



THE INTERNATIONAL FESTIVAL FOR BUSINESS 2014

'One Year On' Evaluation Report

October 2015

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KEY MESSAGES

IFB 2014: <u>UPDATED</u> Headline Results for UK Businesses
<i>More than 2,000 companies have already secured domestic sales worth hundreds of millions of pounds. This could increase to 2,500 companies over the next two years.</i>
<i>More than 600 companies have secured export sales worth an estimated total of more than £80m. This is likely to increase to more than 750 companies and more than £100m over the next two years.</i>
<i>More than 150 companies have signed investment deals worth an estimated total of £200m. This is likely to increase to more than 200 companies and more than £250m over the next two years.</i>
<i>IFB participants have already created more than 6,000 jobs. This should increase to more than 8,000 over the next two years.</i>
<i>More than 20% of participants have used UKTI services since IFB 2014</i>
<i>More than one third of participants think that taking part in IFB 2014 improved their market profile</i>
<i>Almost one half of participants developed new contacts and trade relationships due to IFB 2014</i>
<i>68% of participants want to take part in IFB 2016</i>

- **Overall performance against the core outputs is broadly in line with that forecast at the interim stage.** The new forecasts for the value of exports, domestic sales and investment to be secured by IFB participants in the three years after the festival show that the interim targets are likely to be achieved. Only the number of jobs created is likely to be lower than that forecast in 2014.
- **IFB delegates have continued to make sales.** More than 2,000 participant companies have already secured domestic sales with a combined value of hundreds of millions of pounds, as a result of the IFB. This is forecast to increase to more than 2,500 companies over the next two years. This is lower than the 3,000 companies forecast at interim stage, but this is mitigated by the higher average value of individual sales.
- **The IFB continues to generate exports for UK plc.** More than 600 companies have secured exports, with the final total likely to increase to more than 750 over the next two years. The total value of exports in the three years following the IFB is estimated to reach £130m – surpassing the total forecast at interim stage. Twenty one per cent of IFB participants report that they have used UKTI services since the IFB, and 28 per cent of exporting companies say that the IFB 2014 helped them explore exporting to new markets.
- **The IFB helped businesses generate jobs.** The new forecast is that 8,000 jobs will be created in the three years following the IFB, across 1,400 companies. Approximately 6,500 of these have already been created, with a further 1,500 due in the next two years.
- **The IFB helped business attract investment.** It is now forecast that £250m of investment will be generated for an estimated 240 UK companies over the three years following the IFB. More than £200m of this has been secured already.

- **The average value of reported successful exports, domestic sales and investment cases is now higher than was reported at interim stage.** This has largely compensated for a reduction in the number of individual successful cases against each output.
- **IFB 2014 delegates are looking forward to IFB 2016.** Sixty eight per cent of all UK respondents and 74 per cent of LCR respondents said they intend to take part in IFB 2016. The most popular reasons for wishing to participate are to benefit from networking opportunities, to improve brand profile and to gain new knowledge.
- **The relationships begun at the IFB are the main reason behind the ongoing results.** Businesses continue to cite 'networking' at the IFB as having been the single biggest reason for the results they have experienced since. Almost one half of participants developed new contacts and trade relationships due to IFB 2014.
- **Further efforts need to be made to help businesses from outside the host city region maximise the benefit they experience from the IFB 2016.** Businesses in the Liverpool City Region benefitted particularly from the IFB Festival, generating most of the domestic sales, investment and jobs created, despite forming a minority of the delegate group. They were also more likely to participate in the evaluation and to want to take part in IFB 2016. This shows a high degree of engagement from the host business community, but further efforts should be made to ensure that business from across the UK are just as engaged with IFB 2016.
- **The IFB provided very good value for public money.** The further analysis presented in this report shows that it performed well against the established 'economy, efficiency and effectiveness' criteria, with a cost-per-job of £1,386 now forecast. Although this is higher than the £1,111 forecast at the interim evaluation stage, it remains substantially below accepted comparators.
- **The IFB 2014 interim and OYO evaluation projects have achieved their objectives:** they have generated meaningful data in accordance with a consistent methodology, and interpreted it to reach reasonable conclusions, despite the many challenges posed by the nature and scale of the Festival. The development of the Monitoring and Evaluation Plan for the IFB 2016 presents an opportunity to review the programme as a whole, to ensure that the next evaluation project takes account of the technical lessons learned to date.

