

**Marches Graduates for Business  
Knowledge Intensive Sectors  
Evaluation 2015  
Covering the Marches LEP area**



**Sue Rawlings & Pauline Heffernan  
July 2015**



EUROPEAN UNION  
Investing in Your Future  
European Regional  
Development Fund 2007-13



<b>CONTENTS</b>	<b>PAGE</b>
Executive Summary.....	3
1. Introduction.....	6
2. Background.....	7
3. Economic Context of LEP area.....	9
3.1 Marches LEP Strategic Economic Plan.....	9
3.2 Statistical Information.....	10
4. Scheme management details.....	12
4.1 The structure and processes of the scheme.....	12
4.2 Views of the Steering Group members.....	12
4.3 Accountable Body role.....	13
4.4 Project Management Systems.....	13
5. Impact of the financial assistance packages.....	14
5.1 Views of businesses and graduates.....	14
6. Financial commentary: value for money indicators, maximising public funding.....	16
6.1 Expenditure.....	16
6.2 Outputs and outcomes.....	17
6.3 Value for money.....	17
7. Best practice.....	19
8. Likely future demand.....	20
8.1 Potential demand from businesses.....	20
8.2 Forthcoming University.....	20
9. Conclusions.....	21

Appendix I Contributors to the Research

## Executive Summary

Project	Marches Graduates for Business
Time period	January 2013 - June 2015
Areas covered	Shropshire, Herefordshire and Telford & Wrekin
ERDF value	£444,913
Nos. of businesses supported	53
Range of grants available	£3,240 - £9,477

## Introduction

RHCS conducted this evaluation of Marches Graduates for Business (MGB) (otherwise known as Growing Talent) in June 2015. Within the confines of a very restricted budget, allowing limited consultancy activities, RHCS has largely conducted desk research, considering various documentation provided by Shropshire Council. It has also requested feedback from Steering Group members, the Appraisal Panel and the Project Officer.

The project was to provide free recruitment services and support to companies; stressing the benefits of recruiting graduates with fresh ideas and skills which could aid innovation. Targeting SMEs and providing financial support (45% towards salary costs and 45% of the employers NI contribution) was felt to be an effective route to raising awareness amongst eligible SMEs.

Some £214,913 (Priority 1) European funding was secured in January 2013, to be matched to £36,094 public sector funding, with a further £178,819 to be sought from the private sector: a total project value of £429,826. DCLG approved additional funding (of some £230k) in September 2013 to extend the benefitting area to encompass the whole of the Marches. Outputs were increased accordingly with a further 30 placements (10 per Local Authority area) required. The project was funded until June 2015.

## Key findings

- Those involved felt that the project had achieved its objectives in terms of helping SMEs to access graduates and in supporting graduates to get jobs.
- There had been a quick turnaround of applications with good support from the project officer, but high levels of bureaucracy, in terms of claiming requirements once project approved.
- When considering partnership, the general feeling was that it had worked well, with liaison with Shropshire Council working well throughout the project. There was clarity about roles and good relationships developed.
- 69% of funding has been spent in Shropshire where 27 companies benefited.
- 53 SMEs supported with 45 graduates having placements and 23.5 jobs created to date, the majority being in Digital Media.
- It has been difficult to comment on wider added value (due to suitable data being unavailable) or additional leverage/Private Sector Investment generated – including

increased turnover for companies – one of key aims. However, anecdotal comments made by companies as part of the review process clearly show such benefits. Additionally, the project has outperformed the jobs created figure, testament to companies clearly recognising the value such calibre employees can bring to a company.

- It was said, wider eligibility, other than restricting to knowledge intensive sectors, would have been beneficial. However, this was not possible due to ERDF Priority 1 restrictions, in terms of supporting growth in target sectors and markets.

## Expenditure & Outputs

A re-profiled revenue of £588,608 was allocated to the project in March 2015, of which £470,375 was for graduate placements. At the time of writing, current total commitments for the project are £582,150, of which an estimated £462,825 is for graduate placements. (These figures are yet to be finalised by Shropshire Council’s Finance Department.)

