

INTERNATIONAL
FESTIVAL FOR
BUSINESS
2014

THE INTERNATIONAL FESTIVAL FOR BUSINESS 2014

Interim Evaluation Report

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Ste Lingard and Dr. Katherine Davies



Mayor of
Liverpool



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FOREWORD

The International Festival for Business 2014 was the most ambitious project I have ever worked on: Liverpool, my home city, was entrusted with responsibility for delivering the largest business festival in the world this year, on behalf of the UK as a whole. This would have been considered unthinkable just a few years ago, and some doubted that Liverpool could successfully rise to the challenge.

It is a matter of great pride to me that Liverpool delivered: the IFB was manifestly a success. With more than 400 events and almost 100 countries represented it showcased British businesses and gave them a platform from which to develop new relationships and achieve sales. The *IFB 2014: Highlights* report, published in November, showed that the forecast impact over three years is very impressive: an estimated 10,000 jobs, and £100m of export sales, to pick just two highlights.

This *Interim Evaluation Report* provides much more detail about the IFB and its impact. It shows the scale and nature of what was delivered; it examines the participant group and its experiences; it also presents an analysis of the forecast impact and factors that will affect future performance.

All the indications are very positive but it is important that Liverpool Vision continues to evaluate the impact of the IFB 2014: we are at the beginning of a long period of benefit realisation and it is only as time passes that we will be able to test the forecasts against actual performance. The team will therefore carry out another major evaluation exercise one year on from the Festival, to be published in Autumn 2015. This is central to fulfilling our commitment to make the best possible use of the resources invested by public and private partners.

This report shows that IFB 2014 is delivering on behalf of the UK as a whole. The Government recognises this, as the Chancellor of the Exchequer, the Rt. Hon. George Osborne M.P., has already announced that it will support the staging of the IFB again in 2016, in Liverpool, on behalf of the nation. We very much welcome this, as delivering major events as part of a programme helps maximise the impact of the initial investment, achieving economies of scale and building on the learning from the first event. We look forward to working with national and local partners to ensure that IFB 2016 develops the momentum generated by IFB 2014, as examined in these pages.

Max Steinberg CBE
Chair, IFB 2014

KEY MESSAGES

| IFB 2014: Headline Results for UK Businesses |
|---|
| <i>3,000 companies have secured or expect domestic sales</i> |
| <i>1,400 companies have secured or expect export sales totalling an estimated £100m over three years</i> |
| <i>More than 350 companies expect to sign investment deals worth an estimated total of £200m over three years</i> |
| <i>An estimated 10,000 new jobs could be generated over three years</i> |
| <i>10% of participants are now actively exploring exporting for the first time</i> |
| <i>11% of participants are now looking to expand in to new markets</i> |
| <i>81% of delegates and 77 % of sponsors are keen to take part in IFB 2016 or other similar Liverpool Vision events in the future</i> |
| <i>30% of participants will use UKTI services in future</i> |
| <i>59% of delegates say that their market profile will benefit</i> |
| <i>More than one in three participants have been helped to improve their strategy or skills</i> |
| <i>Delegates spent more than £15m in the UK economy, creating 200 jobs and supporting many more</i> |

1. **The IFB 2014 was the biggest business event in the world in 2014.** Business 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 visiting associated exhibitions and festivals; 28,400 unique delegates participated, reflecting attendance at multiple events. More than 17,000 individual companies took part, representing every major sector in the economy. The business events were supported with a programme of more than 150 cultural events that attracted hundreds of thousands of participants: 37 per cent of IFB business delegates also attended a cultural event.

2. **The events programme was central to the success of the Festival.** The scale and ambition of the programme attracted a very large and diverse delegate group. More than three quarters of the events took place in the Liverpool City Region, providing delegates with the opportunity to attend multiple events in one trip. This directly influenced people's decision to take part and generated critical mass.

3. **Delegates made sales.** Initial research indicates that more than 3,000 UK companies have secured or expect to secure domestic sales with a combined value of hundreds of millions of pounds over the next three years, as a result of taking part in the IFB. Many of the companies involved cited the wealth of networking opportunities as being a key reason for the sales.

4. **The IFB generated exports for UK plc.** UK businesses taking part had an unprecedented opportunity to engage with the thousands of international delegates. They took advantage of it. More than 1,400 UK companies have already secured or expect to secure

export sales with an estimated combined value of more than £100m over three years, due to taking part in the IFB. Ten per cent of UK participants report that they have now started to actively explore exporting; 11 per cent are now looking to expand into new export markets.

5. **The IFB helped business generate jobs.** Thirteen per cent of participants expect to create jobs due to sales and investment achieved through the IFB. The initial research suggests the total could be more than 10,000 jobs over the long term.

6. **The IFB helped business attract investment.** More than 350 companies expect to secure investment following participation in the Festival. At this early stage it is not possible to quantify the value precisely, as many of the deals are subject to negotiation and are commercially confidential. Based upon those cases reporting figures to date it is estimated that the total investment value could exceed £200m over three years.

7. **Most of those who took part had a very positive experience.** Delegates thought the events were well organised and productive, and the concept innovative and ambitious. Eighty one per cent of the delegates and 77 per cent of sponsors are keen to take part in IFB 2016 or other similar Liverpool Vision events in the future.

8. **The IFB gave the visitor economy a big boost.** IFB delegates contributed to making June 2014 a record month for business visits to the UK, beating the previous record for the month (set in 2013) by six per cent. Delegates spent more than £15m, generating 200 jobs in the visitor economy and supporting many more. July was also a record month for the hotel sector in Liverpool, with room rates up by twenty five per cent.

9. **The IFB provided very good value for public money.** It performed well against the established 'economy, efficiency and effectiveness' criteria, with a cost-per-job of £1,111 forecast at this stage.

10. **The IFB fostered relationships and learning.** It provided unprecedented opportunities for participants to build relationships with potential clients, partners and investors. Businesses cite this as one of the most valuable aspects of the IFB experience, along with the learning opportunities it provided, both between delegates and from expert speakers and advisors. More than one in three participants reported that they have improved their business strategy, innovation or expertise as a result.

11. **The bespoke business services helped delegates make the most of the IFB opportunity.** Although the event programme attracted most coverage, international business services were integral to the IFB concept. They proved popular and valuable. The International Trade Hub provided a focal point for delegates, with formal and informal meeting space, a high quality event venue and media centre. The Hub proved very popular, attracting more than 12,000 visits, with almost uniformly positive feedback. More than 15,000 delegates joined the IFB Business Club, which provided access to the Hub and an important communications channel. More than 1000 Business Club members signed up for the Business Brokerage service, which matched companies with suitable opportunities and advice; 100 clients received 6-12 hours of specialist business support: one in three of which have already reported that as a result they expect to achieve additional sales or investment.

12. **International delegates played a fundamental role in the IFB.** More than 6,000 delegates representing 92 countries travelled from overseas to take part. Almost 200 business delegations were involved. Some of the signature events, such as the Power of the Global Network, the BT Global City Leaders' Summit, Horasis and Africa Rising each brought hundreds of influential figures to the UK, many of them for the first time. UK delegates reported that the opportunity to engage with overseas businesses was one of the most valuable aspects of the IFB experience.

13. **UKTI's involvement was central to the IFB's success.** It delivered 31 events that attracted a total of 1,800 companies; 700 delegates attended one-to-one meetings. Attendance exceeded targets. One in three UK respondents to the post IFB survey reported that they attended a UKTI event for the first time and 30 per cent reported that they will use its services and products in the future, thanks to their participation in IFB 2014.

14. **Liverpool is a great host city for business events.** Delegates and event organisers were very impressed with Liverpool as an event destination and as a city. For many, it was a first visit to Liverpool, and the first in a long time for others: they were struck by the quality of the venues, the vibrancy of the cultural and leisure offer, and with the warmth of the people. Some of the event organisers were working in the city for the first time and reported a similarly positive experience.

15. **The IFB reached out to the Liverpool community as a whole.** Three hundred and forty six 'City Star' volunteers welcomed delegates to the city and helped them find their way around. Fifty three local residents and students worked as support staff in the International Trade Hub. More than 3,700 local people received customer service training, leading to the Liverpool City Region becoming the first in the UK to be awarded WorldHost Recognised Destination status. More than 650 students from 50 schools took part in IFB business activities, including a Mayoral art competition, opportunities for students to become working members at the International Trade Hub and to report on IFB events. This ensured that the Festival fulfilled its commitment to be about more than just business.

16. **The IFB evaluation programme is substantial and ongoing.** It has absorbed almost all of Liverpool Vision's research and intelligence capacity for a sustained period. The scale of resource is small, however, compared to that available to publicly funded large interventions in the pre-recession era. The programme is therefore targeted carefully at establishing a detailed understanding of the IFB 2014 as it was actually delivered from the perspective of the participants, and measuring the tangible benefits they expect to gain over the next three years. The next milestone will be the production of the full evaluation report one year on from the IFB 2014.

INTRODUCTION

17. In 2011 Lord Heseltine and Sir Terry Leahy published their report *Rebalancing Britain: Policy or Slogan?*¹ It included the following recommendation:

*Government should endorse in principle the proposal that Liverpool should host an International Expo on behalf of the nation, representing not just itself but the wider Atlantic Gateway and north of England, and provide appropriate national financial support for such an event. Although it is too early to know costs, they would be a tiny fraction of those invested in the London 2012 Olympics, and Liverpool would be justified in expecting national funding towards the costs with which it could then raise private sector support. Against stiff competition, Liverpool has been selected to host the prestigious Kauffman Global Entrepreneurship Foundation Conference in March 2012, expecting more than 500 delegates and 50 ministers from across the world. This would form a perfect opportunity to announce details for a Liverpool Expo and to create a new wave of investment and positive coverage for the city region.*²

18. This was the origin of what became the International Festival for Business 2014 [IFB]. The Mayor of Liverpool and partners in the city region recognised the opportunity it presented, given the reputation Liverpool had developed in recent years for delivering major events successfully. The Mayor commissioned Liverpool Vision, his economic development company, to develop the concept into a practical proposal and to lead its delivery. It did so, leading to the submission of a 'Green Book' business case in September 2012.³ The Government endorsed the proposal and committed £5m of funding support.

19. The concept expressed in the business case was for a festival of approximately 100 events, to be staged in the Liverpool City Region [LCR] in June and July 2014. Its purpose would be to contribute towards the doubling of UK exports and to help attract inward investment, in line with UK government policy. A team was established in Liverpool Vision to develop the details and deliver the intervention. Over the following 18 months the concept remained constant but the scope and ambition of the project grew: the event programme steadily expanded well beyond the size originally envisaged, with some events being added even after the Festival had begun. Supporting interventions were also developed, including a 'Business Club' for delegates, a 'Trade Hub' offering business services, and a close operational relationship with United Kingdom Trade and Investment [UKTI].

