

Wider Impact

**Reroot Independent Evaluation
August 2011**

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Reroot
North Staffordshire

Independent Evaluation

Report Commissioned by
Stoke on Trent City Council

Delivered by
Wider Impact Consultancy
www.widerimpact.com



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1.0 Executive Summary

1.1 Introduction

Wider Impact Consultancy is pleased to have had the opportunity to carry out an independent evaluation of the North Staffordshire based Reroot Project [The Project]. Our brief has been to produce an end of term review of the Project. Key issues explored include:

- Successes, in terms of:
 - Outputs
 - Outcomes
 - Meeting market need
 - Partnership working
 - Value for money
 - Wider Impacts – linked to the regeneration of the local area / economy / people
- Lessons Learnt
- The Way Forward

1.2 Market Need

The Reroot Project was established following a successful 2006 / 07 pilot initiative - the Business Relocation Package Pilot. The pilot initiative was a response to a 2006 Business Audit report by Scott Wilson that highlighted the areas where many traditional businesses were vulnerable as a result of regeneration activities, with over 2,000 jobs potentially at risk because of likely eviction by landlords as leases expired. The loss of such businesses would counteract strategies to develop sustainable communities.

Prior to the commencement of the Project, North Staffordshire's performance was significantly short of its counterparts on a sub-regional, regional, national and European level across all key indicators of economic performance.

1.3 Aims and Objectives

The Project, which commenced in June 2008 and ended March 2011, was intended to complement the RENEW North Staffordshire Housing Market Renewal Pathfinder purpose of remodelling and revitalising housing in the North Staffordshire Urban Core.

The Project was intended to address the trend of declining economic activity in the area, by helping companies choose the right premises to facilitate business growth and expansion thus protecting and creating new jobs.

1.4 Findings

Based on our findings, we are satisfied that the Project has been delivered in accordance within set criteria, and has been well-managed by the Project team. We are also satisfied that the Project has on the whole achieved its aims and objectives - to facilitate business growth and expansion, thus protecting and creating sustainable new jobs.

Headlines include:

- Total grants awarded £1,247,041
- To 56 local businesses
- Average grant size £22,269
- Net job gain 247.5
- Average cost of each job created £5,039
- Based on verification visits carried out by Wider Impact Consultancy to 28 grant recipients, it is estimated that just over 90% of Reroot grants has been re-invested within the North Staffordshire business economy

1.5 Good Practice

Noticeable good practice includes:

- The formation of a multi-skilled / multi-agency Project team
- The right project at the right time
- Appropriate levels of funding
- Appropriate levels of support
- Grant funding re-invested within the local economy

1.6 Value for Money

Based on our research findings we feel that the Project has clearly provided value for money. An average cost of circa £5,000 per new job created is extremely impressive, particularly when note is taken of unemployment / benefit costs, and wider impacts such as associated health care costs, and the costs of criminality linked to the effects of long-term unemployment.

1.7 Options for the Way Forward

We believe that the Reroot initiative has been worthwhile and timely in the sense that it has played its role in ensuring that despite the recession, a significant number of businesses are successfully trading, have created a significant number of sustainable new jobs, are preparing to develop / expand, and are highly likely to create more new jobs.

It is however essential that such successful initiatives play a role in current and future strategies, such as the Mandate for Change and the Work Programme, aimed at economically regenerating Stoke on Trent / North Staffordshire.

1.8 Challenges

It is clear that whilst the current recession is a major challenge and still threatening the survival of a significant number of local businesses, a number of significant challenges risk threatening the future economic regeneration of the area. Based on our findings these include:

- Cashflow – very few businesses surveyed carry significant funding reserves
- Employee skills - NSCCI Quarterly Survey, labour market statistics and feedback from local employers highlight that workforce skills and qualifications in the area are noticeably low – particularly in relation to engineering / manufacturing. There is also a need to ensure that pupils / leavers from local schools, colleges and Universities possess the skills (including soft skills) that employers require, and are significantly more work ready

1.9 Conclusions

We note an extract from the North Staffordshire Chamber of Commerce & Industry (NSCCI) Quarterly Economic Survey (ending June 2011):

Trading remains positive in home market and export sales and orders with positive figures for manufacturing, particularly in export orders which has seen a large increase since the last quarter. More manufacturing businesses are operating at full capacity than in the last quarter with increasing workforces.

Stoke on Trent is clearly 'open for business'. We therefore have no doubts of the benefits of continuing initiatives such as the Reroot Project and recommend:

- Consideration is given to targeted, industry / area based support i.e. 'Districts of excellence and efficiency'
- Linked to the Mandate for Change such initiatives are part of a holistic package of support which most significantly should include:
 - End to end support
 - Financial support - such as 'Reroot' funding
 - Enabling a local and appropriately trained and qualified workforce
 - Aligning schools, colleges and Universities to focus on the skills and experience that local businesses require

We are delighted to commend the Reroot Project as a model of good practice and value for money that has clearly achieved aims and objectives, which significantly includes sustainable local jobs for local people.

2.0 Acknowledgements

We are grateful to the following who have kindly given up their time and contributed to this report:

28 Representatives / Companies

Mike Gilsean	Abacus Healthcare
Victor Clarke	Agog Limited
Chris Anderson	Anderson Engineering
Lionel Grant	Bennett Architecture
Dave Malkin	Brittle & Co Accountants
Zamir Shaikh	Cauldon Ceramics
Graham Doyle	D2 (formally Stoke IT Ltd)
Kevin Griffiths	Data Driven Logistics
Lyndon Slann	Easycorp UK Ltd
Paul Brammer	Exesios
Michael Bourne	Four Tec Fabrications
Alison Gardiner	Gardiners Reclaimed
John Croft	Hartley Greens & Co / Leeds Pottery
Daniel Stubbs	Inspired Film & Video
Jabbar Rafique	Jack in the Box Nursery
Mark Warren	Lister Trade Frames
Garry Cottam	Minicrete Concrete
Nick Chadwick	Nemesis Now
Neil Blood / Jacqui Williamson	Olympus Engineering
Julie Grant	Plink Fizz
Mark Dicken	PMC
Alan Salt	Project Management
Andrew Eardley	Prompt PC
Richard Whalley	Sandycroft
Simon Dean	Simon Dean
Ian Butcher	Slave to Design
Teresa Rowe	Tekdata
Paul Farmer	Wade Ceramics

