intense days for everyone, but thoroughly rewarding and exciting"

Panel member

Grow grants

The Grow Grants Scheme was launched in late 2014 (launched in November and fully operational in December) and covered the Leicester City programme area only. The intention was to increase the number of businesses supported by the programme before it ended in 2015. Given the difficulties of generating interest within the target group initially identified by The Bank (i.e. 16-25 year-olds with a business or business idea) this grant scheme had a broader entry criteria, namely that a supported business “makes a difference to local communities and specifically children, young people and their families in Leicester City”. Businesses also had to be in particular target sectors, and in practice the vast majority came from the creative and digital industries, which is where The Bank’s (and TMC’s) expertise lay. The match funding requirement was also lowered to 45% (compared to 50% in the young start-up grant scheme) to encourage take-up.

The process, which was run by CBCs on behalf of The Bank, was designed to be very light touch, with a streamlined process (e.g. no Expression of Interest stage; applications submitted online; decision-making panel also operated remotely). The total amount available was not great (less than £100,000), but the intention was that the finance would help businesses to grow in some way.

We have not interviewed any applicants, but we did speak to one of the CBCs involved in running the scheme and we have had access to all of the scheme’s documents. The scheme appears to have run very speedily and smoothly. Speed was important given the impending end of the programme as a whole, and the desire to reduce the administrative burden on applicants. Some applicants required support, or needed to answer queries about their applications, to ensure that applications were of sufficient quality and met the entry criteria; but on the whole they were of a good standard and the majority were approved within days. Working with established businesses helped to ensure a smooth process, as many had been through previous attempts to raise money for their activities. The CBC noted that the scheme’s design and operation was helped by the lessons learned from The Bank’s other grant scheme: “it was almost action research”. Applicants said that they found the scheme helpful in a business support environment where grants were very hard to come by: “a small amount can make a really big difference”. The CBC also noted that the grant process linked applicants to the CBC network, which enabled them to get the benefit of broader business support.

5 Outputs

5.1 Introduction

In this section, we review the programme's performance against its ERDF output targets, and consider its delivery volumes to date.

5.2 Delivery volumes

The total number of core programme events³ delivered to date is set out in Figure 5-1 below. There were no specified delivery output targets for the programme. In addition to the core events, The Bank also organised other activities, including a 'music for business' workshop; public events to generate interest in the programme; and showcases of supported individuals and businesses.

Figure 5-1: Programme events held

Event	Number
Boot Camps	9
Grant Panel Day	4
Finance Seminar	2
Leadership & Management Seminar	2
Marketing & Communications Seminar	3
Grant Application Support Seminar	9

Source: programme data

The challenges of recruiting young people to the programme inevitably had a negative impact on these events, both in terms of the number that were put on and the number of young people attending those that took place. Attendance at the Boot Camps, for example, was highly variable, including between the two days of an individual Boot Camp. Programme data indicates that the following events had to be cancelled or re-arranged due to low attendance or lack of interest:

- At least eight Boot Camps

³ i.e. delivery of business support; does not include marketing events

- Four specialist seminars
- Three Grant Panels
- Three grant support seminars

As noted previously, this had implications for the delivery partners in terms of their expected contribution, and is also likely to negatively affect the ultimate impact of the programme. For some participants, the low numbers attending seminars had something of a negative impact on their overall experience (less energy in the room, fewer people to discuss their ideas and challenges with), although peer-to-peer learning was not raised by young people as a particularly important aspect of the programme.

5.3 Participant numbers

Despite the recruitment challenges, The Bank has exceeded its target⁴ number of people assisted in starting a business in both programme areas (Figure 5-2). This has been achieved in particular by working in partnership with other organisations, such as the National Citizenship Service (NCS), to supplement the relatively low numbers going through the ‘core’ of the programme (TMC-organised seminars, Boot Camps, and Grant Panels).

The number of business assists (a Leicester City output requirement only) ended below target, but was a much improved figure since the interim evaluation report published in October 2014, when only five assists had been claimed. The Grow grants scheme in particular has helped to ensure a much healthier end-of-programme figure for business assists.