Private sector investment generated so far by the project equates to £255,908 – representing 50% of the cost of employing the graduates.

The following table shows the target outputs against the achievements to date:

Outputs	Original Target	Revised Target	Achieved	%
Businesses Assisted	74	42	53	126%
Graduates Placed	67	40	45	113%
Jobs Created	7	17	23.5	138%

As can be seen, all categories are on target to overachieve, however, it must be borne in mind that jobs created need to still be in existence twelve months following their establishment to fully meet the output criteria. Given such jobs are subject to the vagaries of market conditions, there is no guarantee at this stage, as to their sustainability.

## Key Conclusions

- Based on the reduced achievement targets, MGB has met the revised output figures and is in within 98% of achieving full spend.
- Given the data being collected and available, it is not possible to comment on the size of businesses being supported. However, research confirms that the sector deriving most benefit is Digital Media with other sectors, within the knowledge intensive sector, benefitting to a lesser degree.
- There have been some comments, albeit anecdotally, that other sectors are in equal need of graduate input and the scheme would have benefitted from broader eligibility.
- Whilst the project initially shows a relatively high cost per job indicator, it must be borne in mind that this is not simply a normal job creation scheme, but actually

---

contributes towards a placement for 6 months. On this basis, the cost per job is not unreasonable when compared with other similar schemes.

- v. The project wished to address the dual issue of lack of jobs available for graduates, and the unwillingness of SME's to access graduate talent because of the cost and risk factors. It has undoubtedly managed to achieve this – certainly for over 50% of the participating graduates and over 40% of the businesses.
- vi. Comments received from companies confirm that they believe graduate placements have undoubtedly led to increasing sales and improving productivity. The overachievement of jobs created, at the time of writing, suggests the project has clearly delivered benefits to the area.
- vii. Partnership within the project appears to have worked well, with good working relationships established, including with participating businesses.
- viii. The original exit strategy for the project was never that it would become self-sustaining without public funding. However, it was recognised that there might be an opportunity to continue brokerage activity post the funding. Given the Project Officer has recently left the Council, this is now unlikely, however, with the development of the Growth Hub in the Marches area, there is potential to continue to offer advice and support through generic business advice.

## 1. Introduction

A consortium of three Shropshire Based consultancies was appointed in May 2015 to undertake the evaluation of Marches Financial Assistance & Business Support Schemes – this Report is the evaluation of the Growing Talent in Shropshire’s Knowledge Intensive Sectors (hereafter called Marches Graduates for Business - MGB) – one element of those support schemes.

The purpose of the commission to evaluate the range of the Marches Financial Assistance Schemes, as stated in the original invitation to quote, was to enable the partners to:

- Understand whether each of the schemes is meeting the needs of the businesses, including the different LEP growth sectors;
- Understand the performance of the schemes against its target spend and outputs;
- Inform the delivery of financial assistance schemes to businesses in future funding programmes;
- Provide robust information to include in any application for funding, presentations, PR and marketing materials;
- Disseminate the information to the wider public as a legacy of the schemes;
- Learn any lessons that the schemes highlight, especially in relation to the delivery of financial assistance schemes in the future.

Specifically in relation to the Marches Grads for Business Scheme, evaluators were asked to:

- Assess the performance of the scheme against its target expenditure, outputs and results;
- Assess the sector and size of the businesses supported through the scheme;
- Consider the limitations of the scheme only being available to the knowledge intensive sectors;
- Evaluate the effectiveness of the project and whether value for money (cost of managing the project against the impact of the project) has been achieved
- Review the initial conditions and issues the project wished to address;
- Evaluate the impact and perceptions of the end beneficiaries – Growth, increase sales, improved productivity and new jobs created;
- Consider the way the partnership has worked within the context of the project;
- Assess the sustainability of the project’s exit strategy.

Within the confines of a very restricted budget, allowing limited consultancy activities, RHCS has largely conducted desk research, considering various documentation provided by Shropshire Council. It has also requested feedback from Steering Group members, the Appraisal Panel and the Project Officer.