Stoke on Trent City Council

Hardial Bhogal	Director
Paul Hodgkinson	Panel Member / Strategic Funding Manager
Helen Thomas	Monitoring Officer

Project Support

Julie Grant	Marketing (Plink Fizz)
Max King	Accredited Business Advisor
Jackie Millward	Panel Member (Staffordshire Business & Innovation Centre)
David Wellings	Panel Member (North Staffordshire Chamber of Commerce)

Support Businesses

Gary Stockton	Hanley Print Services
Tim Grocock	Mobile Telescopic Crane Hire Stoke

North Staffordshire Chamber of Commerce & Industry

Bryan Carnes MBE

3.0 Terms of Reference

The key objective of this commission has been to produce an end of term project review of the Reroot Project. Key issues explored include:

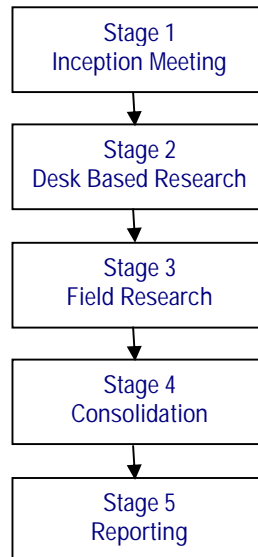
- The 'success' of the Project, in terms of:
 - Outputs
 - Outcomes
 - Meeting market 'need'
 - Partnership working
 - Value for money
 - Wider Impacts – linked to the Regeneration of the local area / economy / people
- Lessons Learnt:
 - Enables
 - Barriers
 - Good Practice
- The Way Forward / Sustainability observations / recommendations:
 - Directly linked to the Project
 - Wider regeneration enabled by the Project / linked wider regeneration strategies / initiatives

4.0 Methodology

4.1 Introduction

As highlighted at Figure 1, we have taken a methodical and structured approach to this commission.

Figure 1



4.2 Desk Research

We have accessed and analysed:

- ANCER SPA (Midlands), June 2007 evaluation of the pilot initiative - the Business Relocation Package Pilot
- Office for National Statistics (Nomis – Labour Market Statistics Stoke on Trent), January 2010 – December 2010
- North Staffordshire Chamber of Commerce & Industry Quarterly Economic Survey, Quarter ending June 2011
- Progress / feedback reports submitted by participating companies to Stoke on Trent City Council

- Stoke on Trent City Council interim evaluation reports
- Reroot Briefing Paper, April 2011
- 28 Job Verification Reports forwarded by Wider Impact as a random sample of around 50% of all Project beneficiaries (see [Appendix B](#))

4.3 Field Research

Field Research has been detailed and varied:

- Verification visits to the premises of 28 Project beneficiaries / one to one meetings with appropriate organisational representatives (see [Section 2.0](#)) – a random sample of around 50% of all Project beneficiaries
- Meetings with the Reroot Project Team:
 - Monitoring Officer
 - Business Advisor
 - Panel Members:
 - Paul Hodgkinson (Stoke-on-Trent City Council Strategic Funding Manager)
 - Jackie Millward (Staffordshire Business & Innovation Centre)
 - David Wellings (North Staffordshire Chamber of Commerce)
 - Plink Fizz (Marketing Support)
- Verifying (e.g. employee pay records, SAGE packages, liaison with Accountants) details of the precise number of jobs at each of the 28 businesses randomly sampled at:
 - Grant receipt date
 - The time of our visits (July / August 2011)
- Meeting with Bryan Carnes MBE (North Staffordshire Chamber of Commerce & Industry)

5.0 The Reroot Project

5.1 Introduction

The Reroot Project [the Project] was established following a successful 2006 / 07 pilot initiative - the Business Relocation Package Pilot (see ANCER SPA (Midlands), June 2007 evaluation), which was managed by RENEW North Staffordshire and funded by a grant from the North Staffordshire Regeneration Zone (NSRZ) Single Regeneration Budget 6 programme in the 2006 / 2007 financial year.

The pilot initiative was a response to a 2006 Business Audit report by Scott Wilson that showed the areas many traditional businesses were vulnerable with over 2,000 jobs potentially at risk because of likely eviction by landlords as leases expired. The loss of such businesses would counteract strategies to develop sustainable communities.

The pilot had the objective of assisting SMEs affected by physical change and housing redevelopment in the North Staffordshire urban core of Hanley and Burslem / Middleport. The pilot provided advice, support and grant assistance to enable SMEs to relocate to alternative premises within the NSRZ SRB6 area. Aims included the retention of businesses and safeguarding jobs and maintaining economic activity levels in the area.

5.2 Context

Prior to the commencement of the Project, North Staffordshire's performance was significantly short of its counterparts on a sub-regional, regional, national and European level across all key indicators of economic performance:

- The area's business growth index of 40/10,000 significantly underperforms its benchmarking partners of Bolton (54/10,000), Blackburn (52/10,000) and Stockton on Tees (51/10,000)
- In 2006 Stoke on Trent was judged to be 'The worst place in the Country to start a new business'
- Stoke on Trent ranked 356th out of 380 areas with regard to productivity
- A significant proportion of the business community was ill-equipped to withstand structural changes in the economy and the on-going threat of eviction by landlords and / or potential developers

5.3 Project Aims & Objectives

The Project, which commenced in June 2008 and ended March 2011, was intended to complement the RENEW North Staffordshire Housing Market Renewal Pathfinder purpose of remodelling and revitalising housing in the North Staffordshire urban core. The Project was intended to address the trend of declining economic activity in the area, by helping companies choose the right premises to facilitate business growth and expansion thus protecting and creating new jobs.

