



INTERNATIONAL  
FESTIVAL FOR  
BUSINESS  
2014

# THE INTERNATIONAL FESTIVAL FOR BUSINESS 2014: EVALUATION PROJECT

**Interim Baseline**

June 2014

Ste Lingard and Katherine Davies



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## INTRODUCTION

1. The Liverpool City Region [LCR] is staging the International Festival for Business 2014 [IFB], on behalf of the UK as a whole. The Festival involves more than 250 business events taking place across the LCR and beyond, supported by bespoke business services for participants and a programme of cultural events. Tens of thousands of delegates from more than 80 countries will take part. It is the largest and most complex business focused festival to be staged in the UK since the 1951 Festival of Britain. Liverpool Vision, the Mayor of Liverpool's economic development company, is the delivery body.

2. Liverpool Vision is also conducting an evaluation project, in line with good practice and with its responsibility to the public and private sector partners that have invested in the Festival. Given the scale, scope, and complexity of the IFB, the evaluation task is correspondingly significant and challenging. Liverpool Vision's Senior Management Team considered the delivery mechanism for the project at an early stage and concluded that an in-house solution led by Vision's own experienced research and intelligence team would offer the best value for money. An outsourced solution would require a consultancy budget running well into six figures budget, given the scale and duration of the project; this was not considered a good use of resources in the current public funding environment. Outsourcing the project would also still involve very considerable workloads for Vision staff, due to the complex nature of the intervention and Vision's operational relationship with the data.

3. An evaluation plan was developed over the winter of 2013/14, working with advisors appointed by the Department for Business, Innovation and Skills. It was published in March 2014 and is available for download on the Vision website.<sup>1</sup> It explored the many factors affecting the project. The details of that debate will not be repeated here, but it is pertinent to recall the key points:

- The IFB is a complex intervention taking place over a six week period, with potential benefits being generated over a period of years.
- The participant group is diverse and will continue to evolve almost until the end of the Festival.
- The LCR is hosting the IFB on behalf of the UK as a whole; the evaluation must take due consideration of the different geographies and potential displacement effects
- The IFB is not a single intervention but a cluster of related activities, with multiple expected outputs and outcomes; to properly illuminate the multiple layer effects the evaluation must draw on a wide variety of data, ranging from surveys across the different types of stakeholders, to official statistics, and to qualitative analysis of media coverage and perceptions.

4. The **primary** objective of the evaluation project is to analyse how far the IFB has served its strategic purpose of generating jobs and investment in the LCR and wider UK economy, over both the short and long term, and the extent to which the outcomes observed are a result of the intervention. The focus of the evaluation is therefore concentrated on measuring how far the IFB has met the following core objectives:

- Create jobs in the LCR/UK
- Increase exports for participating companies
- Increase domestic sales for participating companies
- Increase foreign direct investment into the LCR and UK
- Increase domestic investment into the LCR

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<sup>1</sup> <http://www.liverpoolvision.co.uk/news/latest-news/fb-monitoring-evaluation-framework/>

5. The core objectives are supported by the following supporting objectives, performance against which will be measured as a reinforcing element of the evaluation:

- Improve perceptions of the LCR and the UK as a place to do business
- Increase visitor numbers to LCR
- Increase visitor spend to LCR

6. The **secondary** objective of the project is to assess the relative contributions of the different IFB activities, to inform the design of future interventions.

7. The core methodology for the evaluation project is a longitudinal pre / post-test study, using surveys of the delegate group. This will be supported by analysis of a range of supporting and contextual data.

8. This document attempts to establish a baseline against which the success of the IFB can be evaluated, related to the objectives given above. Ideally it would be possible to present a comprehensive baseline picture of the participant group, before the intervention takes place. This is not possible in this case: the participant group cannot be isolated at a point in time - individuals are still registering as Business Club Members every day and will continue to do so until well into the Festival; the pre-event survey will remain open until 13 July. It is, however, possible to present an initial analysis of the data available about the participant group at this stage.

9. It is also possible to present data illustrating the City Region's performance in relevant contextual subject areas. The full framework of data that the project will monitor was published as an appendix to the evaluation plan earlier in 2014.<sup>2</sup> At this stage it is possible to present a summary focusing on key points. The interim evaluation report, due in autumn 2014, will present a full picture against the framework, although given that many of the datasets are subject to a long time-lag, aspects of the results will not be meaningful until a further analysis is carried out for the full evaluation report.