Figure 5-2: Numbers of business assists and people assisted in starting a business (ERDF definitions)

Oadby & Wigston	Total	Revised target	Variance
People assisted to start a business	63	49	+14
Leicester City			
Businesses assisted to improve performance	77	90	-13
People assisted to start a business	240	234	+6

Source: programme data; no business assist targets exist for Oadby & Wigston

⁴ Target figures were revised with the agreement of DCLG during the course of the programme; we only comment on performance against the final revised targets.

5.4 Individual participant characteristics

Figure 5-3 shows the number of young people who expressed an interest in joining the programme (e.g. by completing an expression of interest form at a marketing or networking event), and The Bank's participants, to the end of September 2014⁵. The conversion rate shows the ratio of those interested to those who actually took part. While a rather crude measure, it does help to demonstrate how many young people the programme had to engage and interest in order to turn some into participants, especially in Oadby & Wigston. It is also interesting to note that the Leicester City element of the programme had a disproportionately high number of women attend – nearly three-quarters of the participants.

Figure 5-3: Participant volumes, gender and conversion rate

Project	Expressions of interest		Participants		Conversion rate
	Number	Male/Female (%)	Number	Male/Female (%)	
Leicester City	287	56/44	108	26/74	38%
Oadby & Wigston	81	54/46	5	60/40	6%

Source: programme data

Figure 5-4 shows the ethnicity of the young people who expressed an interest in The Bank (data on the ethnicity of participants was not available). It indicates that the programme successfully generated interest across the ethnic groups most represented in the target areas. For example, the proportion under 25s who are Asian according to the 2011 Census was 38% in Leicester City and 27% in Oadby & Wigston.

Figure 5-4: Ethnicity of young people expressing an interest

Category	Leicester City (n=239)	Oadby & Wigston (n=68)
White	47%	38%
Asian	28%	37%
Black	20%	13%
Chinese	1%	4%
Mixed	4%	7%

Source: programme data

⁵ This analysis was not repeated in 2015, but the bulk of programme delivery (excluding the Grow grant) had been completed at the time of the original analysis

From our interviews with, and observation of, The Bank's participants, we have noted the following additional characteristics about the participants:

- **Their business ideas were highly varied:** there was no 'typical' enterprise or business idea for the programme. Among others, we saw young people interested in making music, producing films, writing computer games, designing clothes, and running theatre companies. The range was considerable, while also broadly fitting the 'creative' banner under which the programme operated. We regard this as a positive, and a sign that the programme could attract young people with many different business ideas. It also had the potential to pose delivery challenges because support needs were likely to differ considerably from one enterprise to the next. But in practice this was not a problem: first, because many participants were at a very early stage in their thinking when generic business advice was suitable (e.g. legal structures, finance, marketing plans, etc. via the Boot Camps and seminars); and, second, their ongoing development could be supported in a more specific and individual fashion by the CBCs with their experience of various business sectors.
- **They regularly accessed other business support:** all the young people we interviewed had sought, or accessed, business support from a range of other services and providers. The most frequently cited were the Prince's Trust and the Young Arts Entrepreneurs scheme at the Curve Theatre. Other participants were getting support from their educational institutions, such as De Montfort University or the Peter Jones Enterprise Academy in Leicester. There are a number of implications as a result:
 - It highlights the many competing services that were offering business support to young people, albeit without the creative focus that The Bank provides
 - It reinforced the need for The Bank to establish and maintain connections with these other services as they can be good referral agencies
 - It meant that young people interested in business were well-placed to compare the quality of The Bank's provision with others operating in the same space
- **They had other commitments:** The majority of participants we spoke to had other major commitments in their life, especially around completing their education and finding work that would provide an income while they developed their own business ideas. These were likely to have implications for the speed with which their businesses would be created and could grow, with obvious implications for the programme's ability to meet its impact targets. Their other commitments suggest that the programme might have been more flexible about when seminars and Boot Camps were available during the day/week.

5.5 Grow Grant

Applicants

While the applicants for the Grow grant were representatives of businesses (rather than the direct beneficiaries), we note here their characteristics by way of comparison with the rest of the programme. The scheme supported more women than men (58/42) and there was a lot less ethnic diversity compared to the rest of the programme (83% were White English or White Other). Three quarters of applicants had at least a degree as their education qualification (21% had GCSE). Nearly all of the applicants (92%) had heard of the scheme by word of mouth, possibly reflecting the extent of the programme's networking potential towards the end of its operating life.