20. The objectives of the IFB were refined over time from those expressed in the original business case, through the development of the evaluation methodology. The final version is given below.

¹ The Rt. Hon. the Lord Heseltine CH and Sir Terry Leahy, *Rebalancing Britain: Policy or Slogan? Liverpool City Region – Building on its Strengths: an independent report* (London: 2011).

² Ibid. p. 52.

³ Amion Consulting, *International Festival for Business: Business Case* (Liverpool: 2012).

IFB 2014 Strategic purpose:

To generate jobs and investment in the Liverpool City Region and UK economy

Core objectives

- Create jobs in the LCR/UK
- 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
- Increase visitor numbers to LCR
- Increase visitor spend in LCR

21. Liverpool Vision, in line with its responsibility as delivery body, is conducting a long term evaluation of the IFB, led by its existing research team. The main analysis of data was undertaken from August to October 2014. The headline results were published in a short highlights document in November, setting out performance against the key objectives alongside feedback from participants.⁴

22. This document is the interim report of the evaluation project. It sets out the scale and nature of the Festival as it was actually delivered, and analyses the participant groups and economic impact generated to date. It presents much more detail than the highlights document and is intended to be a useful reference for IFB participants, delivery partners, funders and sponsors, and the communities of the LCR. It will be used to inform the development of the IFB 2016 and other future interventions. The next milestone for the project is the publication of a full evaluation report in Autumn 2015, based on a further round of research with participants.

⁴ Ste Lingard and Katherine Davies, *IFB 2014: The Highlights* (Liverpool: Liverpool Vision, November 2014); accessible here: http://www.liverpoolvision.co.uk/wp-content/uploads/2014/11/IFB2014-Eval-Report_L.pdf. A small number of statistics given in the current report differ slightly from their equivalents in the highlights report. This is due to methodologies having been refined and further data becoming available in the interim.

THE EVALUATION PROJECT

23. Liverpool Vision is committed to evaluating the impact of its activities, in line with good practice and with its responsibility to the public and private sector funding partners. Vision's Senior Management Team, guided by the IFB Steering Group, began to consider the potential methodology and delivery arrangements for the evaluation project in Spring 2013. Vision's in-house research and intelligence team was tasked with developing an appropriate approach. Representatives of the Department for Business Innovation and Skills [BIS] on the IFB Steering Group put the team in touch with the BIS Enterprise and Economic Analysis team. It was agreed that developing a methodology for the IFB evaluation project would be challenging and that it would benefit from a joint approach. BIS appointed SQW Consulting to work alongside Vision. The team developed an evaluation plan over the winter of 2013/14. It was published in March 2014 and is available for download on the Vision website.⁵

24. The joint work with SQW 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 closest comparator in Liverpool in recent years is *Impacts '08*, the programme of research carried out to evaluate the city's year as European Capital of Culture in 2008 [ECoC].⁶ 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:⁷ the main economic benefit of the ECoC programme came from visitor spend in the LCR, but the IFB's principal beneficiaries were businesses across the UK, engaging in the Festival as active participants; the direct benefits of the ECoC were experienced mainly during its operational phase, whereas the IFB is intended to deliver results over a period of years; the ECoC and its evaluation programme benefited from directly relevant precedents, but the IFB was the first festival of its kind to be staged in the UK in recent times; and the resources available for the evaluation of the ECoC were orders of magnitude greater than for the IFB.⁸

25. Measurement of the full impact of the IFB against its core and supporting objectives is not possible at this stage. This report presents the interim results; a more complete picture of the benefits to businesses involved will be possible when the relationships generated at IFB have had time to mature into tangible results. The chart below shows the projected peak periods for benefit realisation.

⁵ Ste Lingard and Katherine Davies, *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/>.

⁶ 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.

⁷ The main element of '08 was a one year long programme of cultural activities. Some events were ticketed but many were open to all without any form of registration. The principle economic benefit came from visitor spend in the local service industry, with longer term benefits through improved profile for and perceptions of Liverpool and its cultural offer, likely to lead to increased visitor numbers in future years.

⁸ *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. The scale of resources available to the project was 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.

| IFB Objective | Projected peak periods for benefit realisation | | |
|---|--|----------------------------------|--------------------------------|
| | Short term (during IFB) | Medium term (to Summer 15) | Long term (to Summer 18) |
| <i>Core objectives</i> | | | |
| Create jobs in the LCR/UK | | X | X |
| Increase exports for participating companies, contributing to the achievement of the Government's target of doubling UK exports by 2020 | | X | X |
| Increase domestic sales for participating companies | | X | X |
| Increase foreign direct investment into the LCR and UK | | X | X |
| Increase domestic investment into the LCR | | X | X |
| <i>Supporting objectives</i> | | | |
| Improve perceptions of the LCR and the UK as a place to do business | X | X | X |
| Increase visitor numbers to LCR | X | X | X |
| Increase visitor spend in LCR | X | X | X |

The evaluation project aim and methodology

26. The evaluation plan set primary and secondary aims for the project. The **primary** aim 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. The focus of the evaluation would therefore be on measuring how far the IFB met its core objectives. The **secondary** objective of the evaluation project is to assess the relative contributions of the different IFB activities, to inform the design of future interventions, including the development of IFB 2016.

27. The core methodology was intended to be a longitudinal pre / post-test study, using surveys of the delegate group, reinforced by analysis of a wide variety of supporting and contextual data. A blend of new research and data available elsewhere would be used. The new research 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
- The Liverpool Business Survey⁹

⁹ Liverpool Vision commissioned the Liverpool Business Survey (formerly 'Foundations for Growth') for 2013/14 and 14/15. This survey of 850 businesses in Liverpool presents analysis of their satisfaction across a range of indicators. A further layer of research on awareness and impact of the IFB was conducted with 350 businesses across the other local authorities: Wirral, St. Helens, Sefton, Knowsley and Halton.

28. The pre-IFB survey was designed to elicit information on participant expectations. It was opened on 6 May and closed on 13 July. The closing date was chosen in recognition that delegates would continue to join the Festival long after the opening events – in effect, 13 July was still ‘pre-IFB’ for some people. The survey text emphasised that the questions were to be answered from a pre-Festival perspective. Three hundred and seventy two respondents answered in the survey in full or large part. This represents just 1.3 per cent of the overall delegate group and does not, therefore, provide a basis from which to draw significant conclusions.¹⁰

29. The post-IFB survey was designed to find out about delegates’ experience of the Festival and any benefits gained. It posed questions about a range of subjects, from core business outputs (jobs, investment, exports and domestic sales achieved or expected) to the event programme, activities and operations, and wider business benefits. The survey opened on July 28 (the Monday after the IFB finale event) and closed on 20 August.

30. One thousand five hundred and thirty seven respondents completed the survey in full or substantially. This sample size of a total population of 28,400 IFB delegates provides a confidence level of 99 per cent and confidence interval of 3.2 per cent.¹¹ Nine hundred and twenty one of the respondents (60 per cent) were from the LCR, 575 (37 per cent) from elsewhere in the UK, and 41 (3 per cent) from overseas. Eighty four per cent were IFB Business Club members. The low response rate from overseas delegates means it is not possible to draw conclusions about their experience from this survey.

31. The pre and post-IFB participant surveys do not conform to the classic ‘pre / post test’ model, due to the difficulty in isolating the participant group at the ‘pre-test’ stage, for reasons described above. It was recognised at an early stage that this would be an issue, and that the post-IFB survey would therefore be the single most important part of the methodology. This means that self-reported additionality is central to establishing the business impacts. This has been addressed by verifying results through post survey follow-up, and allowing for optimism bias in calculating the results overall.

Delivery

32. Liverpool Vision’s Senior Management Team considered the delivery mechanism for the evaluation project during the joint work with SQW. It examined an in-house solution led by Vision’s own research and intelligence team and an outsourced solution involving public and private partners.

33. It was concluded that the in-house solution would be effective and would offer the best value for money in this case. An outsourced solution would have required a substantial consultancy budget, given the scale and duration of the project; this was not thought an appropriate use of resources in the current public funding environment. The key consideration, however, was the complexity and quantity of the data generated by the Festival, its operational development up until June 2014, and Vision’s role as delivery body. In this respect, outsourcing the project would still have involved very considerable workloads for Vision staff due to their relationship with the data.

34. The in-house research and intelligence team consisted of the Head of Business Planning and Development leading the project, and the Research and Intelligence Manager. Together they focused approximately 70 per cent of capacity on the project over a period of one year, with

¹⁰ A summary of the results is provided at Appendix A.

¹¹ There are slight differences between some of the percentages quoted for business benefits here and those quoted in Lingard and Davies’ *IFB 2014: The Highlights*. Only UK and LCR respondents were drawn upon for the highlights document, whilst the population here also includes international respondents.

significant peaks as deadlines were approaching. They were supported on specific and time-bound tasks by other members of Vision team.

35. The methodology and delivery arrangements for the IFB 2014 evaluation project are appropriate to the task and the circumstances, and have worked smoothly. The process has generated a very large volume of data, not all of which has been used directly at this stage as its scope goes beyond that of the evaluation project.

THE INTERVENTIONS

36. The IFB was a significant intervention in the economy, supported by the UK government. It was made up of an events programme and supporting business services. This section explores the scope and nature of each.

THE EVENTS PROGRAMME

37. The events programme was the central element of the Festival. It included a total of 415 business events and six associated exhibitions and fairs, staged at 134 venues across the LCR and beyond.¹²

| Location | Events | Associated exhibitions |
|----------------------|---------------|-------------------------------|
| Liverpool | 356 | 6 |
| Elsewhere in the LCR | 24 | 0 |
| Elsewhere in the UK | 35 | 0 |
| Total | 415 | 6 |

38. All IFB events benefited from support from the IFB team. This included: assistance arranging a venue; association with a vibrant and positive brand; and marketing services (including listing on the www.ifb2014.com website). The programme included events that were:¹³

- created especially for the IFB (such as the BT Global City Leaders' Summit, ACCELERATE 2014 and many smaller events);
- already happening in the UK or overseas and were attracted to the LCR to take part in the IFB; and
- already happening in the LCR that were brought into the IFB programme.

39. Existing events were attracted to take part in the IFB through the provision of promotional and operational support, and in a small number of cases through financial support. The categories above are not mutually exclusive and some events belong in more than one. More than 300 of the events were created especially for the IFB.

40. The events ranged in size from small seminars lasting one or two hours to multi-day conferences involving thousands of participants. Across the full events programme, 363 events lasted one day or less; 52 events lasted two or more days.

41. The events were clustered around seven themes relating to recognised business sectors: maritime, logistics & energy; higher & further education; cities, enterprise & urban business; manufacturing, science & technology; professional & financial services; low carbon & renewables; and creative & digital.