INTRODUCTION

1. In June and July 2014 Liverpool Vision delivered the International Festival for Business 2014 [IFB], on behalf of the UK as a whole. It was the biggest business event in the world that year. Delegates from 92 countries came to the UK and took part in 415 events staged at 134 venues, focused in the Liverpool City Region. The events programme attracted 68,600 attendees, with a further 40,000 visits being made to associated exhibitions and festivals; 28,400 individual delegates participated, many of them attending several events. More than 17,000 individual businesses took part, representing every major sector in the economy. The business events were supported with a programme of bespoke business support services designed to help delegates make the most of the opportunity the IFB presented. More than 150 cultural events were also staged during the Festival, attracting hundreds of thousands of participants: 37 per cent of IFB business delegates also attended a cultural event.
2. Vision carried out an interim evaluation of IFB, in line with its obligations to its funders and with industry good practice. The project resulted in four publications, culminating in the interim evaluation report, published in December 2014.¹
3. Vision committed to carrying out a further evaluation one year on from the IFB. It commissioned S.G. Lingard Ltd to undertake this project, known as the 'One Year On' [OYO] evaluation. This document is the final report of that project.
4. The report focuses on the new research carried out for the OYO. The data was gathered in July to August 2015, one year on from the data collection period for the interim evaluation project. The analysis and writing took place in August and September. The report does not repeat the detail presented in the interim evaluation report, though some repetition of key points is necessary to put the latest research content in context and to allow for comparison.

¹ Ste Lingard and Katherine Davies, *The International Festival for Business 2014 Interim Evaluation Report* (Liverpool: Liverpool Vision, December 2014). Available here: <http://www.liverpoolvision.co.uk/wp-content/uploads/2014/03/IFB-2014-Interim-Evaluation-Report.pdf>

THE IFB EVALUATION PROJECT

Introduction

5. The methodology for the IFB evaluation overall was established in conjunction with advisors from SQW, appointed by the Department for Business, Innovation and Skills. The joint work examined the key features of the IFB as an intervention and explored potential methodology options. It was clear that the scale, scope, and complexity of the IFB would make the task very challenging. The key issues were:²

- The large number of participants
- The diverse types and sizes of business involved
- The diverse range of objectives and experiences participants would have
- The long period over which benefits would be generated

6. These factors meant that the IFB evaluation programme would need to be pragmatic and flexible, whilst operating to high professional standards.

7. The joint team developed an evaluation plan over the winter of 2013/14, taking account of the considerations outlined above. It was published in March 2014.³ It provided for an interim evaluation project and a further evaluation one year on, plus a potential further project three years after the Festival.

8. The plan set objectives for the whole evaluation programme. The primary objective was 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. The focus of the evaluation would, therefore, be on measuring how far the IFB met its core objectives. These were:

- To create jobs
- To increase exports for participating companies, contributing to the achievement of the Government's target of doubling UK exports by 2020
- To increase domestic sales for participating companies
- To increase foreign direct investment into the LCR and UK
- To increase domestic investment into the LCR

9. The IFB team required that the results against the core outputs should be reported at three different geographies: LCR, the rest of the UK and the UK as a whole.

10. The secondary objective was to assess the relative contributions of the different components of the IFB, to inform the design of future interventions.

² There were two further relevant factors: the lack of a directly comparable precedent and the relatively modest resources available for the evaluation of such a large and complex intervention. The closest comparator in Liverpool is *Impacts '08*, the programme of research carried out to evaluate the city's year as European Capital of Culture in 2008 [ECOC]. The similarities are superficial, however, as although they both involve event-driven programmes using significant amounts of public funding, they are different in fundamental respects. *Impacts '08* was informed by the precedent set by the evaluation of previous European Capitals of Culture and the established literature on measuring the impact of cultural and visitor events. Beatriz Garcia et al., *Creating an Impact: Liverpool's Experience as European Capital of Culture* (Liverpool: Impacts '08, 2010). Available here: https://www.liv.ac.uk/impacts08/Papers/Creating_an_Impact_-_web.pdf The scale of resources available to the ECOC project was very large, involving a multi-disciplinary team led by the University of Liverpool, involving Liverpool John Moore's University, Liverpool City Council, Culture Liverpool and the Northwest Culture Observatory. The project's output included four 'in-progress' reports and 28 other publications between 2007 and 2010, along with several parallel research and knowledge transfer programmes.

³ *IFB 2014 Monitoring and Evaluation Framework* (Liverpool: Liverpool Vision, March 2014). Available here: <http://www.liverpoolvision.co.uk/news/latest-news/fb-monitoring-evaluation-framework/>.

11. The methodology did not fit the classic 'pre / post test' model for measuring performance against the core outputs: it was not possible to establish a baseline, due to the difficulty in isolating the participant group at the 'pre-test' stage, working with a very large, diverse and self-selecting participant group that evolved during the IFB itself.⁴ It was recognised at an early stage that it would be necessary to rely on post-Festival tests at intervals of time, and that the only practical option would be for the research participants themselves to identify additionality in terms of generating outputs. The tendency for participants to overestimate results was addressed by verifying a sample of reported results through post survey follow-up, and treating them with a significant allowance for optimism bias.