10. This document will address the following areas:

- The LCR economy, with reference to trends and comparison with other cities
- Liverpool's recent experience as a host city
- The IFB participant groups, including an initial demographic analysis of current IFB Business Club members
- Targets
- Next steps

11. The document will be a reference for the evaluation team, the IFB operational team, partners, supporters and other interested parties. The main body of narrative was prepared in May 2014, with data analysis and final drafting continuing until 13 June.

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<sup>2</sup> Performance against a range of process focused indicators in the short term is also being monitored through the IFB Delivery Team's 'Local Benefit Matrix'. The evaluation team is being kept informed of progress with this.

## THE LIVERPOOL CITY REGION ECONOMY

12. The financial crisis of 2007-09 and the subsequent recession brought certain characteristics of the UK economy into sharp focus in the public debate. It is the policy of the current UK government to pursue 'rebalancing' of the economy, in terms of the relative balance between the public and private sectors, sectors within the private sector, and between imports and exports. The interplay of these factors has a distinct regional dimension. Wealth and growth have been increasingly concentrated in London and the South East, with its output disproportionately driven by finance and banking. The performance of regional cities lags behind, despite the regeneration they have experienced in the last 20 years. The Liverpool City Region, for example, still has one of the largest concentrations of socio-economic deprivation in Europe.

13. Government policy recognises this, and supports intervention in the market designed to help rebalance the economy in relation to the above issues, over the long term. This is the background to the IFB project as an intervention. It is therefore relevant to summarise the demographic and economic performance of the Liverpool City Region as a central part of establishing the baseline for the evaluation project.

### *Population*

14. The latest estimates indicate an increase of 1.8% of the LCR population between 2002 and 2012, to 1,511,400. Liverpool contributed significantly with an increase of 25,900. This is a major step forwards for the city, following decades of population decline. Continuing to attract people to remain in and move to Liverpool remains a priority.

### *GVA growth*

15. From 1997 to 2012 the LCR's Gross Value Added [GVA] rose by 85.5%, with Liverpool's increasing by 103.9%, outperforming both the Core Cities (82.5%) and the UK (83.3%). This long-term pattern was repeated from 2011-12, with LCR growth of 2.3% (£559 million) compared to the Core City average and UK growth of 2.1% and 1.7% respectively.

### *Job growth*

16. The total number of jobs in the LCR grew by 28,500 (5.2%) to 580,700 from 1998 to 2012. Employment in Liverpool grew by 11.3% in the same period, outpacing the Core Cities (6.7%) and Great Britain (8.4%). Between 2009 and 2012, however, the recession led to a reduction of 3,100 in the number of jobs in the LCR. Although employment in the LCR increased again modestly towards the end of that period, this growth was slower than the rest of the country. The top three sectors for the number of employee jobs in the LCR in 2012 are: Health, with 17.8% share of total jobs; Retail, with 10.9% share of jobs; and Education, with 9.8% share of jobs.

### *Business volume:*

17. From 2008-2013, the total number of business units in the LCR declined by 4.4% (1,900), compared to 1.6% and 0.5% in the Core Cities as a whole and GB, respectively. The data for 2012-13 shows very modest growth for Liverpool (0.3%), the Core Cities (1.1%) and GB (0.6%). Although the number of businesses in Liverpool increased, overall the other five local authority areas in the LCR did not perform as well, giving net nil growth in business units for the region in that period. The top three sectors for the number of business units in the LCR in 2013 are: Retail, with 13.7% share of total businesses; Professional, scientific and technical, with 13.2% share of total businesses; and

Construction, with 10% share of total businesses.

### *Business density*

18. In 2012 the LCR's business density was 306 per 10,000 residents aged 16+, substantially lower than that of the Core Cities average (373) and GB (461). The LCR density increased by 9.5% from 2004-12, but the Core Cities (10.6%) and GB (10.0%) each increased by marginally more. This trend can be seen in the latest short term data: from 2011 to 2012 the LCR's figure increased by 0.8% compared to 1.8% for the Core Cities and 1.4% for GB.