A total of 10 stakeholders contributed directly to this evaluation.

## 2. Background

2.1.1 The aim of the project is to increase the receptiveness and interest within Shropshire's growing knowledge intensive sectors to recruit graduates. Submitted under Priority 1:

### Stimulating Enterprise and Supporting Growth in Target Sectors and Markets

The project was to provide free recruitment services and support to companies; stressing the benefits of recruiting graduates with fresh ideas and skills which could aid innovation. Targeting SMEs and providing financial support (45% towards salary costs and 45% of the employers NI contribution), the project offered a series of interventions, noted below.

- Providing an incentive scheme offering funding to enable eligible SMEs to employ graduates for periods of 2 to 12 months
- Raising awareness of opportunities available to eligible SMEs through Knowledge Exchange and Enterprise Network (KEEN) and other initiatives
- Working on behalf of SMEs to find and recruit suitable graduates
- Enhancing the reputation of Shropshire as a work destination for graduates seeking employment within the knowledge intensive sectors
- Improving the understanding of the issues that prevent SMEs from recruiting graduates

Some £214,913 European funding was secured in January 2013, to be matched to £36,094 public sector funding, with a further £178,819 to be sought from the private sector: a total project value of £429,826. The project was funded until June 2015. The original funding was to deliver 74 businesses assisted, 7 jobs created and 67 graduates placed into qualifying SMEs.

NB: Steering Group minutes of June 2013 confirm discussions were held on extending the benefitting area to include the Marches, rather than Shropshire alone. Subsequently, minutes of September 2013 state that DCLG was due to confirm an additional £30,000 for Shropshire plus £230,000 for Telford & Wrekin and Herefordshire. Additional funding was to support a further 10 placements in each Local Authority area.

2.1.2 The project was developed by Shropshire Council in response to an identified need to encourage companies to recruit graduates, in line with Priority 1 regulations. It had long been recognised stimulating graduate employment could be a key driver in improving local economies and business performance. Initially, it was planned that the graduates would be employed by Shropshire Council and seconded to businesses, however this was ultimately discarded due to rules on project income.

2.1.3 The project application was based on research which had found that businesses were loathe to pay full salary to graduates who might be in need of further training before being of full use to businesses. The research found that whilst there was a willingness to recruit graduates and an understanding of the need to retain graduate calibre young people, the risks outweighed the possible benefits.

- 
- 2.1.4 The scheme also planned to address concerns on the graduate's side, where 69% felt there was shortage of suitable employment outside urban areas. By increasing such opportunities, the aim was to prevent young graduates leaving the area given seven out ten were found to be willing to move anywhere for the right job.
- 2.1.5 Existing graduate schemes, Graduate Advantage and Step, had evidenced that there had been very little take up from Shropshire in terms of companies being prepared to engage with graduate placements. This project aimed to help rectify this situation.

### 3. Economic Context of LEP area

It is useful to consider the economic backdrop against which Financial Assistance Projects have been delivered. This will allow to the evaluation to consider the performance of the grant programme under consideration.

The following is a short summation of strategic documents and statistics considered.

#### 3.1 Marches LEP Strategic Economic Plan, Accelerating Growth though Opportunity

The Plan reflects on the strengths of the area, including the three urban powerhouses of Hereford, Shrewsbury and Telford, allied to the breadth of rural villages which span the Marches. It comments of the importance of SMEs plus larger businesses driving economic growth. It is proud of its heritage and recognises both the opportunities and challenges of being one of the largest LEPs in the country, covering some 2,300 square miles. The Plan articulates a clear vision for the Marches LEP of *“a strong diverse and enterprising business base, operating in an exceptional and connected environment where the transfer of technology and skills foster innovation, investment and economic growth”* It also identifies the following as strategic priorities:

- Supporting Business
- Physical infrastructure
- Skills investment
- Low Carbon Economy
- Social Inclusion

It states market failures which need to be addressed by future investment as:

- A lack of critical mass to drive economic activity
- Lack of identity and appeals to investors
- Limited university offer or graduate jobs leading to a loss of the younger, highly skilled generation
- Low levels of R & D and commercialisation
- Poor virtual and physical connectivity

It further notes barriers to growth as:

- Stalled housing and employment sites
- Transport
- Broadband connectivity
- Skills Gap

It highlights the opportunities which need to be exploited as, the “large amount of ready to go land”, the Marches Urban Centres – the so called powerhouses, its existing business base, the Marches as an attractive investment area, the fact that I is well located and that the LEP has plans in place for a “world class, highly skilled workforce

The Plan gives an overview of the preferred solutions to the challenges given above.

These are based around:

- Speed up delivery on “ready to go” land
- Speed up housing completions
- Invest in infrastructure
- Support SMEs and encourage the entrepreneurial business environment\*  
     Here it makes clear the intention to establish a bespoke Growth Hub model within the Marches.
- Retain major employers and attract further investment
- Create a skills framework to deliver the best people for employment

The Plan states the key business sectors as being:

- Advanced Manufacturing
- Agri Technology
- Automotive Manufacturing
- Defence & Security
- Environmental Technologies and Services
- Food & Drink
- Tourism (Visitor Economy)

### 3.2 Statistical Information

All figures below are taken from NOMIS and provide an overview of the LEP areas compared to the West Midlands

#### 3.2.1 Rate of economic activity 2014

	<b>Marches LEP</b>	<b>W Midlands</b>	<b>G B</b>
	%	%	%
Economically Active	79.5	75.3	77.3
Economically Inactive	20.5	24.7	22.7
Of which wanting a job	29.5	21.4	25.0
Of which not wanting a job	70.5	78.6	75.0

### 3.2.2 Employment by Occupation 2014

	<b>Marches LEP</b>	<b>W Midlands</b>	<b>G B</b>
Occupation	%	%	%
Managers, Directors & Senior Officials	10.5	9.2	10.2
Professional Occupations	17.4	18.2	19.7
Associate Professional & Technical	12.7	12.6	14.1
Administrative & Secretarial	8.6	10.4	10.7
Skilled trades Occupations	13.4	11.6	10.7
Care, Leisure & Other service	9.9	9.7	9.2
Sales & Customer Service	7.6	8.0	7.8
Process, Plant & Machine Operatives	6.5	7.6	6.3
Elementary Occupations	12.9	11.9	10.8

### 3.2.3 Qualifications 2014

	<b>Marches LEP</b>	<b>West Midlands</b>	<b>G B</b>
	%	%	%
NVQ 4 and above	31.4	29.4	36.0
NVQ 3 and above	54.6	50.1	56.7
NVQ 2 and above	72.4	67.4	73.3
NVQ 1 and above	85.5	79.9	85.0
Other qualifications	6.1	7.0	6.2
No qualifications	8.4	13.2	8.8

**Note:** The differences within The Marches LEP area are noticeable, with a marked contrast between the more rural economies of Herefordshire and Shropshire and the industrial base of Telford and Wrekin. In the latter, for instance, manufacturing employment accounts for 17.6% of total employment compared with 10.3% in Shropshire.

## 4. Scheme management details

### 4.1 The Structure and processes of the project

- 4.1.1 A Project Board/Steering Group was set up to provide strategic direction and make decisions about applications appraised. In addition, it monitors expenditure and outputs of the scheme.
- 4.1.2 Membership of the Group comprises representatives from the three councils in the Marches area (Shropshire, Telford and Herefordshire), Department of Works and Pensions (DWP), training organisations and the private sector. Meetings are held on a quarterly basis.
- 4.1.3 An appraisal panel was also set up to review applications and make recommendations to the Steering Group. This also comprised representatives from each of the Councils, plus one from DWP.

### 4.2 Views of Steering Group members

- 4.2.1 As part of this evaluation, members of the Steering Group and Appraisal Panel were invited to comment on the project, specifically:
- Do they believe the programme has achieved its objectives and what impact do they think it has had?
  - Do they know what has worked well in delivery and are there any examples of best practice?
  - What have been the main challenges associated with the programme – delivery or administrative?
  - How effective has partnership working been?