The interim evaluation project

12. The interim evaluation project addressed both the evaluation programme's primary and secondary aims: it established a definitive picture of the scale and nature of the IFB as it was actually delivered, including the event programme and the participant demographics; it produced an analysis of the benefits achieved and expected by the participants over three years; and it analysed the contribution made by individual components of the intervention.

13. The project involved a lot of new research.⁵ Online surveys were the main research tool used to find out about the participant experience. This was selected as being the most efficient option, given the large number of participants. It was necessary to devise surveys for each of the following groups: business delegates (including Business Brokerage clients), event organisers, exhibitors, suppliers, sponsors and delivery partners.⁶

14. More than 1,500 business delegates took part in the main survey. The sample gave a confidence level of 99 per cent and a confidence interval of 3.2 per cent, for UK participants.⁷ This means that it can be taken as 99 per cent sure that the conclusions are accurate to within 3.2 per cent. Fifty of those reporting positive results were then targeted for follow up by telephone, to validate the results and seek further information.

15. The data collected was used to generate three year forecasts for performance against each of the core outputs. The forecasts were statistically robust but relied substantially on reported expectations of performance over time rather than confirmed cases. This was because the research was carried out shortly after the IFB when few relationships established there had time to reach maturity and result in confirmed business deals. There was, therefore, potential for very significant variation between forecast and actual performance over time.

16. The new research was supported by gathering pertinent data already available elsewhere. The details are available in the interim report.

⁴ A functional baseline was established using data from a participant survey and published sources relating largely to the IFB's secondary objectives. It is available here: <http://www.liverpoolvision.co.uk/wp-content/uploads/2014/06/IFB-Interim-Baseline-Report.pdf>.

⁵ The research and analysis included: pre and post-IFB participant surveys; IFB Business Club and Business Brokerage demographic analysis; surveys of event organisers and exhibitors; sponsor and partner evaluations; analysis of the events programme; analysis of the impact of the IFB on the visitor economy; media coverage analysis; analysis of available UKTI data; and a section in the Liverpool Business Survey.

⁶ The survey for business delegates was hosted by a specialist online platform (SurveyMonkey); the other surveys used bespoke templates and were deployed by email.

⁷ The number of responses from overseas IFB participants was too small to form a meaningful sample.

17. The methodology proved appropriate and practical. The only significant difficulties experienced during the operational phase of the interim evaluation project related to gaps in data provided by the IFB team about the events themselves. This was resolved in time and did not affect the forecast outputs.

The one year on evaluation project

18. The OYO evaluation project was commissioned by Liverpool Vision in May 2015. Its priority was to establish the extent to which IFB 2014 participants went on to gain the benefits (in terms of domestic and export sales achieved, investment secured and jobs created, and other benefits) projected in the interim evaluation report published in December 2014, using a methodology consistent with that used in the interim evaluation.

19. Online surveys were again used as the main research tool, for the same reasons as in the Interim project. It was noted, however, that the passage of time since the Festival would make generating a statistically significant sample and fully engaged responses more difficult than had been the case one year previously. The passage of time was also likely to affect the quality of data generated due to participants being less likely to remember events and experiences clearly and in detail. To address this a targeted programme of telephone interviews was deployed in support of the online surveys.

20. A total of 438 individuals from the UK took part in the OYO evaluation project, each representing a single company. With a total of 12,600 UK companies having participated in the IFB 2014 that gave a confidence level of 95 per cent and a confidence interval of 4.6 per cent that their input is representative of the wider group.

IFB 2014 One Year On Evaluation participants and statistical confidence levels

	Businesses participating in OYO evaluation	Businesses participating in IFB 2014	Confidence level	Confidence interval
Liverpool City Region	266	5,895	95%	5.9%
Rest of the UK	172	6,705	95%	7.35%
UK Total	438	12,600	95%	4.6%

21. The confidence level is 95 per cent, with the confidence interval varying from 4.6 per cent to 7.35 per cent across the reporting geographies.⁸ Though the overall confidence level is lower and the confidence interval wider than for the interim evaluation, they still allow for meaningful conclusions to be drawn.

22. Sixty one per cent of OYO evaluation participants were from the LCR and 39 per cent from the rest of the UK. Two hundred and ninety participants had previously participated in the interim evaluation, many of them having reported results secured or expected at that stage. One hundred and forty eight participants had not taken part in the interim evaluation.

