

EAMA GRASSROOTS SURVEY

GRANTS – PERCEPTION AND USE OF THE UK REGIME

VIEWS FROM COMPANIES IN MECHANICAL ENGINEERING

EAMA comprises seven associations:

- British Automation and Robot Association (BARA)
- British Paper Machinery Suppliers Association (BPMSA)
- British Turned Part Manufacturers Association (BTMA)
- Gauge and Toolmakers Association (GTMA)
- Manufacturing Technologies Association (MTA)
- Printing, Publishing and Converting Suppliers Association (PICON)
- Processing and Packaging Machinery Association (PPMA)

June 2006

“Grants support has been extremely helpful in enabling us to attend key overseas exhibitions and develop niche markets.”

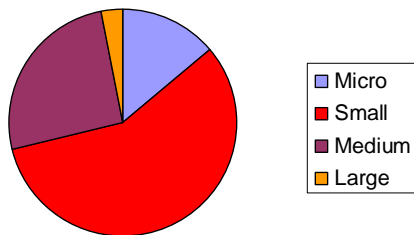
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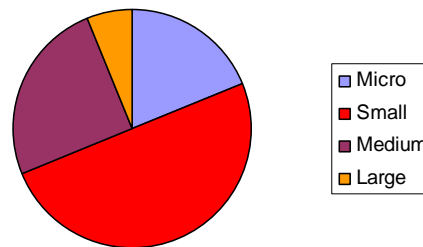
Executive Summary

1. Three-fifths of firms have applied for a grant in the last 10 years. Two-thirds of them had applied more than once.
2. Successful applications are typically the preserve of the micro or small firm (71%). Small firms account for a larger proportion of successful applications than their share of the sample (57% and 50% respectively)

Successful last time

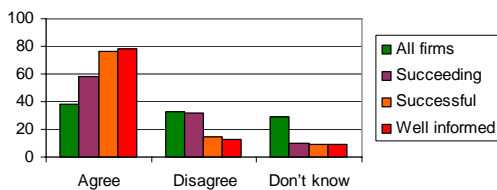


Firms responding by number of employees

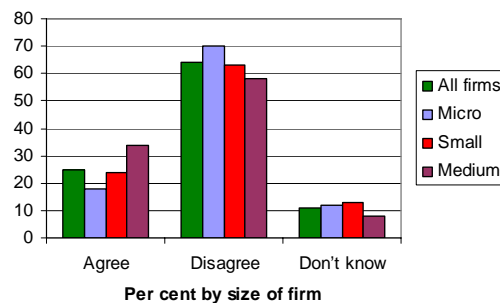


3. Grants clearly affect behaviour. Three-quarters of the firms that regard themselves as successful in applying for grants, say that they would not have proceeded without the grant. That view is even more widespread amongst firms that consider themselves 'well informed'. Firms that would go ahead without the grant tend to be firms that are less successful in their applications.

Would not go ahead without the grant

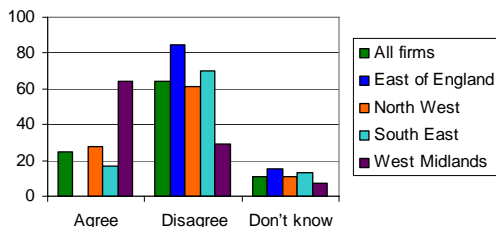


Well informed about grants

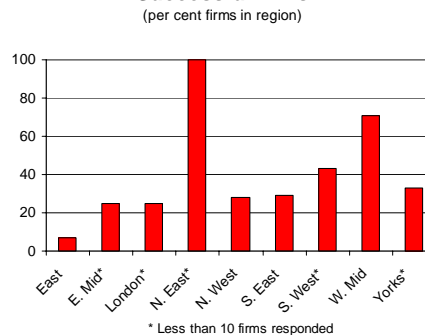


4. The overwhelming majority of firms don't believe that they are well informed. This holds true across all sizes of company; and most regions, except for firms in the West Midlands where over 60% of firms class themselves as well informed.

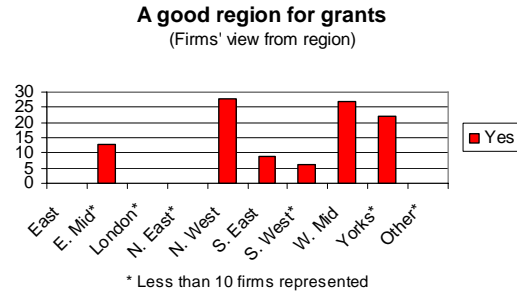
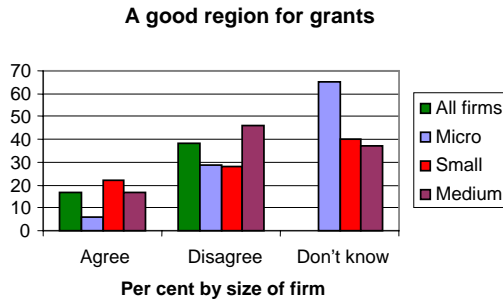
'Well informed'



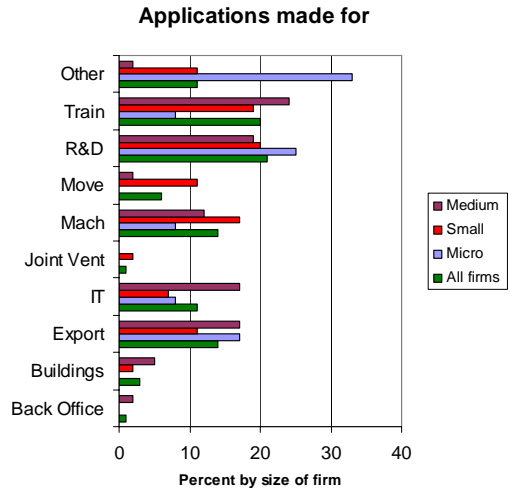
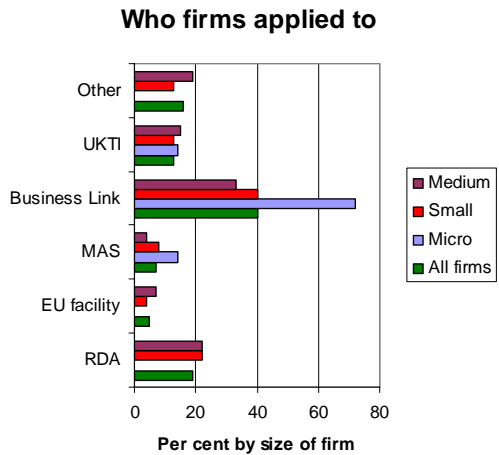
Successful firms



