

Norfolk County Council

StartEast: Building the Cultural Economy

Final Report

January 2020

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BOP
Consulting



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Foreword

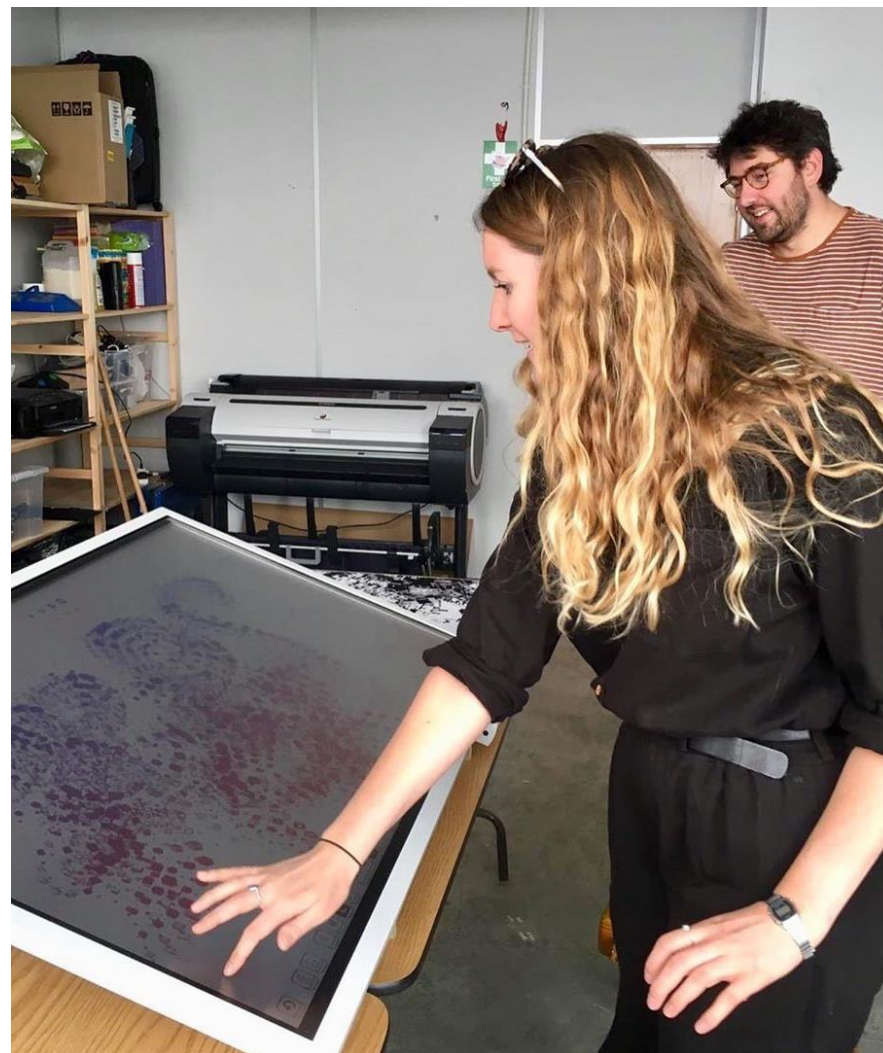
Culture Drives Growth, the New Anglia LEP's Cultural Strategy 2016-22, sets out our blueprint for culturally-driven inclusive and sustainable growth in the East. It outlines how we can maximise our outstanding cultural offer to ensure that our sector makes the fullest possible contribution to regional economic growth. With a clear focus on investment, business support, education and skills, talent development, diversity and place, it is driving impactful and innovative culture-led change across our region.

StartEast, our bespoke business development programme for creative enterprise across Norfolk and Suffolk provides a shining exemplar of the power and scope of this regional collaborative approach. Delivered with great flair, on behalf of the New Anglia Cultural Board, by a creative partnership including Norfolk County Council, Suffolk County Council, New Wolsey Theatre and regional partners, it has provided expert business support and investment to over 360 creative enterprises, start-ups, pre-start-ups and sole traders across Norfolk and Suffolk over the last two and a half years.

This evaluation shows that we have doubled the number of businesses that feel able to generate new opportunities and to manage risk and that they believe the impact of this will last around five years. Add this to the fact that 67% of those businesses were led by women, 8% by those with a disability and 5% by those identifying as BAME, we can see that StartEast is playing a major role in delivering our ambitions for inclusive growth. This report details the many significant outcomes and impacts which have resulted as well as important learning which will inform next steps in supporting our vibrant and growing creative enterprise economy.

StartEast set out to achieve a step-change in the capacity, ambition and economic contribution of our regional creative enterprises. We are proud and excited to see that it has achieved just that.

- Doug Field - Chair, New Anglia LEP
- Helen Wilson - Chair, New Anglia Cultural Board



Source: StartEast

Executive Summary

StartEast is a business support programme providing support to cultural practitioners, organisations and enterprises in Norfolk and Suffolk.

It is distinguished by the largely rural context in which it operates, the delivery partnership that works across the region, and the target beneficiaries who are largely from the performing arts and other cultural sectors.

The programme used a range of networking events, advisor sessions, group workshops and webinars, support to attend festivals and trade fairs, and the provision of financial grants.

In January 2017, BOP Consulting was commissioned by Norfolk County Council on behalf of the New Anglia Culture Board to evaluate the StartEast programme. This final report covers activity from the programme launch in May 2017 to its conclusion at the end of September 2019.

Context

The cultural sector take-up of business support has declined significantly since 2010. In contrast, the number of businesses operating in the sector has boomed.

National policymakers have identified the cultural and creative industries as important for economic growth – but also for enhancing wellbeing, strengthening communities, and many other benefits. The sector has therefore been a focus of support.

StartEast is also operating in a largely rural area, although one defined by some central hubs and where there are active and established cultural organisations. The cultural industries are known to cluster and there are benefits to productivity in doing so. For example, it is easier to network when in a close location, knowledge transfers more easily, and it is usually easier to recruit skilled staff.

Delivery

In the target region there are around 500 enterprises in the performing arts and arts management or 1000 businesses in the cultural sector overall¹. The programme reached 260 established businesses, alongside around 100 ‘pre-start ups’. This suggests the programme had a very high level of penetration into the sector in the region.

The programme took an inclusive view of eligibility, including those from a range of different maturities. 28% were ‘pre-start up’ but equally 30% have been established for at least five years. The challenges of providing effective and targeted support for this range of business maturity was highlighted by interviewees and were particularly acute in seminar and group sessions.

Outputs and impact

The programme is forecast to achieve all but one of its output targets.

The economic impact should be read with the caveat that the intended benefits will take time to realise. Beneficiaries themselves estimate that the benefits of the programme will last for five years. This evaluation is also reporting before the final outputs of the project. There are encouraging signs of economic impact for beneficiaries including:

- A third reported their turnover has grown as a result of the StartEast support.
- An estimated average uplift of GVA from £2,400 to £3,900 (last completed financial year), rising to £7,800 for the current financial year.
- An uplift in productivity of nearly 50%, although from a low base from £3,500 to £5,200 (complete financial year).
- Little impact on employment, although this is not surprising given the tendency of the sector to ‘outsource’ jobs. There is some evidence of enterprises growing the value of the contracts to other cultural enterprises.

¹ Including sic codes: support to performing arts, artistic creation, and operation of arts facilities (ONS, 2019). Culture Drives Growth.

Survival rates of participating businesses appear to be higher than the national and regional averages for the sector.

For the businesses themselves, beneficiaries report stronger visions and financial goals. They can communicate their unique value and are better able to manage risk. They are more motivated and engaged. Active participation had an energising effect.

Where the programme has been less successful is in encouraging other business support provision to develop relevant services for the cultural sector.

The approach to reaching across the sector meant it achieved breadth rather than depth. Advisors and other stakeholders report that the programme was successful at engaging beneficiaries and raising the collective aspirations of the creative sector in New Anglia, either financially or otherwise.

There is also evidence from interviews of a 'cohort effect'. As part of a group of businesses, beneficiaries (particularly pre-start up) were more likely to identify themselves as entrepreneurs and so be more driven and engaged in building their businesses. The programme is therefore supporting a new vision of Norfolk and Suffolk as creative and entrepreneurial counties.

The components of the programme that appear to be most effective are the small grants and mentoring in improving financial outcomes, and the networking events in motivating entrepreneurs and making them feel part of a supportive business network. Group sessions were less effective.

Conclusions and recommendations

The legacy of the programme could be sustained through ensuring the networks and sector profile is continued, and so building on these two key assets. We see the critical next steps as:

First, continuing some of the low-cost models that enable the assets of the programme- particularly the existing network- to develop. For example, peer networking models, such as Artquests' Peer Networking Grant scheme.

Second, keeping the steering group active and engaged to ensure alignment and prepare for future opportunities. This could widen to include other non-cultural partners and take the form of a "Cultural Compact". This can both help

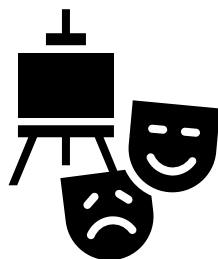
secure funding for the programme and widen the range of business support provision that is accessible for the sector. DCMS has provided funding for the development and management of a 'first wave' of Cultural Compacts. At the time of writing, future funding plans are unclear, however some other areas are exploring self-financing the development of a Compact locally. New Anglia Cultural Board may want to consider this.

These two actions can prepare the partnership for future funding opportunities, including the Shared Prosperity Fund. Before this, focused and targeted applications could be made for some of the more effective components of the programme and targeted at specific groups.

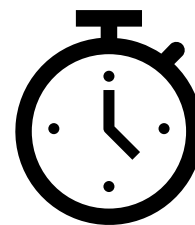
To date, StartEast has...



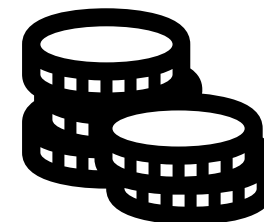
Engaged 361
businesses*
(1hr+)...



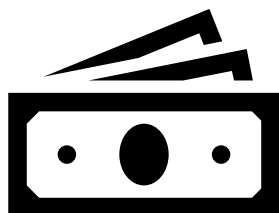
.... wide range of
practices; over one third
from performance, theatre,
music and dance



... providing more
than 4,600 hours of
support...



...and awarded
over 60 grants.



It channelled £919k
into the cultural
sector.



It reached targets
around diversity.
8% of beneficiaries
were disabled...



...5% of
beneficiaries were
BAME...



...67% of
beneficiaries were
women.

* including pre-start ups

Practitioner Stories

HAMILTON MAS (Bryony Graham), micro-arts space.

Bryony enrolled in StartEast looking for capital investment to develop a formerly derelict site. With a StartEast grant she was able to renovate the building and re-activate it as a community space. Supported business planning allowed her to establish a sustainable operating model.

Edalia Day, spoken word artist and theatre maker.

Working alongside different experts, Edalia learned where and how to look for the support they needed, as well as developing their own production skills. Edalia has transformed the ways they work, both individually and in collaboration with others.

Sub Motion Productions (Rachel Prendergast), production company.

As well as investment in a much-needed editing suite, the StartEast programme provided the company the necessary financial and administrative support to represent their film at this year's Cannes Film Festival.

Story Machine Productions (Sam Ruddock), immersive events.

StartEast gave Sam the confidence to go it alone. The programme gave him the tools, network and reassurance to get Story Machine Productions off the ground as a stand-alone business.

Virtually Their Studio (Emily Godden), virtual reality studio and workshops.

The programme helped Emily reach a wider client base by helping her secure funding for a small van to transport her equipment to workshops. It also helped her to improve marketing.



1. Introduction

In January 2017, BOP Consulting was commissioned by Norfolk County Council on behalf of the New Anglia Culture Board to evaluate the StartEast programme. This final report covers activity from the programme launch in May 2017 to its conclusion at the end of September 2019.

1.1 Overview of the programme

StartEast is a business support programme providing support to cultural practitioners, organisations and enterprises in Norfolk and Suffolk.

Through networking events, workshops, one-to-one meetings and grants, it aims to build a resilient, enterprising, sustainable and diverse cultural sector across the two counties. Led by Norfolk County Council, on behalf of the New Anglia Cultural Board, it draws together a partnership of key sector organisations, including Suffolk County Council. New Wolsey Theatre is the delivery partner, contracted to lead on support activity.

The StartEast programme supports and is a key part of [Culture Drives Growth](https://newanglia.co.uk/wp-content/uploads/2017/11/Culture-Drives-Growth-FINAL-web-version.pdf), the East of England's Cultural Strategy (2016-2022)². StartEast aims to contribute across all of the strategy's six priority objectives.

1.2 Aims and coverage of this evaluation

This evaluation provides a holistic appraisal of the programme, meeting the requirements of an ERDF evaluation and providing a wider assessment of the impact of the project.

The evaluation is structured by a Theory of Change (TOC). This TOC was developed from the objectives and targets set out in the initial ERDF application, as well as a workshop with the StartEast steering group.

In August 2018, BOP produced an interim evaluation report, where the initial impact of the programme was analysed and reported. This final report builds on the headlines with updated figures and additional research.

1.3 Research approach

The evaluation used a range of methods (Figure 1).

² <https://newanglia.co.uk/wp-content/uploads/2017/11/Culture-Drives-Growth-FINAL-web-version.pdf>

Figure 1 Evaluation methodology

Method	Purpose and sampling
Review of ERDF application documentation	Understand context and key strategic drivers for the programme, and inform the Theory of Change and Evaluation Framework.
Evaluation workshop with project team	Explore the project's underlying Theory of Change ahead of building the full Evaluation Framework.
Review of beneficiary enrolment data	Gather baseline data on 361 beneficiaries on enrolling on the programme.
Quarterly output claims	Review quarterly monitoring of the programme's progress against its output targets and financial spend.
Beneficiary surveys	<p>Collect primary data from beneficiaries on the programme's desired outcome and impact areas, once they had received 12 hours of support³ through a 'completion survey' (n=76) and then again, six months later through an 'impact survey' (n=63).</p> <p>Towards the end of the programme, BOP introduced an 'exit survey' (n=48). Combining key questions from both the completion and impact survey, this was to collect data from beneficiaries who were close to meeting their 12 hours, as well as those who recently completed but there wasn't time to wait 6 months for the impact survey. The results of this survey were combined with the other surveys ahead of analysis. Only one respondent to the exit survey hadn't completed their 12 hours.</p>
Counterfactual analysis – interviews and sector survey	<p>Collect primary data from unsuccessful applicants and non-engaged businesses to provide a benchmark to assess the added value of the programme, including:</p> <ul style="list-style-type: none"> • Sector survey of 17 respondents. • Interviews with 14 unsuccessful applicants.
SAV interviews	Explore the impacts of the programme, delivery and legacy with 6 key stakeholders.
Project team interviews	Explore the challenges and successes with 4 of the project team delivering the programme.
Case Studies	Collect and illustrate the testimony and impact of the programme on 5 beneficiaries selected by the project staff.

³ 12 hours of support is the min. hours of support stimulated by ERDF

2. The programme

2.1 Aims and objectives

StartEast was developed to build a resilient, enterprising, sustainable and diverse cultural sector in Norfolk and Suffolk through the provision of targeted, specialist business support to SMEs and start-ups in the cultural sector.