23. One year on evaluation participants came from a range of different sectors. The most heavily represented were Financial and Professional Services, Creative and Media, and Business and Consumer Services. This is consistent with the interim evaluation. More

⁸ The number of responses from overseas IFB 2014 participants was too small to form a meaningful sample.

than three quarters of the OYO participants were also identified as Business Club Members.⁹

24. A total of 391 individuals took part in the project, each representing a single company, via the online survey. Some of the statistics given later in this report are based on survey responses alone. The confidence level for this sample is 95%, with a confidence interval of 4.9 per cent.¹⁰

25. Representatives of 54 businesses people took part in the telephone interviews. These were selected based upon them having reported high value outputs and/or multiple outputs (so they could be verified), or because further details were required about outputs. Everyone selected for a telephone interview had previously taken part in the interim evaluation.

26. Slightly more than one year elapsed between the end of the IFB itself and the OYO field research beginning. This was a meaningful period in which benefits that had their origin in the IFB could be realised. The data gathered at this stage includes many more reports of outputs having actually been secured than was the case at the interim stage, reducing the reliance on expectation over recorded achievement. The results set out in this report are a meaningful test of the forecasts generated last time.

27. The OYO evaluation involved a suite of three related online surveys, tailored to specific target groups: one for individuals who had reported secured or expected outputs in the interim evaluation; one for those who had participated in the interim evaluation but had not secured outputs and did not expect to do so; and one for those who had not participated in the interim evaluation at all. This allowed for the introductory text and elements of the content of the survey to be tailored to the perspective of each category of respondent. It prevented those who had taken part in the interim evaluation from having to enter the same data again, for example.

28. Those who had reported expected outputs at the interim stage were asked specifically if they had come to fruition, and if so to give their value. This made it possible to assess how far expectations expressed at the interim stage had been converted into secured results. These participants were also asked if they had secured or expected any further outputs, outside those reported at the interim stage.

29. Those who had not previously reported outputs in the interim evaluation were asked if they since secured any results due to their participation in the IFB, or expected to do so in future. They were also asked to specify the value of any outputs and how the IFB had helped – whether through networking, access to business services, the development of new skills or knowledge, increased awareness of their business, or another form of help.

30. All three surveys asked if participants had benefited since IFB 2014 in terms of developing new or improved behaviours and capacities for their businesses.

31. The data gathered allowed calculations of the number and value of outputs secured to date, those expected over the next two years and the total of the two periods. A multiplier of 0.75 was applied to all outputs reported as having been secured, to mitigate

⁹ A significant number of participants who were known to be IFB Business Club Members actually reported that they were not, seemingly having forgotten that they were registered. Approximately 44% of one year on evaluation participants who *had not* took part in the interim evaluation did not identify themselves as IFB Business Club Members.

¹⁰ The survey results are the basis of some of the statistics used in this report. In each case, the numbers were derived only from those who chose to answer a particular question: so if 200 of the 391 answered question 'x', the sample for that question is 200.

against optimism bias. It was assumed that the proportion of future expectations that would be converted into secured outputs would be 1.5 times that of the equivalent conversion rate for expectations reported at the interim stage. This was done on the basis that those leads still in development one year after the IFB were much more likely to be converted than those reported at the interim stage. A multiplier of 0.6 was applied to the value of all results forecast to occur in the next two years, to adjust for optimism bias. This is smaller than the equivalent multiplier for results reported retrospectively, on the basis that future expectations are more likely to be exaggerated than past successes.

32. All figures relating to the core outputs have been calculated on the basis of reports from evaluation project participants. In a small number of cases OYO participants cast doubt upon or retracted results previously reported at the interim stage. This is partly a function of the passage of time affecting memories of events that occurred up to 14 months ago. The records were adjusted to reflect the most recent reports.

33. The assumed value of reported secured or expected cases was calculated using the mean value of the successful cases with known values, adjusted for optimism bias.¹¹ The sole exception to this was in the case of investment, where the number of successful cases with known values was too small to provide the basis for an assumption. The reported 'expected' cases with known values were included, to widen the sample.

¹¹ 'Expected' cases were excluded from the calculation on the grounds that the values given are more likely to be inaccurate.

BUSINESS IMPACT: THE CORE OBJECTIVES

34. The OYO evaluation project is focused on assessing the impact generated by the IFB against its core objectives. It has revised the performance forecasts made in the interim report using new data gathered via the research outlined earlier. This section sets out the conclusions for each objective, including comparing the results with those forecast at the interim stage.

Headline Results Reported by UK Businesses one year on from the IFB 2014 (including those in the Liverpool City Region)

- *More than 2,000 companies have already secured domestic sales worth hundreds of millions of pounds. This could increase to 2,500 companies over the next two years.*
- *More than 600 companies have secured export sales worth an estimated total of more than £100m. This is likely to increase to more than 750 companies and more than £100m over the next two years.*
- *More than 150 companies have signed investment deals worth an estimated total of £200m. This is likely to increase to more than 200 companies and more than £250m over the next two years.*
- *IFB participants have already created more than 6,000 jobs. This should increase to more than 8,000 over the next two years.*

Objective: to increase exports for participating companies

35. The interim evaluation found that 1,400 UK businesses had secured or expected to secure export sales totalling an estimated £100m over three years. More than 650 of them were expected to be in the LCR, representing sales worth £25m.