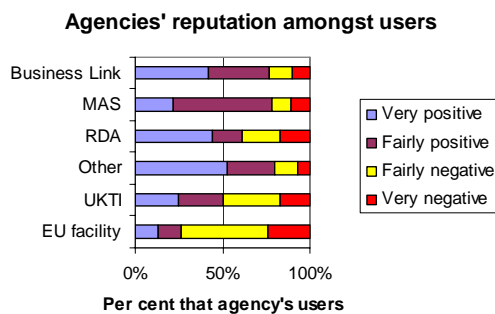
- Based on their own assessments as SME manufacturers, a firm is more likely to be successful in applying for a grant in the West Midlands, the South-West or Yorkshire and less likely to succeed in the East of England or the South East regions.
- Most participants did not think that the region they are in is good for grants. Only the North West (28%) and the West Midlands (27%) regions received a positive vote from more than a quarter of the firms in their regions.



- All the others including the South East, which is statistically the UK's biggest manufacturing region, received no or at best very limited endorsement.



- Most applications are made through Business Link. With 40% of all applications made, Business Link's assistance covers nearly as many firms as the RDAs, UKTI, MAS and EU combined.
- The most popular applications are for R&D (21%) and training (20%) followed by exporting and machinery (both 14%)
- Business Link and MAS were most positively rated, UKTI and EU most negatively. The RDAs somewhere in between



Conclusions and recommendations

Conclusions

1. The grant regime is seen as very complex. Many firms feel that they need help in making applications.
2. A consultancy industry has developed to help firms deal with this apparent complexity.
3. A majority of firms that class themselves as well informed use consultants (55%). However, firms that don't use consultants tend to be more successful than those that do.
4. While over a third of firms said that they paid their consultants less than 4% of their grant in fees, over a quarter paid 20-29% of the grant to their consultant.
5. Many firms having used consultants don't feel that they are 'money well spent'.
6. Firms of all sizes are not well informed about grants and their availability.
7. Grants affect behaviour.
8. So much so in fact that according to one measure, over half the export, IT, machinery, R&D and training activities covered by this survey would not have been realised without the grants.
9. In this survey the West Midlands stands head and shoulders above the others. Firms from that region record high success rates and have a clearly superior level of knowledge about grants and their availability which must in part at least be down to the RDA and the information it makes available. (While it may be true that the region has some historic advantages as a centre for manufacturing in the UK, it did not return the highest number of respondents to the survey; there were more participants from SEEDA and the North West).
10. Again in this survey, Business Link scores well, significantly better than UKTI and the EU and ahead of MAS and the RDAs.
11. The data indicate some erratic delivery from one region to another.
12. Unsolicited responses in favour of agencies not listed in the questionnaire were grouped under 'other'. This group comprising trade association PICON and DTI market support as well as some devolved administrations outperformed all the others.

Recommendations

1. The regime should be simplified so that consultants aren't needed to fill out applications.
2. This would make the whole system more cost efficient. Less money would be siphoned off to consultants (which is not the purpose of the system, but is an unintended consequence of complexity).
3. To make best use of the system, applicant companies need to be better informed and therefore better able to judge what is available and what is relevant to them.
4. To achieve this, RDAs and other agencies should simplify their guidance and publicise their offer in a more closely targeted way so that companies are clear where they can go to get the information they want. (And that they don't receive grant publicity for which they ultimately turn out to be ineligible.)
5. West Midlands' practice may be useful in this.

Vox pop

(company size, region)

Grants are useful

“Grants support has been extremely helpful in enabling us to attend key overseas exhibitions and develop niche markets. Admin through the RDA considerably simplifies the process.”

(medium, North West)

“As a business we are very R&D focused with an emphasis on training. This fact plus being an SME in an Objective 2 area facilitates applications.”

(medium, Yorkshire)

“We are in an Objective 1 Region. This is good for R&D, but it’s not good for export. Objective 1 Liverpool offers substantial grant aid for exporters, e.g. pays for stand space, 100% flights/hotels. Their process is also quicker and simpler than ours in Wales.”

(small, South Wales)

“We have never applied for a grant before, but will do soon because we are relocating.”

(small, Yorkshire)

“We had modest assistance with support to obtain ISO 9001”

(small North West)

“We have mainly been successful in partnership with Business Link advisors.”

(small West Midlands)

“Grants are welcome, if we can get them!”

(micro, London)

Grants are a bit of a lottery

“For my company in London, it’s a postcode lottery. We can’t even get grants for high tech training.”

(small, London)

“We cannot apply for many grants because of our location. Five miles down the road would be OK.”

(small, Yorkshire)

“Grants and their impact in other regions aren’t relevant to a business such as ours as we export over 90% of our equipment.”

(medium, East England)

“Grants offered to my competitors overseas affect my competitiveness. I need similar treatment here.”

(medium, Scotland)

“We did discuss this with our Business Link chaps 10 years ago, but it soon became apparent that we are in the wrong area of the country to qualify.”

(small, South East)

“Companies that are successful or cash rich are excluded. If the directors take all the money out of the company, then perhaps we could get a grant?”

(medium, Yorkshire)

“In the UK we are a sales organisation only. All manufacturing is in Europe apart from a sister company which manufactures in Leeds.”

(large, London)

“Impossible for us to get grants because we are a German company.”
(*medium, West Midlands*).

“As part of a \$280million US group with 1500 employees we understand that we are excluded from grant provision.”
(*medium, North West*)

Value for the tax payer?