42. The themes were intended to help concentrate related events in time and space to provide the maximum opportunities for interactions between businesses with interests in common. They were also intended to increase participation, on the basis that many decisions to

¹² The IFB team developed and maintained a control sheet with details of each event for operational purposes. After the Festival, the evaluation team checked the control sheet against other sources, including survey responses, post-event contact with organisers, and other intelligence. It was found that the control sheet contained many errors of detail that had to be remedied.

¹³ In the IFB development stage the events were cast in a four part typology. Although this was useful to the team at the time for operational purposes, it does not provide a helpful way to consider the programme for evaluation purposes.

travel – particularly internationally – are predicated on a cost / benefit analysis: having the opportunity to attend several relevant events in a short trip is attractive.

43. The development of each theme was led by a working group of representatives from the sector, chaired by a suitably experienced person. Each group considered proposals for events relating to the theme and advised the delivery team about the shape and scope of the programme. The groups helped ensure the quality and relevance of the events and promoted them to specialist audiences through their networks. There was significant support for sector themes amongst participants, with more emphasis encouraged on targeting international delegations by sector.

44. Many of the activities and events in the IFB Hub were themed geographically, on Latin America, Europe, South East Asia, China, India and the USA. The IFB team delivered the themed activities in partnership with UKTI, supported by specialists from business councils, chambers of commerce, not-for-profit organisations and other partners. This was intended to provide delegates with convenient access to a wide range of expert advice.

IFB 2014 Highlight Events

- **British Business Embassy.** The Prime Minister, the Rt. Hon. David Cameron M.P. launched the IFB 2014, describing it as “the biggest showcase of British industry since 1951 and a shop window for UK innovation and creativity”.
- **BT Global City Leaders’ Summit.** Leaders from more than 150 cities around the world gathered in Liverpool to share experience and ideas about how to achieve sustainable growth.
- **Horasis Global India Business Meeting.** This gathering of some of the most influential business organisations was held in England for the first time, in Liverpool as part of the IFB. 250 Indian business leaders were joined by the Secretary of State for Business, Innovation and Skills the Rt. Hon. Vince Cable M.P., to explore the future of the Indian economy in a global market.
- **The International Business of Sport.** Many influential sport and sport media figures from the UK and overseas came together in Liverpool and Manchester for this brand new two-day conference, created for the IFB.
- **Global Universities Conference.** International thinkers, celebrated academics and policy makers examined how economic factors and changing demand are influencing the higher education sector. The conference explored the innovative ways in which universities are responding.
- **ACCELERATE 2014.** Eight hundred delegates, including representatives from 200 of the fastest growing businesses in the UK, gathered at ACC Liverpool for a series of lively and inspiring advice sessions from some of the brightest minds in business.
- **Santander SME Summit.** Almost 300 delegates from across the UK gathered in Liverpool’s Cunard Building to explore how entrepreneurs can be encouraged and supported by banks, government and key institutions. The Chancellor of the Exchequer, the Rt. Hon. George Osborne M.P. delivered a keynote speech, in which he hailed IFB 2014’s contribution to selling Britain as a brand and committed to support IFB 2016.

The cultural programme

45. A programme of cultural events took place in Liverpool during June and July, coordinated with the IFB event programme. It included festivals, exhibitions, art events, theatre shows and music; the highlight was the UK's flagship event commemorating the 100th anniversary of the start of World War One: 'Memories of August 1914', featuring Royal de Luxe's world-class street theatre.

46. Culture Liverpool commissioned consultants to evaluate two of the main events in the cultural programme: the International Mersey River Festival and Memories of August 1914.¹⁴ The main objective was to measure the impact of the events on the LCR's economy in terms of visitor numbers and spend. Two hundred thousand people attended the River Festival, of whom 75,000 were from Liverpool, 75,000 from other parts of the City Region and 50,000 from elsewhere. It generated income for the city of between £6.6 million and £7.2 million, of which just under £4 million came from visitor spend. Approximately one million people are reported to have attended Memories of August 1914, of whom almost two-thirds (665,000) travelled into the city to attend and 300,000 from outside the LCR. This event is reported to have generated visitor spend of between £44m and £48m.

SUPPORTING INTERVENTIONS

47. The IFB events programme was supported by a suite of interventions intended to maximise the opportunity provided by the audience attracted by the events. The main elements were the IFB Business Club, the Business Brokerage service and the International Trade Hub.

The IFB Business Club

48. Membership of the IFB Business Club offered the following benefits:

- Free access to the IFB Trade HUB
- A regular IFB Business Club email newsletter, providing up to date information about the Festival and available opportunities
- Free access to the IFB app, offering a calendar planning facility
- Visitor information and advice

49. Each delegate was encouraged to register as a member of the Business Club. This involved providing contact information and a basic profile of the business, along with granting permission for Liverpool Vision to use the data, including for evaluation purposes.

IFB Business Brokerage Service

50. The Business Brokerage service is a business matching facility that began operation in Spring 2014 and will run into 2015. To access the service delegates had to register as an IFB Business Club member in the first instance, then provide further information about their business, its activities and topics of interest. The IFB team then matched clients with potential opportunities, including:

- 'Meet the buyer' events, featuring UK and international companies seeking specific products
- Events of interest
- Introductions to potential partners and clients
- Networking opportunities with trade delegations and international buyers

¹⁴ Murray Consultancy, *The International Mersey River Festival* (Liverpool, 2014); *Memories of August 1914 – the Giants are Coming Report* (Liverpool 2014).

51. One hundred Business Brokerage clients from the LCR were provided with 6-12 hours of bespoke assistance from specialist advisers, supported by the European Regional Development Fund [ERDF].

The IFB Trade HUB

52. The HUB was an office, event and networking space created especially for the IFB in high quality office space at Mann Island, on the Liverpool waterfront. It offered the following facilities:

- An international trading floor on which the representatives of countries, embassies, international delegations, UKTI, the British Chamber of Commerce and other partners had concentrated access to interested delegates
- Private meeting rooms and event space
- Exhibition space
- Free wi-fi and a Business Club members lounge
- A media centre
- Access to free advice from specialists in sectors, markets, and professional services covering all aspects of international trade and export
- An ongoing programme of trade, investment, market and sector events
- The 'Pub in the Hub', providing complimentary light refreshments between 17:00 and 18:30 on each business day.

53. The supporting interventions, although projects and programmes in their own right, were interdependent and integral to the IFB concept.

THE PARTICIPANTS

54. The IFB 2014 involved a wide range of participants from across the UK and overseas, taking part in several different capacities. They can be considered in the following categories:

- Business delegates (including Business Club members and Business Brokerage clients)
- Sponsors
- Event organisers
- Exhibitors
- UKTI
- Suppliers
- Volunteers and students

55. Many individuals and companies belong to more than one category.

56. The evaluation team used several data sources to establish information about the participants. These included: surveys open to all participants, bespoke surveys for specialist groups (business brokerage clients, event organisers, exhibitors and sponsors), the Business Club and Business Brokerage databases and the events programme control sheet.

The business delegates

57. The terms ‘business delegates’ and ‘delegates’ refer to everyone who participated in the IFB through attending an event or using one or more of the business services. This group was intended to be the primary beneficiary from the IFB.

58. Approximately 28,400 unique business delegates took part in IFB 2014.¹⁵ The delegates made 68,600 visits to IFB events;¹⁶ there also were more than 40,000 visits to associated exhibitions, some of which were made by IFB delegates with the balance being members of the public.¹⁷ Given that there were 106,500 places available at IFB events, and that attending multiple events was central to its design and appeal, the figure of 28,400 unique delegates is reasonable.

| Origin | Business delegates |
|-----------------------|---------------------------|
| Liverpool City Region | 10,200 |
| The rest of the UK | 11,600 |
| International | 6,600 |
| Total | 28,400 |

59. Approximately 17,300 unique companies took part in the Festival.¹⁸

¹⁵ This was established by analysing delegate behaviour in terms of the number of events attended, based on post-IFB participant survey results, factoring in their known geographic origins: delegates from the LCR were likely to attend more events than those from elsewhere in the UK and delegates from overseas were likely to attend fewest events. These behaviours were applied to the total of 68,600 attendees, giving a figure of 28,400 individual delegates.

¹⁶ The visits are sometimes referred to as ‘attendances’ or ‘attendees’ in other sources.

¹⁷ The attendee figures were reached by: establishing how many individuals attended each event and where they were from, using evidence provided by event organisers; where this was not available projections were made based on assumptions derived from the available data. These took account of the delegate behaviour in the different locations, the effect of event sizes and the nature of the events. There were particular challenges to establishing these conclusions, primarily due to the gaps in the data provided by event organisers, only a minority of whom were contractually obliged to provide this to the evaluation team.

¹⁸ This figure was established by using the available data on unique companies from the Business Club database and projecting that onto the rest of the delegate group. Sixty four per cent of participants in the Liverpool Business Survey from around the LCR reported subsequently that they were aware that Liverpool had staged the IFB 2014.

IFB Business Club Members

60. More than one half of the IFB delegates joined the IFB Business Club. The dashboard below provides headline data about this important participant group.



Number of Business Club Members: 15,624

Liverpool City Region: **38.6%**
 UK (non-LCR): **39%**
 International: **5.5%**
 Unknown: **16.9%**



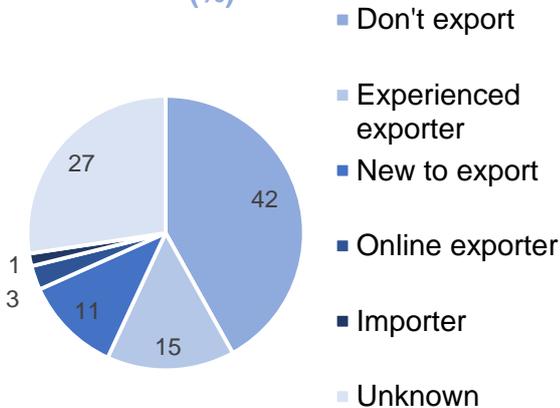
Number of unique companies:
9,114



Size of company by employees

1 to 9: **39.4%**
 10 to 49: **15%**
 50 to 250: **9%**
 250+: **9%**
 Unknown: **27.3%**

Export status unique companies (%)



Top five most heavily represented sectors:

Financial and Professional Services: 7.5%

Creative and Media: 7%

Business and Consumer Services: 6.4%

Education and Training: 5.2%

Construction: 3.7%

Other: 11.7%

IFB Business Brokerage Clients:

61. A total of 1,100 Business Club members signed up for the business brokerage service, representing 1,028 unique companies. Sixty one per cent of brokerage clients were from the LCR, 33 per cent from elsewhere in the UK and 6 per cent from overseas.

62. Eighty seven per cent of the brokerage clients were companies with fewer than 250 employees; 13 per cent had 250 or more. The sectors most heavily represented were the same as the top five sectors of the Business Club.¹⁹ Brokerage clients were most interested in meeting

¹⁹ Twenty-seven per cent of brokerage clients did not provide details on their company size. Their likely size was established by applying the proportions established for the other 73 per cent to this group.

new customers, networking contacts, joint venture partners, government and city officials, and agents.