36. The new forecast is that £130m of exports is likely to be achieved over three years, and that the original three year forecast of £100m has already been realised. The total number of businesses involved is estimated to be more than 750.

37. The total forecast value of exports has increased because the average value of the reported successful cases has increased from that calculated in the interim evaluation. This has compensated for the number of successful cases having fallen well below expectations.

38. More than £40m of the exports are likely to be achieved by businesses in the LCR. This exceeds the interim forecast of £40m, but represents just 30 per cent of the UK total reported above.

Objective: to increase domestic sales for participating companies

39. The interim evaluation found that more than 3,000 UK companies had secured or expected to secure domestic sales over three years. Of these, 1,900 were from the LCR. The total value of the sales was estimated at potentially more than £1bn, given the high number of cases involved and with values ranging from £2,000 to £15m. The sheer number of cases merited much wider follow-up than was possible within the scope of the interim evaluation. The headline total, therefore, was reported as 'hundreds of millions of pounds'.

40. The new forecast is that up to £900m of domestic sales are likely to be achieved over the three years following the IFB, by approximately 2,600 businesses. Although this cannot be compared directly to the interim forecast (due to it having been impossible to quantify the potential value in any more than very general terms at that point) its scale suggests that the earlier forecast was not the result of fundamental error.

41. More than £500m of the sales relate to approximately 1,500 businesses in the LCR. This is broadly proportionate to the area's share of the interim forecast. The average value of sales secured and expected by LCR businesses was much lower than for those from the rest of the UK.

42. The OYO research has led to a reduction of the average value of successful cases from that generated at the interim stage.

Objective: to increase foreign direct investment into the Liverpool City Region and UK / to increase domestic investment into the LCR

43. The interim evaluation found that more than 350 UK companies reported that they expected to sign investment deals with a total value of more than £200m over three years, as a result of participating in the IFB. More than two hundred of the companies were from the LCR, reporting a total value of £80m.

44. The data gathered at the interim stage about the nature and scale of the investment deals is weaker than the equivalent data for the other core objectives: a small number of companies provided figures or were willing to give other details; many of them reported that the potential deals were at an early stage and were commercially sensitive. It was not possible to establish what proportion of the investment value could be classed as foreign direct investment. This was not unexpected, as securing investment is qualitatively different to securing sales, and can take much longer. Addressing this data gap was identified as a task for the OYO evaluation.

45. The new forecast is that £250m of investment will be generated for an estimated 240 UK companies over the three years following the IFB. More than £200m of this has been secured already.

46. More than £145m of the total is forecast to go to approximately 140 companies in the LCR.

47. The average value of a successful case has increased since the interim evaluation, although the overall number of cases has been reduced.

48. To address the weakness in the investment data generated by the interim evaluation, cases involving investment were given first priority for the telephone interviews in the OYO evaluation. Participants were again largely unwilling to discuss the nature - and in many cases even the value - of their reported successes, however, citing concerns about commercial confidentiality. The details of some cases – including one investment success of £25m - were disclosed, but on condition of strict confidentiality. These have been factored into the calculations but cannot be discussed in the report.

49. It has not, therefore, been possible to provide further insight as to the nature of the investment generated by IFB 2014, beyond adjusting the forecast scale and value. Given the particular sensitivities affecting investment deals it would require a level of bespoke investigation that is impractical in the context of this much broader piece of research

addressing three other outputs and supporting points. Suggestions as to how this might be addressed in future evaluation projects related to the IFB are made later in the report.

Objective: to create jobs

50. The interim evaluation found that thirteen per cent of UK companies who participated in the IFB had secured or expected to create new jobs over a three year period. This represented an estimated 10,000 jobs, with more than 6,000 of them likely to be in the LCR.

51. The new forecast is that 8,000 jobs will be created in the three years following the IFB, across 1,400 companies. Approximately 6,500 of these have already been created, with a further 1,500 due in the next two years.

52. The forecast reduction in the number of jobs created is due to reported reductions in both the number of successful cases and the number of jobs that each case is likely to create. The forecast number of successful cases has reduced from more than 1,550 to 1,400, principally due to fewer cases than expected being converted in the first year after the Festival. The impact of this has been mitigated by successes occurring that had not previously been expected. The net result is a 20% reduction in the number of jobs forecast overall.

53. More than 5,000 of the jobs are likely to be in the LCR, across 800 companies. This represents more than 60 per cent of the total number of jobs likely to be created. Approximately 4,000 of these jobs are calculated to have been created already.