“Use of consultants is a diversion from the true purpose for which grants are intended and should be restricted or prohibited.”
(*small, East England*)

“The grants I have heard of would not be significant in relation to a total project cost.”
(*small, South East*)

“I’m not in favour of grants. The more grants there are the more training people charge and the quality of the training doesn’t improve. Grants simply give consultants a living based on tax payers’ money.”
(*small, East Midlands*)

“Grants are a poor investment for the tax payer. They are only given to borderline companies, so there’s a high risk of no return.”
(*small, Yorkshire*)

Lack of knowledge

“We only seem to find out about grants a couple of months before they expire.”
(*micro, East Midlands*)

“Would not know where to start seeing if grants are available.”
(*small, North West*)

“It will be very useful to know what grants are available within our region or who could provide us with this information.”
(*medium, West Midlands*)

“Unfortunately we are not aware of what grants are available and if we are eligible.”
(*small, South East*)

“We are not particularly well informed about what is available.”
(*medium, East England*)

It’s complicated

“There are far too many different channels through which to apply. These need centralising. The Business Link service in this area is indifferent.”
(*medium, South East*)

“The few times that we looked, there were so many caveats we decided against. I would imagine a consultant would be a pre-requisite.”
(*small, South East*)

“The system is too complicated.”
(*small, South West*)

“We were successful with a previous application but are now experiencing difficulties with the NMDA when re-applying for assistance. The rules seem to have changed.”
(*small, North West*)

Suggestions

“Applying for grants is too complicated and takes up far too much time. We need other mechanisms that will be far more in tune with the time scales that are common in business. One way might be through industry associations, perhaps linking a grant allowance with University R&D collaboration.”

(medium, South East)

“It would be good if grants had follow on help for the development of new products and processes that are beyond the finances of small companies, rather than handing the money over to consultants who take £5k out of a £25k grant.”

(micro, East Midlands)

“Grants need to be fairer across the country.”

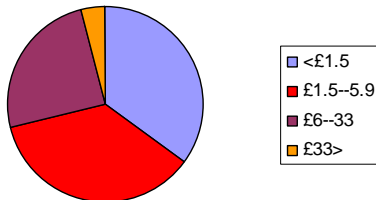
(small, South East)

The Overall Results

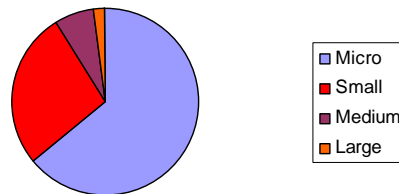
The companies (tables 1-4)

- Over 90% of replies came from SME members, which is in line with UK mechanical engineering, where 2% of employer firms employ more than 250. In our sample 94% by numbers employed, 96% by turnover were SMEs.

Participating companies by turnover

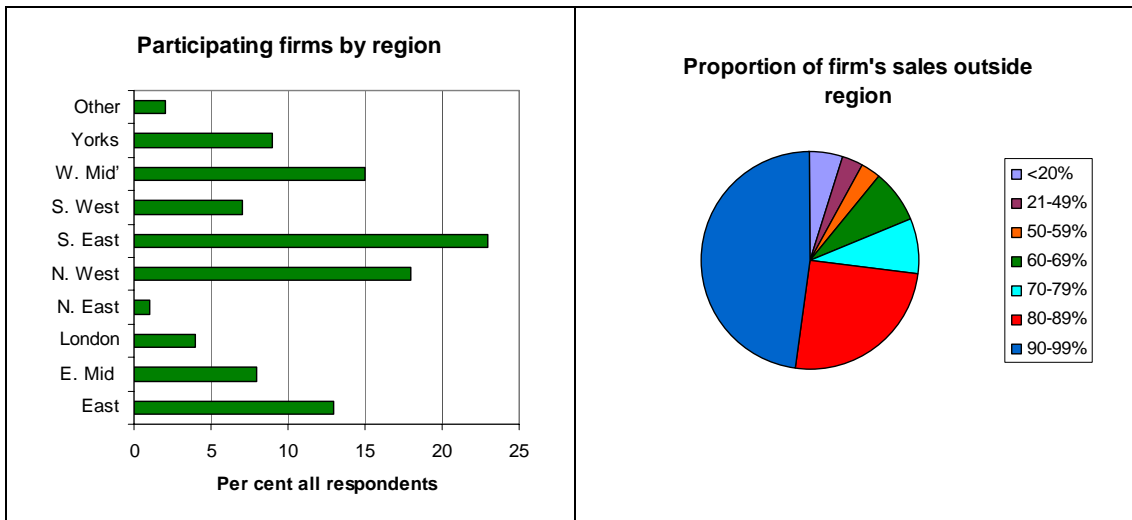


Manufacture of machinery & equipment not classified elsewhere



Source: Small Business Service 2005

- Over a quarter of the firms were based in the London and SEEDA regions, followed by the North West (nearly a fifth), East England Development Agency, Advantage West Midlands and Yorkshire Forward.



- There were sufficient companies participating from East of England, South East, North West and West Midlands for some detailed regional comparisons. We also made some indicative comparisons in some of the other regions (see tables 30-39).
- Nearly 10% had most of their customers within their region, while nearly three-quarters sold over 80% outside their region (which fits well with UK mechanical engineering's 75% export sales performance).
- The report also compares firms applying with those that didn't (tables 40-47) and the ingredients of the successful and well informed firms compared to the sample as a whole (tables 48-56).

The Data Tables

The companies taking part

Table 1			
Companies by numbers employed (%)			
<10	11-49	50-249	250+
19	50	25	6

Table 2			
Companies by turnover £ million (%)			
<£1.5	£1.5--5.9	£6--33	£33>
35	36	25	4

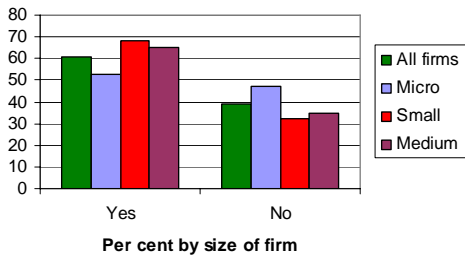
Table 3									
Regional split by RDA (%)									
East	E. Mid	London	N. East	N. West	S. East	S. West	W. Mid'	Yorks	Other
13	8	4	1	18	23	7	15	9	2

Table 4						
Proportion of sales outside region (%)						
<20%	21-49%	50-59%	60-69%	70-79%	80-89%	90-99%
5	3	3	8	8	25	48

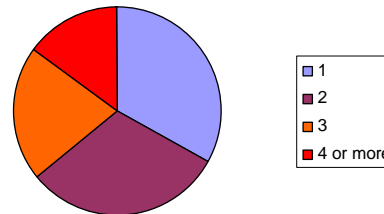
Applications for grants (tables 5-15)

- Three fifths of respondents had applied for a grant in the last 10 years.