5.4 Funding Streams

- Single Regeneration Budget (SRB)
- European Regional Development Fund (ERDF)
- Advantage West Midlands (AWM) Single Pot

5.5 Project Funding

Table 1 highlights funding throughout the life of the Project

Table 1 Project Funding June 2008 to March 2011

Source	Amount £
ERDF	1,247,041
Business Contributions	554,054
Total	1,801,095

Source: Stoke on Trent City Council

5.6 Geographical Coverage

The immediate intervention was the areas of major intervention (AMI) in the Housing Market Renewal Programme. Even though the Project was led by Stoke on Trent City Council the geographical coverage was significantly larger than the Local Authority Boundary. Project coverage was contiguous with the relevant funding streams, and hence under the auspices of the NSRZ, extended to Leek and Cheadle.

5.7 Eligibility Criteria

The criteria for grants, from around £2,000 to a maximum of £50,000 changed throughout the programme in accordance with eligibility rules of the specific funding streams, and to maximise the impact of the Project across the sub-region to facilitate Project aims and objectives.

June 2008 to March 2009

- Company must be an SME
- Must be in manufacturing, engineering or service sector
- Must be looking to move from one set of premises to another, either for expansion purposes, or if businesses are affected by regeneration activities or landlord issues

June 2008 to December 2008

- AWM Single Pot and ERDF funding available
- Maximum grant £50,000 – 85% intervention rate

January 2009 to March 2009

- Maximum grant £50,000 – 50% intervention rate (ERDF element ended December 2008)

From April 2009

- Company must be an SME
- Must be in manufacturing, engineering or service sector
- Must be being forced to relocate due to regeneration activities or landlord issues
- Must pay rates to Stoke on Trent City Council, Staffordshire Moorlands District Council or Newcastle Borough Council

April 2009 to March 2011

- Only AWM Single Pot funding available
- Maximum grant advertised £50,000 – 50% intervention rate
- Aim to ensure maximum impact / benefit as many companies as possible

5.8 Eligible Costs

Eligible costs that could be granted included (not an exhaustive list – considered on a case by case basis by Panel):

- Valuation of premises
- Legal costs
- Survey work
- Schedules of alterations
- Plant and equipment relocation costs
- Security improvements
- Amended stationary
- Environmental works
- Immovable plant and equipment
- Irrecoverable VAT

5.9 Roles, Responsibilities and Governance

The Project has been managed by a senior Project Manager, who had responsibilities for:

- Delivery of the Project, including the coordination and overall management
- Liaising with external partners such as the North Staffordshire Chamber of Commerce, Business Link and AWM
- Procuring a Business Advisor

The Project Manager has been supported by a Monitoring Officer, who has been responsible for:

- Administration of the Project
- Carrying out monitoring visits
- Issuing grant offers
- Processing claims from successful businesses

An accredited Business Advisor was appointed by the Project Manager, with responsibilities that included:

- Visits to potential applicant businesses
- Outline Project aims, objectives and eligibility criteria
- Advice and support
- Where appropriate assist applicants with the development of applications for consideration by the Approval Panel

Grant applications were appraised by a multi-disciplinary Approval Panel, which consisted of representatives from:

- The North Staffordshire Chamber of Commerce
- Staffordshire Business & Innovation Centre (BIC)
- Stoke on Trent City Council

Applications for grants were decided on a case by case basis, and appraised against the eligibility criteria, including a financial assessment, with objectives that included ensuring funding could be used to maximise benefits to the sub-region.

Applicants were encouraged to apply for levels of funding that were necessary in order to facilitate the businesses relocation. Applications were required to submit detailed breakdowns of what the grant was to fund, supported by three written quotes for each item of expenditure.

5.10 Marketing Support

Local company Plink Fizz has provided marketing support, which has included:

- Branding – including the title of the Project ('Reroot')
- Marketing / Project publicity
- Media support
- Coordination – e.g. receiving initial telephone contact with applicants via marketing materials

6.0 Research Findings

6.1 Introduction

It has been our objective to establish if the Project has been delivered in accordance within set criteria, and explore the quality and efficiency of the Project team. We have also aimed to identify examples of good practice, lessons learnt, value for money, and establish if the Project has achieved aims and objectives - to facilitate business growth and expansion thus protecting and creating new jobs.

6.2 Desk Research

We note an extract from the North Staffordshire Chamber of Commerce & Industry (NSCCI) Quarterly Economic Survey (ending June 2011):

Trading remains positive in home market and export sales and orders with positive figures for manufacturing, particularly in export orders which has seen a large increase since the last quarter. More manufacturing businesses are operating at full capacity than in the last quarter with increasing workforces, although at a smaller rate. More than half the manufacturing businesses are attempting to recruit staff but are facing difficulties. However, more businesses are expecting to increase their workforce over the next 3 months. For the third consecutive quarter, 46% of manufacturing businesses are expecting their turnover will improve over the next 12 months. Most manufacturing businesses are concerned about the impact of exchange rates, fuel and energy prices, inflation and limited cash availability.

In relation to labour market profile, we note details regarding employee skills highlighted by nomis official labour market statistics (January 2010 – December 2010):

- Whilst 27.3% of Stoke on Trent people are economically 'inactive', compared to a UK figure of 23.8%:
 - Only 17.8% are trained to NVQ Level 4, compared with 31.3% nationally
 - Only 39% are trained to NVQ Level 3, compared with 51% nationally

We also note feedback from a number of businesses surveyed that pupils from local schools / colleges are generally not work ready.

