

Evaluation of the Innovation
Support for Business
Programme (ISfB)

A Final Report to
Oxfordshire Local Enterprise
Partnership (OxLEP)
June 2015

1 MANAGEMENT SUMMARY

This is an evaluation¹ of Oxfordshire LEP's (OxLEP) Innovation Support for Business Programme (ISfB). £2 million was secured to fund the programme through Lancaster University's Regional Growth Fund (RGF) as part of the Oxford and Central Oxfordshire Wave 2 City Deal. ISfB represents a new and distinctive phase in the business support offer in Oxfordshire.

CONTEXT AND MAKE-UP

Stakeholders were keen to point out the area has an impressive track record in innovation yet contained assets and sectors that had yet to be fully exploited. This is captured in Chapter Two of the report which provides the backdrop for the review. In light of this context it is not surprising that the City Deal, the OxLEP European Programme and its Strategic Economic Plan (SEP) all take a common stance: that innovation is the fundamental building block for economic growth in Oxfordshire.

It is within these circumstances, and under the umbrella of the Oxfordshire Business Support (OBS²) service, that the ISfB programme was conceived to address some of the acknowledged weaknesses in the county's approach to innovation and growth. It was anticipated that ISfB would bring greater coherence to innovation efforts by accelerating job creation; recruiting the highest calibre individuals; improving business collaboration; bolstering access to finance; and providing the highest quality support to innovative companies. To help achieve these aims the RGF grant was allocated to two principal initiatives: a Growth Hub service to co-ordinate activity and a series of complementary business support activities. Each of the main components of the ISfB programme is described in Chapter Two. They comprise start-up advice, grants, and network support.

RATIONALE AND DELIVERY

The rationale for the programme is discussed in Chapter Three, as well as the delivery model and approach adopted. There was a clear desire to support high tech knowledge economy businesses, recognising that they needed an appropriate ecosystem and environment to support their growth aspirations. OxLEP opted for a combination of externally procured services and service level agreements. This had the advantage of not getting involved in direct delivery, identifying high calibre organisations and individuals and testing a range of the services to meet the aims of the programme.

Setting up a business support programme on this scale from scratch took considerable effort and this was new territory for many of the partners. One of the biggest challenges was integrating the programme with changing national and local provision. It was claimed this was much easier said than done. Chapter Three reflects on the benefits of the enhanced integration that has resulted (though the conclusion notes that there is further to go).

¹ The review was informed by stakeholder interviews, local intelligence and performance data, business survey results, cases studies, and analysis.

² OxLEP's new OBS service provides a range of specialist business support services aimed at Oxfordshire businesses including a range of information, advice and guidance on all matters from finance to recruitment.

Another challenge in a programme with a short timeframe is recruitment and referral. Some ISfB delivery streams appear to have secured beneficiaries faster than others. But given the scale of resources committed, recruitment can largely be judged a success, subject to achieving the anticipated job creation figures. There are some good examples of referral but this is an area that will require more careful thought and planning should any subsequent ISfB programme be developed. There is such a plethora of business support provision available and being developed that procedures need to be put in place to ensure that effective referral occurs systematically rather than by chance. The short lifespan of the ISfB programme and strict eligibility criteria meant referral from one delivery stream to another was not always practicable. There is scope for this to occur more systematically under any successor arrangements (see recommendations).

It was recognised (see Chapter Three) that running a business support programme of this scale in Oxfordshire involved a steep learning curve, but there was unanimity the programme was well run and communication was strong. This is encouraging. Stakeholders said it was important that sufficient resources are built into any successor programmes. This is reflected in the recommendations.

At the end of Chapter Three the evaluation finds that after a slow start people were generally pleased with the website and programme marketing and communications; however it is accepted that there is much more work to do as the OBS and ISfB programmes continue beyond the RGF timeframe and seek to integrate new services. There is scope for giving more exposure to the programme services and the website will need to become increasingly sophisticated, with content optimised to meet customer needs. The survey results show there is more to be done to create a suite of recognised LEP business support activities that are strongly aligned with effective referral mechanisms.

