



CHESHIRE WEST AND CHESTER COUNCIL

UK SHARED PROSPERITY FUND

START-UP AND MICRO BUSINESS PROGRAMME

2023-2024

IMPACT REPORT AND CASE STUDY

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JULY 29, 2024

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## Introduction

The Cheshire West and Chester Council initiated a case study to evaluate the impact of their support on local businesses through a partnership with University of Chester student interns. This collaboration aimed to enhance student employability by providing them with hands-on business experience.

The UK Shared Prosperity Fund (UKSPF) is a support offered by the UK government of around £2.6 billion for local investment to each region of the country. The fund is allocated by the local authority according to its needs, the investment priorities being: Community and Place; Supporting Local Business; and People and Skills. The Fund aims to boost and empower the countries' economy along with spreading opportunities and restoring the sense of community. (GOV.UK, 2022)

Therefore, the Cheshire West and Chester Council have been allocated £12.6m, over the three years, until March 2025. (Cheshire West and Chester Council, N.D.). In Year 2, a total of £72,127.99 was allocated to support enterprise activity, encouraging new businesses, and helping micro businesses innovate. Grants ranging from £500 to £2,500 were provided. The project assisted 83 start-ups and micro businesses, leading to the creation of over 35 new businesses and more than 15 jobs.

This financial support is crucial for distributing economic influence across the region, enabling entrepreneurs to compete with established companies and creating new roles, products, and a sense of community. Such assistance is vital for local and long-term national economic recovery in a post-lockdown economy with significant job losses.

## Executive Summary

This study examines the impact of UKSPF year 2 and additional council support on start-ups and micro businesses in Cheshire West and Chester County. From 83 supported businesses, 25 were shortlisted based on area distribution and job creation forecasts, with the aim of gathering more detailed information on the impact of UKSPF grant support on their business. Detailed feedback was gathered from 18 businesses through direct interviews and none in response to the survey.

These interviews, conducted via Teams and recorded, provided insights into business strategies and grant utilisation. A review of activities was completed for each business prior to the interview. The review included checking websites, social media posts and the UKSPF business diagnostic and grant application paperwork provided by the Council. Despite the structured call script inspired by the Cheshire West and Chester healthy businesses parameters, interviews often became 20-30 minute conversations allowing entrepreneurs to share experiences and feedback.

Where it was not possible to secure an interview, 7 businesses were requested to complete a survey designed to capture their feedback. However, none of these businesses completed the survey.

After collecting the data, the reports were individually reviewed to identify patterns and highlights to generate this final paper.

Key findings include:

- The majority used grants for digital tools, enhancing credibility and online presence.
- UKSPF and council support were crucial in helping businesses take initial steps, providing funding, networking opportunities, and strategic guidance.
- The biggest challenge for entrepreneurs is balancing work and personal life.

The findings highlighted in this report are hoped to help the Council determine and deliver its future business support initiatives.

## Start-up & Micro Project

Small businesses contribute significantly to the local economy. The region's markets and small enterprises are essential for local employment and economic activity, providing diverse products and services to residents and visitors. The number of businesses in Cheshire West and Chester has shown growth, for example, the number of businesses increased from 17,181 in 2021 to 20,477 by 2023, indicating a positive trend in business development. (Cheshire West and Chester Council, n.d.)

The UK Shared Prosperity Fund (UKSPF) outlines objectives for supporting local businesses, including promoting networking and collaboration to stimulate innovation and growth (GOV.UK, 2022). In alignment with these goals, the Cheshire West and Chester Council implemented a project on start-ups and micro businesses. This initiative aimed to capture detailed feedback from 25 shortlisted businesses to assess the impact of the UKSPF grant support.

The first approach for the meeting was chosen as a call, intending to be a more personal and spontaneous conversation to capture detailed and comprehensive feedback. Therefore, the 25 shortlisted businesses were contacted, of which seven failed to respond. These seven businesses also failed to respond to a survey requesting their feedback.

A comprehensive review of each business's activities was completed prior to the interviews; this thorough approach was intended to provide a well-rounded understanding of each business's progress and challenges.

Key questions asked during the interviews included:

1. Have the outcomes indicated in the Grant Application Form been achieved? If not yet, when may they be achieved?
2. Has the support benefited the business in other ways?
3. Future plans for the business
4. Please provide a quote on how the support provided has benefited you/your business.

## Outcomes:

This section provides a detailed analysis of outcomes achieved by the 18 businesses that participated in the study. Key findings included:

- More than 80% of businesses have seen productivity improve.
- 78% of businesses have adopted new technologies and practices, such as websites, internal and external digital tools boosting productivity, customer engagement and satisfaction and acquiring new machinery and/ or tools.
- 4 Jobs were created or extended to full-time hours.
- 18 contracts/partnerships commenced.
- External Opportunities; Improvement of management and digital marketing skills; Strategic Cost Savings; Customer Satisfaction Increase.