Businesses

The scheme disbursed a total of £34,000 in grant funds. With a required 45% match funding, the total investment of the scheme was £62,000. The average grant contribution was £1,411, and the lowest amount claimed was £632. More than half (54%) of applicants received the maximum allowable grant or something very close to it (within £30 of the maximum £1650).

We have information for the 24 successful applicants. They comprised similar proportions of charities, Community Interest Companies and Companies Limited by Guarantee (39%); private companies (26%); and sole traders (35%). Reflecting the entry criteria, the businesses had a strong focus on young people and the creative industries. The applicants operated in the following broad sectors:

- Art (festivals, workshops)
- Creative media (digital media, photography)
- Dance
- Entertainment (comedian, performance artist, poet)
- Music (tuition, singer/songwriter)
- Theatre production
- Other (start-up support, education enrichment)

The grant has been used for a variety of purposes, from engaging specialist professionals (e.g. marketers, scriptwriters) to purchasing specialist equipment (such as sound booths and musical instruments). But the most popular uses were for IT equipment (especially laptops) and marketing/promotional materials (flyers, websites, leaflets, etc.). This reflects the most common reasons given for applying for support, namely improving business visibility/profile; professionalising the identity of the business; and having the IT infrastructure to allow for better management of potential business growth.



6 Outcomes

6.1 Introduction

In this section, we consider what difference The Bank has made to the young people who have been involved in terms of the programme's expected outcomes. In three outcome areas, the young people themselves clearly identified that the programme had made a difference: confidence and self-esteem; motivation and inspiration; and business knowledge and skills. We should stress that the sample of participants we have spoken to is not necessarily representative of the participant population as a whole.

In our original evaluation framework, we encouraged the programme to use specially-designed feedback tools to monitor the programme's outcomes. However, they were not used.⁶ This limits the rigour of our findings.

6.2 Confidence and self-esteem

All the participants we spoke to said that the programme had boosted their confidence. This tended to focus on their self-assurance in being able to start or run a business (or specific details, such as financial management), but it also delivered a wider sense of confidence in themselves as individuals.

Delivery partners too said that they witnessed an improvement in the self-confidence of the young people they supported. This particularly appears to be the case with the mentoring support. This is perhaps not surprising, as the mentors had the opportunity to work with individuals over a longer period (compared to Boot Camps, for example), and were therefore better-placed to notice changes in their attitude, self-belief and character.

"Sometimes people are scared to take up the challenge... it has given me the confidence that I can do it."

"Business-wise, it's reaffirmed a lot of what I'm doing already – it's been a confidence boost."

"Personally, it's been a real morale booster. You know what? I am a business person!"

"It has certainly boosted my financial confidence"

"[The Grant Panel] made me feel more confident in myself"

Participants

⁶ See the evaluation framework and the feedback form for the Grant Panel process

6.3 Business motivation and inspiration

Participants we spoke to tended to fall into two groups: the first group already felt that they had the motivation to start their own business before they joined The Bank. Reassuringly, their involvement in the programme did not dent their enthusiasm, and it was more likely to strengthen or confirm it. The second group tended to include those with a good idea, or a passion (e.g. music), but who were new to considering the business potential of their ambition. For them, the programme helped to motivate them, while also making them aware of the effort and focus needed to make a business successful.

"I've always had this ambition, but [the Boot Camp] has helped. I won't lie, I'm a bit scared. But I've seen that it can be achievable."

"I was already there and The Bank has helped me keep going. It's been about continuation."

"It gave me the motivation to put my business into a better structure"

"[My mentor] motivated me; it was almost like life coaching. He gave me tactics to allow me to clarify what I'm doing"

Participants

6.4 Business skills and knowledge

As Section 4 demonstrated, participants noted a wide range of areas in which they found the programme helpful in teaching them about basic business matters.

In terms of specific business skills, finance and business planning appear to have been the most significant knowledge areas for participants, especially through the seminar and Boot Camp experiences. Mentoring, on the other hand, tended to deliver more creative, less tangible (but no less important) support.