Firms applying in last 10 years

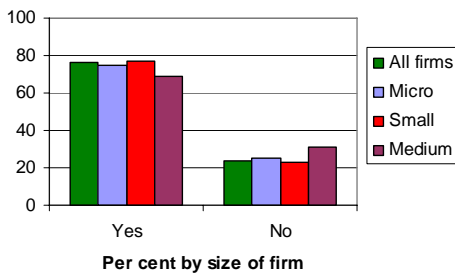


Times firms had applied in last 10 years

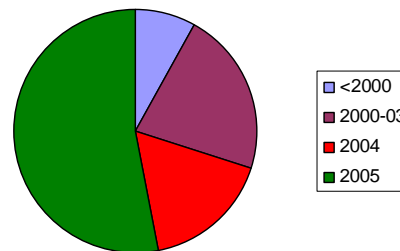


- Two-thirds of them were experienced having applied more than once in the last ten years.
- Success rate for this experienced group seems to be relatively high with two-thirds of them succeeding most of the time.
- Seven in ten firms applying had done so in 2004/05. (Note the survey went out in autumn 2005)

Success with last application

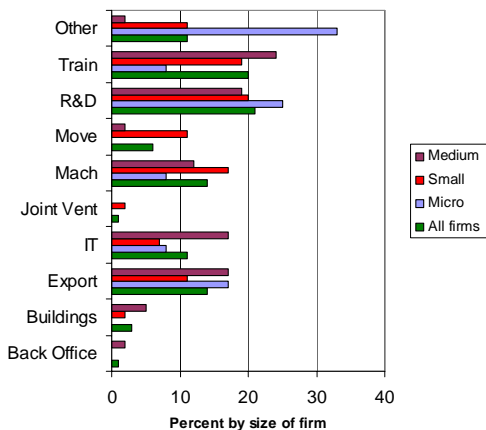


Firm's most recent application

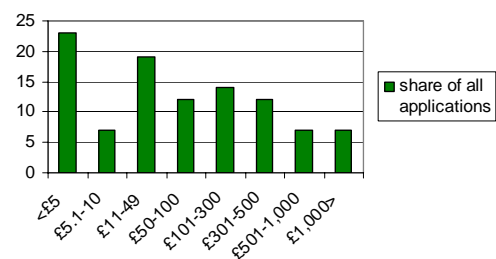


- Two-thirds of applications were for investment related projects (i.e. R&D, training, machinery and IT).
- The other major focus covering a quarter of the firms was exporting, both directly and through other activities which include marketing support.

Applications made for



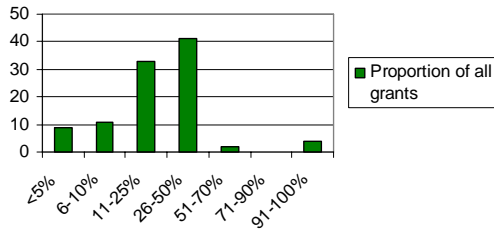
Size of projects for grants



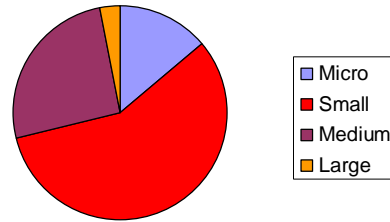
- Nearly half of all applications were for relatively small projects (under £50,000), with 23% for very small initiatives (under £5,000).

- However, at the other end of the scale a quarter of the applications were for assistance with projects over £300,000 rising to several million.

Proportion of the project covered by the grant

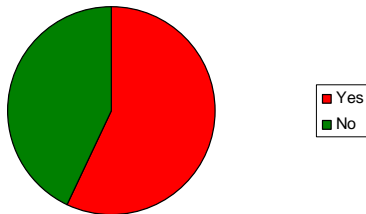


Successful last time

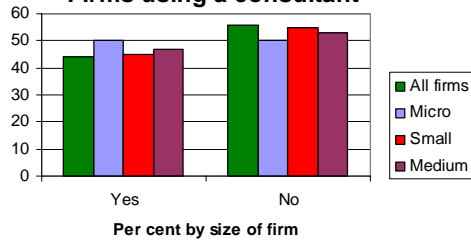


- Two-fifths of all grants covered 26-50% of the project.
- Three-quarters of firms had been successful with their last application. Small firms took 57% of the grants awarded which is higher than their share of the sample (50%).

Failure puts firms off applying



Firms using a consultant



- Over half of the firms that were turned down were deterred from applying again
- Over half of the firms had not used a consultant to help with their applications.
- But 54% of the firms using a consultant paid between 10-29% of the total grant to the consultant.

The Data Tables

Applications for grants

Table 5 Had applied for grants in the last 10 years (%)		
	Yes	No
All firms	61	39
Micro (<10)	53	47
Small (11-49)	68	32
Medium (50-249)	65	35

Table 6 Times company had applied in last 10 years (% of those applying)			
1	2	3	4 or more
33	31	21	15

Table 7 Success Rate (%)				
0	1	2	3	4 or more
6	43	25	10	16

Table 8 Date of the most recent application (%)			
<2000	2000-03	2004	2005
8	22	17	53

Table 9 Applications were for (%) (Note where greater than 100% due to rounding)										
	Back Office	Buildings	Export	IT	Joint Vent	Mach	Move	R&D	Train	Other
All firms	1	3	14	11	1	14	6	21	20	11
Micro (<10)	0	0	17	8	0	8	0	25	8	33
Small (11-49)	0	2	11	7	2	17	11	20	19	11
Medium (50-249)	2	5	17	17	0	12	2	19	24	2

Table 10 The size of the project £ thousands (%)							
<£5	£5.1-10	£11-49	£50-100	£101-300	£301-500	£501-1,000	£1,000>
23	7	19	12	14	12	7	7

Table 11 Proportion of project covered by the grant (%)						
<5%	6-10%	11-25%	26-50%	51-70%	71-90%	91-100%
9	11	33	41	2	0	4

Table 12a How long ago was your last submission (% all firms answering)			
<2000	2000 - 03	2004	2005
8	22	17	53

Table 12b Success with last application? (%)		
	Yes	No
All firms	76	24
Micro	75	25
Small	77	23
Medium	69	31

Table 13	
If unsuccessful, has this deterred you from applying in future?	
Yes	No
57	43

Table 14		
Used a consultant to apply?		
	Yes	No
All firms	44	56
Micro	50	50
Small	45	55
Medium	47	53