### *Business starts and closures*

19. In 2012 the LCR's business startup rate was 38 new businesses per 10,000 residents aged 16+, below the Core Cities average of 47 and the GB average of 53. Between 2004 and 2012 the LCR rate decreased by 6.3%. The latest figures are more promising: from 2011-12 there was growth of 6.9%, compared to the Core Cities average and GB increases of 3.4% and 2.5% respectively.

20. In 2012 the LCR performed better than the Core Cities average and the rest of GB in terms of the business closure rate: 36 per 10,000 residents aged 16+ compared to 44 and 50, respectively. Overall, the net impact of business starts and closures for the LCR is positive, with net 2 business starts per 10,000 people aged 16+, compared to the net 3 business starts for both the Core Cities and GB.

### *Unemployment*

21. In May 2014 the LCR's unemployment benefit [JSA] claimant rate was 3.8%, which is the lowest since July 2008, equating to 37,476 claimants. There are nearly 1,600 more claimants in the LCR than in January 2008. During 2013/14 the number of claimants in the LCR reduced by 19.6%, although this was lower than the reduction in the North West (25.8%) and the UK (24.5%).

### *Exports*

22. The standard HMRC data for exports is produced at a regional level. Figures from March 2014 show that the North West's total exports fell by 7.3% from 2010-2013, and by 16.5% (from £7735m- £6459m) from quarter four of 2012 and the same period one year later. The North West is still third in the UK on this indicator, however, with a total of £27,451m at the end of 2013, behind the South East and London. UK total exports also dropped by 0.5% from quarter four of 2012 and one year later, having increased by 13.6% to £298,866m between 2010 and 2013.

### *Visitor economy*

23. The LCR welcomed 57m visitors in 2012 (52m day and 5m overnight), up by 3.1% from 2011. 32m people (30m day and 2m staying) visited Liverpool itself. The economic impact of the LCR visitor economy grew by 8.6% between 2011 and 2012, to £3.4bn, outperforming the previous record set in 2008, which was an exceptional period due to Liverpool's Year as European Capital of Culture.

### *Foreign Direct Investment*

24. The UK remained Europe's top destination for foreign direct investment [FDI] in 2012, securing more projects (a 2.6% increase to 697 projects) and larger market share

than in 2011.<sup>3</sup>

25. Between 2003-2012, the LCR ranked 49th of all possible European locations for securing FDI, with 88 projects; Liverpool is ranked 14<sup>th</sup> in the UK.<sup>4</sup> The majority of FDI into the LCR came from companies that already had some base in the UK (59%); only 19% relates to companies new to the UK, compared to the UK as a whole (driven by London), of whose FDI, 65% was related to new projects. Between 2010 and 2013 there were 29 FDI projects in the LCR, generating capital expenditure of almost £1,500 million and 4,800 jobs. This contributed significantly to the North West's position in 2012 as the leading region for employment creation from FDI.<sup>5</sup>

26. In 2013, Liverpool was ranked runner up in the category for Mid-Sized European Cities – FDI Strategy (behind Edinburgh), 5th in all European Cities for FDI Strategy, and 3rd in top Mid-Sized European Cities overall, behind Edinburgh and Lyon.<sup>6</sup>

27. In summary, Liverpool's economic performance has improved very significantly on a range of key indicators in the last 15 years. Its relative performance for much of that period against some indicators was significantly better than that of the Core Cities average and GB. It should be recognised, however, that this is partly attributable to the city's performance having begun the period performing relatively poorly, making it easier to generate significant relative improvements in a short period of time. Improving relative performance further will require sustained and well planned efforts over a period of many years. The IFB as an intervention was designed with this in mind and is intended to contribute directly to improving performance in several of the areas covered above: economic growth, job creation, exports and visitor economy.

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<sup>3</sup> Ernst & Young's UK Attractiveness Survey 2013. At the time of writing, Ernst & Young published its 2014 Survey, thus it has not been possible to include the latest data, which reports that the UK has extended its lead as Europe's number one FDI location, with the number of FDI projects having increased by 14.6% to a record 799.

<sup>4</sup> In the Top 50 European Cities for the attraction of FDI (2003-12) the Liverpool City Region is referenced rather than the City of Liverpool alone, but other locations are ranked by their city boundary. If Liverpool is considered alone, it is positioned 14<sup>th</sup> in the UK; this ranking is established against all the possible places in the UK. Liverpool is ranked behind: London, Manchester, Birmingham, Bristol, Newcastle, Cambridge, Reading, Coventry, Gateshead, Glasgow, Aberdeen, Edinburgh and Belfast.