Liverpool City Region business impact

Headline Results Reported by Liverpool City Region Businesses

- *1,500 companies have secured or expect to secure domestic sales totalling an estimated £500m over three years*
- *More than 240 companies have secured or expect to achieve export sales totalling an estimated £40m over three years*
- *More than 140 companies expect to sign investment deals worth an estimated total of more than £140m over three years*
- *More than 5,000 new jobs could be generated over three years, across 800 companies*

54. Many of the key features of the results reported by LCR businesses at the interim stage were again apparent in the data gathered in 2015. LCR businesses were:

- More likely to report domestic sales, investment deals and jobs created than were participants from elsewhere in the UK;
- Less likely to report export deals; and
- Likely to report lower value domestic sales.

55. The feedback provided in the evaluation suggests no clear reason for these differences in performance between the LCR and the rest of the UK. The most persuasive explanation is that they are a function of business demography: the IFB participants from the LCR were more overall likely to be from smaller businesses and at an earlier stage in the export journey than were participants from the rest of the country.

56. Despite these differences, in absolute terms LCR businesses have done disproportionately well from the IFB: they are on track to achieve 58 per cent of the domestic sales, 56 per cent of the investment and 61 per cent of the jobs created, despite providing just 46 per cent of the delegates and 39 per cent of the companies represented. This seems likely to be a function of LCR businesses being able to send more delegates and make more repeat visits to the IFB than was possible for others. Businesses from the LCR were also more likely to take part in the OYO evaluation: 266 of the 438 participants were from that geography.

57. LCR businesses report a range of wider benefits from participation in the IFB:

- 47% have developed contacts/trade relations made at IFB 2014
- 22% strongly agree or agree that their business has made improvements in innovation
- 74% intend to take part in IFB 2016
- 15% have used UKTI services since IFB 2014
- More than one in three believe their business has benefitted from an improved market profile and business strategy

58. OYO participants who had not previously taken part in the interim evaluation were asked further questions on their impression of the Liverpool City Region and the UK as a place to do business.

- 80% of UK participants strongly agree or agree that the Liverpool City Region is a good place to do business and invest. 26% of these say this impression is either entirely or partially due to IFB 2014.¹²
- 91% of UK participants strongly agree or agree that the UK is a good place to do business and invest.
- 90% of LCR participants strongly agree or agree that the LCR is a good place to do business and invest. 31% of these say this impression is either entirely or partially due to IFB 2014
- 95% of LCR participants strongly agree or agree that the UK is a good place to do business and invest.

¹² The interim evaluation found that 88 per cent of UK participants said that the LCR is a good place to do business and invest and 92 per cent said that the UK is a good place to do business and invest.

THE PARTICIPANT EXPERIENCE: ONE YEAR ON

The Overall Experience

59. The interim evaluation gained an insight into participants' experiences of the IFB in terms of what worked well and what did not, and the types of behavioural changes participation generated for their business. The OYO evaluation followed up on many of these elements, asking participants what long-term benefits their businesses had gained; these questions were largely focused on what had actually been achieved rather than future expectations. This section presents the headlines from the analysis of this data.

"Taking part in IFB 2014 generated £100,000 of domestic sales and £100,000 as a direct media supplier for our business. We established valuable customer relationships at the Festival; we see these relationships developing further and resulting in additional income over the longer term. As a direct result of our involvement with IFB as a supplier we have now established a corporate AV department within the region."

"Participating in IFB 2014 expanded our business knowledge and allowed us to gain dozens of new contacts."

"Due to participating in IFB 2014 we have improved our business strategy and also made improvements in innovation; as a direct result of the IFB we are now developing a new line of service."

"Since participating in IFB 2014 we have secured a £250,000 Smart development grant and are on track to raise another £450,000 worth of investment, create 20 jobs, and secure export sales of £3 million over the next 12 months. We have benefited directly from the contacts we made at the Festival and our improved market profile. It is important to let all potential participants know details well in advance so they can take advantages of events and services from the beginning. We look forward to taking part in IFB 2016 next year to gain publicity, build our contacts further, and enjoy the opportunities to develop our exports."

"As a result of relationships forged at IFB 2014 we have secured £22,000 of domestic sales including creative branding and consultancy and we have a further £35,000 in the pipeline. Ongoing relationships forged in 2014 should yield a further £20-35,000 of income in the coming year for us. The Festival enabled us to create relationships that will continue to yield more sales for us in the future."

60. OYO participants corroborated the results from the interim evaluation, saying that the networking opportunities had been the single largest contributing factor to the outputs they had generated. For those who had not participated in the interim evaluation, 47 per cent of UK participants reported that their business had benefited from gaining new contacts in the LCR; 35 per cent in the rest of the UK; and 19 per cent from overseas, whilst 33 per cent reported that they had benefited from developing existing contacts further.