The four overarching objectives for the programme were to:

- Deliver effective, targeted, specialist business support to SMEs and start-ups in the cultural sector, with the purpose of establishing an enterprising, entrepreneurial approach to growth.
- To ensure sustainable opportunities for cultural businesses to access growth and support. This involves working with other business support providers to embed the needs of the sector in this support.
- To develop a network of cultural enterprises working locally in education, youth, health and community settings.
- To reach, engage and support a diverse range of people, ensuring that the cultural enterprises supported reflect the diversity of our community.

One key aim underpinning the programme was *behaviour change* for the businesses/creative practitioners involved, with the aim of raising their confidence and aspirations for growth.

The programme also had specific targets around the diversity of beneficiaries and the types of business reached. It aimed for a cohort of beneficiaries that were 50% female, 5% registered disabled and 5% from a BAME background.

2.2 Activities overview

The StartEast delivery model consists of the following core elements: non-financial business support, networking and showcasing events and a small grants programme. To date it has engaged 361 businesses (1+ hrs) and 4,600 hours in total.

Beneficiaries could not apply for grants unless they were already receiving business support. Attendance at networking events (called Network Jams) was also part of the enrolment process.

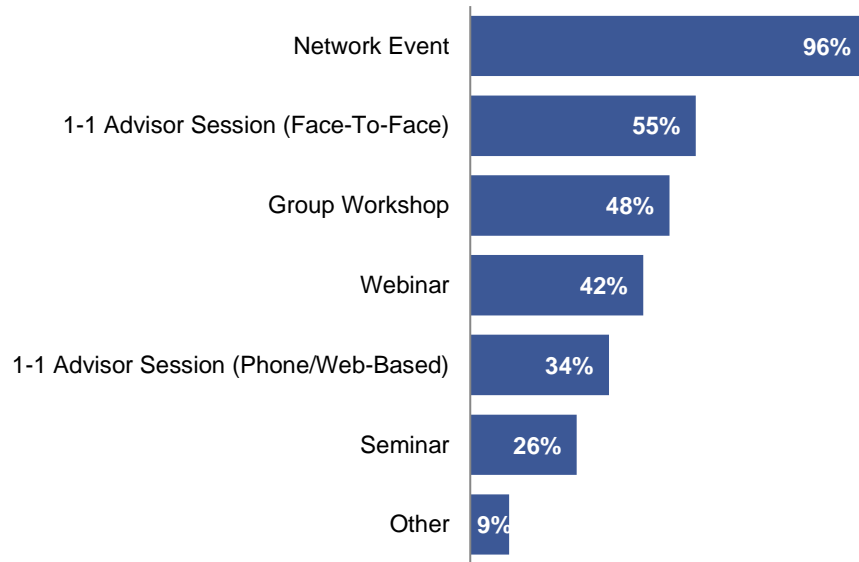
Non-financial Support

Tailored one-to-one sessions (either face-to-face or over the phone/internet) either involved working on specific tasks such as developing a cash flow forecast or a grant application, or were broader discussions around aspirations, governance and strategy.

The expert-led group workshops, seminars and webinars covered specific business development topics such as social media, tax returns and funding applications. Some of these sessions also included a networking element.

Figures 2 and 3 below break down what percentage of beneficiaries with each of the delivery methods and the content of the support they received.

Figure 2 Type of support received



Source: Enrolment data (n=361)

Figure 3 Content of support received



Source: Enrolment data (n=361)

Networking and showcase events

Introductory 'Network Jams' were held to introduce the StartEast programme and bring together practitioners from remote locations who may otherwise not be able to meet other practitioners. Alongside hands-on workshops, the Jams offered beneficiaries a chance to develop new collaborations and networks.

A total of 14 events were held over the course of the programme, in different locations across Norfolk and Suffolk.

Other networking opportunities included the StartEast Marketplace, a 'careers-fair' style event which invited beneficiaries to come and meet service providers, designers, makers, venues and other grant schemes which could be useful to their business.

Grants

Grants were offered for values between £1,000 and £10,000 and covered investment in equipment, training or expert consultancy.

The programme had £307,700 in total to award in grants (£149,000 of which were capital and £158,000 revenue). Businesses could apply to a Festivals and Trade fairs fund or small capital grants for physical space and equipment.

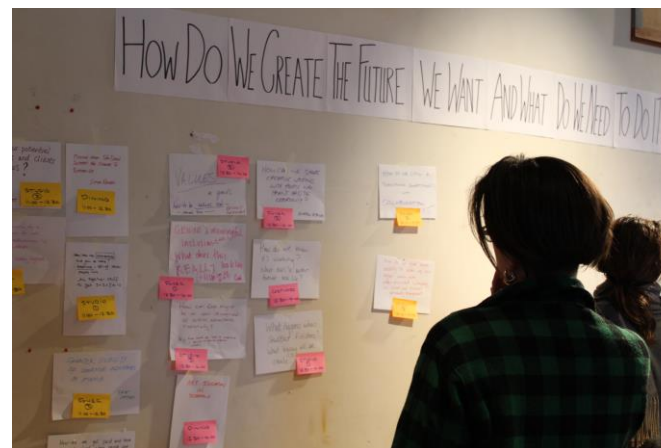
The programme has awarded all the 60 grants planned. Of these 48 are fully spent to date. The total value of the grants awarded totalled just over £303,000 (Figure 4).

Figure 4 Value of Grants Awarded⁴

Capital	Revenue	Total
£149,112	£154,255	£303,255

Source: StartEast programme management data

⁴ N.B. Figures are likely to increase, as not all grants have been defrayed at time of writing, and there may be a few grant recipients who have not spent the full amount of their grant award. Figures rounded to the nearest pound.



Source: StartEast

2.3 Rationale for intervention

The cultural sector is an important employer in the New Anglia area. Research commissioned by the New Anglia LEP indicates that the sector accounts for an estimated 5,815 jobs in Norfolk and Suffolk and a higher proportion of people work in the sector in New Anglia than the national average. The sector as a whole has grown strongly in recent years.

Despite the sector's strengths, it faces some key challenges. First, it is characterised by high numbers of sole traders, freelancers and SMEs. Although these can be an important engine for growth, productivity in small businesses generally lags larger firms. Wages for self-employed people are typically a third less than those in employment⁵ and many within the 'gig' economy struggle to

⁵ 1 Understanding Self-employment, Enterprise Research Centre
<https://www.enterpriseresearch.ac.uk/wpcontent/uploads/2016/07/ERC-InsightPap-Enrico-final.pdf>

develop a career. Second, New Anglia ranks as one of the worst areas nationally for enterprise and business formation despite an ongoing enterprise boom throughout much of the UK⁶. Third, the largely rural geography of the New Anglia area can also be challenging. Many of the micro-businesses working in the sector may not have the opportunity to meet, learn from each other and share information.

Although generic business support provision existed in the area before StartEast, there was low take up from the cultural sector. A survey undertaken by the StartEast team and analysed the Growth Hub during the planning phase of StartEast suggested that only 5% of those surveyed within the cultural sector had accessed the Growth Hub. In comparison, 13% of all businesses within the LEP region have accessed the Growth Hub. The StartEast programme was designed by the sector for the specific needs of the sector, with the aim of being more accessible to cultural organisations than other support on offer.

Cultural enterprises and organisations outputs (e.g. theatre productions, artworks) have positive social and economic effects, which are often not captured in the value paid for a cultural good. For example, they can help create a specific identity for a place, or they can enhance well-being.

Increasingly, the benefits for cultural organisations of working in social settings (health, education, care and community) are being recognised. Research undertaken before the application for StartEast indicates that 77% of cultural organisations saw opportunities to expand their work in health, education and social care.

Much of the original rationale for the programme is still applicable. Our sector survey of 17 businesses who did not take part in the programme illustrates some of the challenges still being faced by the sector. These were identifying partners and collaborators (65%), finding the right clients / audience / customers (59%), and access to funding as their biggest challenge.

⁶ <https://newanglia.co.uk/wp-content/uploads/2017/12/2017-12-05-FINAL-Economic-Evidence-Report-single-pages-HighRes.pdf>

3. Delivering the programme

3.1 Enrolment, outputs and expenditure overview

Enrolment overview

Demand for the programme was much higher than was originally envisaged and suggests a significant latent demand for this type of support. At the launch in May 2017, 51 practitioners and enterprises signed up for the programme and each networking event saw around 30-40 new beneficiaries.

“ I have been amazed and impressed that StartEast has managed to engage so many people in such a short time

The programme took a broad approach to defining eligibility, where anyone working within the arts and cultural industries were able to access support, so long as they meet ERDF criteria⁷.

The characteristics of the beneficiaries, based on enrolment data of the 361 who received 1+ hour of support, were:

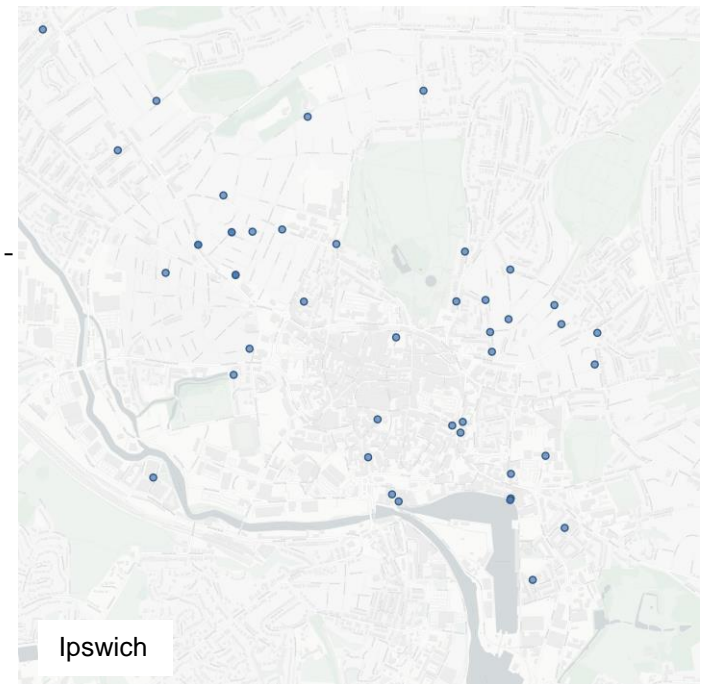
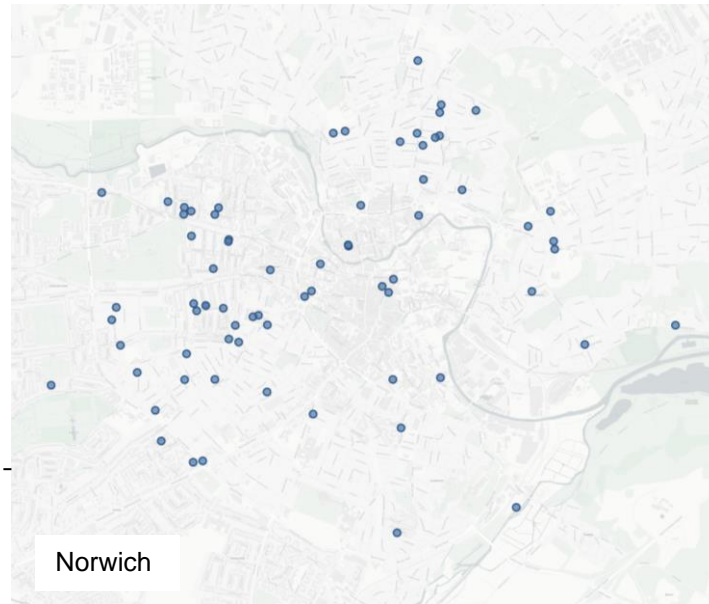
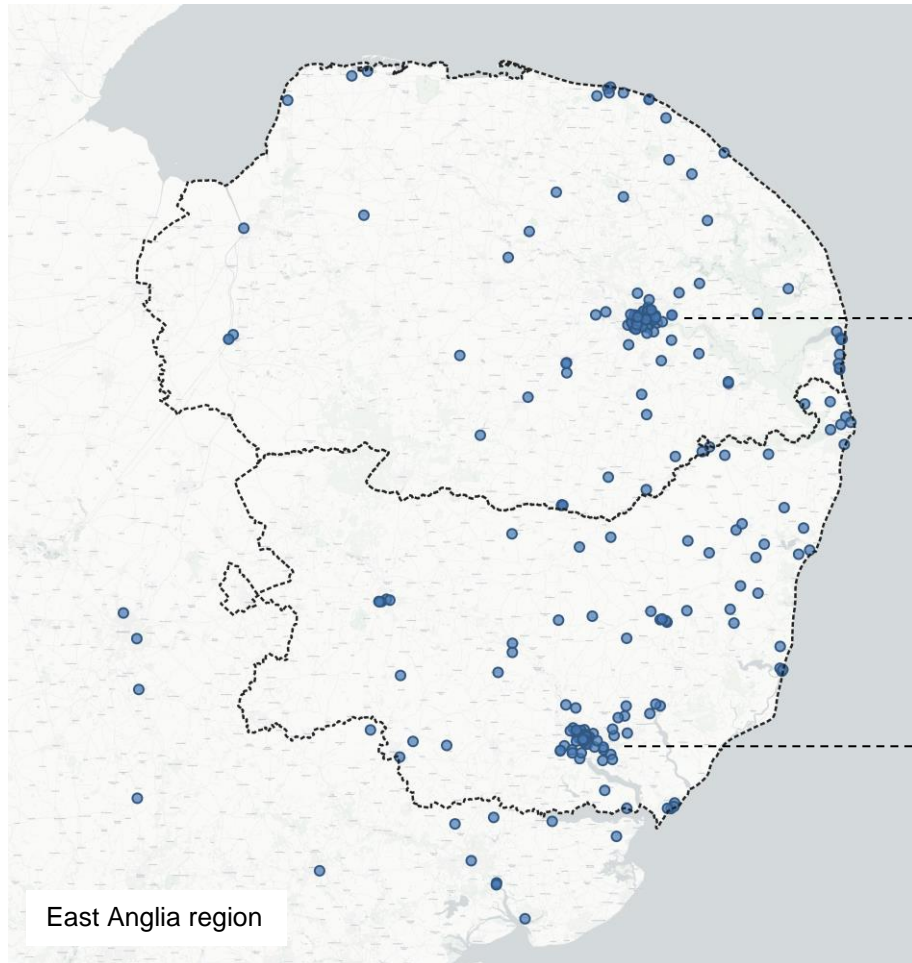
- Largely based in either Suffolk (47%) or Norfolk (46%). 4% were based in Essex. Unsurprisingly, just over half (53%) were from either Norwich (30%) or Ipswich (23%). However, as shown in Figure 5, the programme successfully reached rural and coastal areas of the counties
- The beneficiaries came from a wide range of creative and cultural sub-sectors. The highest proportions reported their primary business sector being the performing arts, including dance, music and theatre (38%), 15% were from visual arts, and 8% from community arts. Other sub sectors included photography and film (7%), literature (5%) and design (4%).