We received comments from 7 individuals – a 54% response rate.

- 4.2.2 In terms of Marches Grads for Business (MGB) achieving its objectives and its impact, all respondents felt its objectives had been met, in terms of enabling small businesses to understand the benefits of recruiting graduates and raising awareness of local talent. Some also commented that it has had an impact upon the businesses and individuals, although others felt it was too early to truly state the impact in the wider sense.
- 4.2.3 It was commented, that a quick turnaround of applications was a positive for the project, and that the skills of all involved led to elements of best practice. Mention was made of the excellent work of the project officer, with a small central team giving it the personal touch – especially when businesses struggled with the bureaucracy.
- 4.2.4 Some challenges commented upon included finding recruits for certain sectors and meeting the expectations of some employers. Clearly, there have been some issues with regard to ensuring consistently high quality graduates.
- The difficulties around collecting evidence from businesses was mentioned and the need for more time in setting up the processes in the first instance – particularly around communicating with potential businesses.
- 4.2.5 When considering partnership, the general feeling was that it had worked well, with liaison with Shropshire Council working well throughout the project. One member commented that the members just got on with it. There was clarity about roles and good relationships developed. There were sometimes issues but these tended to be simplistic and generally about attendance at meetings.

### 4.3 Accountable Body Role

- 4.3.1 Shropshire Council undertook the role of Accountable Body. The Council has advised that feedback from participating companies has been, in the main, positive, saying that the process for payment and so on has been smooth and effective. One or two comments were received that there was onerous paperwork and delays in payment, however these were in the minority.

It was acknowledged that the requirements for proving National Insurance payments were difficult. A comment was made that, with the benefit of hindsight, it would have been better to have a slightly higher intervention rate (perhaps 50%) but only pay towards the net salary rather than include National Insurance contributions. This would have been far easier to administer and gather evidence.

### 4.4 Project Management Systems

- 4.4.1 A clearly defined process was set up to manage MGB. Enquiries are generated through a range of networks and marketing/public relations: those received are initially checked for eligibility by a designated officer in each of the counties, and if eligible are supported to complete their applications.
- 4.4.2 Applications are submitted to Shropshire Council as the Accountable Body and then put forward to the Appraisal Panel. Shropshire Council then collates the recommendations from the Panel and acts upon their recommendations. Once approval is given, the vacancy is advertised and the graduates interviewed simultaneously as a vetting visit is carried out at the business premises – this had the effect of reducing travel and administration costs. Thorough, initial checks were conducted in the first instance by checking the business's web site and reputation online, and by asking relevant questions to check the business would be eligible before they even applied. Guidance and advice was given, when necessary, in cases where the graduate was going to be their first employee and as such the business needed to purchase employer's liability insurance and ensure contracts were in place. As a result of the initial checks, there was increased certainty that the business would meet the requirements and standards assessed at the vetting visit, but these were always conducted in person to witness first hand that all requirements were being met before the graduate started and before any funds were awarded.
- 4.4.3 Once the graduate is appointed and starts in post, a 2 week placement visit is undertaken to check on progress. Businesses are able to submit monthly claims to Shropshire Council. Reviews are undertaken at the 3 month and 6 month period with a final questionnaire completed at the end of the placement.
- 4.4.4 There have been some issues with regard to delays in recruiting graduates, at times taking up to four months to recruit – leading to delays in the project generally as a result. It was commented that it might have been more effective to have made it a requirement for the businesses to find an eligible graduate before they applied for the grant. This aspect used up a great deal of administrative time and resource – particularly given some businesses received up to 80 applications.

## 5. Impact of the financial assistance packages

### 5.1 Views of Businesses and Graduates

5.1.1 Initial reviews – these were all returned with extremely positive feedback. There is obviously a recognition that it is very early days in terms of the placements, with less than one month passed at the time of review (some were outside the two week timeframe mentioned above). A total of 14 initial reviews were available for viewing.