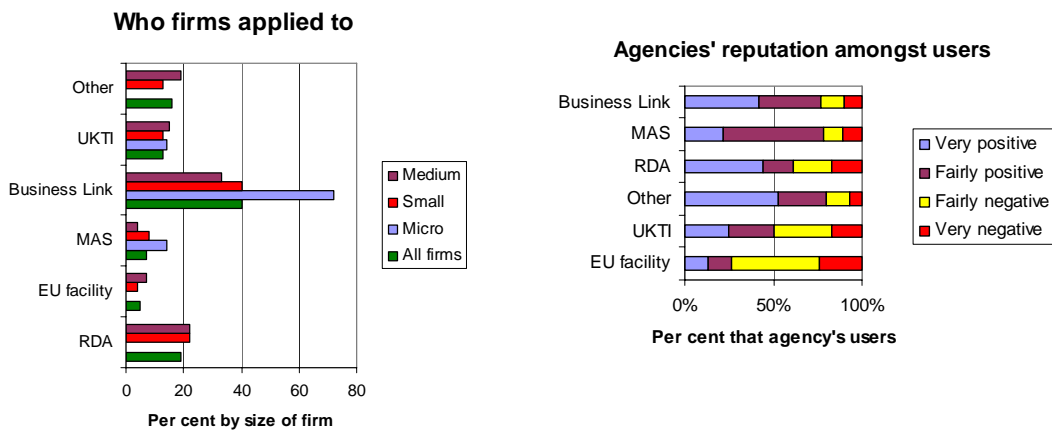
Table 15					
If yes, what proportion of the grant was the consultant's fees?					
<4%	5-9%	10-19	20-29%	30-39%	40%>
36	9	27	27	0	0

Subjects listed under other included:
 Applications were also made for

- Advertising
- Diversification
- Employment
- Exhibition overseas
- Exhibitions
- ISO 9000
- Job creation
- Lean Manufacturing
- Marketing
- MAS
- Re-organisation
- Shows

Dealing with grant organisations (tables 16-20)

- Two-fifths of all applications were made through Business Link, more than twice as many as the next most important source, the RDAs.



- In the data tables (see next page) the report uses a statistical device to compare perceptions of the six organisations involved assigning scores for each positive and each negative vote, and then working out an average against a notional best/worst possible score (+100/--100).
- Business Link scores well, ahead of MAS and the RDAs. However, the 'Other' group outperforms them all. This group comprises the devolved administrations, trade associations (particularly PICON is mentioned) and DTI for their marketing support.
- EU and UKTI don't perform well.
- The score break down for each organisation points to some erratic delivery in that that while the Business Link, RDAs and MAS have good 'very positive' scores they also have high 'fairly positive' scores or even high 'negative' ones, in the case of the RDAs.
- With Business Link mentioned by twice as many firms as any other organisation, it scores a larger proportion of positive votes and only very slightly more negative votes than the others.
- RDAs score a larger proportion of negative votes than positive, whereas MAS and the 'Other' group both record more positive than negative.
- EU performs particularly badly with very few positive scores. UKTI fares somewhat better.

The Data Tables

Dealing with grant organisations

Table 16 Organisations applied to for grants? (%)						
	<i>RDA</i>	<i>EU facility</i>	<i>MAS</i>	<i>Business Link</i>	<i>UKTI</i>	<i>Other</i>
All firms	19	5	7	40	13	16
Micro	0	0	14	72	14	0
Small	22	4	8	40	13	13
Medium	22	7	4	33	15	19

Who did you apply to? Other agencies mentioned were:	
DTI (several times)	
KTP Application	
Local authority	
Partnership for Learning	
PERA	
PICON (several times)	
Tayside Enterprise	
Scottish Executive	

Tables 17 How do you rate the organisations? (On a scale ranging from +100 to -100)					
<i>RDA</i>	<i>EU facility</i>	<i>MAS</i>	<i>Business Link</i>	<i>UKTI</i>	<i>Other</i>
+25	--31	+34	+44	0	+53

Tables 18 Individual scores as follows (% those dealing with the organisation)				
RDA (%)				
<i>Very positive</i>	<i>Fairly positive</i>	<i>Fairly negative</i>	<i>Very negative</i>	
44	17	22	17	
EU Facility (%)				
<i>Very positive</i>	<i>Fairly positive</i>	<i>Fairly negative</i>	<i>Very negative</i>	
13	13	50	24	
MAS (%)				
<i>Very positive</i>	<i>Fairly positive</i>	<i>Fairly negative</i>	<i>Very negative</i>	
22	56	11	11	
Business Link (%)				
<i>Very positive</i>	<i>Fairly positive</i>	<i>Fairly negative</i>	<i>Very negative</i>	
42	35	13	10	
UKTI (%)				
<i>Very positive</i>	<i>Fairly positive</i>	<i>Fairly negative</i>	<i>Very negative</i>	
25	25	33	17	
Other (%)				
<i>Very positive</i>	<i>Fairly positive</i>	<i>Fairly negative</i>	<i>Very negative</i>	
53	27	13	7	

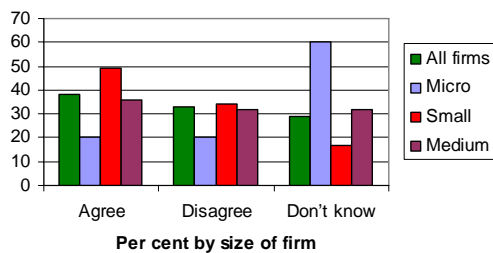
Table 19 Share of all positive votes (%)					
<i>RDA</i>	<i>EU facility</i>	<i>MAS</i>	<i>Business Link</i>	<i>UKTI</i>	<i>Other</i>
18	3	11	39	10	19

Table 20 Share of all negative votes (%)					
<i>RDA</i>	<i>EU facility</i>	<i>MAS</i>	<i>Business Link</i>	<i>UKTI</i>	<i>Other</i>
22	19	7	23	19	10

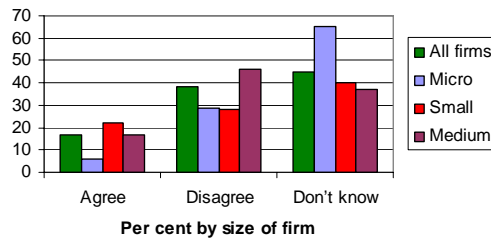
Companies views (tables 21 – 29)

- Opinion about whether to proceed with a project without a grant is pretty evenly divided when all firms, including those that have not applied for a grant in the last 10 years are included.
- Micro firms with less than 10 employees have the least defined position on whether to proceed, with or without a grant. The clear majority (60%) don't know and those who do have an opinion are equally divided as to whether they would go ahead with the activity or investment with or without a grant.
- Small firms (11-49) particularly seem to be more dependent on grants than either the micro or the medium sized firms.