- 73 were pre-start-ups (28% of those who provided this information) and hadn't started trading when they started their StartEast journey. 13% were in their first year of trading, whilst 30% had been trading for over 5 years.
- The majority (62%) were sole traders, with 1 in 4 (24%) a registered Limited Company.
- 73 (28%) reported they were already working internationally.
- The majority (69%) already worked in social settings.
- Just over half (57%) had created a product or process innovation in the last 6-months prior to joining StartEast, with the average number per respondent being 4.7. When considering the full cohort, the average was 2.5.
- And on average, beneficiaries went on to receive 12.8 hours each, with a total of 4,600⁸ hours given. Half (51%) received 12+ hours of support.

⁷ E.g. individuals must be aged 16 or over, businesses must be registered in the programme area, they must qualify as an SME, and they must not have received over €200,000 in De Minimis Aid

⁸ Rounded to the nearest 100 hours

Figure 5 Geographical spread of StartEast beneficiaries



Source: StartEast management data

Output overview

At the time of writing (Nov 2019), StartEast has surpassed one of their targets; for the number of enterprises receiving non-financial support, where they have supported 136 businesses, surpassing their target of 110 by 24%. Progress against their other output targets are as follows:

- 144 out of 170 enterprises supported (85% achieved)
- 60 enterprises have been rewarded grants as part of their support⁹
- 13 out of 15 new enterprises supported (87% achieved)
- 42 out of 45 potential entrepreneurs assisted to be enterprise ready (93% achieved)
- 3 out of 5 new jobs created (60% achieved).

As shown in Figure 6, all but one of the output category targets are set to be met or surpassed when the forecast for the final quarter is included. Only the total number of enterprises supported will fall short (forecasted to support 145 of 170 target – 86%).

A number of challenges were reported during interviews with project teams, which included:

- **Definitions** - due to ERDF regulations, employment uplift figures do not include self-employed or freelance opportunities. This is a challenge for the project as the vast majority of beneficiaries in the programme are micro businesses and creative sector enterprises often grow through their supply chain, by employing more freelancers, rather than taking on new employees.
- **Sustaining support to reach 12 hours** – whilst the programme was inundated with applicants and beneficiaries, there was a challenge in getting beneficiaries to keep returning to reach their 12-hour target and achieve the project target of 170 enterprises supported. Explored further in section 4, it

was found that businesses were signing up to workshops because they were free but would then not attend. The delivery team mitigated this challenge by offering a 1:1 with a business advisor to ‘top up’ the beneficiary’s support hours. From interviews with beneficiaries and delivery team, it was reported that some businesses thought they had received 12 hours (when they had not), but a more fundamental point is that some enterprises indicated they did not need more support and so were reluctant to take time off work or out of their business to attend additional sessions. There is an opportunity cost for these micro-businesses taking time out to attend training.



Source: StartEast

⁹ At the point of writing, 48 of these 60 grants had been spent, which can be claimed by the programme

Figure 6 Progress against ERDF outputs

ERDF reference number	ERDF definition	Link to output in theory of change diagram and original project target	Target ¹⁰	Achieved at end of Q2 2019 (April-June 2019)	Percentage completion against target (%) ¹¹	Forecast for Q4 2019 (Oct-Dec 2019)	Forecast plus actuals over project lifetime	Forecast percentage completion against target (%)	Link to project target (see appendix for full list)
C1	Number of Enterprises Receiving Support	Enterprise support (12hr+) (target 170)	170	144	85%	2	146	86%	To support at least 170 enterprises
C2	Number of Enterprises Receiving Grants	Enterprises receiving grant (target 60)	60	48	80%	15	63	105%	
C4	Number of enterprises receiving non-financial support	Number of enterprises receiving non-financial support (target 110)	110	136	124%	0	136	124%	
C5	New enterprises supported	New enterprises support (target 15)	15	13	87%	2	15	100%	
P11	Number of potential entrepreneurs assisted to be enterprise ready	Number of potential cultural entrepreneurs assisted to be enterprise ready (target 45)	45	42	93%	3	45	100%	To develop pathways to enable at least 45 potential cultural entrepreneurs to be enterprise ready
C8	Employment increase in supported enterprises	New jobs created (target 5)	5	3	60%	2	5	100%	To create at least 5 new jobs in enterprises supported

¹⁰ Revised target figures (April 2019)

¹¹ Rounded to nearest percentage

Financial overview

StartEast is funded by Arts Council England’s Creative Local Growth Fund and the European Regional Development Fund, as well as receiving some match-funding from local authorities and project partners. Figure 7 provides a detailed breakdown.

Figure 7 Sources of funding for the programme

Source	Amount ¹²
ERDF	£610,000
Arts Council England	£500,000
New Wolsey Theatre	£49,000
Suffolk County Council	£25,000
Norfolk County Council	£39,000
TOTAL	£1,220,000

Source: StartEast programme management data, figures rounded to nearest thousand

Delivery of activities to target groups

Supporting a diverse group of businesses is a key objective for the project and the project team closely track the characteristics of the practitioners enrolled on the programme. As part of the evaluation, businesses were asked to report the total number of people in their business, broken down within three diversity groups: gender, ethnicity and disability. As shown in Figure 8, StartEast was able to meet or surpass its targets for all three diversity groups. As the majority of beneficiaries (62%) are sole-traders, we see this as a good indicator for the diversity of the beneficiaries who received the support.

Figure 8 Supporting a diverse sector

Diversity metric	Target	Achieved
Women	50%	67%
BAME	5%	5% ¹³
Disabled (registered)	5%	8%

Source: StartEast programme management data

The programme didn’t have a specific target against different age groups. However, as shown in Figure 9 below, there was a notable low take-up by 16-24 year olds, who would typically include recent graduates, with the largest cohort from the 40-44 / 50-54 age groups.

Figure 9 Age range of beneficiaries

Age range	% of all beneficiaries
16-24	3.7%
25-29	11.7%
30-34	7.0%
35-39	10.7%
40-44	12.8%
45-49	9.6%
50-54	12.3%
55-59	7.0%
60-64	4.3%
65+	2.1%
Prefer not to say	18.7%

Source: StartEast programme management data

¹³ % of respondents not identifying as White

¹² Figures rounded to nearest £1,000

Overall project budget

The original programme budget still stands, although as of June 2019 a quarter of the funds are yet to be spent and claimed (Figure 10). This is in part due to the natural lag between awarding funding and that funding being defrayed. Careful project monitoring in the final stages of the programme is in hand to ensure there is no underspend.

Figure 10 Programme spend

Cost	Original budget	Spend to date ¹⁴	To be spent in final two quarters
Revenue	£ 1,070,00	£ 857,000	£ 213,000
Capital	£ 149,000	£ 62,000	£ 87,000
Total	£ 1,220,000	£ 919,000	£ 300,000

Source: StartEast claim number 11, June 2019, figures rounded to nearest thousand.

3.2 Motivations for taking part

Connecting with others was the most cited pull factor for beneficiaries, and was credited with providing potential for future collaborations, acting as a sounding board for their own ideas, as well as getting a better understanding of how they were doing themselves.

“ Whilst not yet collaborating with others on the programme, [StartEast] has been great to see how I’m doing myself, compared to others. Where I rarely get to meet others working in similar organisations, it was reassuring to hear about their businesses and that we’re doing okay

Access to funding was also important. One consultee highlighted their desire to receive training in securing core funding through learning new best practice in fundraising, although the majority were motivated by the opportunity to receive a small grant. Many of these small grant were used to support the development of a new website / branding.

Numerous consultees were at the early stage of their businesses’ development, therefore **support in developing a business plan** was seen as fundamental in starting to ‘think more strategically’.

“ I can do the music bit; that’s my strength and experience... but not the formal business stuff

Improving governance was also important. For two consultees, while established and growing, they recognised that to bring about real change in organisational culture and entrepreneurial drive for growth, they would need to

¹⁴ Expenditure data taken from latest available claim information dated June 2019 and includes expenditure up to 30 June 2019.

look at their governance model and make-up. Both saw this coming from reviewing their board of trustees, looking for StartEast's help to professionalise the historical members, as well as recruit for specific skills that the business would need to expand.

A lack of suitable bespoke support elsewhere also drew beneficiaries to the programme, and while there are resources available across the two counties (e.g. New Anglia Growth Hub), these were felt to be ill-fitting or lacking the hands-on support that StartEast appeared to offer.

“ Had been involved with the East Enterprise Hub – did an entrepreneur training. It was great, but wasn't very catered. Some of the advisers didn't get what I wanted, so was looking for a programme more relevant to the creative sector

4. Quality of delivery and management

4.1 Activities

One to one sessions

Almost half (47%) of all project beneficiaries surveyed specifically mentioned one-to-one mentoring when asked about the most valuable aspect of the programme.¹⁵

Many beneficiaries felt that tailored support from an external and authoritative source had a great impact on their business. For example, one beneficiary developed a two-year business plan with the support of an advisor, which gave her the confidence and direction to her business, to allow it to grow into something that is sustainable over the long term.

Another beneficiary spoke about how the advice she was given in one session has changed her approach to freelancing and her working practices.

“ We’ve been to other advisors, but they have been more art focused – they were good, but with StartEast, the one on one support makes it much more relevant to a cultural business like us.

“ One to one mentoring [was] really brilliant.

Group sessions

The group sessions received a more mixed response. It was felt that these sessions struggled to have equal relevance to businesses/beneficiaries working in very different contexts and at different stages of maturity. This was difficult for

more established businesses, who felt as if the tone and content did not match their levels of experience and expertise.

“ [The group workshops were] less useful. Sometimes it was quite frustrating that we had to come to them. The sessions weren’t relevant to us – more start up artists. We felt at the similar levels as the some of the advisers

Grants

The grants were reported to have a transformative impact in some cases. For example, one interviewee used a grant to purchase a vehicle to transport equipment which allowed her to expand her client base. Another invested the grant in an editing suite which was integral to the business’ survival.

“ The grant has been invaluable – I wouldn’t have been able to afford to make these necessary refurbishments without it. It’s really unlocked a key asset for me and my business

Both consultants and applicants felt the grant process was overly complicated and lacked clarity. To address this, the project team put in place a system whereby anyone could fill in an expression of interest to be assessed by a panel of grant advisers. Successful expressions of interest were invited to develop a full application. Advisers supported the final stages of the application drafting and then recommended (or not) the grant to the steering group.

Networking

The ‘Network Jams’ were seen as a hugely valuable opportunity to meet others and make connections. By the end of the programme, 56% felt connected to a supportive business network. Beneficiaries were better informed about their contemporaries working in the region’s creative sector.

¹⁵ Source: StartEast completion survey

“ Wonderful networking opportunities meeting other artists and creators who are open to new ideas and collaborations.

“ I think the scheme has injected confidence into the creative industries of East Anglia, through a clever combination of inspiration, networking and positivity. People are making work, getting it out there, making connections, collaborating, and seeing possibilities where they might once have seen only obstacles.

Both beneficiaries and advisors expressed regret that there were not more frequent and more focused networking opportunities available or digital alternatives.

“ It took an awfully long time to create means by which beneficiaries could be introduced to each other outside of workshops. There is a huge knowledge pool which we haven't had access to.

4.2 Engagement with beneficiaries

Around half of beneficiaries who engaged with StartEast did not meet the 12 hours necessary to 'complete' the programme (Figure 11).

Figure 11 Hours of support received

	1 – 4.5 hours	5 – 9.5 hours	10 – 11.5 hours	12+ hours
Number of beneficiaries	91	72	13	185
Percentage of beneficiaries	25%	20%	4%	51%

Source: NCC Report data (n=361)

The project team reported that, for some businesses, an intensive support programme of over 12 hours was appropriate. Others had received all the support needed or that they had time for in under 12 hours and therefore could not be counted as an output. The threshold for measuring impact (12+ hours) is an ongoing tension in the delivery and evaluation of ERDF programmes, with questions around whether it overlooks the impact made on businesses that engaged for less time.¹⁶

Beneficiaries did not end engagement at a particular point, suggesting a range of different reasons for doing so. Three quarters of beneficiaries received at least 5 hours of support. The key reasons for not continuing included:

- The content was generic rather than appropriate for their business stage

“ It is quite easy when someone is coming in at a fairly low level... but when they are more advanced it can be more difficult

- Sector focus - two design focused consultees felt that the programme was not for them down to the focus on performing arts
- Existing commitments

¹⁶ In recognition, an 'exit survey' was introduced and sent to all beneficiaries, regardless of engagement level. However, as is often the case with less engaged beneficiaries, take up among beneficiaries who received less than 12 hours of support was very low and only one completed the survey.

“ The time and resources required to get me to a level I could really engage was too great for me. Instead I dropped out and secured a grant from a local business for the event that was quickly approaching

- An over emphasis on financial outcomes, with a small number of beneficiaries preferring to focus on cultural not financial value.

Project advisors also reported that some beneficiaries perceived a conflict between making money and ‘staying true’ to their practice and did not feel comfortable discussing things in business terms. As a result, there was at times a slight mismatch between the aims and objectives of the programme with the aspirations of beneficiaries.

“ It was too early to me to be thinking about money, as well as some others I met. The offer and value proposition needs to be determined first – the finances come after that.

Staff

Advisors and other stakeholders report that the programme was overall successful at engaging beneficiaries and raising the collective aspirations of the creative sector in New Anglia, either financially or otherwise.

Beneficiaries reported that the quality and depth of support offered by StartEast staff was excellent, providing a sense that staff genuinely wanted the best for beneficiaries and were committed to the programme.

“ The staff deserve a shout out. They were thoroughly warm and friendly – a delight to work with.

“ [Staff] were on the end of the phone if we needed them. They were on hand with everything we needed to do.

Recruitment and selection

“ We were inundated in requests for support from all artforms. If we did it again this cohort of 350 would love to be involved again; we really found a strong base for this support

The inclusive eligibility requirements allowed a mix of businesses and individuals to access to the programme. The personal and professional networks of steering group members supported recruitment.

The programme achieved a very high level of penetration. ONS reports that there are 505 enterprises in the performing arts, support to performing arts, artistic creation, and operation of arts facilities, in Norfolk and Suffolk. The programme reached 260 businesses who were not ‘pre-start up’.

The delivery team felt they could have achieved a greater balance between start up and pre start-up businesses, where there was ‘a gap’ for established SMEs who need support. These groups found some of the events ‘generic and basic’. This raised the challenge of balancing open events with tailored and bespoke support.

The team also found it more difficult to recruit in ‘cold spots’ – areas in the region with less previous engagement and known activity – and expressed a wish to have done more development work in these places. They noted that holding events in less central locations once the programme development phases was over did go some way to addressing this imbalance, however the need to meet recruitment targets meant that resources tended to be more focused in ‘hot spots’ where applications were more likely.

Managing advisers

The delivery model for support was through a *hub and spoke model*. The relatively small core delivery team at New Wolsey Theatre provided the central relationship management function with beneficiaries. This work was supported by external enterprise advisors who work with beneficiaries on a needs basis.

The core StartEast team faced challenges managing the business advisors, many of whom were freelancers or from other organisations only working for

StartEast on a part-time basis. Some reported feeling ‘cast adrift’ with little knowledge of what else was on offer for beneficiaries, impacting the quality of advice they were able to give.

“ I don’t know what the other advisers are doing- there is no coming together of advisers

4.3 Partnerships

A steering group, consisting of the delivery team, cultural organisations (e.g. Suffolk Artlink) and strategic partners (e.g. New Anglia LEP, Arts Council England), met regularly to provide guidance and direction throughout the programme, where decisions were made on any necessary changes to support, as well as updates on delivery against target outputs and financial spend.