"Before I didn't have a clue on finance. I've really been looking into the detail"

"I've learned the value of a business plan"

"The logistics of finance and business setup. The different types of business structure really helped to clarify our business. Finding out how a social enterprise works has been really useful"

"Reacting to feedback has improved"

Participants

6.5 Participation in decision making and shaping service delivery

We report on this fourth outcome based on our wider observations of the programme, rather than direct feedback from participants. It has been clear throughout The Bank's life that the programme has gone to significant effort to involve young people in the design and delivery of the intervention – this has not been a young person's programme delivered solely by older people. Examples of young people's involvement in shaping delivery include:

- Designing the programme's name and initial branding
- Using participants in roadshows and other promotional events to encourage other young people to take part
- Involving young people in grant panels and grant decision-making
- Creating a number of 'Young Ambassadors' – young people supported to raise awareness of enterprise, and to speak up for young entrepreneurs. The Ambassadors conducted research, shared enterprise success stories and encouraged other young people to take their first steps towards starting their own businesses

7 Objectives and impacts

7.1 Introduction

In this section, we provide an overview of the programme's success in meeting its objectives and impacts, which are closely linked.

7.2 Economic impact

ERDF results

The Bank existed to promote and encourage entrepreneurship and, in doing so, develop the local economy through improved start-up rates, increased business stock and more jobs (especially in the social and creative sectors). Figure 7-1 illustrates that, in terms of its performance against 'hard' ERDF economic results, the programme met its targets. Its final targets were revised downward during the course of the programme, reflecting the difficulty of meeting some of them. In our view, it is reasonable to argue that a two year programme focusing on encouraging young people into enterprise for the first time would always struggle to generate large numbers of new jobs and businesses in such a short timescale.

Figure 7-1: ERDF 'Results' to date

	To date	Target	Variance
Leicester City			
Businesses improving performance	7	5	+2
Jobs created	29.5	14	+14.5
New businesses created/attracted to the region	8	8	0
Oadby & Wigston			
Jobs created	6	4	+2
New businesses created/attracted to the region	1	0	+1

Source: programme data

Change in sub-regional employment, start-up rates and business stock

The number of jobs and businesses created are not sufficient to generate a measurable impact on the sub-regional economy – for example the programme created just 35.5 jobs within a sub-region containing 489,000 jobs (ONS 2013).

GVA growth

The programme was expected to record an increase in sub-regional Gross Value Added (GVA). The size of the programme is insufficient to have registered (in an attributable way) in the sub-regional statistics, and figures for supported individuals and businesses were not collected. To an extent, we do not think that this would have generated much measurable evidence of GVA impact because, excluding the Grow programme, the focus has been on business starts and turnover for these businesses (especially in the creative sector) tends to be very low in the first few years of trading. There is more reason to believe that the Grow grants will help existing businesses to generate improved turnover and/or productivity more rapidly, but this element of the programme came towards the end of its life and so there has not been enough time for the investment to make an impact on businesses' bottom lines.

National business statistics give us an indication of what the future GVA contribution of supported businesses might look like. Research from the Department of Culture, Media and Sport in 2014⁷ estimated that the average GVA per worker within the music, performing and visual arts sector (which we have used as the closest comparator to the mix of businesses supported by The Bank) was £20,400 in 2012. Applying this to the number of jobs created by the programme would give an estimated annual GVA contribution of £724,000. We should note, however, that this is very much an estimate: we have no counterfactual (what young people would have done without the support of the programme) or any additionality metrics (for example, the extent to which the programme might have displaced other enterprise creation activity).

7.3 Organisational impact

There is no doubt that TMC as a whole went through a steep learning curve in developing and delivering The Bank, partly because of the need to meet ERDF requirements (a new funding stream for the organisation); partly because it took the organisation into a more direct enterprise support role than it had previously experienced.

⁷ Creative Industries Economic Estimates, DCMS 2014

Gearing up the programme to full operations was also a challenge in the early stages of the programme. There was a delay in the start of the contract, recruitment challenges (mentioned elsewhere in this report), and the need to scale up the volumes of young people participating. The pre-ERDF pilot project on which The Bank model was built had been successful, but numbers of participants were small and TMC's existing networks were sufficient to generate the interest. But it quickly became clear that the net needed to be spread wider for the full programme, and this they did by extending their networking with local colleges, charities, youth training providers and other organisations such as the National Citizen Service. This new, wider network, should be of continuing value to TMC post-programme.