<sup>5</sup> FDI into the LCR in 2012 generated 1,200 jobs.

<sup>6</sup> fDi Magazine's European Cities of the Future 2014-15.

## LIVERPOOL: THE HOST CITY

28. The perceptions of Liverpool held by those from elsewhere in the UK have changed significantly since the nadir of the 1980s. At that time the city's declining infrastructure, social unrest and local politics were subject to harsh commentary from the national media, leading to profoundly negative stereotypes gaining currency. Internationally, Liverpool remained known for the Beatles and football, but attracted relatively few visitors. Fast forward to 2014, however, and Liverpool is renowned across the country as a city break destination and has been named the third city in the world to visit by the internationally recognised Rough Guide, testament to the continuing improvement in its global reputation.

29. Liverpool's renaissance over the last two decades has been driven by a transformational physical development programme and conscious effort to re-engage with the world. Major events have been an important part of this campaign. Liverpool signalled its ambition by bidding for European Capital of Culture status for 2008. It won. The resulting year-long programme of events elevated Liverpool's reputation as a host city to a new level. Each year since then the city has continued to deliver an impressive programme of cultural events, with Sea Odyssey 2012, events to mark the visits of the world's most prestigious cruise liners, and the new Liverpool International Music Festival being particular highlights.

30. Since 2008 Liverpool has also focused on using events as a means to drive engagement with national and international business audiences, building on the possibilities offered by the completion of the new Arena and Convention Centre Liverpool. In 2010 the city delivered an award-winning presence at the World EXPO in Shanghai. In 2012 it became the first European City to host the Global Entrepreneurship Congress, before developing the IFB concept and presenting a business case to the government. The case was accepted and the LCR was announced as the host for IFB 2014. This section explores the city's recent record as a host city and summarises the conclusions of the relevant published evaluation reports. It should be noted that the reports relating to the following events and programmes were produced by different research and consultancy bodies, and thus methodologies of assessing impact and terminology varies.

### *Liverpool: European Capital of Culture 2008*

31. Liverpool's year as European Capital of Culture involved a year-long programme of approximately 7,000 cultural activities.<sup>7</sup> It was 8 years in the planning, with bid preparations beginning in 2000, and involved a total income of £129.9 million over six years (2003-2009), from public and private sources, including European Commission funds of just over £800,000. The Liverpool Culture Company was set up by the City Council to deliver the programme.

32. The evaluation project was known as 'Impacts 08', and was a major project in its own right.<sup>8</sup> Commissioned by Liverpool City Council, it was a five year joint research initiative between the University of Liverpool and John Moores University for the period 2005-2010. The Impacts 08 team, supported by a large body of research collaborators, evaluated the social, cultural, economic and environmental effects of Liverpool's time as Capital of Culture, focused on five key themes: cultural access and participation; economy and tourism; cultural vibrancy and sustainability; image and perceptions; and governance

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<sup>7</sup> According to Impacts 08, the European Capital of Culture programme included 41,000 activities, resulting in a total audience of 18 million from 2005-2008.

<sup>8</sup> The full Impacts 08 report is available online: [http://www.liv.ac.uk/impacts08/Papers/Creating\\_an\\_Impact\\_-\\_web.pdf](http://www.liv.ac.uk/impacts08/Papers/Creating_an_Impact_-_web.pdf)



and delivery process. The emphasis on processes and experiences as much as outcomes in the methodological framework reflected the complexity of the intervention. In this respect, it is similar to the IFB 2014, which will generate results through the interaction of many variables rather than through a simple cause-effect relationship.

33. Impacts 08 concluded that Liverpool's year as European Capital of Culture had delivered very significant results. In 2008 there were an estimated 27.7 million visits to Liverpool, up 34% on 2007, of which 9.7 million were additional visits generating direct visitor spend of £753.8 million across Liverpool, Merseyside and the wider North West region, and 75.1 million visits to Merseyside,<sup>9</sup> up 19% on 2007. An additional 2.6 million international visitors, from both Europe and overseas, were motivated by the event programme and an additional 1.14 million staying visitor nights in Liverpool hotels, 1.29 million in the rest of Merseyside and 1.7 million in the rest of the North West, can be all be attributed to Liverpool's Capital of Culture status.