Stakeholders felt this partnership design and approach worked well, with consistently high engagement throughout the programme.

The value was largely based on:

1. Ensuring alignment between organisations. Having representation from different sectors and across the two counties pushing for high quality support – the steering group encouraged continued buy-in and expertise input from a wide range of stakeholders. The New Anglia LEP were able to keep an eye on the enterprise aspect of the support, whilst Arts Council England and other cultural organisations were about to provide expert guidance on sector-specific needs, as well as provide in-kind support (e.g. free venue hire).
2. Strengthening existing relationships – many of the members already had a pre-existing relationship with one another and with Arts Council England and European Commission funding. StartEast was able to galvanise these relationships, as well as build new ones, which will frame the legacy of the programme.
3. Building on previous experience and assets. StartEast for example, drew on the Growth Hub’s previous experience of delivering ERDF programmes, including the rules around administering small grants.

4. Economies of scale – working with a diverse and expert group provided an ‘energy and self-confidence’ that meant collectively they were able to ‘really raise the bar’ and offer high quality support that wouldn’t have been possible independently.
5. Minimising administration and reporting needs – whilst there were initial challenges highlighted in tracking the many and different demands for Arts Council England and ERDF, the two main funders, as the programme continued this process became more familiar and manageable. Being able to meet with the two main funders relatively regularly enabled this improvement, where the team were able to successfully redistribute funding to areas where it was needed, as well as negotiating reduced output targets to ones that were more representative of the programme.

One stakeholder indicated that towards the end of the project, the partnership between the Growth Hub and StartEast could have been better utilised to think creatively about mechanism and models to enable StartEast to continue in some form within the existing Growth Hub structures.

5. Project outcomes and impacts

5.1 Improved business performance

Turnover

In total, a third of respondents reported their turnover has grown as a result of the StartEast support.

By the end of the programme, the average annual turnover (completed year) was £10,500, a 62% increase. Half of those that were not trading on enrolment began trading. Two enterprises reported very large growth from zero turnover prior to StartEast, illustrating how some enterprises experienced significant transformation over the period of StartEast support. To ensure the economic model is not unduly influenced by the results of a small number of enterprises, the turnover figures of these two businesses were excluded from the calculation to determine the average increase of beneficiaries.

Beneficiaries expect that the current financial year will bring significant additional growth in turnover. 54% of respondents anticipated that their turnover will increase in the future as a result of the support. Of these, they estimated a likely increase in 49% and beneficiaries anticipate the impact of StartEast to last on average 5 years.

The enterprises for which longitudinal turnover data is available indicated significant uplift, with turnover reaching an average of £21,300 for the current financial year.

“ Although we haven't seen financial growth now, we can predict such growth as we have much more work booked in for 2019 which will result in a higher turnover.

Employment / employees

Micro-businesses, like the majority of those enrolled on StartEast, have low numbers of employees and growth is usually managed through sub-contracting arrangements rather than employment growth. We would anticipate that any employment growth that can be attributed to StartEast would be low.

Data from the completion survey suggests that nearly one in five beneficiaries have grown their employment as a result of StartEast. For the 73 participating firms where we have data, on enrolment, the average FTE employment was 0.69 FTE, and this rose slightly to 0.75 after StartEast. Overall there was little change in employment (Figure 12 and 13).

Figure 12 Change in employment status (%)

Employment status	Before	After	Variance
Self employed	55%	56%	+1%
Part time employment	18%	18%	Unchanged
Other (please specify)	10%	9%	-1%
Company director or business owner	8%	8%	Unchanged
Full time employment	5%	5%	Unchanged
Unemployed	3%	3%	Unchanged
Economically inactive ¹⁷	1%	1%	Unchanged

Source: Beneficiary survey (n=107, 106)

¹⁷ Those without a job and not actively seeking a job/unavailable to start in the next two weeks, including students

Figure 13 Change in employment status (count)

Employment status	Before	After	Variance
Self employed	59	59	Unchanged
Part time employment	19	19	Unchanged
Other (please specify)	11	10	-1
Company director or business owner	9	9	Unchanged
Full time employment	5	5	Unchanged
Unemployed	3	3	Unchanged

Source: Beneficiary survey (n=107, 106)

Gross Value Added

Gross value added (GVA) is a measure of economic value created and it is used to measure the scale and size of sectors and regions. Our method for calculating GVA is set out in the appendix and utilises national statistics to estimate GVA from turnover figures.

Beneficiaries on StartEast experienced an estimated average uplift of GVA from £2,400 to £3,900 (last completed financial year), rising to £7,800 for the current financial year.

Increased productivity (GVA per FTE)

Productivity is the measure of how much output one receives for a given input. GVA per FTE working is a standard measure of productivity. Our estimate show that participating enterprises experienced an uplift of productivity of nearly 50%, although from a low base from £3,500 to £5,200 (complete financial year).

Business survival rates

Of 109 respondents, only 4 are no longer trading, meaning 96% of respondents are still trading.

This survival rate for StartEast beneficiaries appears to be above both regional and national averages for the arts, entertainment and recreation industries over a five-year period (Figure 14). However, this cannot be considered a direct comparison, as beneficiaries have been trading for differing lengths of time and the scope of the programme is not exactly equivalent to the broad industry classifications used in the benchmark data. Case study beneficiaries felt that without the programme their business would not have survived.

Figure 14 Benchmark enterprise survival rates for the arts, entertainment and recreation industries¹⁸, 2011-2016

	UK	New Anglia
Year 1	92%	93%
Year 2	77%	72%
Year 3	63%	64%
Year 4	51%	49%
Year 5	45%	46%

Source: ONS data

Contracting

One of the ways that creative enterprises grow is through their supply chain; instead of increasingly their employment directly, they grow by subcontracting more work to other micro businesses and freelancers in the creative economy. There is some evidence that the businesses which engaged in StartEast are growing in this way – in the last complete financial year the average value of contracts let to other practitioners or businesses in the cultural sector was £5,200. Beneficiaries anticipate this to grow to £6,400 in the current financial year, an increase of around 20%. The subcontract costs to other creative enterprises account for around half of all business costs; a higher amount than enterprise wage costs (through PAYE).

Innovation

On enrolment, just over half of respondents (57%) had developed a new product or service in the last six months. After the programme this proportion increases to 76%. Of the respondents who provided figures, the average number of new products or services was 2.3 per respondent.

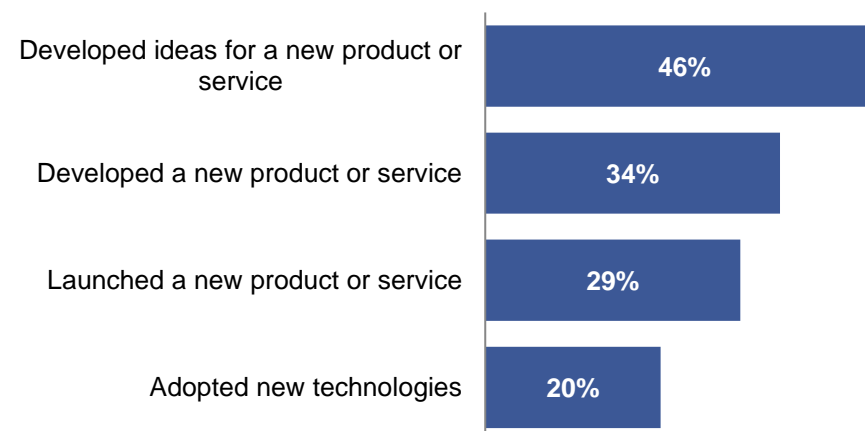
Only 1 in 3 (34%) of respondents made a direct attribution of their new businesses or services as being developed as a result of the StartEast support they received (Figure 15).

Diversifying income streams

In the period (up to six months) immediately following the completion of the programme, 75% of respondents diversified their income stream by launching new products or services

A third (34%) of respondents reported developing a new product or service and 46% of respondents reported that they have developed ideas for a new product or service, as a result of the StartEast support they received (Figure 15).

Figure 15 As a result of the StartEast support have you...



Source: Impact survey (n=109)

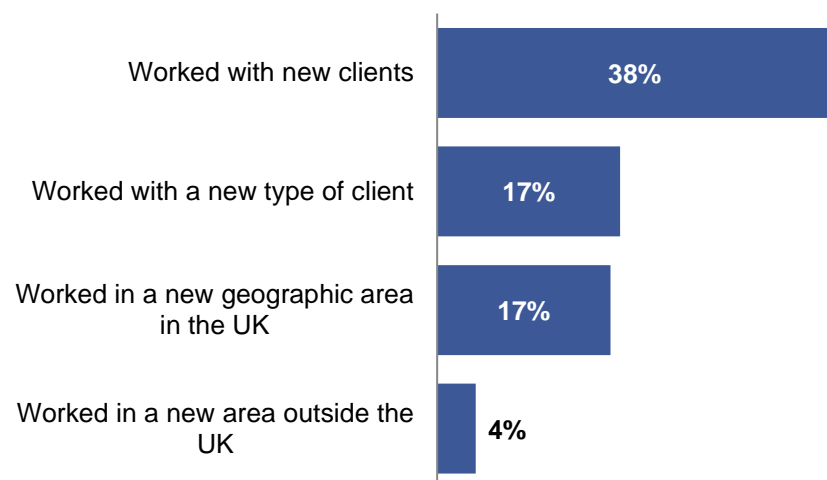
¹⁸ Based on UKSIC2007 90-96

Finding new clients/markets

38% of respondents reported they are working with new clients as a result of the StartEast support they received, with 17% working with a new type of client (Figure 16).

17% of respondents reported that they are working in a new geographical area in the UK, with 4% working internationally, as a result of the StartEast support they received.

Figure 16 As a result of the StartEast support have you...



Source: Impact survey (n=109)

5.2 Finding new markets in social settings

A key aim of the StartEast programme was that more businesses will operate within a social context, through new contracts / commissioning and business networks. For example, through work in health, education, youth or community contexts.

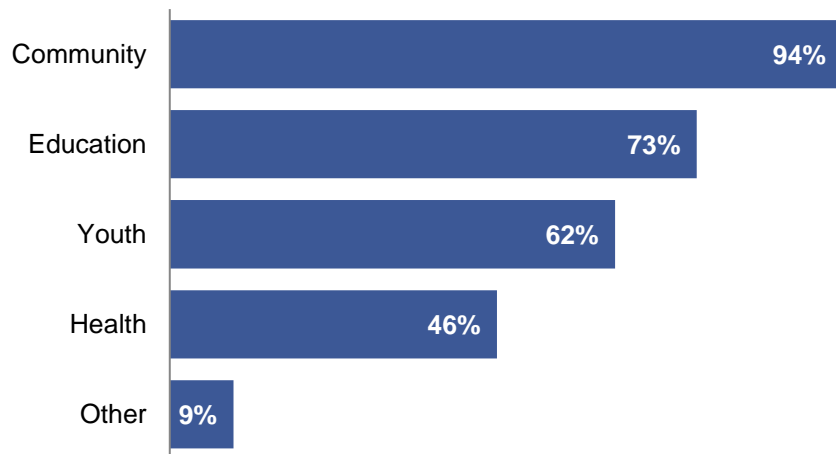
On enrolment, beneficiaries were very engaged in work in social settings. The majority (69%) of beneficiaries already worked in these settings and this rose slightly to 76% at the end of the programme.

The highest proportions of these operated in community (94%) or education (75%) settings (Figure 17)¹⁹. The proportions increase six months after completion for those who work with youth (64%) and education (78%).

33% of businesses that were not trading before StartEast are now active in social settings.

¹⁹ As it is common that businesses will work across multiple settings respondents were allowed to pick more than one.

Figure 17 Social setting of respondents



Source: Completion survey (n=79)

On completion of the programme, on average, the revenue coming from work in social settings made up just over half (53%) of their total annual revenue.

Of those working in social settings, 53% report doing more work in those settings following StartEast, with the remaining working at the same level. Beneficiaries reported three main reason for this increase.

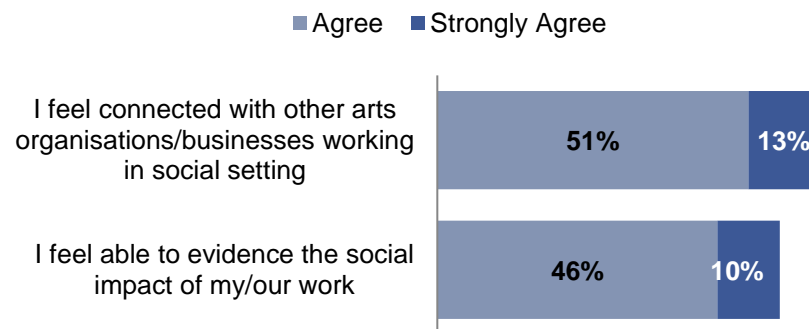
First, they were able to make new connections within their local area, who already operate within social settings. This then supported these businesses to operate in these contexts. This finding is supported by findings from the completion survey, where 64% either agreed or strongly agreed that they feel connected with other arts organisations or businesses working in social settings following the programme (Figure 18). This increased from 40% on enrolment.

Second, StartEast helped them to gain valuable knowledge and confidence that they have an offer that can support those within social settings.

Third, many of these started StartEast as pre-start-up businesses and have now started trading for the first time within the social setting.

Providing evidence of impact is frequently important for those working in social settings. 56% agreed or strongly agreed with the statement 'I feel able to evidence the social impact of my work' (Figure 18). This figure is slightly lower than enrolment data (61%) because it considers also those who operate in this new market for less than 12 months, who may be less likely to be confident in this aspect of their work.

Figure 18 Evidence base and connectivity amongst those working in social settings



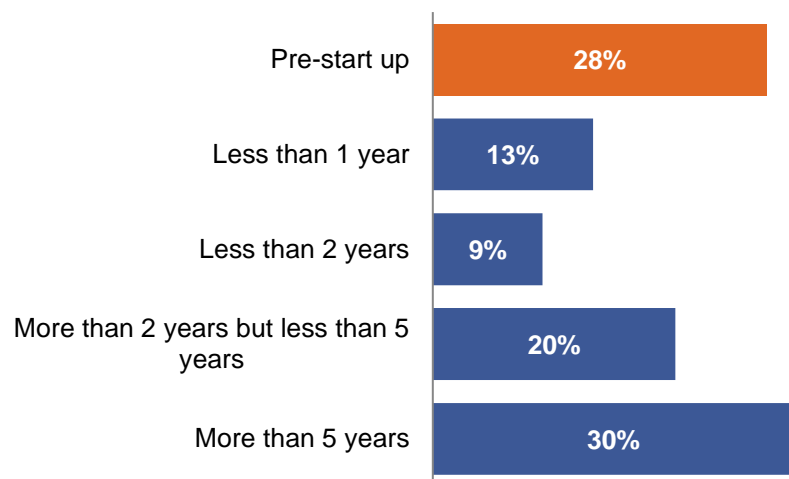
Source: Completion survey (n= 78)

5.3 New business activity

New business activity comes from new start-up businesses and businesses re-locating into the area.

One in four StartEast beneficiaries began the programme as a pre-start-up (28%), with 13% in their first year of trading (Figure 19). 1 in 3 (30%) had been trading for over 5 years.