LESSONS

Chapter Four reflects on lessons to date. Generally the individual delivery strands have worked well. The report reflects on how the profile of the supported sectors has been raised and on the cross pollination that has occurred between sectors. There were no major implementation concerns and any issues encountered were generally resolved satisfactorily. For instance, some delivery streams were slow to get off the ground and the Network Navigators perhaps rightly adopted quite different approaches as they 'acclimatised'. They would benefit from clearer strategic direction having familiarised themselves with the role, though resources are more constrained in this transitional period. Some recommendations on the Network Navigators address their potential ISfB role.

Lancaster University is interested in hearing about lessons learnt from the RGF projects and what LEPs would do if resources became available to build on their Growth Hub experience. The final part of Chapter Four reflects on the effectiveness and 'scaling up' potential of individual activities and what might be required to support any expansion at the programme level. The recommendations suggest that there is scope to scale up activity provided adequate resources are devoted to preparation and planning, with continued management of peaks and troughs.

PERFORMANCE

Chapter Five looks at programme performance. The evaluation notes the programme has made a creditable start, given that the pace of delivery does not always go to plan with some targets being met early and others concentrated in the latter months. The numbers of businesses that have engaged with or inquired about the programme (both business support and Growth Hub) is impressive. It is too early to come to firm conclusions on job creation, as some impacts will take a year or two to come to fruition. However, the figures emerging on contracted jobs are encouraging. The programme team

needs to ensure SMEs report back on their contracted targets. This should be a priority for coming months and will ensure that any potential programme benefits are recorded.

There was no problem in achieving private sector match-funding in line with the programme target. At the end of quarter four all monies have been defrayed or committed. The programme is on track to achieve its spending commitments. Grant delivery partners have varied in their ability to absorb funding in a timely manner with Isis and OION³ proving the most successful and vouchers making a slow start. There are high levels of reported additionality and low levels of deadweight.

There were some positive comments about the triage service but the survey shows there is scope for further improvement in the customer' experience. Now the funding has been allocated, much of the success of the programme will depend on the management and reporting of SME contracted jobs.

BENEFICIARIES PROFILE AND PERSPECTIVE

Chapter Six looks at the profile of the beneficiaries. The sector breakdown indicates large numbers in the knowledge based sectors creating well paid, new knowledge based and skilled jobs. This is encouraging. The business size of clients is dominated by micro businesses which could be interpreted as small investments and possibly small impacts, but this also spreads the investment (and risks) across a wider group of beneficiaries. The report recommends that the LEP considers whether more medium sized innovative tech businesses should be supported in the future.

Chapter Seven highlights the beneficiary perspective, drawing on a telephone survey of 101 participants, case studies and stakeholder interviews. It gives some qualitative examples of beneficiary feedback, from start-up clients, voucher recipients and some individuals who had engaged with Network Navigators. The infographic overleaf provides some of the programme highlights.

GOOD PRACTICE

Chapter eight looks at good practice from the UK and further afield. It notes that there are some good examples of services understanding customer requirements, building effective public and private referral networks and the local knowledge and referral capabilities of Network Navigators.

CONCLUSIONS

The report concludes with some key observations. It suggests that the successful development and delivery of the ISfB programme has occurred in a short space of time and that it is right to think about its future direction and integration with the OBS service. There is more to do to effectively align local partners and promote joint working. The scaling up of the programme is feasible but for this to happen it will need to be more outward facing with an appropriate support structure in place. Now is a good time to think about the potential for new innovation delivery streams and the role and coverage of Network Navigators in light of their experience to date.

To conclude ISfB has made a good start on devising and delivering some effective innovation products but much more could be done to exploit the area's potential, use its asset base effectively and scale up innovation support measures. The ESIF (European Structural and Investment Fund) allocations provide the next obvious progression for the programme and a potential platform for service growth. Some service enhancements could also be made. The report ends with several conclusions on strategy and operation.

³ Oxford Investment Opportunities Network

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