Not gone ahead without the grant

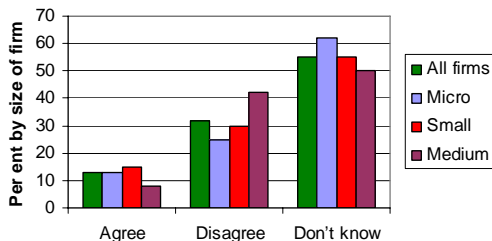


A good region for grants

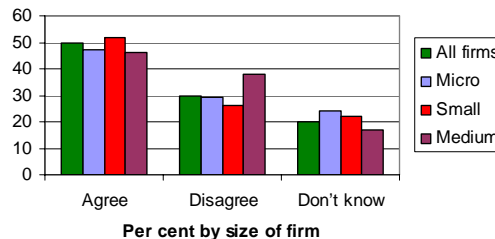


- Although 17% of firms think that they are in a good region for grants, twice as many firms think that they are not and 45% say they don't know.
- This strongly critical position is most evident amongst the medium sized firms, but is less prevalent amongst the small companies and the micro firms in particular.
- Opinion is strongly negative on the value of using a consultant with only 13% saying it's worthwhile and nearly three times as many disagreeing. Here the proportion of 'don't knows' is a majority.

Consultant money well spent

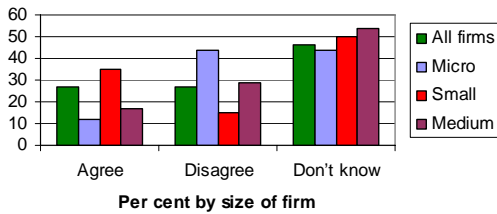


Applying for grants is complicated

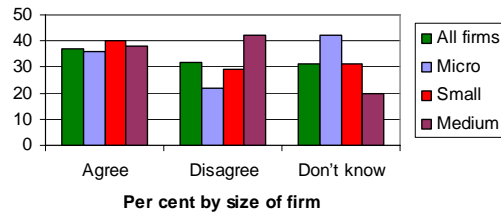


- These figures are substantially the same across most sizes of company, although over two-fifths (42%) of medium sized companies don't think that consultants are 'money well spent', which is similar to their negative attitude to their region (46%) and that applying for grants isn't necessarily complicated (38%).
- The majority of all firms (50%) think that applying is complicated and ties up management time. However nearly a third disagree.
- Again the segmentation indicates that there is little difference by size of company.

Grants in other regions threaten my competitiveness

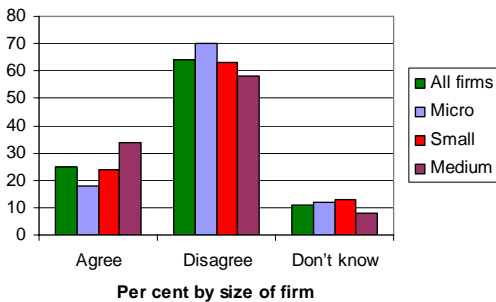


We are successful at applying for grants

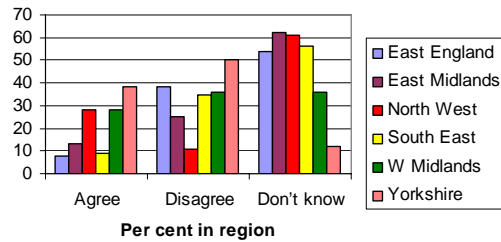


- Opinion is equally divided (27% agree/disagree and 46% don't know) on whether grants given in other regions undermine 'my company's competitiveness'.
- Segmentation shows that managers of micro firms take a very different view to most of their colleagues with only 12% of them concerned about the impact of others' grants on their competitiveness, and 44% actively disagreeing with the proposition.
- All companies are also divided, this time very evenly on whether they are successful in applying for grants or not, with two-thirds either disagreeing or undecided.
- Medium sized companies are the least likely to say that they are 'successful' in applying for grants

Well informed about grants



Good region for grants



- In fact the only thing that a clear majority of all firms seem to be able to agree on is that they are not well informed on grants. But even then a quarter of them think that they are!
- That is unless you are a manager in a medium sized company then you will have a one in three likelihood of being well informed.

(It has been possible to sort the data by attribute and by region to examine views about being in a good region for grants in a little more depth.)

- Respondents are pretty much at one in thinking basically that they are not in a good region for grants, no matter where they are.
- The East and South East (the UK's wealthiest regions?), score particularly poorly. The East Midlands is also weak on this parameter, while the North West, West Midlands and Yorkshire only get 28-38% positive votes from all the companies in their respective regions.

The Data Tables

Companies' views (Tables 21 – 29)

Table 21			
We would not have gone ahead without the grant (%)			
	Agree	Disagree	Don't know
All firms	38	33	29
Micro	20	20	60
Small	49	34	17
Medium	36	32	32

Table 22			
We are in a good region for grants (%)			
	Agree	Disagree	Don't know
All firms	17	38	45
Micro	6	29	65
Small	22	28	40
Medium	17	46	37

Table 23			
Using a consultant to help apply for a grant is money well spent (%)			
	Agree	Disagree	Don't know
All firms	13	32	55
Micro	13	25	62
Small	15	30	55
Medium	8	42	50

Table 24			
Applying for grants is too complicated and ties up management time (%)			
	Agree	Disagree	Don't know
All firms	50	30	20
Micro	47	29	24
Small	52	26	22
Medium	46	38	17

Table 25			
Grants offered in other regions threaten my company's competitiveness (%)			
	Agree	Disagree	Don't know
All firms	27	27	46
Micro	12	44	44
Small	35	15	50
Medium	17	29	54

Table 26			
We are successful in applying for grants (%)			
	Agree	Disagree	Don't know
All firms	37	32	31
Micro	36	22	42
Small	40	29	31
Medium	38	42	20