63. Ninety eight Brokerage clients were offered assistance from specialist advisors, supported by the ERDF.²⁰

Sponsors

64. Sponsors were critically important to the development and delivery of the IFB. They included four main 'IFB Partners' (BT, CNN, FT, and Santander), eight 'IFB Supporters' (Arup, DWF, EEF, JLR, Maersk, PWC, Peel and Siemens), and three 'Friends' (Brother, Toshiba and Typhoo). In total they contributed £2.5m in cash, and goods and services in kind. For example, BT provided branding and delivery support for the BT Global City Leaders Summit; Santander delivered the flagship SME Summit; both were engaged at a high level in a number of other business events. Virgin Trains, the IFB travel partner, provided a significant number of train tickets, along with other in-kind benefits.

Event organisers

65. The events programme was delivered by 163 organisers from across the UK and overseas. These included commercial event organisers, individual businesses, representative bodies, government agencies and academic institutions. Liverpool Vision itself delivered some of the key events. The organisers were an important source of data relating to the scale, nature and impact of the events. The evaluation team designed a suite of surveys intended to elicit: the number of unique delegates in attendance and their geographic origin; the number of day visits and overnight stays; the expenditure and income relating to each event; spend in the local supply chain; and media coverage.

Exhibitors

66. The IFB team sold exhibition space at the IFB HUB. Twenty organisations took part, including companies, professional bodies and government trade and economic development agencies. Some were present at the Hub throughout the six weeks of the Festival, whilst others operated for only a part of the time.

UKTI

67. UKTI was a very important partner for the IFB. Its objectives align closely with those of the Festival: both are about increasing exports and encouraging foreign investment. UKTI seconded a member of staff to the IFB team for two to three days each week to liaise between the two organisations. The North West Regional Director took a strong personal interest in the project and coordinated involvement of the other UKTI English regions, each of which were assigned a priority sector and market theme.

68. UKTI delivered 31 IFB events as part of the IFB:²¹

- a core programme of seven sector events (led by national Sector Leads/Grant Thornton & Innovision [GTI]),
- eight market events (led by the English Regions supported by GTI)
- 15 workshops and drop-in clinics

²⁰ Business brokerage managers provided either full business assists (12+hours) or substantial assists (6-12 hours) to 98 brokerage clients.

²¹ UKTI also supported a small programme of events in other parts of the UK and branded as part of the IFB.

- The IFB opening event, the British Business Embassy [BBE], led by the Prime Minister and focused on innovative manufacturing in the UK

69. UKTI maintained a presence at the IFB Hub throughout the Festival as part of the stand promoting the flagship 'Great' programme. More than 400 companies visited the stand, 80 of which were referred onto UKTI's regional network for follow up. The 'Great' campaign, in partnership with BT, ran a 'Face of the Festival' competition to find the most innovative small and medium-sized business in the North West: the £30,000 prize was awarded to BAC Mono.

Suppliers

70. Delivering the IFB involved using a large number of suppliers of goods and services, including venues, catering, speakers, marketing and translation. The contracts were let by the IFB team and the many individual event organisers. The IFB team itself awarded thirty four contracts with a total value of £1.324 million.

71. The IFB team was committed to securing the maximum social value from the delivery of the Festival. This included giving local businesses the opportunity to supply goods and services, in line with established procurement practices. IFB tenders were circulated widely amongst the LCR business community.²² Twenty one of the 34 contracts mentioned above were let to businesses in the LCR, with a value £731,000; £324,000 of this relates to venue hire.²³

Volunteers and school engagement

72. A large volunteer programme was established for the IFB. As part of the 'City Star' joint venture between Liverpool ONE and Liverpool City Council, 346 volunteers welcomed IFB delegates to the city and helped them find their way around and provided support to both business and cultural events. Fifty three local residents and students, recruited from across universities and colleges in the northwest, worked as support staff in the Hub. More than 3,700 local people received customer service training, leading to the Liverpool City Region becoming the first in the UK to be awarded WorldHost Recognised Destination status. IFB delegates, and particularly those who used the Hub, provided very positive feedback about the volunteers.

73. Liverpool Vision worked with the Liverpool Learning Partnership to provide a range of opportunities for its member organisations to engage with the IFB. More than 650 students from 50 schools took part in the Festival. Opportunities available for students included: Young Executives, who worked alongside IFB Hub staff, undergoing training to perform operational support and customer-facing roles; young reporters and photographers, who were allocated a particular thematic week to report on events and conduct interviews, with their work hosted on Vision's website; and a Mayoral Art Competition for children aged three upwards, from which 35 pieces were selected for exhibition at the Museum of Liverpool during June and July.²⁴

²² The full list of interested IFB 2014 suppliers is available here:

<http://www.ifb2014.com/uploadedfiles/documents/IFBAvailableSuppliersList29April.pdf>. IFB-tenders were circulated via a number of channels, including: the Federation for Small Businesses; Liverpool Chamber of Commerce; BID; Social Enterprise North West; South Liverpool Social Enterprise; North Liverpool Business Forum; and South Liverpool Business Network, for onward dissemination to the local business base. A total of 195 UK companies expressed an interest in becoming suppliers. Their details were provided to event organisers.

²³ Five concessionary contracts were awarded: two to LCR companies and three to companies elsewhere in the North West.

²⁴ Other opportunities for school engagement included a School Business Showcase to demonstrated business links with schools and good practice; schools debates on business issues, including the Liverpool Schools Parliament, the Athenaeum and European Youth Parliament UK; a school cultural carnival; volunteer scheme; School Enterprise Event.

BUSINESS IMPACT

74. The evaluation project is focused on assessing the impact generated by the IFB against its core and supporting objectives. This section examines the data available at this stage, projecting the likely results over three years, where possible. The value of the cases reported below have been adjusted to avoid optimism bias.

CORE OBJECTIVES

75. The IFB's core objectives are to create jobs, and generate sales (export and domestic) and investment for participant companies. The outputs are interdependent (for example, jobs are created through companies achieving sales and attracting investment) and many companies have reported success in more than one category. The full impact will be generated over a period of years, as business relationships established at the Festival have time to mature. At this stage it has been possible to establish projections based on data provided by the participants.

Headline Results Reported by UK Businesses

(including those in the Liverpool City Region)

- *More than 3,000 companies have secured or expect to secure domestic sales with a combined value of hundreds of millions of pounds over the next three years*
- *More than 1,400 companies have secured or expect to achieve export sales totalling an estimated £100m over three years*
- *More than 350 companies expect to sign investment deals with an estimated total value exceeding £200m over three years*
- *An estimated 10,000 new jobs could be generated over three years*

Objective: to create jobs in the LCR and UK

76. Performance against this objective is a function of performance against the other core objectives. Thirteen per cent of UK companies expect to create new jobs over the next three years as a result of taking part in IFB. This represents an estimated 10,000 jobs, with more than 6,000 of them likely to be in the LCR.

77. The IFB also helped some participants along their journey to self-employment: 'I have joined forces with another start up and have also gained invaluable information and assistance from both the Women's Organisation and Liverpool University. None of this would have happened without the IFB - I will move from employment into running my own business as a result'.²⁵

Objective: to increase exports for participating companies

78. More than 1,400 UK companies have secured or expect to secure export sales totalling an estimated £100m over the next three years; more than 650 of them are in the LCR, representing sales worth an estimated £25m.

79. The IFB provided access to services, advice, and contacts to help companies progress in their export journey. UKTI played a very important part in this, organising many of the export focused events and providing key services. Ten per cent of participating UK companies are now actively exploring exporting for the first time and 11 per cent are exploring new markets. BAC Mono's experience is illustrative: 'We've enjoyed the IFB 2014 and have made new contacts with

²⁵ IFB Business Club member.

companies and individuals from around the world. The government support we have received has meant that we have been able to move forward with our growth and exporting plans. We're proud to be a Liverpool-based company flying the flag for UK business globally'.²⁶

Objective: to increase domestic sales for participating companies

80. More than 3,000 UK companies have secured or expect to secure domestic sales over the next three years; 1,900 of them are from the LCR.²⁷ The combined value of the reported sales ran to more than £900m, with individual cases ranging from £2,000 to £15m. The sheer number of cases merits much wider follow-up than has been possible to date before this total can be relied upon. This will be addressed in the full Evaluation Report.

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

81. More than 350 UK companies reported that they expect to sign investment deals with a total value of more than £200m over the next three years as a result of participating in the IFB. More than two hundred of the companies were from the LCR, reporting a total of value of £80m.²⁸

82. The data provided about the nature and scale of the investment deals is weaker than 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. This is to be expected, as securing investment is qualitatively different to securing sales, and can take much longer. Addressing this data gap will be an important task for the next stage of the evaluation process.

Methodology

83. The most important primary source was the post-event delegate survey.²⁹ Respondents were asked whether they had already secured or expected to secure results against any of the four key outputs due to participation in the IFB; the corresponding value of a secured output; and how the IFB helped to achieve this output – whether through networking, access to business services, the development of new skills or knowledge, or another form of help.³⁰ The survey also asked if participants had learned or developed any new or improved behaviours that would help their business grow.

84. Several a number of other sources were used to support the data from the post-event survey. These included the business brokerage survey, which asked clients to self-report on the four key outputs; sponsor feedback; intelligence from the IFB team and partners.

85. The data relating to all cases was collated: there were 536 in total, with some involving reported results against more than one output. The proportion of companies that gave specific figures for a case varied by output.³¹ Fifty five companies were contacted for follow-up, to verify

²⁶ <http://www.ifb2014.com/BRIGGS-AUTOMOTIVE-NAMED-FACE-OF-THE-FESTIVAL-n244.html>.

²⁷ A significant number of those companies who have secured or expect to secure export sales also reported domestic sales.

²⁸ The survey question on investment was purposefully designed to gather as much useful information as possible in a simple and user-friendly format so as not to detract from completion. Data on investment was weaker than the other core outputs due to the commercial sensitivities involved and the subsequent reluctance on the part of respondents to release full details at such an early stage following the Festival.

²⁹ The total number of survey respondents from the UK was 1,496. This sample size, as a proportion of the LCR and UK unique delegate population of 21,800, provides a confidence level of 99% and a confidence interval of 3.32%.

³⁰ See the Participant Experience section.

³¹ Twenty four of 182 reporting on export outputs provided figures exports (13.2 per cent); 77 of 399 reporting on domestic sales provided figures (19.3 per cent); 13 of 45 reporting on investment provided figures (28.9 per cent); and 67 of 188 reporting on jobs provided figures (35.6 per cent).

the data and to elicit further details where appropriate.³² These cases were selected to give a sample of businesses reporting outputs achieved and those reporting outputs expected; special attention was paid to cases involved high reported results. Only three of the companies contacted revised their initial report. This was not significant overall.