Comments

- Trading, including exports remains positive
- Manufacturing sector operating at full capacity
- Businesses expecting to increase workforce
- Businesses facing difficulties in recruiting staff
- Local workforce have low skills / qualifications
- Evidence of local young people / school / college leavers not being work ready

6.3 Research Statistics

Appendix A (All companies) highlights:

- Total number of companies in receipt of grants
- Jobs within companies at date of grants
- Current jobs within companies
- Jobs created
- Jobs since lost
- Net job gains since grants

As will be noted:

- 56 local companies were awarded Reroot grants
- Total grants awarded £1,247,041
- Average grant size £22,269
- £554,054 was matched by grant recipients
- Net job gain (all companies) 247.5
- Average cost of each job created £5,039
- Companies ceased trading 8

Appendix B (28 companies surveyed by Wider Impact / jobs verified) highlights:

- Companies in receipt of grants
- Jobs within companies at date of grants
- Current jobs within companies
- Jobs created
- Jobs since lost
- Net job gains since grants
- Estimated percentage of grants re-invested within the local business community
- Estimated re-investment of grants within the local business community

As will be noted:

- Number of companies surveyed 28
- Total grants awarded £819,415
- Average grant size £29,265
- Net job gain 215
- Average cost of each job created £3,708
- Estimated percentage of grants spent within the local business community 91%
- An estimated £746,414 of the Reroot grants spent within the local business community

6.4 Field Research

As highlighted at [Section 4.2](#) we have taken the opportunity to visit 28 of the companies in receipt of Reroot funding. Our aims included:

- Establishing if a business really exists
- Verifying the number of employees
- Meeting business owners / Directors one to one to gain as full as a picture as possible of the impacts of the Reroot grant on their businesses and the wider business community

6.5 Verification

We took particular care to ensure that businesses visited were legitimately trading, and to verify that jobs at the time of the Reroot grants and at the time of our visits actually existed. We are pleased to report that in 100% of cases businesses were trading, and we are satisfied that details highlighted within [Appendix B](#) have been verified, and relate to actual jobs.

6.6 Business Feedback

We are pleased to report that with no exceptions, all those business representatives we met were extremely cooperative and keen to demonstrate the impacts of the Reroot grants on their companies. It was apparent that a number of those we met are keen to maintain varying levels of confidentiality regarding details of business performance and development. The following is therefore a summary of unattributed comments and feedback:

- 100% feel that the Reroot funding has been highly beneficial to their business
- It is apparent that a significant number of businesses would have 'gone under' if they had not moved premises
- It is clear that banks and other lenders would have been unlikely to support such financial investment
- Where banks and other lenders would have assisted, current high interest rates and loan securities would have been prohibitive and too risky for a significant number of the companies surveyed
- The majority of businesses (large and SMEs) do not carry sufficient reserves to enable 100% financial investment in moving premises
- The Reroot funding has also enabled investment into essential key areas such as research and development, vehicle and equipment purchases, which would otherwise have been significantly reduced
- It is apparent that funding support was 'about right' for the majority of businesses
- A significant number of businesses believe that moving premises ensured they were better prepared to tackle the effects of the recession. Reasons include:
 - Improved image – enabling improved customer confidence in business / services
 - Reduced overheads - e.g. heating, lighting, water, business rates
 - Increased efficiency
 - Increased production capability
 - Ability to grow - expand services / move into new markets / employ more staff
 - Improved / safer working conditions – improved morale / reduced accidents / staff sickness rates
 - Confident boosting - feel good factors
 - Ready to react when the effects of the recession start to ease

- Whilst a number of smaller businesses are clearly still meeting challenges brought about by the recession, the majority of businesses have indicated that they believe the current employment levels will be sustained, and in a number of cases increased to keep up with market demands
- The Managing Director [Paul Farmer] of Wade Ceramics makes a particular point – ‘Relocating, with departments and teams under one roof has been part of our strategy and on-going success. I strongly recommend that other pottery manufacturers and support companies consider joining us at this excellent site [Etruria Valley], which would play a key role in establishing a district of excellence and efficiency. Stoke on Trent remains the World’s ceramic centre; and I strongly believe that such initiatives will play a part in its future development and successes’.
- 100% of businesses were happy with the support they received from the Reroot Project Team, making particular reference to the ‘excellent support’ received from the Business Advisor and the Project Monitoring Officer. Examples of good practice include:
 - He [Business Advisor] provided practical and useful advice, which included details of how to obtain the Reroot funding, but also how I could best use the grant for the benefit of my business. He clearly knows his stuff and made the whole process as pain free as possible
 - It was clear she [Project Monitoring Officer] knew her stuff and nothing got past her. She was however fair and helped as much as she could. She even took the trouble to visit us and see how things were going
- We also noted feedback relating specifically to the North Staffordshire workforce:
 - Excellent IT graduates available from Staffordshire University
 - A general shortage of skills linked to engineering / manufacturing
 - Pupils from local schools / colleges generally not work ready e.g.
 - Lacking confidence and work related soft skills, such as communication, commitment and reliability
- Wider Impacts include:
 - Additional business for other local companies providing business support / services to Reroot supported businesses e.g.
 - Hanley Print Services – approximately £4,500 as a result of providing marketing materials to Easycorp UK Ltd, which includes

- £1,500 as a result of referrals by Easycorp UK Ltd to their clients / business networks
 - Mobile Telescopic Crane Hire Stoke – approximately £5,000 supporting 3 businesses to move premises
 - The employment of Apprentices, as businesses become confident of long-term survival, and understand the benefits of investing in local young people
 - Reduced carbon footprints, due to businesses moving into modern / fuel efficient premises
 - Positive marketing – enhancing the reputation of Stoke on Trent / North Staffordshire as ‘open for business’:
 - Encouraging large / national / international companies to the area
 - New companies to set up in the areas where ‘Reroot’ businesses have relocated to

6.7 Case Studies

[Appendix C](#) highlights feedback from 5 attributed case studies.