The Grow grant scheme took TMC away from their core focus on supporting young people by extending help to businesses where young people were the customers rather than the owners. This extension of their normal offer to a wider group of businesses has proved successful and widens the experience of TMC.

8 Conclusions

In this section we provide some concluding thoughts from the evaluation. Because this report comes at the end of the programme, and decisions about what TMC might do next have not yet been made, we are not making any formal recommendations to TMC. But we expect the presentation of the evaluation's findings to be made as part of a wider workshop on the next steps for TMC during Autumn 2015.

8.1 There exists a need to support potential young entrepreneurs...

Enterprise growth and youth employment remain below sub-regional averages in The Bank's two intervention areas, suggesting that there continues to be a need for some form of start-up support. The Bank has been a valuable source of help and guidance – specifically shaped for the needs of young people – during a period that has seen a significant reduction in other sources of help, especially those funded by the public sector. The government's approach to funding business start-ups is unlikely to change any time soon, and indeed its focus has increasingly switched to growing existing businesses and improving productivity than enterprise creation. This is therefore likely to remain an area where support is needed.

8.2 ...but demand remains very difficult to quantify

In practice, the Bank's biggest challenge has been the volume of demand for its services. After two years, it is still difficult to judge how much demand there is for early stage start-up support from young people themselves (rather than from the perspective of the local economy's performance) and this makes future decisions about what a future, similar programme, may look like very difficult indeed. In part this is a function of the difficulty of reaching young people who use so many different ways of communicating.

8.3 A wider definition of 'success' may be helpful

Inevitably, the success of an ERDF-funded programme is always likely to be judged, in part at least, by the outputs and results that it is expected to deliver. For The Bank, these do not really demonstrate the impact of the programme on young people, or the future potential impact on the local economy. Rather than thinking of the programme as a start-up scheme, it is perhaps worth considering its performance in a much wider sense. It has provided a 'funnel' of support to young people where the number who actually start a business is a relatively small proportion. But this does not mean that the support provided to others has been wasted. For many more, the programme has allowed them time and space to consider if

entrepreneurship is for them: to choose not to start a business, based on a better understanding of what it takes to be a successful entrepreneur, should not be viewed as a programme failure if it allows a young person to make the best decision for their own circumstances.

8.4 The Bank has successfully delivered what young people wanted and needed

Notwithstanding the recruitment challenges facing the programme, The Bank's participants rated the experience very highly, both in terms of delivery style; relevance of the subject matter covered; and the learning that it gave them. Many had experienced other business support services, so their positive feedback is given in the knowledge of what others provide. They particularly valued the programme because it:

- Offered an alternative way of delivering business support, one that recognised the different ways in which young people learn and their less tangible needs, such as building self-confidence and harnessing their creativity
- Provided multiple means of support, including skills development, finance (grants) and mentoring
- Began to create a community of young entrepreneurs who shared ideas with each other and helped to shape the programme itself

8.5 Looking ahead

We would not want to pre-judge any decisions that TMC make regarding its future work in the field previously occupied by The Bank. But we think that the experience does present the organisation with a number of opportunities to consider:

- Getting to grips with the process of administering an ERDF programme was harder than envisaged, but we would expect that the lessons learned could enable TMC to manage a similar programme in future more smoothly and efficiently as a result
- Within the broad definition of the creative sector, on which The Bank focused its support, there was a substantial grouping of participating individuals and businesses whose enterprise ideas centred on their own artistic talents. This is perhaps the group that TMC more generally knows best, so a more focused programme supporting these individuals ('commercialising artistic talent') might work well with the core focus of TMC. This is not a group that are likely to have businesses that offer much potential to grow, or contribute significantly to the local economy, so funding such a programme might have to come from funds more usually associated with the arts rather than economic development
- The programme has highlighted the ability of TMC as an organisation to help shape activities with, rather than on behalf of, young people, and this expertise might be used more widely than a business support scenario