86. These results allowed the team to construct projections for the UK delegate group as a whole.³³ They were adjusted by 50 per cent for optimism bias, given the reliance on self-reported additionality and the long period over which results are expected.³⁴

Liverpool City Region business impact

87. Businesses from the LCR made up 47 per cent of the UK delegate group. They have generated very significant projected results against the core outputs:

Headline Results Reported by Liverpool City Region Businesses

- *1,900 companies have secured or expect to secure domestic sales totalling an estimated £40m over three years*
- *More than 650 companies have secured or expect to achieve export sales totalling an estimated £25m over three years*
- *More than 200 companies expect to sign investment deals worth an estimated total of £80m over three years*
- *More than 6,000 new jobs could be generated over three years*

88. LCR businesses were more likely to report domestic sales and investment deals than were participants from elsewhere in the UK; LCR businesses were less likely, however, to report export deals. The value of reported results of all categories was lower for LCR companies than for those in the rest of the UK. Further work is needed to establish the reasons for this.

89. LCR businesses report a range of wider benefits from participation:³⁵

- 9% are now actively exploring exporting for the first time
- 9% are now looking to expand in to new markets
- 84% are keen to take part in IFB 2016 or other similar Liverpool Vision events
- 32% will use UKTI services in the future
- 60% say their market profile will benefit
- More than one in three have been helped to improve their strategy or skills

³² This sample gives a confidence level of 95 per cent and a confidence interval of 12.5 per cent.

³³ It was not possible to construct similar projections for delegates from overseas as although a number of international delegates reported results against the core objectives, the sample size was statistically insignificant (only three per cent of respondents to the post-survey were from overseas) and few details were provided.

³⁴ This compares to the optimism bias of 7.4 per cent applied to the outputs in the IFB 2014 Business Case; the difference is because outputs forecast at that stage did not involve self-reported additionality. See Amion, *Business Case*.

³⁵ The first results from the Liverpool Business Survey also show that LCR businesses gained tangible business benefits, although that this varied by geography: 20 per cent of those in Liverpool City Centre reported benefit, compared to four per cent in the other local authority areas; 62 per cent said that it helped them generate sales in the UK; 21 per cent felt it helped them generate international sales. Difficulties with progressing to exports is reflected in the fact that only two per cent of those who benefited from the Festival felt that it facilitated access to international markets. Fifty eight per cent believed the Festival helped them establish new trade and investment contacts; 64 per cent felt it allowed them to promote their business, and 39 per cent said they gained new skills or knowledge as a result of participating.

SUPPORTING OBJECTIVES

90. The evaluation project has measured progress against the IFB's supporting objectives, relating to improving perceptions of the LCR and UK as a place to do business, and further strengthening the LCR visitor economy. This section sets out its conclusions.

Objective: to improve perceptions of the LCR and the UK as a place to do business

91. Seventy seven per cent of respondents to the pre-IFB survey believed that the LCR was a good place in which to do business and invest, compared to 89 per cent for the UK as a whole. These results improved to 88 and 92 per cent, respectively, in the post-event survey. Many of the event organisers and sponsors provided extremely positive feedback on Liverpool and how the Festival has benefited it.³⁶

- *The International Festival for Business has played a vital role in showcasing Liverpool. The region now has a great opportunity to capitalise on this momentum and the city's increased global profile.* (Martin Heath, Senior Partner, PWC)
- *Liverpool has come across as a vibrant, regenerated city that is 'open for business' and there is a 'go getting' feel about the place which is exciting. By participating at the IFB we've realised how close Liverpool is to London and how open to new ideas the people, local government and business are'* (Event organiser)
- *Liverpool was hugely enjoyable...it was great to visit such a vibrant city and see what it has to offer* (Event organiser)

92. As a result of the Festival, Liverpool became the first region in the UK to achieve WorldHost customer service accreditation, boosting the City's visitor economy profile. More than 3,700 local people, amongst them staff in the tourist sector, retail, transport services, and volunteers for the City Starts programme, received this customer service training. Simon Tarr, managing director of People 1st, which owns the WorldHost programme licence in the UK, praised the City Region: 'It is wonderful to see Liverpool City Region leading the way across Great Britain in its commitment to increasing customer service skills.'³⁷

Objective: to increase visitor numbers to LCR

93. The IFB and the related cultural events programme gave the visitor economy a significant boost, contributing to making June 2014 a record month for business visits to the UK, beating the previous record (set in 2013) by six per cent.³⁸ In the first eight months of 2014, hotel occupancy levels in Liverpool increased by 5.8 per cent to almost 74 per cent.³⁹ In June and July this increased by three per cent and six percent respectively, compared to the same months in 2013. Average room rates [ARR] increased by 25 per cent in July, and the city experienced the second highest growth in revenue per available room [REVPAR] of almost 40% in the same month.⁴⁰

- *[Our attendees] are now returning for weekend breaks with their families and work-related trips when they would never have dreamed of doing so before* (Event organiser)

³⁶ Sixty six per cent of participants in the Liverpool Business Survey stated that the IFB benefitted the LCR; of these, 89 per cent believed there will be increased investment into the LCR and more than ninety per cent believe that its image as a business and tourist destination will strengthened internationally.

³⁷ Neil Hodson, *Liverpool Echo*, July 25 2014. Available at: <http://www.liverpoolecho.co.uk/news/business/international-festival-business-helps-liverpool-7500401>

³⁸ Jack Carter, 'UK Business Visits rise 5% to 8 million,' *CIT Magazine*, 27 August 2014. Available here: <http://www.citmagazine.com/article/1309527/uk-business-visits-rise-5-8-million>.

³⁹ PricewaterhouseCoopers, 'IFB Helps North West's Hotel Sector Enjoy a Strong year to date,' (October 2014). Available here: <http://pwc.blogs.com/north/2014/10/ifb-helps-north-west-s-hotel-sector-enjoy-a-strong-year-to-date.html>.

⁴⁰ ARR: it is the average price of each room sold per day. Revpar is the average price of each available room per day, per month or per year. Only Glasgow saw a larger increase as it benefitted from the Commonwealth Games.

Objective: to increase visitor spend to LCR

IFB delegates spent more than £15m in the UK economy, creating 200 jobs and supporting many more

94. IFB delegates spent more than £15m in the UK economy, £11.2m of which can be considered as being additional to that which would have been spent without the IFB. £14m of the total was spent in the LCR, £11m of which was additional. Using the standard methodology of one job created for every £54,000 of additional visitor spend,⁴¹ this created more than 200 new jobs and supported many more.⁴²

Methodology

95. IFB delegate spend was calculated using the standard methodology advised by the UK National Tourist Boards, with slight adjustments made related to local intelligence.⁴³ Different levels of spend were assumed depending on how far the delegate had travelled to the event in question; this was multiplied by the duration on the stay, with an allowance made for spend made on behalf of visitors accompanying the delegate on the trip.⁴⁴ A proportion of overnight stays were assumed for all events finishing late in the evening and all multi-day events, adjusted according to the distance the delegate travelled.⁴⁵

⁴¹ Deloitte and Oxford Economics, *Tourism: jobs and growth – The economic contribution of the tourism economy in the UK* (November 2013). Available here: <http://www.oxfordeconomics.com/my-oxford/projects/246555>.

⁴² The total jobs created in the visitor economy given in the Highlights report was 250; this has since been revised downwards following an error being identified in the additionality calculation.

⁴³ British Tourist Authority, *An Advisory Note from the UK National Tourists Board: Estimating the Direct Expenditure Benefits of Conferences to a Local Area* (British Tourist Authority: 2001). This paper was used as a basis rather than the 2006 published advisory note due to differences in the way in which delegate expenditure was broken down.

⁴⁴ It was assumed that five per cent of delegates from outside an event's home city region were accompanied by another person, with £58 spend per delegate.

⁴⁵ Average corporate delegate expenditure in the NTB's advisory paper was based on 2001 prices; this was adjusted for inflation to 2014. Total spend per delegate per overnight stay was assumed to be £184.54. This includes expenditure on: overnight accommodation; local travel at destination; food and drink; evening events and entertainment; and shopping and gifts. This was moderated to £36.91 (excluding overnight accommodation, shopping and gifts) for day visits. It was assumed that delegates attending an event in their home city were assigned the day-rate of £36.91. For each multi-day event, an additional one day was added to the event days to account for delegate stays pre or post the event. (The British Tourist Authority's advisory paper states that delegates stay in the meeting destination for between 0.8 of a day to 1.3 days pre or post the event, and advises that one additional day is used where bespoke data is not available). It was assumed that being part of the IFB added value to events that were happening anyway, in terms of attendee numbers and spend; this is supported by event organiser feedback. Different levels of added value are assumed according to the location of the event.

THE PARTICIPANT EXPERIENCE

96. Gaining an insight into participants' experience of the IFB is central to understanding its nature, scope, strengths and weaknesses. The evaluation project included several elements designed to gather data on this, including surveys before and after the Festival, open to all delegates. These were supported by bespoke surveys of other categories of participant, follow up interviews, and analysis of other sources of intelligence. This section presents the headlines from the analysis of the data gathered from these sources.

Overall IFB experience:

97. Eighty four per cent of respondents to the post-IFB survey viewed their IFB experience as positive overall, with 60 per cent reporting that it met or exceeded their expectations in terms of business benefits. Eighty two per cent expressed interest in participating in IFB 2016 or other similar events in the future.

The IFB was undoubtedly a successful event for the Isle of Man, and it was pleasing to see the blossoming relationships with Liverpool, Wirral and the North West. I see this event as the catalyst to a long term strategic relationship with these regions.

Stuart Nelson, Vice President, Barclays International

The hard work starts now in following up the leads but with such a treasure trove of opportunity created by IFB there are sure to be some real gems to be exploited. I can't wait for IFB 2016!

Philip Rooney, Partner, DLA Piper

For us the IFB was an immense success and has left us in a place where we can build on it for the future.

Jenny Stewart, Chief Executive of Liverpool and Sefton Chambers of Commerce

I came over for two days from Dubai for it and was very impressed. Well organised, well targeted and relevant. Looking forward to 2016

Joe Hepworth, CEO, British Business Centres UAE

The quality of the speakers and the audience was excellent and the organisation flawless. A terrific event...Our delegates loved the show, the programme, the speakers!

IFB Business Club Members and Event Organiser

98. Participants reported that the IFB was a great opportunity to make connections with potential partners, investors and clients that would otherwise have been impossible. Companies said that the networking opportunities had been the single largest contributing factor to the results they had generated. Sixty per cent of UK participants made new contacts in the LCR; 44 per cent in the rest of the UK; and 22 per cent from overseas, whilst 35 per cent developed existing contacts further.⁴⁶

⁴⁶ Of the 154 participants in the LBS that said they had gained business benefits from the IFB, 19 per cent said that networking opening up new leads was of greatest value. One participant said 'it helped me find new suppliers internationally, and within the UK as well' (retail / wholesale), LBS.