6.8 Reroot Project Team

We are grateful to members of the Reroot Team (see [Section 4.2](#)) for time taken to meet and supply data and information relevant to the delivery of the Project. The following is a summary of our findings:

- The Project was efficiently delivered, managed and monitored
- Beneficiaries were provided with high levels of quality and appropriate support and guidance from the Business Advisor and the Project Monitoring Officer
- The appointment of an accredited Business Advisor was appropriate and welcomed by business representatives, the Monitoring Officer and Panel members
- The Panel was multi-disciplined, with knowledge and expertise in areas associated with business growth / development, local markets / sectors, accounts / book keeping, and the strategic development of North Staffordshire
- Panel members were ethical, and in the case of two of the three members, were independent of the City Council / RENEW North Staffordshire

- The two independent Panel members were noticeably not paid for their involvement on the Panel, and felt under no obligation to approve, or not approve individual grant applications
- The Business Advisor and Panel members are satisfied that grants were awarded in accordance with set criteria, and were appropriate to Project objectives - to facilitate business growth and expansion thus protecting and creating new jobs
- Those businesses that were unsuccessful in being awarded a Reroot grant were signposted to other agencies / support packages by the Business Advisor and Panel members
- In hindsight, Panel member would have preferred more concise recorded notes of grant application meetings
- The appointment of Plink Fizz some time after the launch of the Project was appropriate and timely:
 - Market awareness / business uptake of the funding improved
 - A specialist business approach enhanced the reputation and efficiency of the roll out of the Project
 - Marketing materials / publicity / 'good news' were enhanced and improved

6.9 Summary

Based on our findings, we are satisfied that the Project has been delivered in accordance within set criteria, and has been well-managed by the Project team. We are also satisfied that the Project has on the whole achieved aims and objectives - to facilitate business growth and expansion, thus protecting and creating new jobs. Noticeable highlights and good practice includes:

- The formation of a multi-skilled / multi-agency Project team:
 - The formation of a multi-skilled / multi-agency team from business, support agency and local authority sectors was inspirational, and without doubt, central to the success of the Project
 - The appointment of a multi-disciplined, mostly unpaid Panel ensured grants were awarded in accordance with criteria and to businesses that were most likely to achieve a key objective - creating new jobs

- Whilst it 'took some time to get going', due to local businesses not being fully aware of the Project / understanding its advantages, it is apparent that the appointment of a professional marketing company [Plink Fizz] was effective and a positive strategy
- It is clear the accredited Business Advisor and Project Monitoring Officer, both of whom linked closely with businesses and other Project team members, played key roles in ensuring grant criteria was met, grants were issued as efficiently as possible, and those awarded grants were efficiently monitored and supported
- The right project at the right time:
 - A number of companies were better prepared for the generally unexpected recession than they may otherwise had been if they had not moved premises
 - A significant number of companies would likely to have ceased trading due to effects of the recession, and not being as efficient as they now are since the move of premises
 - Whilst the effects of the recession are still being felt by the majority of the companies visited, a number have noted increases in trade / turnover as larger companies higher up the supply chain (e.g. JCB), begin to increase production levels
 - A number of companies have no doubts that such timely moves of premises (which most likely would not have happened or been delayed without the Reroot funding) has over the last 12 months, enabled significant increases in turnover and profits, which in a number of cases, has been between 60% and 100%
- Appropriate levels of funding:
 - The vast majority of companies visited do not carry significant funding reserves, therefore such grants clearly made the difference whether to move or not
 - Both large and small grants have been effective in relation to achieving Project aims and objectives

- Appropriate levels of support:
 - The role and expertise of the Business Advisor has been central to the success of the Project
 - The role of the Monitoring Officer in ensuring that all parties received appropriate information, support and guidance has been highlighted by the majority of those interviewed

7.0 Options for the Way Forward

7.1 Introduction

We believe that the Reroot initiative has been worthwhile and timely in the sense that it has played its role in ensuring that despite the recession, a significant number of businesses are successfully trading, have created a significant number of sustainable new jobs, are preparing to develop / expand, and are highly likely to create more new jobs.

It is however essential that such successful initiatives play an integral role in current and future strategies, such as the Mandate for Change and the Work Programme, aimed at economically regenerating Stoke on Trent and North Staffordshire.

7.2 Challenges

From our research, which significantly includes an empirical element, involving meeting one to one with local business entrepreneurs and business leaders and representatives, it is clear that whilst the current recession remains a major challenge and still threatening the survival of a significant number of local businesses, a number of significant challenges also risk threatening the future economic regeneration of the area. These include:

- Cashflow – very few companies have the luxury of significant financial reserves, and whilst grants of up to £50,000 to assist with moving premises to a multi-million pound turnover company may seem insignificant to an ill-informed observer, the Reroot Project has established that such grants are significant, and can make a real and positive difference if local companies are to survive and move forward
- Employee skills – as the NSCCI Quarterly Survey, official labour market statistics and feedback from local employers highlights:
 - Workforce skills and qualifications in the area are noticeably low – particularly in relation to engineering / manufacturing
 - The need to ensure that pupils / leavers from local schools, colleges and Universities possess the skills (including soft skills) that employers require, and are significantly more work ready

7.3 Good Practice

It is clear the Reroot Project has highlighted good practice, which we believe will play a role in current and future strategies aimed at regenerating Stoke on Trent and North Staffordshire:

- High quality end to end support provided by an experienced and committed multi-skilled / multi-agency Project team that significantly included an experienced and accredited Business Advisor
- Appropriate levels of targeted financial support, aimed at facilitating business growth and expansion, thus protecting and creating sustainable new jobs
- An estimated 90% of Reroot being re-invested within the North Staffordshire business economy

7.4 Lessons Learnt

We note Panel members observations that 'it would have been ideal if notes had of been taken of Panel meetings'. We also note that in line with the Mandate for Change strategy that it is essential that initiatives such as Reroot are part of a holistic package of support for businesses that includes:

- Making it easier for businesses to operate by having an open approach to planning
- Access to good advice and finance packages
- Offering a range of different accommodation options
- Specialist support for new / developing businesses
- Removing barriers to success
- Focus on developing labour market skills
- Aligning schools, colleges and Universities to focus on the skills and experience that local businesses require

8.0 Conclusions

8.1 Introduction

We are pleased to present a positive report on an initiative that has on the whole achieved aims and objectives. It has been rewarding to have the opportunity to meet with so many hard working entrepreneurs, who in addition to aiming to secure their businesses future, are clearly committed to playing a role in securing economic stability in the local area.