5.1.2 3 month reviews – 34 reviews were available in the file for perusal. The vast majority of reviews were extremely positive, with several companies expressing their desire to further employ the graduates if the opportunity/resource allows. Many commented on the fact that the graduate had improved their turnover and sales opportunities.

One respondent commented that their second graduate was settling in well, although they were in the middle of a tribunal with their first graduate: this would appear to be testament to the benefit from MGB, given they had recruited a second graduate. Another business had asked if a second graduate could be placed with them, following their first leaving for a better job: it would appear from the monitoring that this request had not been agreed due to a lack of funding availability.

5.1.3 6 month reviews – 21 reviews were available in the file for perusal. Again feedback from employers was largely very positive. Two companies stated they would be offering permanent positions to the graduates – and went on to do so; three companies said they wanted to employ them, but to date this has not been confirmed.

5.1.4 9 month reviews – 12 reviews were available for consideration. Again, mostly positive comments were received. 4 companies wished to continue employment at the end of the project, of these 1 so far has done so. An additional 3 did not refer to potential permanent positions, but ultimately did employ their graduates.

It is interesting to note some of the comments made company representatives:

XXXX has exceeded all our expectations....he has assisted other less technologically committed personnel to adopt new systems....this has proved to be a significant money earner....

We have noted that the sales turnover doubled compared to the beginning of last year, we have been twice as much as when she started.....

Occasionally a company makes an appointment that exceeds expectations and has the potential to have a significant impact on the medium term growth and success of the business. XXXX has shone as an individual and is making an economic contribution to the business.

One respondent commented on the onerous nature of paperwork needed to get claims successfully through the finance department at the council.

- 5.1.5 Completion questionnaires – 18 completion questionnaires were available in the file. Unlike the previous review periods, these were submitted on a specific form – previously, most responded with a straightforward e mail. The form provided space for feedback from the employer and the graduate. Very few actually had feedback from the graduate, and in several cases, the employer had completed this section.

All 7 companies which are recorded as creating the jobs on the Project's claim forms responded to the questionnaire. Feedback was generally positive about the graduate and the project itself. Several companies commented that they would not have taken on a graduate without the input of MGB. One or two did raise their concerns about the level of bureaucracy within the project but they were in the minority. Several would have liked to have the opportunity to take part in the project again.

## 6 Financial commentary: value for money indicators, maximising public funding

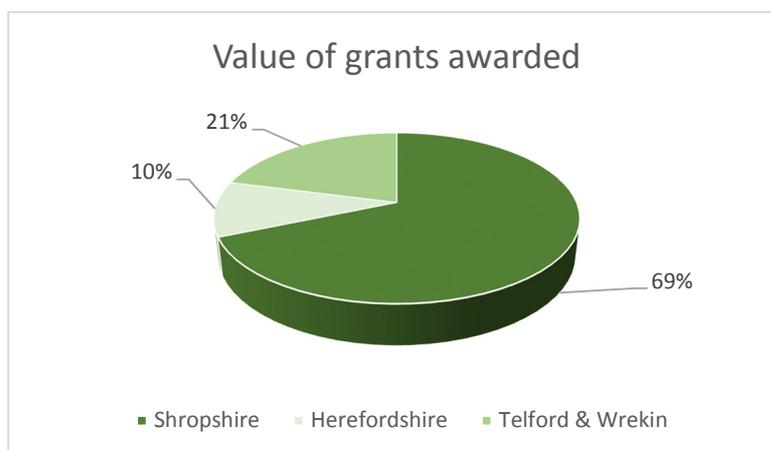
### 6.1 Expenditure

6.1.1 The original revenue committed to the project was £955,000, of which £828,235 was for graduate placements.

A re-profiled revenue of £588,608 was allocated to the project in March 2015, of which £470,375 was for graduate placements. At the time of writing, current total commitments for the project are £582,150, of which an estimated £462,825 is for graduate placements. (These figures are yet to be finalised by Shropshire Council's Finance Department.)