34. 2008 was a significant milestone for the city and wider region. It was a catalyst for further physical regeneration, raised the profile of the city's cultural offer, improved perceptions of the city,<sup>10</sup> and stimulated a critical renewal in the city's self-confidence. Liverpool's year as European Capital of Culture laid a strong foundation upon which it has continued to build, establishing itself as a world class city.

#### *World EXPO 2010: Shanghai*

35. Following the success of 2008 Liverpool decided to participate in World EXPO 2010 in Shanghai – the only UK city to have its own pavilion. This represented a broadening of focus beyond staging cultural events, and to conducting projects outside Liverpool. The objectives were to generate business for participating companies, and to lay the foundation for a long term increase in business, education and tourism links between China and the Liverpool City Region. This involved a major operation, with a presence in Shanghai for more than six months. The project was supported by a mixture of public funding (including £1,250,000 from the Northwest Development Agency), and private sponsorship totalling approximately £500,000.

36. The Liverpool pavilion showcased the city region's many cultural assets, its higher education offer and its trade and investment opportunities. It attracted 770,000 visitors and was very well received, and was voted the best of the city pavilions. 64 businesses from the City Region took part in delegations to Shanghai during the Expo. A series of surveys were conducted in the three years following the Expo to assess the benefits to participants. They concluded the businesses involved generated approximately £22m in sales to China following the Expo. Although very significant in itself, the total value of sales achieved is likely to have been rather higher, as not all of the participants took part in the follow up surveys.<sup>11</sup>

#### *Liverpool as a business event destination*

37. Liverpool's potential to host and stage businesses events was significantly increased when the ACC Liverpool, home to the BT Convention Centre and Echo Arena, was opened in 2008. In its first year it attracted more than 618,000 visitors to 269 events,

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<sup>9</sup> Impacts '08 used Merseyside as its basic unit of geographic reference, rather than the LCR, which also includes Halton.

<sup>10</sup> 68% of UK businesses believed that Capital of Culture status had a positive impact on Liverpool's image, according to Impacts 08.

<sup>11</sup> Sales data is derived from the China Business Club Expo Survey, 2013, with respondents from Liverpool Vision's China Club and several partner organisations, and the Expo Survey Evaluation for sponsors, conducted by Curiosity Research, 2012.

generating an economic impact of £207m. Since then it has drawn in a further 3.5 million visitors to more than 1,200 events and generated £760m in economic impact. The ACC has proved a great success, bringing hundreds of thousands of business delegates from all around the UK and overseas to Liverpool, many of them for the first time. This has played an important part in improving perceptions of the city as a place to do business.

38. As well as hosting very many entirely private sector events, the ACC has also provided the venue for some key business events facilitated by the public sector. In 2012 Liverpool staged the fourth Global Entrepreneurship Congress in 2012, following in the footsteps of Kansas, Dubai and Shanghai. In conjunction with the Ewing Marion Kauffman Foundation, Liverpool brought together almost three thousand entrepreneurs from 125 countries to exchange ideas about entrepreneurship. This generated an additional 2,400 overnight stays and contributed an estimated £1m to the local economy. 85% of delegates thought the event had met or exceeded their expectations; 66% thought it would have a positive impact on their business, and 78% thought Liverpool was a good place to do business.

39. Building on this success, Liverpool delivered the inaugural 'Accelerate' event in June 2013, focused on high-growth businesses. It took place at the ACC Liverpool almost exactly one year before the IFB 2014 will begin, marking the start of the countdown period. More than 2,000 delegates came together to explore the issues involved in starting and growing an enterprise. 91% of participants stated the event had met or exceeded their expectations. 74% stated that the event would have a positive impact upon their business or professional career, and 83% thought that Liverpool was a good place to do business and invest.

40. The IFB 2014 is the latest and most ambitious of a series of major events Liverpool has staged, and its development would not have been possible without the experience and credibility gained from previous projects.

41. Liverpool Vision and Culture Liverpool have played an important role in delivering many of the major events that have taken place in Liverpool. They operate at 'arm's length' from the City Council (in Vision's case as company limited by guarantee, wholly owned by the City). This semi-independence allows them to work more closely with the private sector than would otherwise be the case. This will become increasingly important as public funding continues to reduce; it will be necessary to generate more commercial income if the public sector is to continue to lead the delivery of world class events.