We have been impressed with the diversity of businesses in the area that includes an established and growing manufacturing sector, which is exporting goods within the European Union and beyond. We have noted in particular that the Ceramics Industry is 'far from dead', and with support, such as that provided by the Reroot Project, is poised and ready to take advantage of developing World markets.

8.2 Value for Money

Understanding we are trading within a recession and are within a period of austerity, every penny clearly counts. Based on our research findings we feel that the Project has clearly provided value for money. An average cost of circa £5,000 per new job created is extremely impressive, compared with the £16,500 from the Regional Growth Fund Round One, and particularly when note is taken of unemployment / benefit costs, and wider impacts such as associated health care costs, and the costs of criminality linked to the effects of long-term unemployment.

8.3 The Way Forward

We have no doubts of the benefits of continuing such initiatives and based on our findings suggest:

- Consideration is given to targeted, industry / area based support, such as that suggested by the Managing Director of Wade Ceramics (See [Section 6.6](#)) – 'Districts of excellence and efficiency'
- Linked to the Mandate for Change such initiatives are part of a holistic package of support (see [Section 8.4](#)), which most significantly should include:
 - End to end support (see [Section 7.3](#))

- Financial support - such as 'Reroot' funding
- Enabling a local and appropriately trained and qualified workforce
- Aligning schools, colleges and Universities to focus on the skills and experience that local businesses require

8.4 Conclusions

We are grateful for the support provided by those who have contributed to what we feel is a positive report on a highly successful project.

In relation to the development and delivery of the Reroot Project we congratulate all those involved, and make particular note of the roles played by the Business Advisor, Project Monitoring Officer and Panel members.

The marketing role played by Plink Fizz should not be overlooked, as an example of how professional marketing can clearly play a role in the take up and overall success of initiatives that risk being missed / overlooked by busy business people whose focus is often on short-term business survival.

We are delighted to commend the Reroot Project as a model of good practice and value for money that has clearly achieved aims and objectives, which significantly includes sustainable local jobs for local people.

Appendix A

Summary of Reroot Grants & Key Outputs

Company Name	Size of Grant	Match Funding	Jobs (Prior to Grant)	Jobs (Current)	Jobs Created	Jobs Lost	Jobs Created Net Effect
Abacus Healthcare	50,000.00	8,823.53	23.00	24.00	1.00		1.00
ABC Furniture	2,148.88	2,148.88					
Advance Mortgage Solutions	49,914.01	8,808.35	6.00	4.00	-	2.00	2.00
Agog Ltd	21,943.81	3,872.44	5.00	1.00	-	4.00	4.00
All About Crafts Ltd	400.00	400.00	4.00	6.00	2.00	-	2.00
Anderson Engineering	4,434.89	4,434.89	4.00	5.00	1.00	-	1.00
Aqua Bio	12,518.60	2,209.16	2.00	2.00	-	-	-
BCJ Plumbing and Heating	7,897.90	1,393.75					
Bennett Architectural	50,000.00	50,000.00	44.00	52.00	8.00	-	8.00
Best Equestrian Ltd	736.45	736.45					
Brittle and Co	10,990.42	1,939.49	4.00	3.00	-	1.00	1.00
Burslem Glass	10,203.65	1,800.64	5.00	5.00	-	-	-
Cauldon Ceramics	725.48	725.48	5.00	5.50	0.50	-	0.50
Codeweavers Ltd	6,911.67	1,219.71	17.50	23.50	6.00	-	6.00
Cover Co-ordinates	30,583.08	5,397.01					
Data Driven Logistics	37,918.87	6,691.57	15.00	13.00	2.00	-	2.00
Easycorp	39,871.38	7,036.13	4.00	7.00	3.00	-	3.00
Eurostar Global	25,000.00	25,000.00	13.00	19.00	6.00	-	6.00
Exesios	49,913.35	8,808.24	4.50	4.00	-	0.50	0.50
Expertise	14,913.50	14,913.50					
Flat Vision	2,687.88	2,687.88	5.00	5.00	-	-	-
Four Tec Fabrications	47,655.81	8,409.85	31.00	31.00	-	-	-
Gardiners Reclaimed	50,000.00	8,823.53	5.00	5.00	-	-	-
Glazed Art	25,000.00	4,411.76					
Handling Equipment Services	545.02	545.02					
Hartley Greens	38,845.00	6,855.00	10.00	11.00	1.00	-	1.00
Inspired Film and Video	1,194.25	210.75	4.00	4.00	-	-	-
Interdri Ltd	25,000.00	25,000.00	9.00	13.00	4.00	-	4.00
Internet Business Solutions	42,500.00	7,500.00					
Jack in the Box	5,112.53	902.21	-	13.00	13.00	-	13.00
Jen Fat Hong	50,000.00	8,823.53	16.00	16.00	-	-	-
JPR Roofing and Flooring	33,867.04	5,976.54	16.00	16.00	-	-	-
Leek Signs	3,905.00	3,905.00	-	2.00	2.00	-	2.00
Lister Trade Frames	26,057.60	4,598.40	110.00	102.00	-	8.00	8.00
Mincrete Concrete	48,326.75	8,528.25	10.00	14.00	4.00	-	4.00
Nemesis Now	50,000.00	8,823.53	16.00	18.00	2.00	-	2.00
Nibek Ltd	14,744.95	14,744.95	8.00	12.00	4.00	-	4.00
North Staffs Tyre and Battery	21,880.50	21,880.50	4.00	6.00	2.00	-	2.00
Olympus Engineering	50,000.00	50,000.00	64.00	150.00	86.00	-	86.00
Omnium IT	4,741.63	4,741.63	12.00	13.00	1.00	-	1.00
Plinkfizz	5,530.59	975.99	4.00	9.00	5.00	-	5.00
PMC	49,981.70	8,820.30	14.00	44.00	30.00	-	30.00
Project Management	50,000.00	50,000.00	76.00	135.00	59.00	-	59.00
Prompt PC	6,046.99	6,046.99	5.00	7.00	2.00	-	2.00
Sandycroft	22,103.20	22,103.20	27.00	27.00	-	-	-
Simon Dean	24,940.61	4,401.28	4.00	4.00	-	-	-
Simpson and Co	2,383.08	2,383.08	2.50	2.50	-	-	-
Slave to Design	1,609.12	283.96	1.00	1.00	-	-	-
Smart Timber Frame Company	25,000.00	25,000.00					
Stoke IT Ltd (D2)	1,211.71	213.83	3.00	8.00	5.00	-	5.00
Strands Hair Studio	3,941.67	695.59	2.00	3.00	1.00	-	1.00
Tekdata	50,000.00	50,000.00	91.00	90.00	-	1.00	1.00
Tractive Power	3,158.75	3,158.75	3.00	4.00	1.00	-	1.00
Tyre Industry Publications	3,226.90	569.45	3.50	5.00	1.50	-	1.50
Wade Ceramics	25,000.00	25,000.00	145.00	156.00	11.00	-	11.00
Wheelhouse Hulme	3,816.72	673.54	1.50	1.50	-	-	-
TOTAL	1,247,040.94	554,053.51	858.50	1,102.00	264.00	16.50	247.50
Liquidation/Dissolved							
1. There were 56 beneficiaries as part of the scheme							
2. 48 of the 56 businesses are still trading							
3. The total grant issued was £1,247,040.94							
4. Average grant was £22,268.58							
5. Net job gain 247.50 jobs							
6. Average cost per job created is £5038.55							