Figure 19 Age of business on enrolment



Source: Enrolment data (n= 264)

Of the 'pre-start up' group, nearly half 46% have started trading since enrolling on StartEast.

5% of beneficiaries have relocated their businesses to Norfolk or Suffolk.

5.4 Approach to growth – behaviour change

A key objective for StartEast was to enable beneficiaries to develop a more positive and proactive approach to growing their business, and in supporting the development of a set of soft skills.

90% of respondents felt they had a clear vision for their business following StartEast, a significant increase from the data collected at the time of enrolment which was only of 51%. Interviews suggest that having a clear vision is fundamental in directing effort and resources.

“ Thinking a lot more strategically than we did before. Having a new board has had a huge impact on how we govern and make decisions – where before it was quite ad hoc, now it feels we are all working together for the same goal – we have a clear vision!

“ I've learnt to work smarter – spending less time searching for work and more time capitalising on existing contacts and creating the actual work

84% are now able to generate new opportunities for their work/business, which represents a significant increase from 41% on enrolment and 88% felt they are responsive to the needs of their clients/customers.

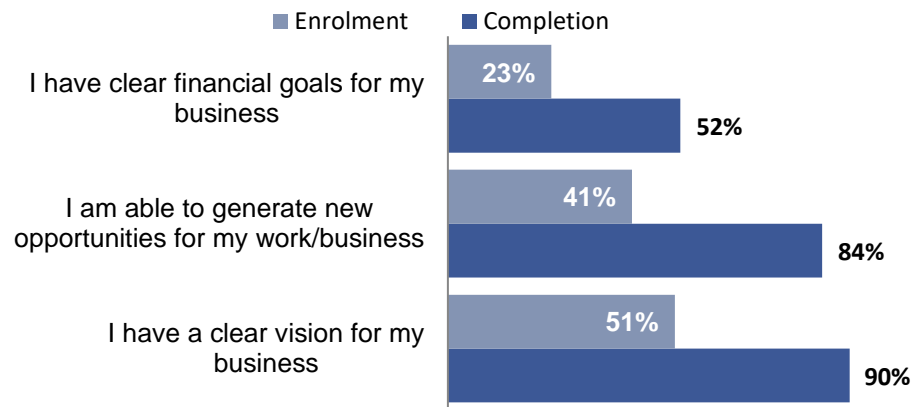
Another outcome reported by consultees is generating new activity for businesses – both through being proactive in creating new prospects for business, as well as catering the offer to the market.

“ The grant provided a key asset for my business to flourish in the future. I can now really offer something unique that meets the needs of my clients, which isn't available anywhere outside London

52% reported having clear financial goals for their business, more than double than the perception at enrolment (23%) (Figure 20).

“ My business strategy has vastly improved, with longer term thinking – now know what forecast for the next month. Before that I would have never done that

Figure 20 How beneficiaries felt about their capabilities in managing their business in the future following the programme



Source: Completion survey (n=113), Enrolment Data (n=273).

84% of respondents felt they could articulate and communicate their work's unique value on completion which is a significant increase from at enrolment data (53%) (Figure 21). Interviewees discussed how the ability to correctly identify a Unique Selling Point could be a crucial starting point for the business.

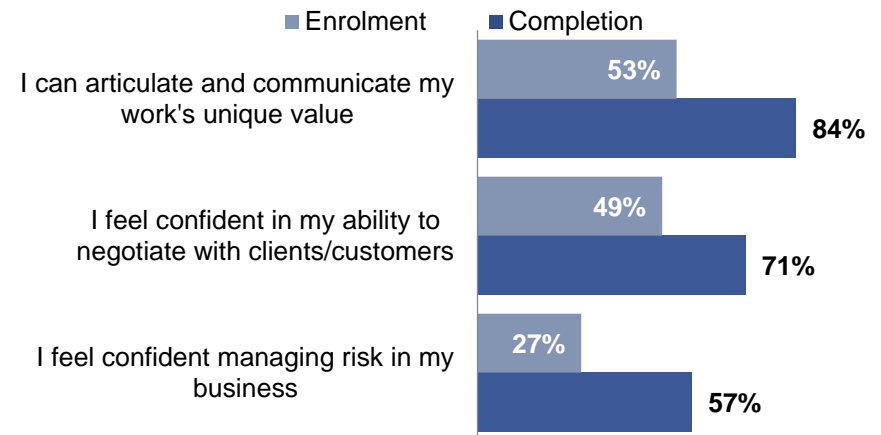
“ Though I didn't learn new skills, I do feel more confident in my abilities that I had before, as well as knowing from seeing other organisations that we are actually doing pretty well – and should take pride in that. We have our USP and we have a plan!

71% of respondents felt confident in their ability to negotiate with clients or customers, a significant increase from 41% at the start of the programme.

57% are confident about their ability to cope with risk, an increase from 27% at enrolment.

Beneficiaries also have more enthusiasm and ambition for their business (Figure 21).

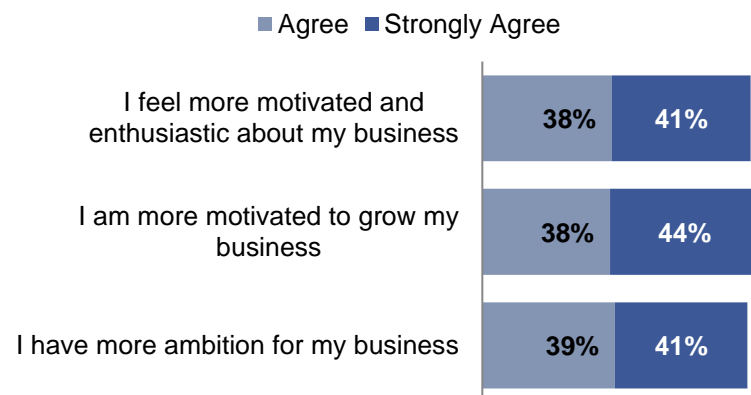
Figure 21 How beneficiaries felt about their business expertise following the programme



Source: Completion survey (n=113), Enrolment (n=273)

“ [StartEast] has really given me a new passion for my business. I knew I had a good value proposition, but from speaking with advisers and other people on the course, it's reaffirmed and motivated me to grow!

Figure 22 As a Result of StartEast...



Source: Completion survey (n=113)

5.5 Accessing and influencing business support provision

The programme aimed to improve access to general business support for the cultural sector. Across the UK, there has been a notable decline since 2010 in the number of cultural businesses accessing support.

75% of beneficiaries had not received any other business support from other providers aside from StartEast in the last two years. Of those that had received support, this was from a wide range of specific and non-specific providers (Figure 23).

Figure 23 Other business support sources engaged by SE beneficiaries

Business support provider	No. who engaged	Type of support	Location
DanceEast	2	Specific	Suffolk
Menta	2	General	Suffolk
New Anglia Growth Hub	2	General	Regional
Untld	2	Specific	National
Creative Leaders (NWC)	1	Specific	Norfolk
Eastern Enterprise Hub	1	General	Regional
School for Social Entrepreneurs	1	Specific	National
Princes Trust	1	General	National
The Guild	1	Specific	Norfolk
Crafts Council	1	General	National

Source: Completion survey

Three business support providers provided baseline data to support the evaluation. These were Creative United, Unltd and the New Anglia Growth Hub. The data is of varying quality but suggests some increase in take up.

The **New Anglia Growth Hub** provides general business cross sector support in the region. To determine the number of cultural enterprises accessing support, a bespoke SIC sector definition was developed by the project team and BOP (see appendix). This broad definition of the sector includes some education and health related activities as deemed in scope for the project. However, it is not possible through the SIC definitions to separate those in the education and health sector who are engaging with cultural activities and those who are not.

Engagement for both businesses working in a social setting and those in cultural sector remain low (Figure 24). Since 2014, the Growth Hub has supported 557 businesses from these sectors, which accounts for 6.8% of all the businesses within these sectors. There is significant variance, year to year,

making it hard to draw strong longitudinal trends. The growth in numbers of cultural enterprises in 2018 is viewed by stakeholders as likely to be a result of the programme. The increase falls just short of the target of doubling engagement figures.

Figure 24 Enterprises accessing the New Anglia Growth Hub²⁰

Primary sector		2014	2015	2016	2017	2018	2019 (to date)
Health, education and social care	Count	75	113	29	36	53	38
Core cultural sector	Count	38	49	23	23	48	32
Total	Count	113	162	52	59	101	70

Source: New Anglia Growth Hub

Unltd provides support to social entrepreneurs who are looking to start up or scale up their enterprise. It works nationally across sectors providing mentoring, funding and investment advice. Between the start of August 2016 and end of July 2017 there were 26 applications and 12 successful awards for Unltd grants from companies in the Norfolk and Suffolk area. Only two of these applicants identified themselves to be from the creative/cultural sector. Out of the two creative and cultural organisations, neither bid was successful.

Creative United provides support to the cultural and creative industries. It works nationally delivering a number of different business support. The most relevant programme for baselining is data on the Prosper business support programme. Data on applications has been provided for the financial year 2016/2017 and covers the whole of the 'East of England' region. During that period, there were 14 applications from companies located in region. Applications covered a range of creative disciplines including music, performing arts, visual arts, photography, festivals events, heritage, libraries, and museums, with no clear dominant group. They were mainly social enterprises

and not for profits and the vast majority are micro businesses with fewer than 5 employees.

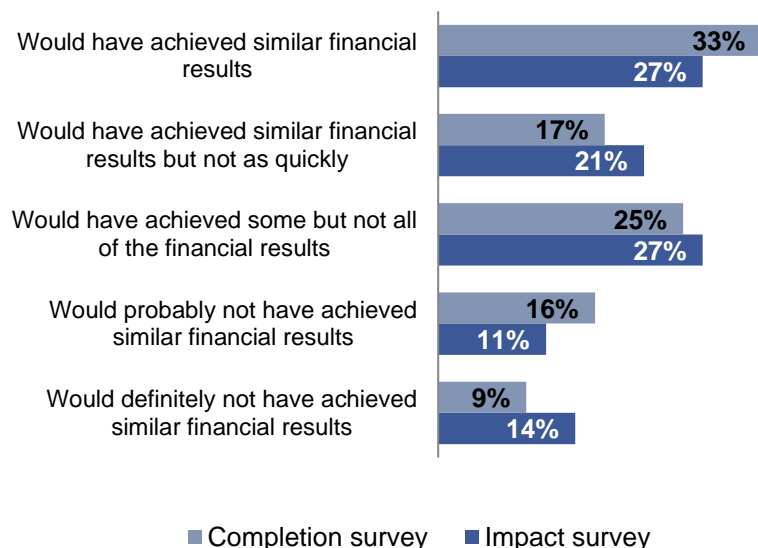
5.6 Counterfactual

To understand what would have happened without the programme, we have collected three forms of evidence.

First, in the completion and impact survey, beneficiaries were asked to describe what would have happened without the StartEast support. On completion of the programme, 1 in 3 (33%) reported that they would have achieved similar financial results without StartEast (Figure 25). This figure drops to 27% when asked to respondents of the impact survey who had left the programme a few months previously. This could indicate that beneficiaries more acutely recognised the added value of the programme only when they are working independently.

²⁰ Date provided Sept 2019

Figure 25 What would have happened without StartEast support?



Source: Beneficiary survey (n=69, 71)

The second, is from 14 interviews with ‘non-beneficiaries’ who dropped out before their completion. By asking how their business is now, it provides a valuable indication to understand the added value that StartEast may be giving those who completed support.

The third, is from a sector survey of ‘non-beneficiaries’, which aimed to provide quantitative findings on the uniqueness of the programme, as well as providing a benchmark for beneficiary success against those who did not receive the support.

In general, non-beneficiaries reported that their business ‘is doing fine’ – either they are experiencing gradual but sustained growth or they are not in a position to grow (or in some cases even trade). This was typically because they were already established in the sector and had a strong pre-existing set of clients and

sector knowledge, which they have continued to work with through their existing channels. It was, however, recognised that with the additional support of a grant to develop a revenue making asset, they could have progressed at a greater rate.

“ It’s going well - but would have been a year ahead by now, if I had got that cash injection

The average turnover amongst the non-beneficiaries was £14,000, with 76% reporting that their turnover is growing. The average turnover of beneficiaries (based on the 60 for which we have longitudinal data) was £6,600, £12,000 if pre-start ups are excluded. For the sector survey group, on average their current turnover is £2,300 higher than last year. However, with just 9 businesses providing turnover figures, these findings are only indicative and cannot be read as representative of the sector.

5.7 Analysis of impact

Different parts of the programme had stronger impacts on beneficiaries than others. Those that received small grants or one-to-one mentoring were significantly more likely to report better financial results or increased turnover. They were not significantly more likely to be motivated or enthusiastic about their business.

In contrast, those attending networking events did not report improved financial results, but they were significantly more likely to report being more motivated and enthusiastic about their businesses. They were also significantly more likely to feel connected to a supportive business network. There is evidence from consultation of a ‘cohort effect’ in that beneficiaries felt part of an entrepreneurial group and this in turn made them more likely to take risks or feel motivated.

This analysis also indicates the effectiveness of different types of support. Notably, workshops did not perform well across any of the measures assessed

suggesting that they are not an effective model in this context. Interviewees reported that workshops were not tailored effectively to the beneficiaries.

Figure 26 Increase in positive responses compared to total sample

Type of support received	Financial indicators		Motivation & Connection indicators	
	Reporting better financial results	Reporting increased turnover	More motivated and enthusiastic	Feeling connected to a supportive business network
Small Grants*	+23%	+28%	+9%	+16%
One to One Mentoring	+22%	+11%	+1%	+14%
One to One Advice	+14%	+2%	+6%	+12%
Workshop	+4%	-6%	-10%	-6%
Networking Event	-7%	+5%	+22%	+26%

Sample: 122; 16; 32; 30; 41; 41. Some forms of support are excluded from analysis as have very low sample sizes. *Low sample size.

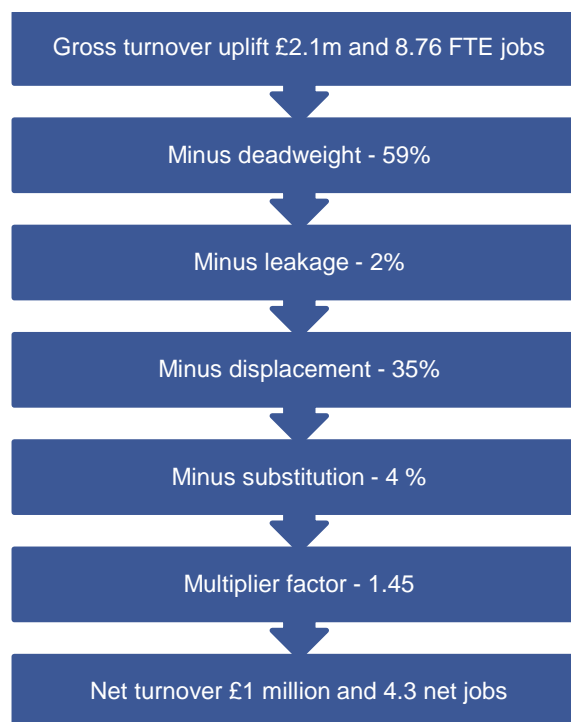
6. Economic Impact and Value for Money

6.1 Economic impact

The full details of the economic impact assessment can be found in the appendix of this report. The key findings from this are that so far, the programme has delivered:

- Gross turnover from enterprises participating in programme of £1.26 million achieved so far, rising to £2.51 million including forecast amount for this financial year.
- Gross uplift (comparing before and after the programme) of £600,000 achieved to date, raising to £2.1 million when the current financial year is included. Given that for most businesses, the full impact of StartEast will not be visible in completed financial year data, we feel the current financial year estimates provide a more accurate reflection of impact.
- Net turnover uplift (once accounting for the additionality factors) is £1 million (including current financial year) and 4.3 FTE (see Figure 27) for details on how net turnover was calculated).
- This translates to a net annual GVA uplift of £390,000.