I've learnt an awful lot: I've taken away contacts, I've networked with the right kind of people that I couldn't have met otherwise.

Helen Tse, Director, Sweet Mandarin

The IFB has given us unique access to advice, support and business leaders and organisations that would take many, many months to achieve. We have made some amazing contacts and all of the events have been useful.

Russ Kavanagh, CEO, LearnerVerse, IFB Business Club member

Meeting...[the] UK Ambassador to Malaysia...he gave advice about who to meet and how to set up offices in Kuala Lumpur. He also got us involved with a UK delegation that is going over next month.

Representative of a business services company, via the LBS

99. Participants also reported that their business had benefitted in other ways:

- 46% gained specialist advice or knowledge to help them build their business.
- 45% gained insights into markets
- 6% were able to overcome business barriers
- 59% of respondents agree or strongly agree that their market profile will improve
- 44% believe their business strategy will improve
- 33% consider that they will improve their innovation
- 29% believe that their international capabilities will improve

IFB events programme:

100. Seventy six per cent of delegates attended at least one event. Many praised the programme design for its 'efficiency [in] staging multiple events in proximity in time and physically' and for the 'numerous industry specific events in one area at one time – making it easier to commit to multiple events during each visit'.⁴⁷

101. The survey asked delegates about their experience of IFB events that they had previously attended when staged elsewhere.⁴⁸ Thirty two per cent agreed that the scale of the event had improved (38 per cent neither agreed nor disagreed); 37 per cent agreed that the quality of the content in terms of speakers and activities had improved (35 per cent neither agreed nor disagreed); and 40 per cent felt that the networking opportunities available at the IFB event were better than at the preceding event.

102. Although the event programme overall attracted positive feedback, several events were named by multiple participants as being of particular benefit. These included ACCELERATE 2014, the BT Global City Leaders Summit, the Santander SME Summit, and UK Business Angels Association Conference and Awards.

103. Some delegates thought that the programme was too long and contained too many events, reporting 'event fatigue' and programme clashes that led to competition for attendees.⁴⁹ The dispersal of events over six weeks meant that there would be potential time and financial constraints for those delegates residing outside the LCR who wished to attend multiple events across the duration of the Festival. The number of events and their location across the City Region and beyond also made it difficult to integrate all of them fully into the Festival programme and branding.

⁴⁷ Post-IFB survey results.

⁴⁸ The number of respondents was necessarily lower than for most other questions, as its relevance was limited to those delegates who had previously attended one of the small number of IFB events staged elsewhere in previous years.

⁴⁹ On one day 28 events took place.

104. Participants considered that the sector themes provided a useful focus for the events programme.⁵⁰ They considered that there had been limited success in concentrating events relating to particular sectors in time, but that this was not necessarily a problem: 'It would...be useful if the themes of events were tied together more closely during certain times...it felt like events in respect of a particular sector could happen at any time over the course of the Festival.' Others valued variety across the Festival: 'Whilst the "themed weeks"...helped concentrate time spent, it was nice that events covering all sectors ran throughout the IFB too.'⁵¹

105. Little feedback was received from delegates about the usefulness or otherwise of the geographic themes themselves, although individual events about specific markets were valued.

The IFB Hub

106. Sixty per cent of delegates used the IFB Hub. General feedback was very positive: 'It was superb – we should have a permanent one...it was excellent as a focal point and networking hotspot'; 'the 'Pub in the Hub' created a relaxed atmosphere at the end of the business day, providing for informal networking in support of the formal business events'; 'it was 'a great place for meetings'; 'it had many different functions available to members.' Delegates also commented very favourably on the enthusiasm and helpfulness of the volunteers that supporting the Hub operation: 'the volunteer team and staff at the Hub were very positive and welcoming.'⁵²

107. Some participants noted that the quality of the networking opportunities depended very much on the popularity and quality of events on any one day: 'More major events should be based around the Hub to increase use of the Hub's facilities' and 'the traffic of people through the Hub could have been improved had more events been held [there] or if the social areas were advertised more.'⁵³ Exhibitors also commented on the variable footfall. Although the majority of participants were impressed with the services on offer, many thought more could be done to encourage delegates to use them by 'better promotion of the services and facilities at the Hub - a reason for people to go there, if not attending events;' and more 'signposting from one event to another.'⁵⁴

Business brokerage

108. The business brokerage service client group were a very important part of the participant group as a whole. They were invited to take part in the general delegate post-IFB survey. In addition, the evaluation team designed a survey specifically for the 98 business brokerage clients (all from the LCR) who received the six to 12 hours of bespoke assistance, supported by the ERDF. The surveys were conducted in-person by business brokerage managers. Forty six clients took part, giving a 45 per cent participation rate:⁵⁵

- 65% reported that they had gained new contacts or warm leads in the LCR
- 52% had formed new trade and investment relations
- 50% had developed existing contacts further and gained new skills or knowledge
- 46% had gained new contacts or warm leads in the UK
- 30% had gained new contacts or warm leads overseas
- 9% had overcome business barriers

⁵⁰ The sector thematic groups played a valuable role in shaping the content of the events programme and promoting it to their networks.

⁵¹ Post-IFB survey and internal Liverpool Vision reports

⁵² IFB Business Club members, reported in the post-IFB survey.

⁵³ IFB Business Club members, reported in the post-IFB survey.

⁵⁴ IFB Business Club members, reported in the post-IFB survey.

⁵⁵ The 46 surveys include partial and full responses. The brokerage clients that did not receive the bespoke six or 12 hours of assistance were invited to complete the standard post-IFB delegate survey.

109. Many clients emphasised that the brokerage services gave them access to key contacts and opportunities to pitch to buyers not usually available to them.⁵⁶

Feedback from Business Brokerage clients

The International Festival for Business has provided us with a unique platform to meet with high profile buyers and suppliers in our industry, people whom we would not have been able to reach otherwise. The scope of the IFB and the quality of the visitors that it has attracted has escalated our growth considerably

(Justin Dooley, Co-founder, Caffe Cream)

I cannot stress enough how the business brokerage and connections that were made have raised the profile of our company as well as connecting us with some key individuals

(Peter Fletcher, Director of Business Development & Operations, Oceanchest Ltd)

As a small family business with few contacts, it is quite difficult for us to secure meetings with the right buyers. The Meet the Buyer event at the IFB provided us with a great opportunity to showcase our product range to influential buyers who can potentially make a huge difference to our business.

(Sarah Lusty, Director, The Real Lancashire Black Pudding Company)

110. When asked about the quality of the brokerage service:

- 80% rated their business 'diagnostic' as good or excellent
- 74% thought their bespoke action plan, devised by the brokerage managers, was good or excellent
- 65% rated the quality of tailored communication alerts to meetings and events as good or excellent
- Overall proactivity and guidance provided by the business brokerage managers was rated as good or excellent by 76% of clients
- 56% reported positively ('good' or 'excellent') on the business match-making service; 52% did so about the scheduled B2B meetings; and 48% were positive about the business opportunities available

111. The brokerage service contributed to moving clients along the export journey: 22 per cent attended their first UKTI event at the IFB; 30 per cent were now going to explore new markets; and nine per cent had decided to export for the first time as a result of participating in the IFB.

112. Eighty five per cent of clients expressed an interest in using the brokerage services again, and 83 per cent are keen to participate in IFB 2016 or other similar events in the future. Whilst the business brokerage and Meet the Buyer services were valued by participants, many brokerage clients reported that they only became aware of the offer at a late stage in the Festival and therefore could not take full advantage of the trade and investment opportunities.⁵⁷

⁵⁶ Brokerage feedback came via number of sources: Justin Dooley, Business Brokerage client survey; Peter Fletcher, email correspondence with Vision; Sarah Lusty, press release, available here: <http://www.ifb2014.com/pstrongLocal-producers-means-business-at-IFB-2014strongp-n234.html>

⁵⁷ Feedback from Business Brokerage client surveys when asked what improvements could be made to the IFB: 'We identified the benefits of IFB 2014 at a late stage'; 'increased marketing and awareness of the 2016 event so as to move companies attending'; '[We] would get involved at a much earlier stage.'

Sponsors

113. The IFB sponsorship team carried out an evaluation of the sponsor experience. Surveys were distributed to all main partners and supporters; this was supplemented with discussions in person or on the telephone. Sponsors were asked to rate their performance and experience in relation to the following categories: business objectives; relationships / contacts; return on investment [ROI]; branding and guidelines; the IFB Hub; expected and unexpected benefits; PR and marketing support; account management; and interest in future events

114. All but the questions about future involvement were marked on a scale from a maximum 2 (excellent) to minimum -2 (poor). Twelve sponsors took part, producing the following the following results:

- Positive ratings: regional brand profile (1.6); strengthening of business relationships (1); relations with other IFB sponsors (1.1), Liverpool Vision and the City Council (1.3); Government (1.1); ROI in terms of value for money (1), relationship-building (1.1) and employee engagement (1).
- Negative ratings: international brand profile (-0.2); contact with IFB official media agencies (-0.5); timescale management (-0.1).
- Overall, 77% of sponsors are definitely considering or very likely to consider involvement in IFB 2016 and other Liverpool Vision events.

115. Sponsors report having generated a substantial amount of leads and a number of confirmed deals as a result of participation in the IFB. Most are commercially sensitive at this stage, although a representative from BT confirmed it had secured 'over £15 million of new business, including deals with European Metal Recycling (EMR), a global leader in metal recycling headquartered in Warrington, and Odeon, the largest cinema chain the UK and Ireland, headquartered in Manchester' as a result of the Festival.⁵⁸

The IFB initiative was a fantastic vehicle for us to link up with other interested bodies. We have absolutely knocked it out of the park in terms of numbers...we had to turn the tap off and stop people from applying...So it was a massive success for us, and that platform has given us a huge amount of leads and great opportunities. IFB 2016: fantastic, bring it on, it can't come quickly enough for us!

Mike Houghton, Divisional Director, Siemens Industry UK

The IFB 2014 provided the firm with the opportunity to engage with clients and contacts across a range of different sectors – we welcomed over 485 people to our 15 events across the region. DWF was able to demonstrate its breadth of expertise, to raise its profile with clients across key industry sectors and build strong business relationships with those who attended – as one individual put it: 'The IFB encouraged and facilitated the forging of new relationship. It was a great advertisement for the benefits of working collaboratively.'

Annison, Events Manager, DWF LLP

Event organisers

116. Thirty four bespoke surveys were distributed to event organisers who had received funding to bring their event to the IFB.⁵⁹ These covered many more than 34 events: for example, one event organiser delivered 14 events. Twenty two responses were received, giving a

⁵⁸ BT's £15 million reported sales is included in the projected core business outputs.