Appendix B

Organisations Visited / Jobs Verified by Wider Impact

Organisation	Grant £	Jobs (Prior to Grant)	Jobs (Current)	Jobs Created	Jobs Lost	Jobs Created Net Effect	Estimated % Grant Spend In Local Economy	Estimated Value Spend In Local Economy
Abacus Healthcare	50,000	23	24	1	0	1	40	20,000.00
Agog Ltd	21,944	5	1	0	4	-4	100	21,944.00
Anderson Engineering	4,435	4	5	1	0	1	100	4,435.00
Bennett Architectural	50,000	44	52	8	0	8	100	50,000.00
Brittle and Co	10,990	4	3	0	1	-1	100	10,990.00
Cauldon Ceramics	725	5	5.5	0.5	0	0.5	100	725.00
Data Driven Logistics	37,919	15	13	0	2	-2	100	37,919.00
Easycorp	39,871	4	7	3	0	3	100	39,871.00
Exesios	49,913	4.5	4	0	0.5	-0.5	100	49,913.00
Four Tec Fabrications	47,656	31	31	0	0	0	60	28,593.60
Gardiners Reclaimed	50,000	5	5	0	0	0	100	50,000.00
Hartley Greens	38,845	10	11	1	0	1	100	38,845.00
Inspired Film and Video	1,194	4	4	0	0	0	100	1,194.00
Jack in the Box	5,113	0	13	13	0	13	30	1,533.90
Lister Trade Frames	26,058	110	102	0	8	-8	100	26,058.00
Minicrete Concrete	48,327	10	14	4	0	4	100	48,327.00
Nemesis Now	50,000	16	18	2	0	2	100	50,000.00
Olympus Engineering	50,000	64	150	86	0	86	100	50,000.00
Plink Fizz	5,531	4	9	5	0	5	100	5,531.00
PMC	49,982	14	44	30	0	30	80	39,985.60
Project Management	50,000	76	135	59	0	59	80	40,000.00
Prompt PC	6,047	5	7	2	0	2	100	6,047.00
Sandycroft	22,103	27	27	0	0	0	100	22,103.00
Simon Dean	24,941	4	4	0	0	0	100	24,941.00
Slave to Design	1,609	1	1	0	0	0	100	1,609.00
Stoke IT Ltd	1,212	3	8	5	0	5	70	848.40
Tekdata	50,000	91	90	0	1	-1	100	50,000.00
Wade Ceramics	25,000	145	156	11	0	11	100	25,000.00
TOTALS	819,415	728.5	943.5	231.5	16.5	215	91.43	746,413.50

Notes

1. Total grants issued £819,415.
2. Average grant was £29,265.
3. Net jobs gained is 215
4. Average cost of job created is £3,707.76
5. % of grant invested in local economy is as per each company
6. Value of investment in local economy is £746,413.50
7. The average percentage of grant in the local economy is 91.43%

Appendix C

Case Studies

Case Study 1

Exesios Advertising Agency

Based within the Trentham Lakes Business Quarter Exesios Advertising Agency is extremely grateful for access to Reroot funding. As Directors Paul and Eleni Brammer point out, 'Our previous premises was holding us back. Rent and overheads such as heating and lighting costs were extremely high, and it was not the ideal location to meet with clients. As we entered the recession, times were getting hard for all companies and every penny counted.

It was clear we had to move if we were to survive and move forward. We identified our current premises and made a decision to purchase. This obviously meant facing considerable costs, which included costs of relocating and structurally designing the interior of the building, which was an empty shell.

We have no doubts we could not have done this without the Reroot funding. We have to say that the support received from the Business Advisor Max King was tremendous. He clearly understood the application process, and was extremely useful to us; helping us to understand our needs and requirements, as we planned our future. The application process was clearly rigorous and methodical. However with the assistance of the Business Advisor, it was not over complex and relatively 'pain free'. We were fortunate to receive just under £50,000 to assist us relocate. There is no doubt in our minds that we could not have moved without the grant.

100% of the grant was spent on local companies, which included builders and companies providing fixtures and fittings.