Moreover, the businesses have seen improvements in the following aspects:

Chart 1. Businesses' Percentage achieved outcomes.

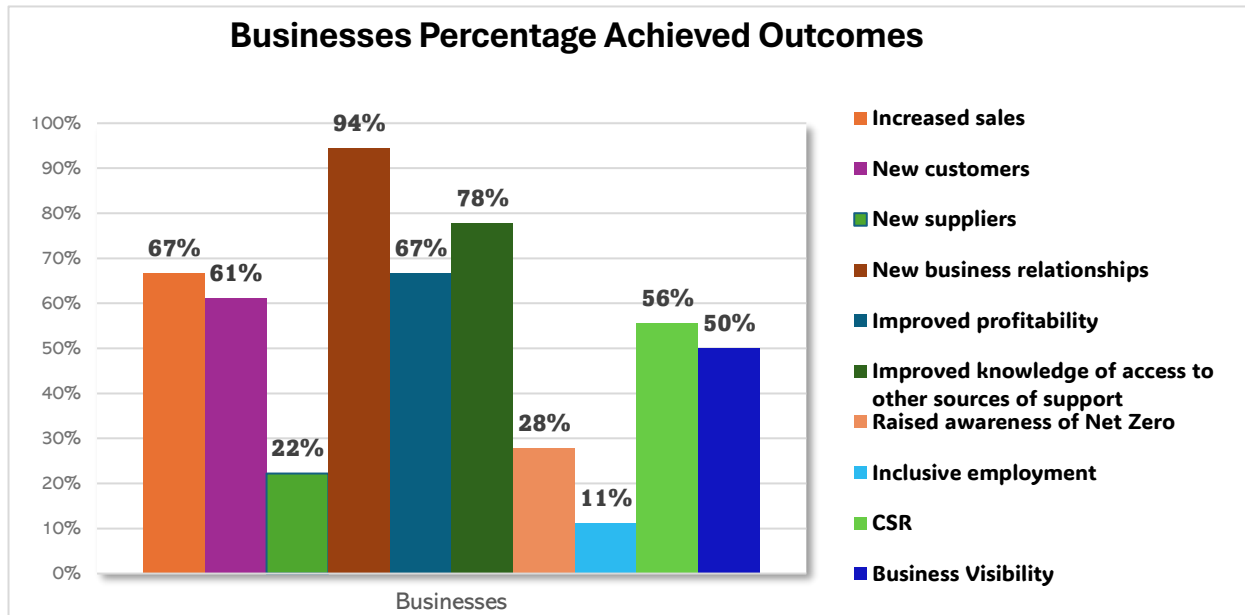


Chart 1 illustrates other outcomes reported by businesses.

New business relationships (94%) and improved knowledge and access to other sources of support (78%) were the most frequently reported. Given the Council's priority on encouraging businesses to become more inclusive employers, it is disappointing to note that only 11% of responses highlighted this.

### Additional activities:

Beyond the primary outcomes of financial and strategic support, the initiative has fostered a range of additional activities among local start-ups and micro businesses, highlighting the extensive benefits of the program and the entrepreneurial creativity encouraged by the council's support.

- Dan's Good Wood Shop were able to help a food bank through the Website blog and switched to a local family-run timber supplier;
- Nexus Earth Group, got her very first client, Mapscape Limited, also supported by the grant, and became a Chamber Delivery Partner in the process;
- Amber Lewis committed to providing mentoring to small businesses as a part of the Innovation Award;
- Let's Farm won the Start-up Business of the Year 2023 through the Chamber, getting publicity for the project;



**Let's farm group using Tipis bought with UKSPF support.**

## Challenges:

While the support from the UK Shared Prosperity Fund and the Cheshire West and Chester Council has significantly benefited many start-ups and micro businesses, it is important to acknowledge the challenges these businesses still face. Understanding these obstacles provides a comprehensive view of the business landscape and helps tailor future support initiatives.

The main challenges identified by the entrepreneurs, despite the financial and strategic assistance, highlight areas where further intervention or continued support may be necessary to ensure sustainable growth and success. This section highlights key challenges encountered by the businesses, offering insights into the persistent hurdles that need addressing:

- Time management and life balance (44%)
- Cost of living crisis (28%)
- Funding and cashflow (22%)
- Other challenges: Competition, active online presence, expanding customer base and capacity to expand, quality employment, premises rates, customer consistency and business services suppliers like banks and insurance.