The revenue claimed through grant claims was less than predicted in March due to not all businesses claiming their employers NI contributions as the government £2,000 employers NI relief, meant that some businesses did not have to pay a part of it. A small number of graduates also left their employment before the end of the funded period so not all businesses claimed their full allocated grant amount. It is likely that this underspend will increase slightly as some businesses will not be claiming their full allocation due to the government NI relief.

6.1.2 Of the funding awarded, the split by value across the geographical areas was as follows:



It is notable that Shropshire received the greatest value of grants awarded – also the highest number with 27 companies benefitting. Herefordshire received the lowest number – only 5 with the smallest overall value of the counties. It should be noted that Telford & Wrekin and Herefordshire joined the project at a later date, which may be a contributory factor to the lower number of grants.

## 6.2 Outputs and outcomes

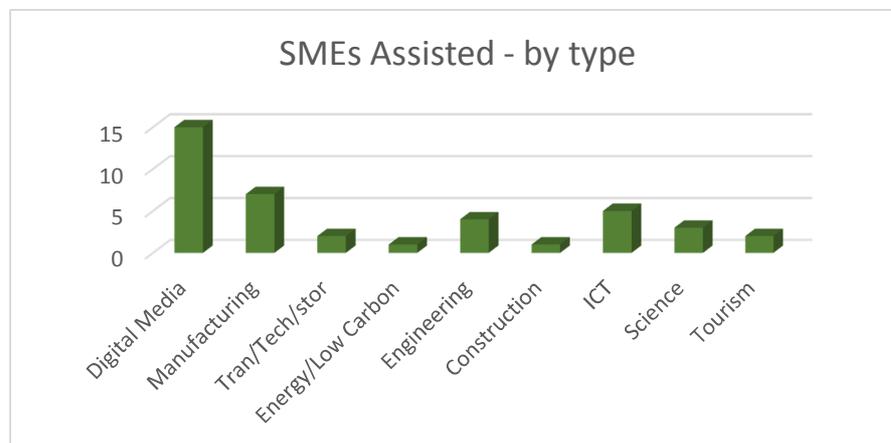
The following table shows the target outputs against the achievements to date:

Outputs	Original Target	Revised Target	Achieved	%
Businesses Assisted	74	42	53	126%
Graduates Placed	67	40	45	113%
Jobs Created	7	17	23.5	138%

As can be seen, all targets are on target to overachieve, however, it must be borne in mind that jobs created need to still be in existence twelve months following their establishment to fully meet the output criteria. Given such jobs are subject to the vagaries of market conditions, there is no guarantee at this stage, as to their sustainability. However, given the rate of over achievement in the Jobs Created figure, particularly against the initial target, this would suggest graduates had clearly “proved their worth”, with businesses able to identify their contribution and act accordingly.

Private sector investment generated so far by the project equates to £255,908 – representing 50% of the cost of employing the graduates.

The following graph shows the breakdown of SMEs assisted by type:



As can be seen, the highest number related to Digital Media, with manufacturing, ICT and Engineering showing other reasonable numbers.

## 6.3 Value for Money

Given the above figures show that, potentially, the project has exceeded its targets for jobs created and businesses assisted, there is every indication that it has provided good value for money. With an over-performance (subject to ratification in due course) in its two main outputs, the project has delivered more than it set out to do for the level of funding.

However, if one looks simply at cost per job, this has proved to be a relatively high figure: some £13,883, but bearing in mind this includes the cost of a 6 month placement and combine this with the added value of a graduate placement and work experience, it becomes a much more reasonable figure.

However, it is difficult to comment with any confidence, based purely on evidence provided, on the wider benefits which may have accrued to graduate participants. It is unclear how many have, or will, progress to jobs elsewhere based on the genuine work experience gained as a result of MGB. Whilst anecdotally companies have commented on improving turnover as a result of increased staffing capacity, evidence of this nature has not been sought as it was outside the original remit of the scheme.