⁵⁹ Surveys were tailored appropriately to each organiser according to the duration of their event to capture relevant visitor economy data.

response rate of 65 per cent. When asked about the success of their IFB event compared to the same, or a similar, event held elsewhere previously:

- 64% thought the content was improved
- 32% thought the of venue was better
- 41% thought the networking opportunities and quality of delivery partner were better
- 77% agreed or strongly agreed that having their event as part of the IFB was a positive experience overall
- 77% reported that their perceptions of the LCR improved or greatly improved.

117. Thirteen bespoke surveys were distributed to organisers of events designed especially for the IFB.⁶⁰ This generated seven responses, giving a response rate of 54 per cent.

- Six reported that their audience and venue were good or excellent
- Four thought that the business and networking opportunities available to them were excellent
- Three rated access to pre-IFB information and support, and IFB marketing and promotion average or poor.

118. Organisers of events brought to the Festival and those designed especially for it were very positive overall about their experience. Organisers of events brought to the IFB with some funding support considered that the Festival and its brand had enhanced their commercial offer: it gave events 'additional selling power in a crowded market place', 'provided real added value...to attract a much wider international audience, as well as attract high level speakers', and gave their event 'profile and gravitas'.⁶¹ Others thought the IFB helped attract a larger number and wider variety of delegates; one membership organisation emphasised the importance of the location in helping to attract its members from the North, Midlands and Scottish regions, which they otherwise would not have accomplished, and another reported an increase in ticket sales of 20 per cent compared to the 2013 event in Manchester.⁶²

119. Some of the organisers thought that having their event as part of the IFB was less successful than they anticipated: two felt that they were unable to attract their usual level of attendance due to the change in location, with attendance at one down compared to its regular location in London. Others thought that the grouping of events into thematic sector weeks meant that many were competing for the same audience, diluting participation and impact. One organiser stated that the IFB did not play a significant role in the operations or success of their event, with many of the attendees being unaware of the link.⁶³

120. The team designed a standard online survey for organisers of events that neither received funding nor were designed specially by the IFB team and its partners; email invitations were circulated. Fewer responses were received from this category of organiser than the others. Thirty-three surveys were completed or partially completed from organisers who had collectively delivered more than 300 events; the data provided is not comprehensive and much of it is difficult to correlate with specific events. This was due to two main factors: these organisers were not contractually obliged to provide evaluation data, and many of them had delivered multiple events, making completing the surveys a large job - some completed one survey for their events overall rather than one per event.

⁶⁰ Ibid.

⁶¹ Event organiser feedback from bespoke surveys.

⁶² Ibid.

⁶³ Ibid.

Exhibitors

121. The evaluation team designed surveys for this participant group, sending one to each organisation. There were seven respondents, giving a response rate of 35 per cent. All of them reported that their main objective had been to promote their company, service or region, to generate new leads and to network. Four considered the venue and facilities were good or excellent. They were generally disappointed by the footfall in the Hub exhibition space, however; they considered it to have been at a disadvantage for footfall because it was physically remote from many of the events held elsewhere. The placement of the exhibition spaces and inconsistent signposting for attendees of Hub events to the exhibition stands also contributed to the lower levels of footfall than expected.

122. Six respondents rated value for money, quality of attendees, and IFB promotion as average or poor and four rated business and networking opportunities as average or poor. Despite difficulties with footfall, six out of seven exhibitors reported that they secured positive leads during the Festival. BAC Mono alone generated 93 leads and secured high-profile sales. The Hub staff and volunteers were nearly universally praised, with six out of seven respondents rating them good or excellent. Overall, despite the fact that six out of seven respondents felt that their expectations were not met by the Festival, four expressed an interest in taking part in IFB 2016.

UKTI

UKTI got fully involved from an early stage and contributed a substantial programme of events, providing concentrated access to its services. One thousand eight hundred companies took advantage of this, many of them having not done so previously. We can expect to see the results over the coming months.

Lord Livingston, Minister of State for Trade and Investment

IFB 2014 has been critical for us...it was a clear and unequivocal success for UKTI. IFB helped us reach more businesses. It has been successful because it is a massive focus of our efforts and activity. Repeating IFB in 2016 is a tremendous vote of confidence in how Liverpool has picked up the baton and run with it. It has been more of a success than any of us could possibly have hoped for.

Clive Drinkwater, UKTI Northwest Regional Director

123. Ministers and senior officials are very positive about the benefit UKTI gained from the IFB. UKTI's formal activity evaluation mechanisms measure performance over the long-term; it is not, therefore, possible to quantify impact of the IFB on UKTI's results at this stage.⁶⁴ It is clear from data and intelligence provided from other sources, however, that the benefit has been significant.

124. The IFB helped UKTI to concentrate its events and activities in space and time, allowing for increased efficiency; it also benefited from access to the substantial promotional campaign that supported the festival to increase participation in its services. It provided cost effective access to a large target market.

⁶⁴ UKTI's main internal evaluation mechanism is called 'business wins'. Data from this is not available yet. It will be included in the full IFB 2014 Evaluation Report, due in Autumn 2015.

UKTI Key Stats & Highlights

- More than 1,800 companies took part in UKTI events.
- More than 700 companies attended one-to-one meetings with buyers, commercial officers and country experts.
- Attendance across the UKTI events programme exceeded targets.
- Overseas delegations from 58 countries attended UKTI events.
- 235 companies were referred to the UKTI Regional Teams by the IFB Business Brokerage service.
- 32% of post-IFB survey respondents reported that they attended a UKTI event for the first time.
- 30% of respondents reported that they will use UKTI services and products in the future thanks to their participation in IFB 2014.

Suppliers

125. A short survey was circulated to all 195 companies that had expressed an interest in becoming an IFB supplier.⁶⁵ It included questions about the type and value of any goods and services provided and whether their supply had led or will likely lead, to further or repeat business. Only five companies provided feedback, which is insufficient to make clear conclusions about supplier experience.

126. Other sources show that the Festival generated tangible benefits for suppliers. For example, Siren provided catering for the Hub, making a 200 per cent profit on their expenditure. Adlib provided the technological infrastructure to the IFB Hub. Since then it has secured 20 new clients and been named the preferred supplier for six venues around Liverpool city centre, including Liverpool Cruise Terminal, Liverpool Metropolitan Cathedral, The World Museum and the Crown Plaza hotel.

⁶⁵ The full list of 195 interested IFB 2014 suppliers is available here:
<http://www.ifb2014.com/uploadedfiles/documents/IFBAvailableSuppliersList29April.pdf>

IMPACT ON THE UK AND LIVERPOOL CITY REGION ECONOMY

127. Although businesses from across the UK took part in the IFB, its impact on the economy will be experienced more quickly and more significantly in the LCR than the UK overall, due to the concentration of activities there, the disproportionate representation of LCR businesses and the relative scale of the two geographies.

128. The evaluation project Baseline Report summarised the then current performance of the LCR against the key demographic and economic indicators. It is too early to assess the impact of the IFB against most of these at this stage, either because these datasets have not been updated since, or because the reference period for those datasets that have been updated are still before the Festival.

129. Post-IFB data is available relating to unemployment and the visitor economy. In October 2014 the LCR's Jobseeker's Allowance claimant rate was three per cent, which is the lowest rate since this indicator was introduced in 1983, equating to 28,746 claimants. This represents a reduction of 18 per cent (6,446 claimants) in the LCR, greater than the 13 per cent reduction in the UK's whole.

130. Claimants of Universal Credit are not yet included in the claimant count. This has caused a dramatic decrease in JSA claimants across the country in the second half of 2014 across the country. Until data is available that incorporates Universal Credit claimants, reliable unemployment trends cannot be extrapolated.

131. In October 2014 Liverpool's hotel occupancy rate was 80.1 per cent, up 2.2 per cent since October 2013. This takes the total number of rooms sold in 2014, to 1,360,480, which is an increase of 2.5 per cent increase on the whole of 2013. Average room rates [ARR] for the first ten months of 2014 are 5.5 per cent higher for the first ten months of 2014 than in 2013. These are significant developments, partly attributable to the IFB.

132. For some indicators, change is discernable but the reference period is still before the IFB. This does not allow for conclusions about the Festival's impact, but it does provide context about the general direction of travel for the LCR's economy. For example, the latest GVA data shows that its recovery continues: at 2013 it was £27,002m, which is an increase of 4.5 per cent since 2009; the pace of growth has slowed, however, with growth of 2.6 per cent from 2012 to 2013; compared to 3.3 per cent and 3.8 per cent for the UK and Core Cities respectively.

133. Employment and business volume have also grown over the long term. The total number of jobs in the LCR now stands at 580,050 (2013), up 5 per cent since 1998. Over the short term (2012 to 2013) there has been a contraction of 0.7 per cent LCR, compared to continued growth in the Core Cities (2 per cent) and the UK (1.6 per cent).

134. The total number of businesses in the LCR contracted by 2,695 (6.2 per cent) from 2009 to 2011. It has since increased (by 7.2 per cent) to 43,765 businesses in 2014, surpassing the pre-recession high achieved in 2008. The trend accelerated towards the end of the period with growth of 5.4 per cent from 2013 to 2014, outstripping the Core Cities average of 4.5 per cent.

135. Performance against the key indicators will continue to be tracked as part of the ongoing evaluation project.

VALUE FOR MONEY

136. The evaluation plan set out the project's approach to measuring value for money using the 'economy, efficiency and effectiveness' criteria. At this early stage it is not possible to conduct a full appraisal on this basis, as data on outcomes is not yet available. It is possible, however, to address parts of the criteria meaningfully, pending the full evaluation to be carried out in Autumn 2015.

Income and expenditure

137. 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 |

138. 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 is approaching the end of its review process, and no issues have been reported to date.

Economy

139. 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. There is 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

140. 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.

141. 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>Cost per job / pound</i> |
|---------------------------------------|--------------|-----------------------------|
| <i>Total public sector costs (£m)</i> | £11,387,000 | |
| Impacts | | |
| Jobs created | 10,250 | £1,111 |
| Gross investment secured | £200,000,000 | £17.56 |
| Gross export sales | £100,000,000 | £8.78 |

142. The figure of one job created for every £1,111 of public investment is much lower than the benchmark of £14,221 from the national evaluation of business support activities delivered by the Regional Development Agencies,⁶⁶ and the £7,273 from the IFB 2014 Business Case.⁶⁷ The difference is attributable to the following: the IFB is fundamentally different from the business support activities used to inform the benchmark – it acts 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 much larger than anticipated, achieving significant economies of scale beyond what was envisaged at the time the business case was put together.

143. The value for money provided by the IFB 2014 will be examined again as part of the full evaluation, by which time it will be possible to test the accuracy of the forecasts expressed in this interim report.

⁶⁶ PricewaterhouseCoopers, for BIS, *Enterprise & Regulatory Reform Impact of RDA spending – National report*, vol. 1 (March 2009), p. 35.