## Future Plans

The positive impacts of the UK Shared Prosperity Fund and Cheshire West and Chester Council's support have set a strong foundation for future growth and development among local start-ups and micro businesses. Understanding these future aspirations provides valuable insights into the potential trajectory of the local economy and helps the Council anticipate the needs and opportunities for continued support and collaboration.

- 56% of the businesses interviewed plan to increase employment in the next three years.
- 33% plan to partner with universities for employment purposes, as the region and universities' employability increases, a more high-skill workforce and companies it is likely to be attracted.
- 39% plan to acquire or move to larger premises.
- 39% of the businesses plan to launch new products, and 17% to diversify their markets.
- Commence exporting and international trading
- Increase production capacity and invest in marketing, primarily online.

### Chester & Cheshire West Council's future targets

The Chester & Cheshire West Council has outlined targets for the next phase of programs planned for April 2024 to March 2025. Which aims to strengthen the local economy further, drive innovation, and promote sustainable growth among established businesses. By focusing on innovation, decarbonisation, and employee training, the council intends to support businesses in overcoming emerging challenges and seizing new opportunities.

#### The Innovation Grant:

- Predominantly targeted at **established** West Cheshire manufacturing, production, and engineering businesses.
- Focus on businesses that **employ more than 5** staff.
- Grants up to £10,000 are available and are 50% **match funded** by the business and paid retrospectively.
- All projects must be **delivered by December 2024**.
- Grants will support a minimum of 20 businesses.

#### The Decarbonisation Grant:

- Targeted at **established** west Cheshire businesses who are accelerating their shift to Net Zero.
- Focus on businesses that **employ more than 5** staff.
- Grants up to £14,174 are available and are 50% **match funded** by the business and paid retrospectively.
- All projects must be **delivered by December 2024**.
- Additionally, the Decarbonisation project can provide advice and guidance and low carbon audits.
- Grants will support a minimum of 25 businesses.



**The Employer Training Grant:**

- Targeted at **established** west Cheshire businesses who employ staff.
- Grants for **non-mandatory training** to support employers to upskill existing staff to enable them to grow, diversify, and become more inclusive.
- Following a training needs analysis/training plan **funding up to £2,000** available for eligible businesses.
- All projects must be **delivered by December 2024**.
- Grants will support a minimum of 60 businesses.

## Conclusion:

The case study conducted by Cheshire West and Chester Council in partnership with University of Chester student interns, highlights the significant positive impact of targeted financial support on local start-ups and micro businesses. The grants, totalling **£72,127.99**, provided essential resources for 83 businesses, fostering the creation of over 35 new ventures and more than 15 jobs. This initiative not only bolstered the local economy but also helped entrepreneurs navigate post-lockdown challenges, thereby contributing to long-term national economic recovery.

The interviews with 18 participating businesses revealed that the support facilitated crucial early-stage developments, particularly in enhancing digital presence and adopting new technologies. However, challenges such as work-life balance, cash flow, and maintaining an active online presence remain prevalent.

The additional activities and achievements of the supported businesses underscore the broader benefits of the project, including community engagement, improved management skills, and strategic partnerships. The future plans of these businesses, which include expanding employment, launching new products, and exploring international markets, reflect a strong foundation laid by the council's support.

Overall, the Cheshire West and Chester Council initiative demonstrates the transformative potential of well-targeted financial aid and mentorship, **empowering small businesses to thrive and significantly contribute to local and national economic** resilience. The positive feedback from entrepreneurs underscores the value of continued support and collaboration in fostering a robust business environment, **highlighting the positive and meaningful impact on the local community.**

## Testimonies:

### **Andrea Peers Mental Health Coach and Psychologist.**

*“The funding has been invaluable in developing brand awareness and creating an actual plan to move forward in the future.”*

### **Bloom CIC**

*“It has opened up many doors to progressing my vision and plans, and in the short term, I anticipate it will create a huge impact on the youth of the local community and hopefully expand wider with time.”*

### **Crave Coffee**

*“It was nice to be welcomed into the Cheshire West and Chester community with some grant funding that has helped us in our initial stages of the setup. I suppose with small businesses cash flow is very important and cash is always going to be squeezed during the time of a relocation. The grant funding was a lifeline for us and helped in getting us through a very difficult financial position at that time.”*

### **Dan’s Good Wood**

*“As a small business, it is hard to make a profit initially as any money that comes in is invested in the businesses, it is so crucial that the council supports people in the community who want to better themselves, thrive, and get back to the community as a small business and we wouldn’t have that spare money to invest in promoting our name. That funding has opened doors for us that we wouldn’t be able to do it alone in the next three to four years.”*

### **Edward Henry Investments**

*“The support allowed us to invest in understanding and developing ourselves. As a result of that journey, we managed to identify where we needed support and then recruit and implement systems on the back of that, and that was all aided by the grant and support given.”*