## THE PARTICIPANT GROUP

42. The IFB is a complex intervention with a dynamic and varied beneficiary group, including:

- IFB Business Club Members, who receive access to the IFB Hub and its facilities, along with related business services.
- IFB Business Brokerage users, who also receive bespoke business matching services.
- Delegates of any business event that is part of the IFB programme, and branded accordingly, who may or may not be registered as an IFB Business Club Member.
- Suppliers of goods and services.
- Visitors to the IFB cultural event programme.

43. The 'layers' can only be used as a formal typology in a very limited sense: some individuals and companies fall into more than one group; the level and availability of data varies greatly for each; and they are not equally important in relation to the objectives of the intervention. Tracking and analysis of the participants will therefore be prioritised, with the focus being on participant businesses in the LCR, and those from elsewhere that go on to invest in the area in future.<sup>12</sup>

44. There is, therefore, a limit to what can be established about the participant group at this stage, with data still being collected. The rest of this section presents a summary of the data available so far, including a breakdown of participants by sector, company size, location and export status. Further analyses will be carried out at intervals during the IFB, to understand how the participant group changed over time. A full analysis will be presented in the interim evaluation, to be published in autumn 2014.

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<sup>12</sup> The LCR focus has implications for how issues of displacement (positive effects in one geography causing negative effects in another) will be managed. It is not anticipated that displacement will be a significant issue within the LCR, given that is a relatively compact and well-connected business geography, and that focus will be on generating increased international trading. Displacement could, however, be an issue for the UK as a whole. The evaluation methodology attends to this issue as far as practicably possible by using data from participating UK businesses.

## IFB Business Club Members – Initial Analysis

45. The following dashboard provides an initial analysis of the IFB Business Club membership. It gives a headline breakdown covering geographic location and registration for business brokerage services. It also looks at the number, size, sector and export status of unique companies registered to participate. The data is affected by operational factors relating to the registration system: full registration which requires all data fields to be completed; 'registration lite' involves fewer mandatory fields and therefore provides less data.<sup>13</sup> The dashboard is a meaningful guide to the scale and nature of the IFB Business Club population, at the time of writing.



**Number of Business Club Members 7,974**  
*Registered for Business Brokerage: 955*

Liverpool City Region: **3,086**  
UK (non-LCR): **3,897**  
International: **591**  
Other: **400**



**Number of Companies**

**5,318**



**Size of Company by Employees**

1 to 9: **49.5%**  
10 to 59: **19.6%**  
50 to 250: **11.8%**  
250+: **12.1%**  
Unknown: **6.9%**



**Exports Status**

Don't export: **53.8%**  
Experienced exporter: **19.4%**  
New to export: **14.4%**  
Online exporter: **3.5%**  
Importer: **2%**  
Unknown: **6.9%**

### TOP FIVE SECTORS

**Financial and Professional Services: 10%**  
**Business and Consumer Services: 8.9%**  
**Creative and Media: 8.6%**

**Education and Training: 6.5%**  
**Construction: 4.9%**  
**Other: 21.5%**

<sup>13</sup> The following methodology was used: percentages given for the size of company by employees, export status, and sector reflect proportions of the total number of unique companies registered in the IFB Business Club; those companies that did not provide data for their size, export status, or sector, were designated 'unknown'.

## Business Expectations

### *Liverpool Vision's Pre-IFB Survey Results*

46. Liverpool Vision is conducting a survey of delegates to help understand their expectations before their experience of the Festival.<sup>14</sup> It was opened on 6 May and will close on 13 July. The closing date was chosen in recognition that delegates will continue to join the Festival long after the opening events – in effect, 13 July will still be 'pre-IFB' for some people. The survey text emphasises that the questions are to be answered from a pre-Festival perspective.

47. 184 respondents had completed the survey in full by 10<sup>th</sup> June 2014; 58% of whom are from the LCR, 41% from the UK (non-LCR), and 1% from overseas.<sup>15</sup> Although the number is a small proportion of the expected final numbers of delegates and business club members, it represents a meaningful start to gathering information on their expectations at this early stage.

#### 48. *Business benefits*

- 87% said that they expect to meet potential new customers, investors, trade partners or suppliers.
- 71% expect to access business networks in the UK and 65% in the LCR; 55% expect to access global business networks.
- 53% think they will be able to gain specialist advice or knowledge to help them build their business.
- 32% expect to be able to further a business interaction or relationship already in progress.
- Respondents who selected 'other' highlight how they believe the IFB will present a useful opportunity to build and promote their company brand.