## **7 Best practice**

It is unclear if best practice has been established from this project, however, it has undoubtedly developed an innovative means of providing graduate placements for companies that would otherwise not have been in a position to take on a graduate, despite the benefits that could be accrued. These benefits have clearly been derived by many of the businesses involved if not clearly evidenced. The increased job creation rate noted at 6.2, is testament to this fact.

The placements have resulted in improvements to the businesses in terms of innovative practices and ways of working, plus increased turnover and, ultimately, profit. Whilst, the value of this has not been quantitatively captured to provide a measurement of the impact, comments noted at 5.1.4, confirm the same.

Additionally, it has long been an aim to retain graduate calibre candidates in the County; it remains an objective in the current LEP Strategic Plan. Therefore MGB has gone some way to ensuring suitable jobs are available as an incentive to graduates.

## **8 Likely future demand**

### 8.1 Potential demand from businesses

It is clear from the level of uptake of these opportunities, that there has been significant demand for the service provided. In terms of future demand, a number of companies, as part of their feedback confirmed they would be keen to have further opportunities to have another supported graduate placement. Unfortunately this was difficult due to the restrictions of the scheme, but nonetheless a frequent request – a business could not apply for funding for a placement if they had employed a graduate in the previous two years, and many of those who wanted a second placement were those who offered permanent positions to their first placement.

### 8.2 Forthcoming University

It is also worth noting the establishment of a university for Shropshire, currently being developed with Chester University. This will mean access to a greater pool of graduates in Shropshire, for whom work experience and opportunities for placements will be vital. There is the opportunity to consider under-graduate placements here too, where many degree courses work on the basis of a period working within industry/business to enhance the skills as part of a degree course. Given the University has a planned launch later in 2015, the pool of local graduates, will be sometime hence.

## 9 Conclusions

- 9.1. As stated at 5.2 above, based on the reduced achievement targets, MGB has met the revised output figures and is in within 98% of achieving full spend.
- 9.2. Comments received from companies confirm that they believe graduate placements have undoubtedly led to increasing sales and improving productivity. The overachievement of jobs created, at the time of writing, suggests the project has clearly delivered benefits to the area.
- 9.3. Given the data being collected and available, it is not possible to comment on the size of businesses being supported. However, research confirms that the sector deriving most benefit is Digital Media with other sectors, within the knowledge intensive sector, benefitting to a lesser degree.
- 9.4. There have been some comments, albeit anecdotally, that other sectors are in equal need of graduate input and the scheme would have benefitted from broader eligibility.
- 9.5. Whilst the project initially shows a relatively high cost per job indicator, it must be borne in mind that this is not simply a normal job creation scheme, but actually contributes towards a placement for 6 month. On this basis, the cost per job is not unreasonable when compared with other similar schemes.
- 9.6. The project wished to address the dual issue of lack of jobs available for graduates, and the unwillingness of SME's to access graduate talent because of the cost and risk factors. It has undoubtedly managed to achieve this – certainly for over 50% of the participating graduates and over 40% of the businesses.
- 9.7. Partnership within the project appears to have worked well, with good working relationships established, including with participating businesses.
- 9.8. The original exit strategy for the project was never that it would become self-sustaining without public funding. However, it was recognised that there might be an opportunity to continue brokerage activity post the funding. Given the Project Officer has recently left the Council, this is now unlikely, however, with the development of the Growth Hub in the Marches area, there is potential to continue to offer advice and support through generic business advice.

**Appendix I Contributors to the research**

Name	Organisation
Lyndsay Francis	Herefordshire Council – Economic Development Officer
Amanda Gosling	Shropshire Council – Project Officer
Louise Harding	Telford & Wrekin Council – Business Skills Development Officer
Michelle Hodgkiss	Shropshire Council – Accountancy Assistant
Marcel Lecocq	Dept for Work and Pensions – Employment Adviser
Elaine Miller	Telford & Wrekin Council - Work Experience Health and Safety Co-ordinator
Mark Simpson	Shropshire Council
Colin Thaw	SBC Training
Sam Williams	Shropshire Council – HR Manager