We now have wonderful premises to trade from. It is modern, functional and ideal to meet with clients. Clients have commented that 'we are a London quality agency, based in Stoke on Trent'. The physical location is ideal for us and our clients. We are in a modern and strategically positioned business park, within a thriving business community. We are close to a main line Railway Station, main roads, and the M6 Motorway.

Other benefits include considerable reductions in overheads such as heating, lighting and the cost of telephone calls. We are now in control of such costs, and are clearly reducing our carbon footprint.

Due to the work we carried out on the premises, it is holding its value and we are looking forward to moving forward and benefiting from our investment.

Times remain hard, but we are holding onto our staff and moving forward with a degree of confidence.

We have made a link with a local College, and are in the process of providing Internship opportunities to the brightest students.

We can only commend the Reroot funding Project. We could not have moved without it, and we suspect we would not have survived without such support from the Local Authority.

Case Study 2

Gardiners Reclaimed Building Materials Ltd

Gardiners RBM Ltd has grown from a business started in a rear garden to a 2 acre self-sustained and secure site at Grove Road Industrial Estate, Fenton. Directors Paul and Alison Gardiner have created a company that supplies recycled building and architectural products from their premises and via the World Wide Web.

They point out, 'We have no doubts that we could not have moved and been as successful as we now are without the £50,000 Reroot grant. It cost us £150,000 to move. We were based in a yard that was not suitable and not a secure place in terms of a tenancy to trade from. We have since been informed by the Council that we would most likely have had to cease trading on Health & Safety grounds. Surfaces were uneven and stacks of bricks and other building materials could have fallen on anyone in the vicinity.

The Reroot grant was therefore timely to us, and was spent on relocating to where we are now. We were able to make the site secure, and ensure the ground was concreted and safe to store materials. We were also able to open the yard up to visitors, which includes members of the public looking to purchase materials.

100% of the grant, which included fencing, concrete, security and office space, was spent within the North Staffordshire business community.

The whole process was made simple due to the support provided by the Business Advisor. He was a great help, and a source of common sense business advice and support. We also appreciated the support provided by Helen [Monitoring Officer]. She was always on the ball, and ready to help us with the application process.

They make it clear 'Times are now hard'. 'We are in a recession and the building trade has gone flat. Without this move we could have gone bust, but by being here we can sell direct to the public and are currently developing web based sales. Just look around. This yard is tidy and makes us so professional. We are confident that we can ride the recession, and as we have said, the Reroot grant has played a significant part in our success. Within 12 months we have moved from a deficit to a profit.

In addition to securing 5 local jobs in a time of recession, we are also aware we are helping the environment. Our products are materials that are being re-cycled and helping to reduce the carbon footprint.

Case Study 3

Lister Trade Frames

Based on the Fenton Industrial Estate, Lister Trade Frames currently employs 102 local people. Director Mark Warren says, 'We have no doubts that the Reroot grant has helped our business and secure local jobs for local people. Prior to the grant our Trade Counter was at another location, and we needed to bring the business together on one site. We secured just over £26,000, and every penny was needed and well spent. 100% of the grant was spent in the North Staffordshire area, which of course adds to the local economy. The spend, which included our 'match', has also helped us to reduce our carbon footprint and energy bills, as we for example fitted eco-friendly lighting and improved heating and drainage systems.

Whilst we have seen our manufacturing arm fall off due to the recession, our improved and re-located Trade Counter trade has increased, which has meant an increase of 6 jobs for local people. We are committed to employing and training local young people. Over recent times, the Trade Counter has employed 15 Apprentices. We plan to take on more, due to a significant number moving into the manufacturing area of our business.

I can only praise the Reroot initiative. It was timely, well managed, extremely useful to the growth of our business, and has without doubt helped secure the jobs of local young people.

Case Study 4

Prompt PC

Established in 1997, Prompt PC is based on the Parkhall Business Park and currently employs 7 full-time staff. Forced to move from their last premises, Director Andrew Eardley is a grateful recipient of the Reroot funding, of which his company received just over £6,000.

He says, 'I have no doubts that we would have gone under without the grant. The other site was just not good for us, and we could not have moved to this location in such a short space of time without such support. We have spent 100% of the grant locally and it is so refreshing to be in a building that is adding value to business growth. The grant was spent on refurbishing the building and providing facilities such as secure storage.

The grant enabled us to continue trading whilst we carried out the complex process of moving premises. We now have what we need. Space for staff to work. A secure building, which is strategically placed, with secure parking for staff and company vehicles.

Productivity has improved 60% since we have moved here. This would not have been possible in our old premises, which we were at risk of losing.

Whilst we may have been able to raise some funding, we would not have had enough funding to do what we have been able to do to the premises.

Since the move, we have been able to purchase a new vehicle, which has directly assisted in increased turnover and business growth.

Staff are now more motivated, and clearly enjoy coming to work. This is passed on to our customers, who refer us to new clients and business opportunities.

2 new staff have joined the company since the move to the new premises. Andrew says, 'Our Business Plan includes growth of the Company, and we are currently looking to recruit an Apprentice Technical Support Engineer. We have approached local schools and colleges, as we aim to continue to employ local young people'.

He says, 'We can only praise the Reroot Project. Whilst the process of obtaining the grant was a rigorous process that was clearly carefully monitored every step of the way, the support and advice provided by the Business Advisor and Project Monitoring Officer was first class.

There is a feel good factor in the Company now, and we are confident we can ride the recession, secure local jobs, and move forward, continuing to grow the Company to employ at least 10 local people by 2012.

Appendix D



Job Verification Report

Company Name

Company Address

No of employees at Grant Receipt Date Evidence Obtained

No of Jobs Created

Current No of Employees Evidence Obtained

Form Completed by

Evidence Verified by

Comments (Wider Impact Verifier)



widerimpact

Independent Analysis. Strategic Reviews

Unit 103
Staffordshire University
Business Village Stoke
72 Leek Road
Stoke on Trent ST4 2AR
Tel: 0845 165 0491
Fax: 0845 165 0442
Email: enquiries@widerimpact.com
Web: www.widerimpact.com



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