#### 49. *Business benefits to the LCR and UK<sup>16</sup>*

- 79% of LCR respondents believe that the IFB will create more jobs in the City Region.
- 59% of all LCR and UK delegates combined believe that the IFB will stimulate job creation in the UK.
- 89% of LCR delegates consider that the IFB will increase foreign investment into the City Region.
- 70% of LCR and UK respondents believe that foreign investment into the rest of the UK will increase as a result of IFB.
- 86% of LCR respondents believe that the IFB will increase exports in the LCR, whilst 66% of LCR and UK delegates combined believe such growth will occur across the UK.
- 90% of LCR respondents consider that tourism will increase because of the IFB,
- 41% of LCR and UK respondents combined think that tourism to the UK as a whole will increase as a result of the IFB.

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<sup>14</sup> The survey is open to all delegates, whether Business Club Members or not.

<sup>15</sup> Several questions invite responses according to specific geographies (i.e. LCR delegates instructed to respond to a question on LCR economic growth). It is not possible to regulate the way in which respondents complete the survey (beyond ensuring every question is mandatory), and thus there may be a small amount of unavoidable spurious data if, for example, a UK (non-LCR) delegate responds to a question intended for an LCR delegate. It is considered reasonable, however, to assume that the results are valid +/- 5%.

<sup>16</sup> In this question, delegates were invited to select what business benefits they expect according to their geographical region: LCR delegates were asked to provide answers for both the LCR and the UK, whilst both LCR and wider UK delegates were asked to provide answers for the UK.

#### *Investment interest in LCR and UK:*

50. Only UK (non-LCR) and overseas delegates were invited to answer this question. 23% don't know if they are interested in investment in the LCR or UK. Of those who are interested in investment, 29% are interested in opportunities in the LCR and 36% are interested in the rest of the UK, citing a number of reasons, including the expansion of existing UK bases.

#### *Main attraction of the IFB:*

51. 59% of respondents report that access to the full event programme is the main attraction to participate in the IFB, compared to 20% who are primarily attracted to the hub services. Access to business brokerage services is the primary attraction for 10%, with only 3% stating that their participation is principally due to the fact they regularly attend a particular event. 8% cited other reasons, including opportunities to discover wider markets, networking, and in particular the 'concentration of expertise, people and information in one (attractive) place.'

#### *Do business and invest in the LCR and UK:*

52. 76% of respondents believe that the LCR is a good place in which to do business and invest and 90% of respondents believe that the UK is a good place in which to do business and invest. On a rating scale from 1-5, with 5 being strongly agree and 1 being strongly disagree, the LCR is rated at 4.07 and the UK is rated at 4.29.

#### *Business growth:*

53. 85% of respondents agree or strongly agree that their company will grow over the next year, whilst only 3% disagree or strongly disagree, with 12% being uncertain.

#### *Improving economic conditions*

54. Respondents show significant confidence that economic conditions will improve over the next year, with 76% indicating that they agree or strongly agree that the LCR will improve, 83% for the UK, and 68% reporting confidence that global economic conditions will improve.

### ***Other survey results***

55. Several other surveys of LCR businesses have been conducted in the last three quarters. Respondents may or may not be direct participants in the IFB, but as a sample across the LCR - the primary target geography of the IFB - the results provide a useful reference of awareness of the IFB and views on its potential business benefits. The two main surveys were the Liverpool Business Survey 2013 [LBS] commissioned by Liverpool Vision, and Liverpool Chamber's Quarterly Economic Survey [QES].

56. The LBS was undertaken in November and December 2013.<sup>17</sup> Telephone interviews were conducted with a balanced sample of businesses (1,205 in total) across the six local authorities of the LCR. It should be noted that one would expect lower levels of awareness of the IFB at that stage, before the marketing campaign gathered pace. The QES provides some similar data (excluding area or sector comparisons) from quarter four

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<sup>17</sup> Formerly the 'Foundations for Growth' survey.

of 2013/14. Caution must be exercised in using the QES results, however, as fewer than 70 responses were received. The results of both surveys will form a baseline for future deployments of the same surveys: the LBS will run again in November and December 2014, and the QES will continue to include questions on IFB engagement throughout its quarterly surveys to the end of the 2014/15 financial year.