### **Pipoca Cake Studio**

*“The grant gave me the chance to be able to grow as a small business.”*

### **Kirk’s Land Agent**

*The support has been crucial, and Carol was brilliant at organising everything, the chamber start up clubs are a great support providing training that I wouldn’t find otherwise. The grant helped, in the beginning, to get me established and running with the software that is vital for my business.*

### **Quartermaine**

*“The money has helped my business develop into a new product and support my brand to be seen throughout the UK within retailers and get directed support in the area needed to grow.”*

### **Scope Out**

*“The funding has allowed us to spend more time and invest in greater resources to build our brand to a point where we are really confident in terms of pushing out to the market and acquiring new clients with a website that we are really happy with.”*

**Mattia Sartori**

*“Having access to the council grant, support, and network of professionals has proven essential to start my business up.”*

**Nexus Earth Group**

*“Being supported by the UKSPF enabled me to achieve goals I couldn't accomplish on my own, expand my network, and receive credible assistance in areas outside my expertise. Securing my first client was a significant milestone for my small business. Now, as a delivery partner for year 3, it's gratifying to see how far we've come—it's truly a full-circle moment..”*

**Glass Deva**

*“Carol has been very welcoming and informative, and the fund has been brilliant in helping me update my website, which has catapulted my business forward. I'm looking forward to next few years as we grow in profitability.”*

**Selby Rural**

*“Without the support of events and grant funding, as a start-up business, I would not be aware of the red tape and support that is now available and has been simplified. I would recommend anyone wanting to start a start-up business attend events to learn more, network, collaborate, and sit in a room with people in a similar situation.”*

**Let's Farm**

*“It has benefited us massively by helping to put us on the map. Because we were a new business starting out networking through the chamber, receiving the grant and receiving the award, brought good publicity and was good marketing, which then helped us spread the word that we are out there and exist.”*

**The Fencing Bloke**

*“The grant has helped me invest in software which has helped the company grow and improve customer satisfaction, therefore getting more customers and allowing us to serve more and better, making our lives easier.”*

**My Home Deal**

*“The grant benefited us enormously because our business is very much an online social media presence so we needed to really brush up on how we presented ourselves. Now, our digital marketer does that for us, but you know it was an expensive commodity to have that we needed to pay for. So, we started off very small, but the grant made a massive difference to us. And very quickly got our website to a point that gave us online credibility. We will continue to do that, but we wouldn't have reached that point initially without the help of the Chamber of Commerce and that grant. So, it was an absolute godsend for us.”*

**Wild Earth Online**

*“The support from the UKSPF grant has been invaluable for our business. It allowed us to invest in digital marketing and training and export consultancy which has helped us to drive our business forward and reach new markets and customers.”*

## Appendices:

Table 2. List of 25 Businesses short listed to participate

<b>Shortlisted businesses for the interviews</b>
JG Mortgage Services Ltd
Lavamac Limited
Craig Hutchinson Garden Services and Maintenance
Spectra Media Group Ltd
Hollie & Co
The Mobile Bike Mechanics
Equicantis
My Home Deal Ltd
The Fencing Bloke Ltd
Crave Coffee
Let's Farm
Edward Henry Investments Ltd
Selby Rural LLP
Glass Deva
Mattia Sartori
Pipoca Cake Studio
Andrea Peers Mental Health Specialist
Dans Good Wood Shop
Scope Out Limited
Bloom Collaborative CIC
Kirk's Land Agents
Nexus Earth Ltd.
Quartermaine
Wild Earth online
Phoenix Florals

Table 3. Table of outcomes per businesses

Businesses	Increased sales	New customers	New suppliers	New business relationships	Improved profitability	Improved knowledge of access to other sources of support	Raised awareness of Net Zero	Inclusive employment	CSR	Business Visibility
1			X	X	X	X			X	
2				X	X	X			X	
3				X		X				X
4	X	X	X	X						X
5	X	X	X	X		X	X			X
6	X			X						X
7				X		X	X		X	
8	X	X		X	X	X				
9	X	X		X	X				X	
10	X	X		X	X	X			X	X
11	X	X	X	X	X	X	X		X	X
12	X	X		X	X	X	X			X
13	X	X		X	X	X			X	X
14				X	X			X		
15	X	X		X	X	X	X		X	
16						X		X	X	
17	X	X		X	X	X				
18	X	X		X	X	X			X	X
<b>Total</b>	<b>12</b>	<b>11</b>	<b>4</b>	<b>17</b>	<b>12</b>	<b>14</b>	<b>5</b>	<b>2</b>	<b>10</b>	<b>9</b>

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