Table 27			
We are well informed about grants (%)			
	Agree	Disagree	Don't know
All firms	25	64	11
Micro	18	70	12
Small	24	63	13
Medium	34	58	8

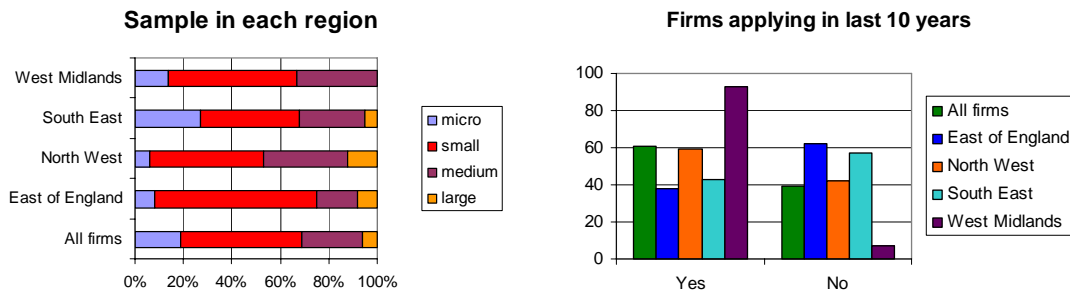
Table 28 We are in a good region for grants (%) by all firms in individual regions			
	<i>Agree</i>	<i>Disagree</i>	<i>Don't know</i>
East England	8	38	54
East Midlands	13	25	62
North West	28	11	61
South East	9	35	56
W Midlands	28	36	36
Yorkshire	38	50	12

Table 29 We are in a good region for grants (%) by overall 'agree'										
	<i>East</i>	<i>E. Mid</i>	<i>London</i>	<i>N. East</i>	<i>N. West</i>	<i>S. East</i>	<i>S. West</i>	<i>W. Mid'</i>	<i>Yorks</i>	<i>Other</i>
All firms agreeing	0	6	0	0	31	13	6	25	13	6

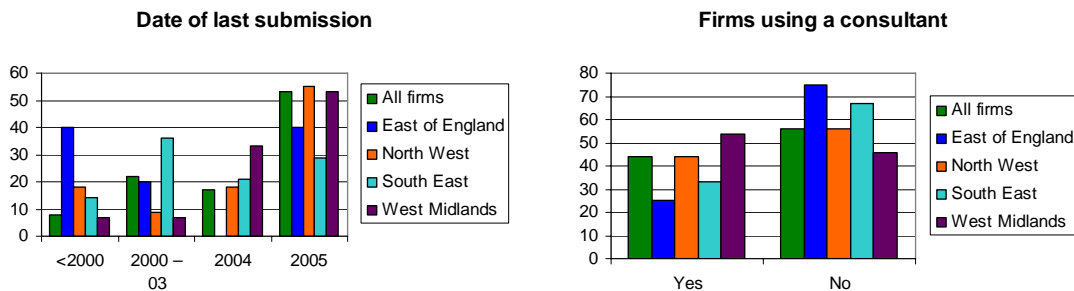
Regional variations (tables 30-39)

There were sufficient replies from firms in four regions (East of England, North West, South East and West Midlands) to permit some inter-regional comparisons.

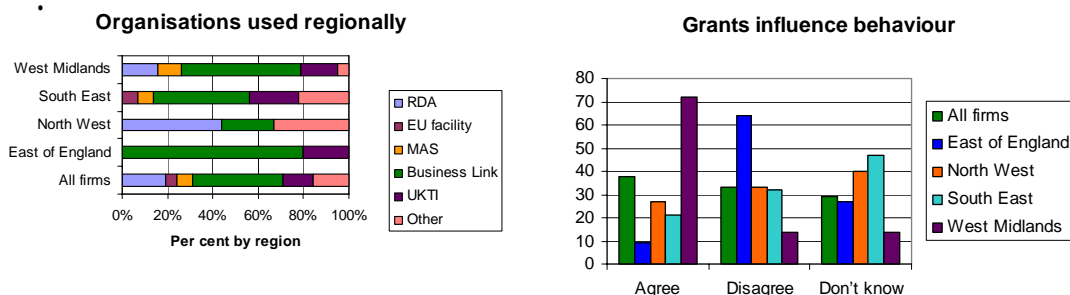
- The majority of firms in the South East and East of England had not made an application for a grant in the last 10 years.
- Majorities in the West Midlands (overwhelming) and in the North West had applied.



- Applications from firms in East of England and the South East focus on a more limited number of projects (mostly Export, R&D, Training and 'Other').
- North West firms' applications covered all categories bar 'Joint Ventures'.
- Machinery scored highest in the West Midlands.
- 86% of West Midlands firms had made an application for a grant within the last two years.
- Majorities in East of England (60%) and the South East (50%) had not applied for a grant in three years, where only a little over half of the firms were successful with their most recent application.

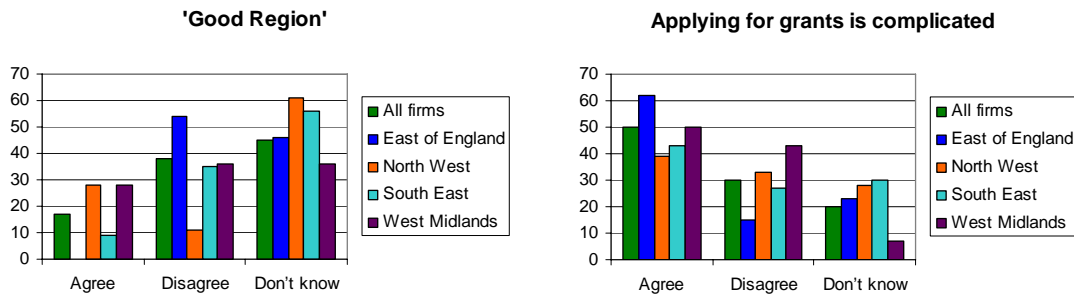


- There were wide variations across the regions in the number of companies using consultants.
- In the West Midlands 54% of firms used a consultant to help with their applications.
- In East of England 75% did not.



- Business Link accounted for most of the grant contacts in three of the four sample regions.
- In the North West the RDA dominated.
- An overwhelming majority of firms in the West Midlands would not have undertaken the work, project or activity without the grant.