### *Awareness*

57. The LBS found there was a modest level of awareness (38%) among LCR businesses that Liverpool will be hosting the IFB, with strongest responses coming from businesses in Liverpool's city centre (54%). There was significant variation in awareness between sectors, with awareness highest among finance (54%), business services (49%) and the creative and digital sector (52%). Awareness in retail/wholesale (28%) and other services (27%) was much lower, and was only 35% for hotels and restaurants despite the clear potential for them to benefit from the IFB. 58 out of 65 respondents (89%) to the QES were aware of the IFB.

### *Benefits for Liverpool*

58. The LBS found that more than 80% of business across the LCR and all sectors believed that the IFB will benefit the LCR: businesses in Liverpool LA perceived benefits chiefly in terms of raising the profile of the city and improving perceptions. Only 11% in Liverpool expected the IFB to generate increased investment. The QES reports extremely positive views on IFB benefits to Liverpool, with more than 85% agreeing that it would increase investment and tourism and 71% believing it would generate new jobs.

### *Benefits for the business*

59. The LBS found that businesses in city centre were most positive that IFB 2014 will directly benefit them (40%), while expectations were slightly lower elsewhere. 51% of those hotels and restaurants that were aware of the IFB were optimistic that it would benefit their business. Among those who did not believe that they would benefit from the IFB 2014, the main reported factor is the perception that it has little value for small businesses. 69% of QES respondents expected to gain new knowledge and 59% expected new opportunities to meet investors and partners. 21% thought that the IFB would benefit their business with help to export.

60. It is possible to make draw some initial observations about the participant data available at this stage:

- More than half of the Business Club Members come from outside the LCR, suggesting that the IFB is having success in reaching out to business from a wider geography.
- A significant majority of them expect to gain a tangible business benefit from participation.
- A large majority of those from the LCR think that there will be an economic benefit for the area; participants are also positive about the impact on the UK economy.
- The event programme is the main factor in attracting people to take part in the IFB.
- The participant group is positive about growth prospects of the UK economy.
- Participants think that the IFB will have a positive effect on perceptions of the LCR and UK.

## TARGETS

61. The IFB delivery team has not set targets against the core objective for the intervention: generating jobs and investment for LCR and UK businesses. This is because it would be very difficult to do so, given the nature of the intervention and participant group, and that the IFB is a new venture without previous examples from which to draw conclusions. To make forecasts would risk inviting negative publicity on the grounds that the targets were insufficiently or overly ambitious.

62. It is, however, possible to give an indication of the scale and potential impact of the IFB by reference to some of the supporting measures that are subjected to fewer, or more predictable, variables. The figures given below are incomplete and have not been compiled into a single, adjusted whole.

63. Direct (and anticipated) additional expenditure into the LCR due to the IFB includes:

- £9m of additional economic impact due to visitor spend relating to the 21 events that have been incorporated into the IFB having usually been delivered elsewhere; this has involved financial support from the IFB budget of circa £1.2m.
- Almost £1m of contracts have been secured by firms in the LCR to provide goods and services to help deliver the IFB.
- The IFB has already attracted more than £5m from the private sector in sponsorship, support in kind and spend in the local economy to deliver events.
- Over 1,000 business opportunities from more than 70 different countries, worth an estimated £1.7bn are on offer at the IFB, in partnership with UKTI and BIS.
- More than 250 business events will be delivered at 96 venues in the LCR and beyond. More than 40,000 people are expected to take part.
- At least 10,000 people are expected to sign up as IFB Business Club Members; at the time of writing the total achieved is almost 8,000 and increasing rapidly.
- The IFB cultural programme comprises over 70 events, together anticipated to attract more than two million attendees, 350,000 of which are expected to be visitors from outside the LCR.

## CONCLUSION AND NEXT STEPS

64. The data available to date suggests that the core participant group is positive that the IFB will have a positive impact on their business, and on the LCR and UK more generally. The evaluation team will now concentrate on gathering, organising and analysing data about the participant group, its experience and business results, as the Festival progresses and into the autumn. This is a very significant task and it is expected that it will be late October before a complete draft of the interim evaluation report is available. Progress with the project will be reported to the Vision Senior Management Team and regularly, and to the IFB Steering Group.