Figure 27 Gross to net calculations



6.2 Value for Money

Cost per output

The budget for the programme was £610,000 of ERDF, plus £500,000 from Arts Council England, £49,000 from New Wolsey Theatre, £25,000 from Suffolk County Council and £39,000 from Norfolk County Council. We focus the Value for Money assessment on the public sector funding only – in this case ERDF, Arts Council England and the funding from the two County Councils; a total of £1.17 million.

On average, it cost £9,000 to support each enterprise. Comparing this to benchmarks suggest that the cost per business assisted sits between the accepted range for low intensity support (£2,500 to £4,700) and high intensity support (£10,000)²¹; the cost per output is on the high-side compared to ERDF programmes, however, this is largely down to the fact that ERDF is matched with other public funding (which is counted in the value for money assessments), rather than private sector funding.

Cost of impact

When comparing the annual net GVA with the public sector investment, the GVA to cost figure is 0.35, raising to 1.4 when impact is assumed to last four years. This means that each pound spent, returns £1.40 of value to the economy.

In terms of the GVA measure, StartEast provides reasonable value for money over four years. The cost per job created is very high, but as this was not a core objective of the programme (and was not anticipated given the sector conditions) it is less important.

²¹ England ERDF Programme 2014-2020: Output Unit Costs and Definitions.
<http://www.nwueu.ac.uk/NWUEU/PDFs/Regeneris%20Consulting%20-%20ERDF%20Output%20Note%20FINAL%20Version%2018%2012%2013.pdf>

7. Strategic impact, wider impacts and legacy

7.1 Strategic Leadership and Influence

The StartEast steering group has provided leadership and constructive challenge for the programme. Comprising the delivery team, cultural organisations (e.g. Suffolk Artlink) and strategic partners (e.g. New Anglia LEP, Arts Council England), it met regularly to provide guidance and direction throughout the programme. This group has been actively involved in the programme oversight, including the assessment of grants.

The steering group has been at the centre of discussions about the future of StartEast and there is support for continued partnership working. The relationships developed through the steering group are contributing to the overall connectivity of the cultural sector in the New Anglia LEP area.

Through the steering group, the programme and delivery team benefitted from knowledge, shared by the Growth Hub, on how to effectively deliver business support, especially with regards to grant administration. However, some partners feel that the programme would have benefitted from a stronger focus on strategic integration and engagement with partners such as the Growth Hub, particularly to deliver StartEast's objective of embedding the needs of the sector within other business support provision.

The partnership has increased recognition from local policymakers of the value of the culture sector and the potential of cultural enterprise. Interviewees felt they had a better understanding of the freelancer economy and associated needs as a result of the programme.

“ We have learned that people with cultural skills and assets do want to be entrepreneurial. They do need support to do this, but it can have a positive impact.

Stakeholders believed that the StartEast has contributed to a positive perception of New Anglia amongst funding bodies such as the Arts Council. However, it is difficult to determine the extent that this can be attributed to StartEast, as simultaneous initiatives in the region such as the New Anglia Cultural Board, Look Sideways East and consortium working have all helped to raise its profile.

7.2 Leverage

The StartEast funding, which aligned Arts Council funding (Creative Local Growth Fund) with ERDF successfully leveraged funding into the region for the cultural sector. There is enthusiasm and consensus around continuing the legacy of StartEast, but a question remains around the best way to do this. It is acknowledged that the programme is too ambitious and resource intensive to be run on a voluntary basis, yet so far funding to carry on the project has not been secured. The legacy of StartEast may contribute to the success of future funding applications and further leverage in the future.

7.3 Synergy

The partnership between Norfolk County Council and Suffolk County Council has developed positively and that delivery has been more cost efficient and effective as result.

“ Normal people do not recognise county boundaries. Two county councils working together gets more bang to the buck – and builds stronger social capital.

Alongside local authority partnerships, interviewees felt that it was beneficial to have New Wolsey Theatre as a key partner. This was for two reasons: firstly, the presence of a cultural organisation created a distance between the programme and ERDF bureaucracy and felt more approachable from the perspective of many creative businesses. Secondly, working together in this way has decreased the distance between cultural enterprises and policymakers in the region.

At an organisational level, cross-county connections are also understood to have increased thanks to StartEast. From a strategic perspective, the networking aspect of the programme has been very positive and has helped to raise awareness around assets and activity within the creative sector.

A stakeholder described how a better networked sector had also raised aspirations through sharing best practice and success stories. Interviewees also referred to an improved awareness of the support networks and opportunities that are available for development/support organisations.

“ There are definitely a subset of freelancers/micro businesses that are better informed, engaged and motivated

7.4 Engagement

Interviewees were positive about the effectiveness of the StartEast programme and its impact on the region.

“ Is it effective? Undoubtedly yes! Tiny amounts of help have unlocked things in people.

There is a clear sense that StartEast has been an enabler for businesses to develop. According to one stakeholder, this has been evidenced by a higher standard of funding applications to the Arts Council and a more 'professional' approach from the region's cultural sector.

Another positive impact from the perspective of the Arts Council is a wider and more diverse pool of applicants from New Anglia who have been encouraged to apply through their involvement with StartEast. That being said, the progress achieved through StartEast is regarded as the beginning of a process, with a way to go until the region's creative industries have reached their full potential.

7.5 Legacy

Partners feel that StartEast work has not finished. There is a demonstrated demand for this type of support in the sector and stakeholders are positive and

supportive of the programme. However, the StartEast team and the Cultural Board are facing real challenges in finding more funding. The future of ERDF and the possible replacement funding is still overshadowed by the uncertainties of Brexit.

From a practical legacy perspective, the StartEast website and the database will be transferred to Norfolk County Council, following StartEast closure. Newsletters will continue to be sent and the website will be kept up to date, although there is no dedicated funding for this. One option is to embed some of the programme assets (e.g. the mailing lists) into the New Anglia Growth Hub.

The learning and experience of StartEast is being built into applications for funding which concentrate on specific aspects such as peer learning, networking and training that are easier to sustain than the capital grants. One stakeholder suggests exploring whether the StartEast model could be replicated elsewhere, opening-up other funding opportunities.



Source: StartEast

8. Lessons learned about programme design and delivery

This research suggests some lessons for future programme design.

1. Build on successful networking by making it more frequent and structured: beneficiaries and project advisors alike suggested that more focused networking opportunities such as 'action learning sets' (structured, regular networking in small groups) would have been a more effective way to ensure that networking was sustained and productive. Beneficiaries also said that they would have liked more of a focus on peer-to-peer networking and more frequent opportunities to network.

“ StartEast could be improved with lots more ongoing engagement with people, such as a monthly meet up with arts organisations

2. Retain knowledge around minimising bureaucracy. The programme was overly bureaucratic and too inflexible, but the StartEast team got better at navigating this as time went on.

“ The grant process was complicated but not in a useful way. The layers didn't seem to help/add to anything

3. An initial needs assessment could have helped create group sessions with more tailored content: stratified groups which separated more established businesses from those just starting out would have boosted beneficiary engagement and satisfaction. Alongside business skills, some beneficiaries felt that the content of sessions could have been better tailored to specific sectors of the cultural industries (e.g. theatre) as some aspects lacked relevance.

4. Engage external advisors earlier and in new ways. Now there is an established network of external advisors, they should be brought in to help shape the design of the programme and to add a layer of scrutiny.

5. Tighter focus and better definition for eligibility criteria, especially around the grants. The team reported frequently having to check with Norfolk County Council colleagues and DCLG about what they were permitted to fund. A steering group member also felt the criteria for awarding grants could have been clearer and if the conditions had been more prescriptive, they could have avoided some uncomfortable decisions

6. The programme should restate its cultural and economic value. The business focus of the programme, range of partners involved, and culture-sector background of the beneficiaries was a challenge for the programme. It led to differing expectations about what the programme should offer both at strategic level and at the point of delivery. Any future programme should be able to confidently communicate its social, cultural and economic value and encourage beneficiaries to do the same.

7. Provide one mentor to track someone throughout the project. They had access to a range of expert mentors, and several beneficiaries felt that they could have been better supported had they been assigned a single mentor/advisor to see them through the programme from start to finish.

“ It would be good to be assigned a mentor throughout the programme: someone that you can meet with or speak to once a month, that you can build a relationship with and they can get to know your business and help you where you need it.

9. Contribution to Culture Drives Growth

Objective	Targets
Generating new jobs in the sector	StartEast has delivered a small number of employee jobs (estimated 2.7) but has also led to an uplift of turnover which will translate into increased earnings for sole traders. In addition, there is some evidence of growth in contracting and outsourcing to other cultural sector enterprises.
New business formation	14 beneficiaries that joined StartEast before starting trading are now operating businesses.
Relocation of cultural and creative businesses	Out of 239 enrolled business in the programme, 5% report to have relocated their businesses in the area of Norfolk or Suffolk
Leveraging public sector investment	The programme attracted a total of £1.22m funding, including funding from ERDF, Arts Council England and both Norfolk and Suffolk County Councils. To date, they have spent £919k of this total
Developing enterprising skills and mind-set within owners/managers	<ul style="list-style-type: none"> • 90% of businesses have a clear vision of their business goal • 71% reported improved negotiation skills, • Ability to generate business opportunity raised from 41% to 84% • 84% said they could better communicate their value proposition • Confidence in the ability to forecast financial results increased from 23% to 52% • 78% felt they have more ambition for their business • 81% felt more motivated to grow their business • 80% felt more motivated and enthusiastic about their business.
Embedding enterprising skills in talent development programmes and business support provision	There is limited evidence of StartEast systematically working to embed the needs of the cultural sector within other business support provision. However, it's worth noting that enterprise was embedded in the Culture Board's subsequent successful bid to Arts Council England's Transforming Cultural Leaderships Fund. Similarly, their business support provision was embedded in the Culture Board's InvestEast bid for ERDF investment in business engagement, where culture and creative will be embedded in this mainstream offer.
Supporting diverse group of business owner/manager	Audience diversity exceeded targets: 67% of beneficiaries were women (+17% from target), 5% were BAME (= target), and 8% had a disability (+3% from target)
Cultural innovation through new products and services	62 business (75%) diversified their income stream by launching new products or services. 1 in 5 (20%) of respondents reported they had adopted new technologies, as a result of the StartEast support they received.

	1 in 3 (34%) of respondents reported having developed a new product or service and 46% of respondents reported that they have developed ideas for a new product or service, as a result of the StartEast support they received.
Number of businesses working in community, education, health and youth settings	81% of StartEast enterprises that responded to the survey worked in the social settings at the end of the programme, a total of 96 across the whole programme.
Contribution of these businesses to education, health and wellbeing of NA	Significant number of participating businesses working within the sector and increase activity with 23 businesses starting
Supported businesses attitudes/perceptions of the region as a home for cultural enterprise	Some evidence that this programme, along with aligned initiatives are enhancing the perception of the region as a good place for cultural enterprises.
Businesses developing new international markets	Four participating StartEast members starting training internationally during and immediately after the programme: an increase of 50%.

10. Conclusions and recommendations

StartEast has largely met its objectives and is forecast to meet all but one of its output targets. For participating enterprises, it has helped improve business performance, create new activity from start-ups, and more cultural and creative activity in social settings.

These benefits should be considered alongside the context in which it has operated. It has been operating in a largely rural environment which may constrain the growth of creative enterprises. StartEast has helped to address these challenges by creating an energised and motivated network of beneficiaries.

It is also operating in a sector which has (especially recently) seen a low-take up of business support. StartEast has helped to address this challenge in part because of the use of the cultural sector as intermediaries in the provision of largely bespoke support.

In addressing the rural context and by focusing on the cultural industries, it has provided a starting point for future programmes operating in this context.

Meeting StartEast objectives

Objective 1: *To deliver effective, targeted, specialist business support to SMEs and start-ups in the cultural sector, with the purpose of establishing an enterprising, entrepreneurial approach to growth.*

The support provided was high quality and beneficiaries would recommend it to others. Although some of the networking events were judged to be generic, they were focused on the cultural sector and delivered by experts. Targeting accounted for sector but less so for maturity of business. High quality bespoke support was provided through one to ones and the grants provided.

The programme had a clear focus on enterprise, while trying to balance this with the language that would work with the sector. There is clear evidence of StartEast leading to a boost in commercial skills and attitudes.

Objective 2: *To ensure sustainable opportunities for cultural businesses to access growth and support. This involves working with other business support providers to embed the needs of the sector in this support.*

There is some evidence of StartEast working with the Growth Hub through the steering group and the pool of advisors overlapping with other business support agencies. The number of cultural businesses the Growth Hub is supporting has increased. However, the extent to which StartEast has prompted a change in Growth Hub services is limited.

Objective 3: *To develop a network of cultural enterprises working locally in education, youth, health and community settings*

The proportion of cultural enterprises working in social settings was high before StartEast (69% reported to work in these settings already). During the course of the programme this rose to 75%. Following the programme, 61% of 28 responding businesses operating in social settings felt connected to a supportive business network.

Objective 4: *To reach, engage and support a diverse range of people, ensuring that the cultural enterprises supported reflect the diversity of our community*

StartEast has successfully reached enterprises that other business support programmes have not. 75% of StartEast beneficiaries have not received support from any other organisation. StartEast successfully reached its diversity targets – with over 50% female beneficiaries, 5% people with a disability and 5% from BAME communities.

Recommendations

There is still ambition for StartEast to continue in some form. To ensure the momentum is not lost and legacy is maintained we recommend in the interim, first, using some of the low-cost delivery models that help to ensure the assets of the programme, and particularly the existing network, are sustained and can be built on. For example, peer networking models, such as Artquests' Peer Networking Grant scheme.

Second, keeping the steering group active and engaged to ensure alignment and prepare for future opportunities. This could widen to include other non-cultural partners and take the form of a “Cultural Compact”. This can both help secure funding for the programme and widen the range of business support provision that is accessible for the sector.

A Cultural Compact “will bring together local partners with a shared interest in maximising the civic role of culture. These partners will work together to create and deliver a plan to drive social and economic benefits from a thriving cultural ecosystem. Compact partners will include business, universities, local authorities, the cultural sector and LEPs, and will pledge to align focus around key goals, in order to unlock new resources for cultural projects.”²² This recommendation is not far from the existing partnership behind the programme and the work of the LEP.

These two actions can prepare the partnership for future funding opportunities, including the Shared Prosperity Fund. Before this Fund is launched, future funding applications could focus on ensuring some provision is available for a refreshed programme that builds on the findings of this research.