61 Participants also reported that their business had benefitted in other ways since IFB 2014:

- 47% have gone on to develop contacts and trade relations made at IFB 2014
- 34% improved their market profile
- 28% have improved their business strategy
- 28% of exporting companies say that the IFB 2014 helped them explore exporting to new markets
- 24% were able to overcome business barriers
- 16% have made improvements in innovation

Business brokerage clients

62. The business brokerage service client group was a very important part of the IFB participant group as a whole. In the interim evaluation they were invited to take part in the post-event survey, and a bespoke interview with one of the IFB Business Brokerage Managers. This generated a reasonably detailed picture of the client group's experience and results gained at that stage.

63. For the OYO evaluation the business brokerage client group was again invited to take part in the surveys, and a number of them were targeted for telephone interviews. Nine of them took part, five of whom reported secured or expected outputs. Although this is positive, the number is insufficient to form a basis for conclusions about the client group as a whole. None of them specifically mentioned the business brokerage service in their feedback.

64. Liverpool Vision is conducting a separate follow-up exercise with all of the business brokerage clients (and other participants in the Merseyside Business Support Programme). When the results of this are available it may further illuminate the role of the IFB in generating benefits for this client group.

UKTI

65. UKTI was a very important partner for IFB 2014 both as an organiser of multiple sector and market specific events and as a provider of business services for IFB Business Club Members to help with exporting. Interim evaluation participants were asked whether they intended to use UKTI services and products in the future due to participation in IFB 2014: 30 per cent of UK participants and 32 per cent of LCR participants reported that they would. One year on, participants were asked if they had used any UKTI services since IFB 2014: 21 per cent of UK participants and 15 per cent of Liverpool City Region participants reported that they had. This represents a reasonable conversion rate at the UK level, but the lower figure for the LCR is noticeable, and fits with lower export performance for businesses in that geography.

Comments on IFB 2016

“The IFB was a hugely successful event on many levels. Well organised, managed, supportive, helpful and inspirational. For those reasons we will be involved again.”

“IFB 2014 was fantastically organised, I am looking forward to the next one.”

“IFB is a great event, for Liverpool and the UK. I will look forward to IFB 2016 for an even better experience.”

“The IFB 2014 event was in my early start up of business and I firmly believe I will use the events of IFB 2016 to further develop my business and services.”

“As a growing company, the prospects for IFB 2016 are positive, especially info/support on export.”

66. OYO participants were asked for their views on IFB 2016. Sixty eight per cent of all UK respondents and 74 per cent of LCR respondents said they intend to take part in IFB 2016. This compares to 81 per cent of UK and 84 per cent of LCR participants in the interim evaluation reporting that they were keen to take part in IFB 2016 or other similar Liverpool Vision events.¹³ The contact details of all one year evaluation participants who have said they will take part in IFB 2016 will be passed to the IFB team so they can ensure they have registered.

67. OYO participants were also asked what they hoped to gain from IFB 2016. The most popular reasons for wishing to participate are: to gain industry contacts and benefit from networking opportunities; to improve business or brand profile in the market; and to gain knowledge on markets and sectors relevant to their business.

68. Some participants cited specific reasons for wishing to participate, related to successes derived from IFB 2014: 'A further meeting with a buyer in Australia was held, resulting in a new listing and additional uplift in sales on the existing range supplied. If any retailers from the Caribbean or South America attend [IFB 2016] I would like to meet with them to improve dialogue, activation of sales across the region and also to take the opportunity to network with other manufacturers.'

69. Some participants who said they will take part in IFB 2016 also highlighted ways that it could be improved to maximise benefits to businesses: 'The IFB 2014 event was almost like 'The Best Kept Secret'. I'm looking forward to hearing event announcements in advance in order to better plan them in and have the time to advise my clients of the same'; 'The IFB should be very careful not to be too narrow in its view and targeting of participants. There are many businesses that may not export themselves but are in the supply chain. Every effort should be made to make the events inclusive for such businesses.'

¹³ It is important to note the difference in the wording of each question: in the OYO evaluation the question was narrower and sought a higher degree of certainty in the intention.

VALUE FOR MONEY

70. The evaluation plan set out the project's approach to measuring value for money using the 'economy, efficiency and effectiveness' criteria. This section sets out an analysis of performance one year on from the Festival, using the revised three year output forecasts.

Income and expenditure

71. The total expenditure involved in delivering the IFB 2014 was £18.13 million. This was met with income from public and private sources, as summarised below.