⁶⁷ Amion Consulting, *International Festival for Business: Business Case*, p. 23.

Effectiveness

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

| <i>Core objectives</i> | <i>Effectiveness of the IFB</i> |
|---|---|
| Create jobs in the LCR/UK | The evidence suggests that the beneficiary groups will generate a substantial number of outputs at a very favourable efficiency rate. |
| 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 | |
| <i>Supporting objectives</i> | |
| 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

145. This report has presented the most complete picture of the IFB 2014 and the benefits it is generating as is possible at this stage and with the resources available to the evaluation project. The full benefits will be generated over the next three years. They will be quantified and examined through a longitudinal programme of research, starting with a further round of follow up with participants in late Summer 2015, to inform the full evaluation report to be published in Autumn 2015. This will pay particular attention to testing performance against the projected outputs and addressing the gaps in the data presented in the current document, particularly on investment achieved. The evaluation team will begin to plan the detail of that stage of the programme early in 2015, considering any revisions that need to be made to reflect the announcement that Liverpool will stage the IFB again in 2016.

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APPENDIX A: SUMMARY OF THE RESULTS OF THE PRE-IFB SURVEY

The pre-IFB survey attracted 372 respondents, representing just one point three per cent of the overall delegate group; 200 (54 per cent) of respondents were from the LCR, 162 (43 per cent) were from elsewhere in the UK, and 10 (3 per cent) from overseas. All but nine of the respondents were IFB Business Club members.

A significant majority of respondents to the pre-IFB survey expected to gain tangible business benefits from participating in the Festival and a large majority from the LCR believed that there would be economic benefits to the area. The participant group were positive about growth prospects of the UK economy and considered that the IFB would improve perceptions of both the LCR and the UK. The event programme was considered to be the main factor in attracting people to take part in the IFB.

Business benefits

- 87% of respondents said that they expect to meet potential new customers, investors, trade partners or suppliers at the IFB
- 68% expected to access business networks in the UK and 64% in the LCR; 52% expected to access global business networks.
- 55% thought they would be able to gain specialist advice or knowledge to help them build their business.
- 32% expected to be able to further a business interaction or relationship already in progress.
- Many of the respondents who selected 'other' believed that the IFB would present a useful opportunity to build and promote their company brand.

Business benefits to the LCR and UK⁶⁸

- 66% of LCR respondents believed that the IFB would create jobs in the LCR.
- 34% of all LCR and UK delegates combined believed that the IFB would create jobs in the UK.
- 67% of LCR delegates considered that the IFB will generate investment into the LCR.
- 66% of LCR and UK respondents believed that the IFB would generate investment into the rest of the UK.
- 59% of LCR respondents believed that the IFB would increase exports in the LCR; whilst 71% of LCR and UK delegates combined believed such growth would occur across the UK.
- 70% of LCR respondents considered that tourism would increase because of the IFB.
- 42% of LCR and UK respondents combined thought that tourism to the UK as a whole would increase as a result of the IFB.

Investment interest in LCR and UK:

Only UK delegates from outside the LCR and overseas delegates were invited to answer this question. Twenty three per cent don't know if they are interested in investment in the LCR or UK. Of those who are interested in investment, 29 per cent are interested in opportunities in the LCR and 36 per cent are interested in the rest of the UK, citing a number of reasons, including the expansion of existing UK bases.

⁶⁸ Respondents did not have to express an opinion on every part of this question. The percentage figures given relate to the number of respondents to the individual part of the question.

Main attraction of the IFB:

For fifty three per cent of respondents the event programme was the main attraction of the IFB; 25 per cent were primarily attracted to the IFB Hub services. Access to business brokerage services was main draw for 11 per cent, with only three per cent stating that their participation was mainly due to them attending a particular event regularly, whether part of the IFB or not. Seven per cent cited other reasons, including opportunities to discover new markets, networking, and the concentration of expertise, people and information in one place.

APPENDIX B: SPONSOR CASE STUDIES

BT

The International Festival for Business was an excellent opportunity for BT to emphasise our commitment to business. Over three quarters of BT's revenue comes from business-to-business activity - in over 170 countries worldwide - and we play a significant part in creating economic growth.

With the Festival taking place in Liverpool and the North West, it was also an opportunity to highlight BT's place at the heart of the region. We employ over 8,000 people in the North West, making us one of the largest private sector employers in the area.

During the six weeks of the Festival alone, we won over £15 million of new business, including deals with European Metal Recycling (EMR), a global leader in metal recycling headquartered in Warrington, and Odeon, the largest cinema chain in the UK and Ireland headquartered in Manchester, as well as instigating many new conversations with potential customers.

We were delighted to support some of the Festival's marquee events, including the BT Global City Leaders' Summit, which saw Mayors and city leaders sharing their perspectives on how to create sustainable economic growth, and Accelerate, an inspiring one-day event for entrepreneurs.

We also launched a competition, in conjunction with UK Trade and Investment (UKTI) and the Business is GREAT campaign, to find the Face of the Festival, which was won by Liverpool-based Briggs Automotive Company (BAC). BAC manufactures Mono, the world's first road-legal single-seat supercar.

Sir Michael Rake, Chairman, BT Group plc, who attended a number of events at IFB, said: "It's important to celebrate why business, entrepreneurship and innovation matter. IFB gave us the opportunity to do just that and I am delighted that the Festival was such a resounding success."

SANTANDER; Steve Pateman, Head of UK Banking

We know that British businesses want to grow, and that some of them have the ambition and the potential to grow on an international scale. If Government, banks and others work together to give UK companies the support they need to venture overseas, we know we can help rebalance the economy and ensure a sustainable economic recovery.

Earlier this year, we had a great opportunity to give these businesses a boost, when the UK hosted the first ever International Festival for Business (IFB) in Liverpool. The festival showcased great British industries and sectors and connected hundreds of UK businesses to new markets, new products and new partners. We were very proud that as part of our ongoing commitment to UK companies, Santander was an official partner for the IFB 2014.

Our own research suggested that less than one in 10 (9%) UK SMEs currently export overseas. One in seven (14%) told us they would like to trade internationally, but said they don't know how to overcome the challenges of entering new markets. The IFB2014 was the perfect opportunity to get behind our great British businesses and play our part in helping them overcome these challenges.

We certainly ensured we stayed busy during the 50-day festival. Not only did we support the grand British Business Embassy opening event at St Georges Hall on 9 June, we also ran a series of export-focused roundtable events; launched our international Trade Portal; trained 60 members of staff to take part in the City Stars volunteer scheme, and organised an SME Summit in partnership with The Times, where we welcomed 300 delegates and several high profile speakers, including Chancellor of the Exchequer, George Osborne.

The IFB 2014 was a huge success, and we were pleased to have had the opportunity to be involved to share our expertise, networks and knowledge of the Liverpool region, and help showcase exactly what British business has to offer.

VIRGIN TRAINS; Adrian Varma, Senior Partnerships and Marketing Manager

As the Official Travel Partner of IFB 2014 Virgin Trains developed clear objectives as part of the sponsorship. We wanted to highlight the vital role we play in business and highlight the incredibly fast (125mph) service linking London and Liverpool (2h:08m) which we're proud of. We wanted to offer an indiscriminate 20 per cent discount to anyone attending IFB in order to grow our base of customers during the Festival and raise the profile of our corporate offer, after all, the time spent on a Virgin Train is never wasted. We're pleased to say we exceeded our business objectives; passenger numbers increased by two per cent between Euston and Liverpool year on year for June and July, this was roughly a 4:1 return on investment. We believe this is attributable to our support of the International Festival for Business.

Virgin Trains is committed to getting businesses of all shapes and sizes to their meetings on time and we had a great experience being part of the IFB Sponsor family. Where possible we encouraged our people to get involved, we made some key contacts, demonstrated our commitment to the region we serve and enhanced our brand and profile regionally, nationally and internationally.

APPENDIX C: LIST OF KEY INTERNATIONAL EVENTS AT IFB 2014

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| 9 June | British Business Embassy IFB Opening Event (invitation only) |
| 9-11 June | International Conference on Maternal & Newborn Health |
| 9-12 June | Africa Rising |
| 10 June | Infrastructure: Ports & Logistics UKTI Sector Event Energy from the Arctic |
| 10-11 June | Automotive Supply Chain Congress |
| 10-12 June | Undersea Defence Technology |
| 11 June | Africa UKTI Country Event |
| 12 June | Latin America UKTI Country Event |
| 12-13 June | Graphene Ultimate Advanced Material |
| 13 June | UK International Transport Policy Forum Marine Engineering UKTI Sector Event |
| 16-18 June | IBDE Global Economic Forum |
| 16-20 June | Opportunity Middle East All Our Futures |
| 17-19 June | Shipping Innovation: Maritime & Logistics 2014 |
| 18 June | BT Global City Leaders Summit (invitation only) |
| 18-19 June | UKTI Aid-Funded Business Event |
| 19 June | BIS Manufacturing Summit BeNeLux UKTI Country Event |
| 19-21 June | International One Health Symposium |
| 20 June | Accelerate 2014 |
| 22-23 June | Global India Business Meeting – Horasis (invitation only) |
| 23-27 June | EEF/Siemens “Make It Britain” manufacturing/science/technology programme |
| 24 June | International Business of Higher Education ICT Big Data UKTI Sector Event Southeast Asia UKTI Country Event |
| 24-25 June | Global Manufacturing Festival, Sheffield |
| 25 June | Nuclear UK Universities for Business 21 st Century Legal Technology |
| 25-26 June | Regen 2014 |
| 26 June | BioHub at Alderley USA UKTI Country Event |
| 26-29 June | World Corporate Games |

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| 26 June-3 July | The Business of Health |
| 27 June | Catalysing Growth in the Chemicals Industry |
| 1 July | ICAEW Business Futures Conference |
| 1-2 July | UK Business Angels Association National Investment Summit UK Property Forum |
| 2 July | Battle of the Economists – a World View Education & Professional/Financial Services UKTI Sector Event |
| 2-3 July | 5 th International Banking & Finance Forum |
| 3 July | The Future of Sustainable Business |
| 3-4 July | Food & Drink UKTI Sector Event |
| 4 July | Investec Investment Conference China/Hong Kong UKTI Country Event |
| 7 July | Japan/Korea UKTI Country Event |
| 8 July | Inbound Marketing 2014 |
| 8-10 July | Aerotropolis Airport Cities |
| 10 July | India UKTI Country Event |
| 10-11 July | COST Megaprojects Design & Delivery |
| 15 July | Creative & Digital UKTI Sector Event |
| 15-16 July | The Power of the Global Network |
| 17 July | Clean & Cool Conference (incorporating UKTI Renewables Sector Event) Sound City Digital International Developments in the Field of ADR Like Minds |
| 17-18 July | International Business of Sport Congress |
| 19 July | TEDX Thinking Digital |
| 21-22 July | Made in the UK |
| 22 July | IFB Closing Event |