Figure 28 Future support models and funding

Business age	Ideas suggested in the research
Pre-start up	Talent development e.g. New Creatives Business planning and validation
Emerging (1 – 3 years)	Continued peer networking provision Using cultural methods to engage in social settings, such as the grants provided by Wellcome Trust to use the arts in healthcare.
Established	Digital engagement through Innovate UK Signposting to or provision of access to funding.

²² The Cultural Cities Enquiry, 2019

11. Case Studies

11.1 Bryony Graham – HAMILTON MAS

Bryony is an artist and arts professional who has been working in the sector both in the east of England and internationally over the past two decades. In 2016, she purchased a near derelict former tattoo parlour by the sea front in her home town of Felixstowe, Suffolk, with the intention of re-activating the building as a socially-engaged micro-arts space. Bryony had recently become disabled through illness and the premises, which was next door to her home, was an opportunity to continue her practice with more limited mobility.

A few months after she began trading as HAMILTON MAS, Bryony heard about the StartEast programme through a friend. At the time, she was looking to develop both the physical infrastructure of the building as well as a strategy to get the space off the ground in a sustainable way. Over her career, she had been involved with the running of arts development programmes which support early career artists, but this time she wanted to see what the programme could do for her.

“ I was particularly interested in how / could be developed. I picked up the phone [to StartEast] and found out that is about cultural enterprise and entrepreneurship. It was a serendipitous fit.

On the programme, she was assigned a mentor who she worked with to develop an expression of interest for funding from StartEast. She found having the application process set up in this way incredibly supportive.

“ Facing this huge thing on my own with a chronic illness, it was incredibly helpful to work through the process through the mentor.

Bryony’s application was successful, and she was awarded £10,000 to renovate the lower ground public facing area of the building. According to her, reactivating the property as a public space was also a statement that things in the community were changing. Since the work has been completed, residents have stopped her in the streets to thank her for improving the area.

However, it was not just the capital investment that has benefitted HAMILTON MAS – Bryony also engaged with ‘every bit of workshopping that she possibly could’ from the StartEast programme. The most significant of these was the supported business planning, which helped her to plan the next steps for the space.

These currently include the continued physical improvements to the building, on which she is working with an architect that she met through the programme, and the development of social engagement activities and revenue streams.

Bryony feels that this expert advice has given her the confidence to hold her nerve, not to rush, and to steadily build a sustainable business model. This new-found confidence also led her to apply for- and get accepted- to the Clore Leadership programme, something she says she would not have done if it weren’t for StartEast.

“ My experience of StartEast was extremely positive: inspirational, challenging and encouraging.



Source: HAMILTON MAS

11.2 Edalia Day

Edalia is a spoken word artist and theatre maker with a socially engaged practice. They describe her work as breaking down barriers by amplifying minority voices and allowing them to be heard in an accessible way. As part of their practice Edalia tours theatres around the country, including a show at the 2019 Edinburgh Fringe Festival which features 15 trans artists from all over the world.

When Edalia applied to the StartEast programme in 2018 they had been solo touring extensively and finding it a real strain. Edalia has been keeping to ambitious touring schedules with a small budget and no staff – a model which she knew was not sustainable.

“ I either needed to expand and bring other people on board or to downsize and stop doing so many shows - but I didn't know how to do that or even how to start the conversation

The StartEast programme was a great fit for Edalia, as she was looking for help developing the infrastructure around her work rather than a specific project. In particular, she was interested in learning about marketing and business strategy as well as national and international tour booking.

While Edalia had originally wanted to work with one producer for the duration of the programme, there were no producers who had that much time available. Instead, they met with five different producers from different companies, including two queer producers.

From the producers, Edalia received one-to-one sessions highlighting the way she could improve her work, ranging from tour booking, Edinburgh tactics, publicity, timelines and other ways to monetise her work.

Edalia describes the experience as having ‘loads of incredibly brilliant information injected into me’ – although they felt that it was difficult to take it all in at times. Working with five different experts meant there was sometimes slightly conflicting advice, which Edalia felt enhanced their ability to make decisions about what was best for their practice.

Edalia found the tour booking workshop especially useful and they now aim to get guarantees from venues rather than tour booking splits. Although it helped them to develop her approach, the workshop also helped them to realise that in many ways they were already a skilled tour booker and affirmed positive practices.

Edalia also now has a much clearer idea of what kind of staffing support they need and will aim in future to get a producer or administrator working with her for one day a week. The programme has also helped them to think about how shows can become more accessible and has given them experience of working with BSL interpreters.

“ The red flag for producers is when you just say ‘I need a producer’, rather than looking for one specifically for x, y and z. Now I have the language to know which roles in the industry I need support with.

Alongside this, Edalia's whole approach to working has evolved as a result of the programme. They followed advice to more strictly enforce breaks and time to rest, both during rehearsals and within her own weekly schedule. They describe the effect this has had as transformative.

“ It was an incredibly helpful process that has completely redefined the way I work.



Source: Edalia Day

11.3 Emily Godden – Virtually There Studio

Emily is an artist, creative technologist and educator who established social enterprise Virtually There Studio. As well as producing 360 content for commercial clients, Emily creates ‘micro-restorative’ experiences in VR to aid wellbeing.

She also uses this technology and other digital media to provide a range of software and hardware workshops with a socially engaged focus.

Emily first heard about StartEast through an internship she was undertaking with Suffolk County Council. At this point, the programme had not yet started and Emily was only just beginning to develop her ideas into a potential business.

She applied for the scheme as soon as it began and was accepted despite being an MA student at the time- something she notes was unusual for a business support programme.

At the beginning of her engagement, Emily went along to all the workshops she could. These showed her that her practice was not just a hobby but something she could make a living from. More importantly, it gave her the confidence and local network to convince her that she was able to remain based in Suffolk, rather than relocating to London as many of her friends had done.

“ I made great connections with professionals and other practitioners, who have become collaborators and friends.

However, the workshops also helped Emily realise she had a lot more to work on before her business was up and running, so she spent some time ‘working away in the background’ before reengaging with the programme a year or so later.

By this stage she was ready to access more bespoke help and attended several one-to-one workshops. One particularly impactful session helped Emily to produce the branding and a brochure for Virtually There. She says the effect of

the brochure was transformative, leading to her educational workshops being booked by two or three additional clients per week.

She also received help to develop a rounded business case as well as an application for funding from StartEast.

“ The things I learned- cash flow analysis and financial forecasting- they don’t teach you at art school

Emily’s application was successful and allowed her to purchase a small van to transport her equipment between sites. It has enabled her to massively expand her client base, as previously she had been limited to schools and libraries, she could reach using public transport.

The grant writing process also proved to be beneficial beyond StartEast: she has adapted her application to apply for other funding, including a successful social enterprise grant from Unlimited which she used to purchase more equipment and expand her workshop offer.

“ As a younger practitioner I get doubts about my experience. StartEast showed me how to use hard stats and numbers and to show leveraged income

Following her engagement with StartEast, Emily secured a PhD candidacy at Angela Ruskin University, where she will be developing research into micro-restorative experiences in VR to aid wellbeing– something she found through a StartEast contact. She believes that her participation in the programme allowed her to turn her practice into a career and a viable business.



Source: Virtually There Studios

11.4 Rachel Prendergast – SubMotion Productions

Rachel is the co-founder of SubMotion, a small production company based in Norwich which she runs with her husband. They started in 2013 but have been operating as a limited company since 2017. While they predominantly produce corporate projects, online advertising and branded content, last year the company produced its first narrative film and would like to move into the production of feature films.

They first came across StartEast while looking for grants and funding for their short film but did not get the funding they were looking for. However, months later Rachel got back in contact with StartEast with in search of more specific assistance.

SubMotion's old editing suite had died and the company did not have the funds to replace it. This time, their funding application was successful, and they were able to purchase the equipment that was vital to the continued operation of the company.

“ For us, StartEast was really good timing.

What's more, SubMotion had been invited to Cannes Film Festival – a great opportunity for the company- but were struggling to fund their attendance. Rachel applied for the Festivals fund and received both financial and administrative help which meant they could represent their short film.

She describes the staff as being incredibly helpful, although the application could have been a bit more dynamic. It took around three months, whereas producers are sometimes given as little as two weeks' notice before a festival.

“ They were on the end of the phone if we needed them – they helped out with forms and were on hand to do everything we needed to do, evening if it meant booking things in the evening

In addition to help with festivals and equipment, Rachel attended a number of webinars and expert workshops. Particularly helpful was a one-to-one session on website development which gave them 'hard truths' about their current website and picked things out that they would not have addressed themselves. As a result of this, the company has started to build a website which they believe will be a great improvement.

Rachel felt that the feedback they received on their social media channels was also really insightful and the company has adapted their social media strategy to include more 'calls to action'.

According to her, a particular strength of the StartEast programme is a real understanding from the programme managers about why they were asking for help and how this assistance would help to develop the business. She believes the support SubMotion received has been 'invaluable'.



Source: SubMotion Productions

11.5 Sam Ruddock – Story Machine Productions

Founded by Sam Ruddock, Story Machine Productions brings books to life through immersive live experiences. While not a theatre company, the organisation works with actors, dancers and technologists to bring to life text on a page.

Sam came to the idea through his work as a programme manager at the National Centre for Writing, where he felt that, too often, literature apologises for reading being hard work. He wanted to learn how art and literature can be put front and centre in events, creating opportunities for people to enjoy text together.

Story Machine started out as a NCW project in 2016, but after a while Sam decided he wanted to take it on full time. He was already aware of StartEast through his work at the NCW and believes that knowing the opportunity to access to funding and experts existed gave him the confidence to break out of a secure organisation and go it alone. He approached StartEast and was immediately offered support.

“ They just said, ‘you tell us what you need, and we’ll tell you how you get it’. It was clear that it was a thing that was created to help people

Once on the programme, Sam ran his business plans by experts and conducted a thorough competitor analysis. This allowed him to plan the first steps of the business effectively and discover how he could maximise his time to make the maximum impact.

For Sam, it was not just the practical help he found useful – it was the reassurance that came from discussing his business with other industry professionals that he found very useful.

“ Having someone to say, ‘that makes sense, you’re not crazy’ and to challenge me when necessary was incredibly powerful. It enabled me to do something I never would have done

He also found the seven to eight workshops he attended extremely stimulating and describes returning from these sessions full of ideas for the future of the business. Particularly helpful was a comms workshop, following which the workshop leaders offered to read through one of Story Machine’s press releases, even helping to rewrite it to fine-tune the message.

“ I went to every workshop on Norwich and got something out of each one

As well as experts, Sam has been introduced to a huge range of people within the region as a result of StartEast. For a business model that is reliant on collaboration, creating a lasting network outside of literature was very important. Now, Sam feels that when the right project comes along he will know who to work with.

Sam also received £6000 from StartEast which allowed him to focus on producing high-quality photographs of his show. What’s more, this funding led to match funding which allowed him to fund four further projects. In summary, Sam described the programme as an amazing ‘leg-up’, which allowed him to achieve something he never thought he could do.



Source: Story Machine Productions

12. Appendix

12.1 Detailed Economic Impact Assessment

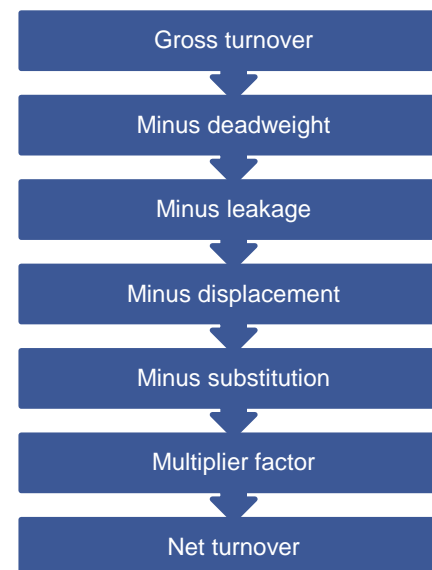
There are a number of considerations that need to be made when converting the gross turnover increase figures reported into net impacts on the London economy:

- **Deadweight:** proportion of benefits that would have happened without the intervention in question
- **Geographical leakage:** the proportion of outcomes that have benefited those outside the target geography. All the beneficiaries were located in Norfolk or Suffolk on enrolment of the programme.
- **Displacement and Substitution:** does the growth in beneficiaries' turnover come at the expense of other businesses in Norfolk or Suffolk. If so, then once again a proportion of the gross economic impact needs to be taken off, since it is cancelled out when looking at the impact on the creative industries as a whole
- **Would the benefits of the StartEast support have been provided (affordably) by other organisations anyway?** If so, we need to take off some of the gross economic impact of the business support since some of it would have happened in any case (and it therefore not additional)
- **Multiplier:** The multiplier describes how the impact of the uplift in turnover leads to further economic activity associated with additional income of those employed by the project (income multipliers) and local supplier purchases (supplier multipliers).

The gross economic impact describes the impact without accounting for deadweight, displacement, leakage, substitution and the multiplier. This is an economic model that relies on a number of assumptions which are informed by data.

A note of caution. These economic impact calculations are driven by the results of the survey and are modelled using assumptions. They are estimates of impact, in line with other economic impact assessments.

Figure 29 Gross to net process



Source: BOP analysis

Figure 30 Gross Turnover

	Before StartEast	After completing StartEast (last complete financial year)	Financial year following completion of StartEast completion
For 60 beneficiaries with longitudinal data ²³	£397,000	£642,000	£1,279,000
Average per beneficiary	£6,600	£10,700	£21,300
Total turnover for all 146 beneficiaries	£957,000	£1.56m	£3.11 m

Source: BOP analysis

The estimated total uplift in turnover following the programme is £480,000 (based on actual turnover of completed year), raising to an estimated £2.1 million. As it takes time for the impact of business support to become apparent in the business bottom line, we feel the higher estimate of impact is likely to be more accurate.

There are 73 beneficiaries who supplied employment data on enrolment and through the impact survey. There were some discrepancies with the FTE data in the survey, so we assumed that part-time employees were working 0.5. The total number of FTEs for these 73 on enrolment were 50.39, an average of 0.69. Following StartEast, the total number of FTEs for the 73 beneficiaries was 55, an average of 0.75. Using these estimates for the whole of the population (154

beneficiaries) suggests an increase in employment of 8.76 FTEs (or 0.06 per participating enterprise).

Deadweight/ additionality

To assess deadweight, we considered the response to the question asking respondents about what would have happened in the absence of the StartEast programme. For this, we draw on the impact survey. We estimate around 60% of the financial impact would have happened without the programme, therefore 40% of the impact can be attributed to the programme (Figure 31).

Figure 31 Without the StartEast programme do you think you would have achieved....

	Percentage	Deadweight	Percentage multiplied by deadweight factor
Similar financial results	27%	100%	27%
Similar financial results but not as quickly	21%	75%	16%
Some but not all of the financial results	27%	50%	14%
Probably not achieved similar financial results	11%	25%	3%
Definitely not achieved similar financial results	14%	0%	0%
			59%

Source: BOP Consulting (2019) (n=71)

²³ Excluding the two outliers which exhibited very large growth

Leakage. All beneficiaries were located in Suffolk and Norfolk at the start of the programme and 2% have moved out of Suffolk and Norfolk (both to Essex).