<i>Source</i>	<i>£m</i>
Private <i>(Sponsorship (cash and kind), and investment from event organisers)</i>	6.743
Public (national)	5.000
Public (regional)	6.387
Total	18.130

72. The income from the private sector was equivalent to 37 per cent of the total expenditure. The Festival accounts have been audited on behalf of BIS, with no issues reported; the Liverpool City Council audit team conducted a review and reported no issues.

Economy

73. Liverpool Vision delivered the IFB using procurement systems in line with Liverpool City Council and European Union policies. The evaluation project has not involved a specific assessment of the value this achieved in practice; the external and internal audits have not raised any issues. The interim evaluation found informal evidence that event organisers found operational costs lower in the LCR, although some overheads relating to travel and subsistence for organisations based in London were higher.

Efficiency

74. Efficiency has been calculated by comparing the total input (in terms of public sector investment) against the projected core outputs. The complexity of the IFB, involving multiple expected outputs over a period of years, makes establishing a definitive assessment against this criteria difficult. It should be noted that this exercise involves wide margins for error at this stage, as:

- the outputs are projected over a period of three years, so varying performance over time would significantly affect the result; and
- the projected outputs are derived from reports from participants, involving self-assessment of additionality; although the figures have been verified by follow up activity and a significant allowance was made for optimism bias, there is still a large potential variance between the forecasts and actual performance.

75. The analysis below has been carried out at the UK level; leakage, displacement and deadweight are not, therefore, anticipated to have a significant effect on the results.

<i>Total public sector costs (£m)</i>	£11,387,000	
Impacts		
Jobs created	8,215	Cost per job: £1,386
Gross investment secured	£250,000,000	Return per pound: £21.95
Gross export sales	£130,000,000	Return per pound: £11.41

76. The figure of one job created for every £1,386 of public investment is slightly higher than the equivalent of £1,111 from the interim stage. It remains, however, much lower than the benchmark of £14,221 from the national evaluation of business support activities delivered by the Regional Development Agencies,¹⁴ and the £7,273 from the IFB 2014 Business Case.¹⁵ The difference is attributable to the IFB being based on a fundamentally different model from the business support activities used to inform the benchmark – it acted as a catalyst primarily through providing networking opportunities of a scale and quality that would be impossible outside an intervention on a large scale, without critical mass effects. The IFB as delivered was also much larger than anticipated, achieving significant economies of scale beyond what was envisaged at the time the business case was put together.

¹⁴ PricewaterhouseCoopers, for BIS, *Enterprise & Regulatory Reform Impact of RDA spending – National report*, vol. 1 (March 2009), p. 35.

¹⁵ Amion Consulting, *International Festival for Business: Business Case*, p. 23.

Effectiveness

77. The table below examines whether the IFB has effectively addressed its objectives.

Core objectives	Effectiveness of the IFB
Create jobs in the LCR/UK	The updated evidence suggests that the beneficiary groups have generated substantial results against a number of outputs at a very favourable efficiency rate, and that they will continue to do so.
Increase exports for participating companies, contributing to the achievement of the Government's target of doubling UK exports by 2020	
Increase domestic sales for participating companies	
Increase foreign direct investment into the LCR and UK	
Increase domestic investment into the LCR	
Supporting objectives	
Improve perceptions of the LCR and the UK as a place to do business	There is substantial evidence that the IFB had, and continues to have, a very positive effect on the national and international perception of the LCR as a business destination, and has enhanced the international perception of the UK.
Increase visitor numbers to LCR	The IFB significantly increased the number of visitors (and especially business visitors) to the LCR in the short term; the long term effect is to be tested in the future.
Increase visitor spend in LCR	The IFB increased visitor spend in the LCR in the short term by increasing the absolute number of visitors. It is set to increase it further in the long term by enhancing the number of business visitors, who spend more than leisure visitors.

CONCLUSION & NEXT STEPS

78. This report has presented the conclusions of the IFB 2014 One Year On evaluation project. It shows that performance against the core outputs is good, using forecasts based on updated evidence that has a smaller reliance on reported expectations than was the case at the interim stage. The IFB can be said to have delivered against its core objectives and to have represented good value for money.

79. The relationships formed at the IFB 2014 and developed are still leading to tangible benefits for those businesses involved, and will continue to do so over the next two years. As time passes, however, it will become increasingly difficult to isolate the IFB as the main cause of these results, and to make valid assumptions about the experience of the full delegate group from what appears to be a statistically significant sample. Any further evaluation of the IFB 2014 could most meaningfully be focused on addressing broader questions about its impact on perceptions and business tourism, rather than re-running the forecasts made in the interim and OYO evaluation projects.

80. Liverpool Vision is preparing the monitoring and evaluation framework for the IFB 2016. This provides the opportunity to refresh the approach to evaluating this large and complex programme of interventions, learning from the experience of the interim and OYO evaluation projects.