Displacement. To assess the extent to which the expected increase in turnover of the beneficiary businesses comes at the expense of other businesses in the sector (in Norfolk and Suffolk), we ask how much of this competition comes from Norfolk/Suffolk-based companies and the intensity of this competition (Figure 32 and 33). These figures combined provide the displacement factor of 35%, that is 35% of new activity is displaced from elsewhere in the region's economy.

Figure 32 What proportion of your competitors are based in Norfolk and Suffolk

	Percentage	Displacement factor	Percentage multiplied by displacement factor
All	15%	100%	15%
Most	15%	70%	11%
Some	17%	30%	5%
Few	43%	10%	4%
None	10%	0%	0%
			35%

Source: BOP Consulting (2019), n=122

Figure 33 What is the nature of competition between organisations in your industry?

	Percentage	Displacement factor	Percentage multiplied by displacement factor
Very intense	8%	80%	6%
Intense	19%	50%	10%
Moderate	41%	33%	14%
Weak	24%	22%	5%
No competition	8%	0%	0%
			35%
Combined displacement factor			12%

Source: BOP Consulting (2019) n=85

Substitution

Figure 34 Could you have accessed a similar level and quality of support from another organisation?

	Percentage	Substitution factor	Percentage multiplied by substitution factor
No comparable offer	68%	0%	0%
Comparable offer but not in Norfolk or Suffolk	15%	0%	
Comparable offer but too expensive for my business	14%	0%	0%
Yes	4%	100%	4%
Total			4%

Source: BOP Consulting (2019) (n=74)

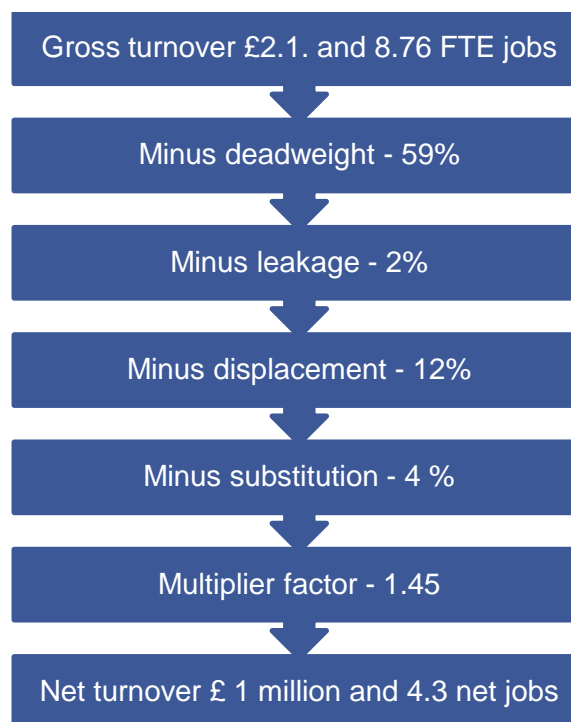
Only 2 respondents indicated there was a comparable programme out there. Hence there is a very low level of substitution.

Multiplier

We use a proxy multiplier of 1.45 to reflect the income and output multipliers for the supply chain²⁴.

Gross to net turnover

Figure 35 Gross to net calculations



The actual achieved net additional turnover growth based on completed financial years is lower reports a lower net turnover figure (£300,000), however since much of the anticipated impact, will not yet be included in the reported turnover figures, we are feel this lower figure is a significant underrepresentation of the impact and hence we focus here on the anticipated turnover in the current financial year reported by beneficiaries.

The additionality factors identified here are largely in line with average additionality factors identified in BIS (2009)²⁵. Deadweight is on the high end, reflecting that the programme is attracting some enterprises which were on a path before joining the programme (Figure 36).

Figure 36 Comparison with standard additionality factors

	Lower range	Upper range	Mean	StartEast
Deadweight	0%	98%	43%	59%
Displacement	0%	100%	30%	12%
Leakage	0%	87%	11%	2%
Substitution	0%	88%	3%	4%

Source: BIS (2009) and BOP calculation

Conversion from turnover to GVA

To assess the value of this extra turnover to the economy, and how it compares with the £1 million public investment in StartEast, we convert it to Gross Value Added (GVA - a measure of the value of goods and services produced, rather than simply the money flowing through a business as turnover) using figures from the Office of National Statistics (ONS). For the 'Creative, Arts and

Entertainment' sector in London, the latest ONS estimates (2017) are that every £1,000 of turnover creates £370 of GVA²⁶.

Figure 37 Gross and net GVA²⁷

	Annual turnover	Annual GVA
Gross	£2.1 million	£795,000
Net	£ 1.0 million	£387,000

Source: BOP analysis, 2019

Incorporating anticipated turnover uplift, indicates an annual GVA uplift of £390,000.

Beneficiaries indicate that the financial benefits from StartEast will last on average 6.4 years. This means, that the future economic impact of the programme should be incorporated, although typically the level of additionality would fall over time. Therefore, we assume that the full uplift in turnover will last four years and then fall to nothing. This suggests the programme will lead to a GVA uplift of approximately £1.5 million over three years.

Value for money

The budget for the programme was £610,000 of ERDF, plus £500,000 from Arts Council England, £49,000 from New Wolsey Theatre, £25,000 from Suffolk County Council and £39,000 from Norfolk County Council. We focus the Value for Money assessment on the public sector funding only – in this case ERDF, Arts Council and the funding from the two County Councils; a total of £1.17 million.

When comparing the annual net GVA with the public sector investment, the GVA to cost figure is 0.35 (anticipated annual uplift). This means that each pound spent, returns between 35p of value to the economy each year.

²⁶ source: Annual Business Survey, Release May 2019

²⁷ Including this financial year

²⁵ BIS (2009) [Occasional Paper 1: Research to improve the assessment of additionality](#)

Assuming the GVA uplift continues for the next four years, suggests a GVA to cost ratio of 1.4. The public sector cost per job created is estimated to be £259,000.

Source: BOP analysis

Figure 38 displays some benchmarks. Some of these have been anonymised where full public information has not been released. This indicates that against these pure economic benchmarks, StartEast has not been very good value for money, however this result must be seen in the context of the micro-enterprises it is supporting.

Figure 38 Value for money benchmarks

	Public sector investment per net additional job (achieved)	Net GVA to cost ratio
StartEast	£259,000	1.4 ²⁸
DCLG's Valuing the Benefits of Regeneration ²⁹	Average of £13,309 for general business support (2010 prices)	-
Innovation Agency ³⁰	£30,275	1.6
International Showcasing for British Designers ³¹	£400,000	-
Project 1 (2019)	£26,421	0.9
Project 2 (2015)	£160,000	0.2
London Creative Network		0.6-1.2 ³²

²⁸ Assuming the turnover grows as enterprises expect and the GVA uplift lasts for three years.

²⁹ https://www.london.gov.uk/what-we-do/funding/european-social-fund-and-european-regional-development-fund-news/erdf-project-1https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/6382/1795633.pdf

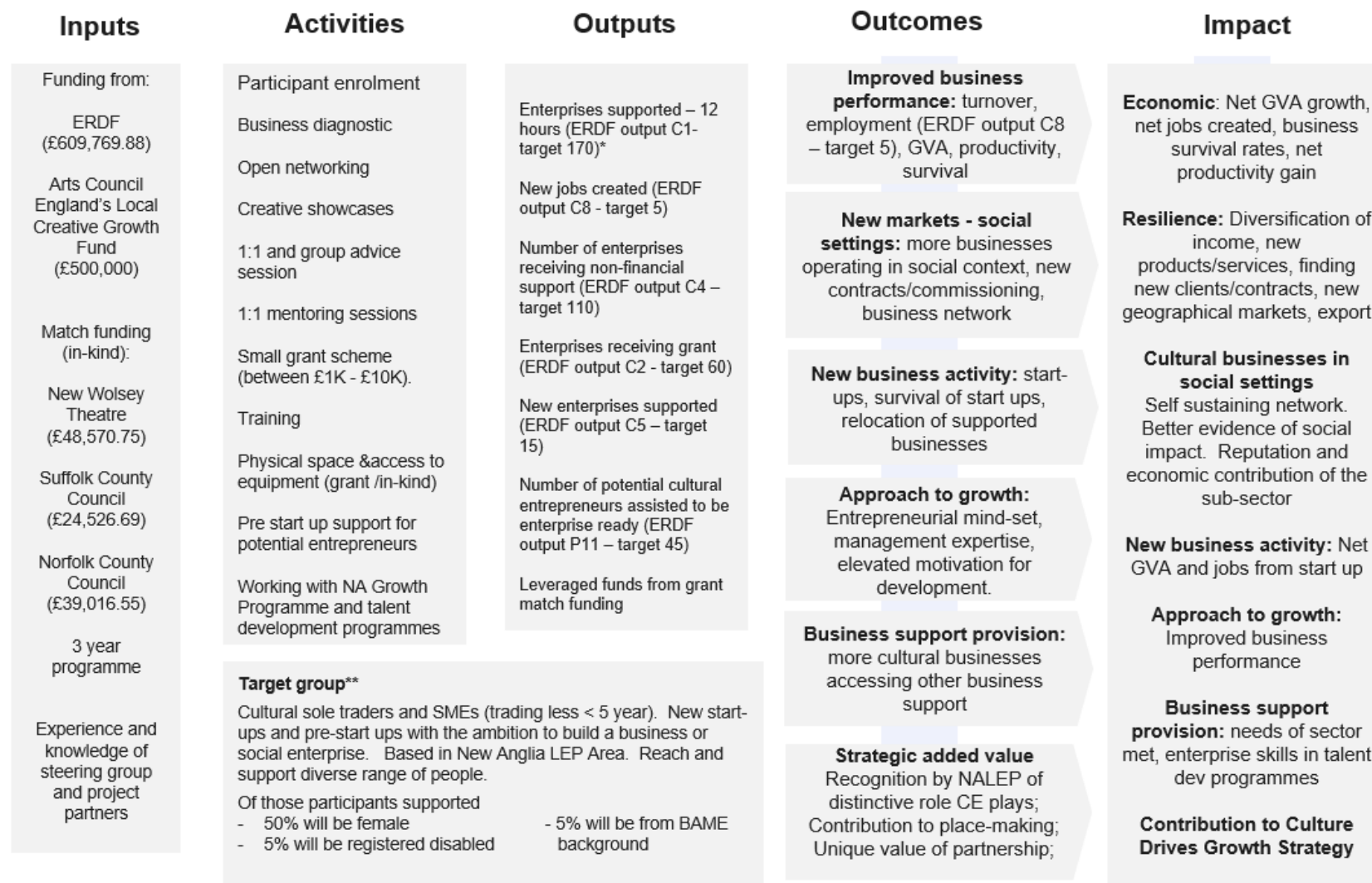
³⁰ <https://www.london.gov.uk/what-we-do/funding/european-social-fund-and-european-regional-development-fund-news/erdf-project-1>

³¹

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/486218/National_ERDF_Case_Study_Booklet_Edition_2.pdf

³² Assuming impacts last for 4 years (guided by primary data suggested beneficiaries indicate financial benefits will last for 6.4 years)

12.2 Theory of Change



12.3 Project targets

Objective

Targets

To deliver effective, targeted, specialist business support to SMEs and start-ups in the cultural sector, with the purpose of establishing an enterprising, entrepreneurial approach to growth.

- To support at least 170 enterprises
- To develop pathways to enable at least 45 potential cultural entrepreneurs, to be enterprise ready
- To increase early stage survival rates, ensuring that all these enterprises continue trading during the course of the project
- To increase productivity in at least 60 of these enterprises
- To ensure that at least 60 of these enterprises are developing plans and taking actions
- To create at least 5 new jobs in the enterprises supported.

To ensure sustainable opportunities for cultural businesses to access growth and support. This involves working with other business support providers to embed the needs of the sector in this support.

- To double the number of cultural enterprises seeking advice and support from the New Anglia Growth Hub
- To double the number of cultural enterprises, from New Anglia LEP area, seeking advice and support from Creative United
- To quadruple the number of cultural enterprises, from New Anglia LEP area, seeking advice and support from UnLtd
- To embed enterprise and entrepreneurship in the talent development programmes of New Anglia's cultural sector.

To develop a network of cultural enterprises working locally in education, youth, health and community settings.

- To support at least 15 cultural enterprises working in this area
- To ensure that at least 15 enterprises working in this area are still trading by the end of the project.

To reach, engage and support a diverse range of people, ensuring that the cultural enterprises supported reflect the diversity of our community.

- 50% of beneficiaries in the scheme to be women
- 5% of beneficiaries in the scheme to be BAME
- 5% of beneficiaries to be registered disabled.

12.4 Sector SIC definition

Sector	SIC
Core cultural sector	
Book publishing	58.11
Sound Recording and music publishing activities	59.20
Performing Arts	90.01
Support Activities to the Performing Arts	90.02
Artistic Creation	90.03
Operation of Arts Facility	90.04
TV and film production, post-production and distribution	59.11, 59.12, 59.13 and 59.14
Broadcasting (radio and TV)	60.10, 60.20
Photography	74.20
Some craft design activities	32.12 and 74.1
Video game publishing	58.21
Health, education and social care	
Cultural education	85520
Other education	85590
Educational support services	85600
Other human health services	86900
Residential care activities for learning difficulties, mental health and substance abuse	87200
Residential care activities for the elderly and disabled	87300
Other residential care activities	87900

12.5 List of consultees

Beneficiary interviews

- Amber Onat Gregory – Artistic Director, Frozen Light Theatre
- Daisy Lees – Director, Arts La'Olam
- Gavin Whitting – Gavin Whitting
- Jane Cox – General Manager, John Peel Centre
- Remi Morrison – Founder, Red Cactus Media
- Will Hurt – Will Hurt

Project team

- Rachel Tarkenter, StartEast Director
- Genine Sumner, Senior Producer
- Mary Muir, Arts Development Manager, Norfolk County Council
- Lindsay Gardner, StartEast Project Officer, Norfolk County Council

Advisers

- Martin Gent
- Meeta Thareja
- Sue Lawther
- Alistair Winch

Case studies

- Edalia Day
- Emily Godden, Virtually There Studios
- Bryony Graham, HAMILTON MAS
- Sam Ruddock, Story Machine Productions
- Rachel Prendergast, SubMotion Productions

SAV interviewees

- Claudia West, Senior Relationship Manager, South East, Arts Council England
- Chris Gribble, Chief Executive, National Centre for Writing
- Sarah Holmes, Chief Executive, New Wolsey Theatre
- Hayley Field, Co-Director, Suffolk Artlink
- Jason Middleton, Programmes Manager, New Anglia Local Enterprise Partnership (New Anglia LEP)
- Jayne Knight, Arts Development Manager, Suffolk County Council

BOP Consulting

BOP Consulting is an international consultancy specialising in culture and the creative economy.

BOP convenes the **World Cities Culture Forum** (WCCF), an international network of more than 35 cities. www.worldcitiescultureforum.com

London

Henry Wood House, 2 Riding House Street,
London, W1W 7FA

Edinburgh

16 Young Street, Edinburgh, EH2 4JB

Shanghai

213 – 214, No. 585 Fuxing Middle Road,
Shanghai 200025, China

Web

www.bop.co.uk

Twitter

@BOP_Consulting

Blog

www.bop.co.uk/articles