- Companies in the East of England disagreed nearly as strongly; they would have gone ahead without the grant. However, their success rate is far lower (30% vs 80%)
- The other two regions came out against letting the grant determine whether they would proceed or not with the project, but again with similarly low success rates.



- Companies aren't really at all sure whether they are in a good region for grants. Most say that they don't know and more think that they are not than think that their region is a good one.
- Most firms think that applying for grants is complicated, although in the West Midlands over 40% and the North West over 30% disagree.
- There is no clear consensus about whether grants offered locally by other regions affects a firm's competitiveness.



- Generally, firms across the regions don't know whether they are successful in applying for grants. Most aren't well informed about the grants available.
- The only exception is the West Midlands. Firms there see themselves overwhelmingly as successful in applying for grants (71%) and being well informed (64%).

The Data Tables

Regional variations (tables 30-39)

Table 30 Had applied for grants in the last 10 years (%)		
	Yes	No
<i>All firms</i>	61	39
East of England	38	62
North West	59	42
South East	43	57
West Midlands	93	7

Table 31 Applications were for (%) (Note greater than 100% due to rounding)										
	<i>Back Office</i>	<i>Buildings</i>	<i>Export</i>	<i>IT</i>	<i>Joint Vent</i>	<i>Mach</i>	<i>Move</i>	<i>R&D</i>	<i>Train</i>	<i>Other</i>
<i>All firms</i>	1	3	14	11	1	14	6	21	20	11
East of England	0	0	17	16	0	0	0	17	34	16
North West	6	6	6	6	0	12	19	19	6	19
South East	0	0	29	0	0	7	0	21	43	0
West Midlands	0	0	7	15	4	22	11	15	19	7

Note: The category 'Other' is dominated by exporting/marketing/exhibition activities

Table 32 How long ago was your last submission (% per region)				
	<2000	2000 – 03	2004	2005
<i>All firms</i>	8	22	17	53
East of England	40	20	0	40
North West	18	9	18	55
South East	14	36	21	29
West Midlands	7	7	33	53

Table 33 Successful in applying for grants(%)			
	Yes	No	Don't know
<i>All firms</i>	37	32	31
East of England	7	39	54
North West	28	29	43
South East	23	38	33
West Midlands	71	22	7

Table 34 Used a consultant to apply?		
	Yes	No
<i>All firms</i>	44	56
East of England	25	75
North West	44	56
South East	33	67
West Midlands	54	46

Table 35 Organisations applied to for grants? (%)						
	<i>RDA</i>	<i>EU facility</i>	<i>MAS</i>	<i>Business Link</i>	<i>UKTI</i>	<i>Other</i>
<i>All firms</i>	19	5	7	40	13	16
East of England	0	0	0	80	20	0
North West	44	0	0	23	0	33
South East	0	7	7	42	22	22
West Midlands	16	0	10	53	16	5

Table 36 We would not have gone ahead without the grant (%)			
	Agree	Disagree	Don't know
<i>All firms</i>	38	33	29

East of England	9	64	27
North West	27	33	40
South East	21	32	47
West Midlands	72	14	14

Table 37			
We are in a good region for grants (% firms' views in each region)			
	Agree	Disagree	Don't know
<i>All firms</i>	17	38	45
East of England	0	54	46
North West	28	11	61
South East	9	35	56
West Midlands	28	36	36

Table 38			
Grants offered in other regions threaten my company's competitiveness (%)			
	Agree	Disagree	Don't know
<i>All firms</i>	27	27	46
East of England	31	15	23
North West	18	41	41
South East	18	18	64
West Midlands	29	38	33

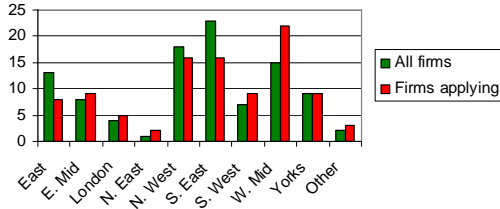
Table 39			
We are well informed about grants (%)			
	Agree	Disagree	Don't know
<i>All firms</i>	25	64	11
East of England	0	85	15
North West	28	61	11
South East	17	70	13
West Midlands	64	29	7

Firms applying (tables 40—47)

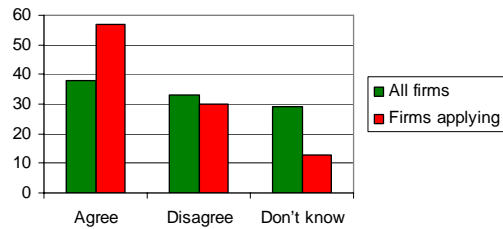
A comparison between firms applying for grants and firms responding to the survey.

- West Midlands' share of SME manufacturers actually applying for grants is 47% higher than its slice of firms taking part in the survey (15%).
- East England (-39%) and the South East (-30%) have far fewer.

Regional split of firms applying

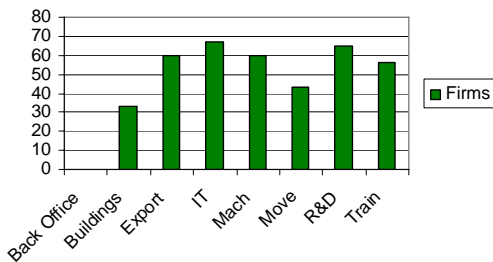


Not without the grant

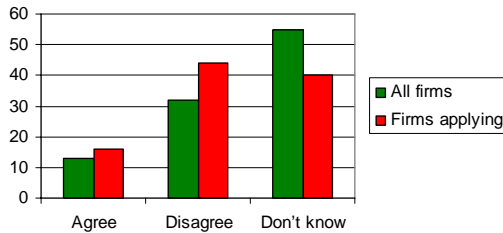


- The influence that grants have is clear in that amongst those that actually apply 57% say that they would not undertake the activity or investment without a grant. If so, then over half the export, IT, machinery, R&D and training activities undertaken by the firms in this survey would not have been completed.

Not go ahead without grant

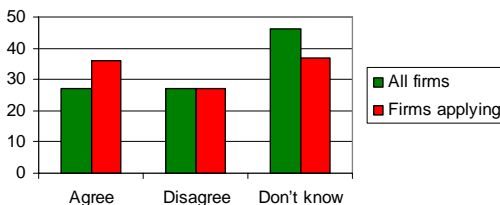


Consultants are money well spent

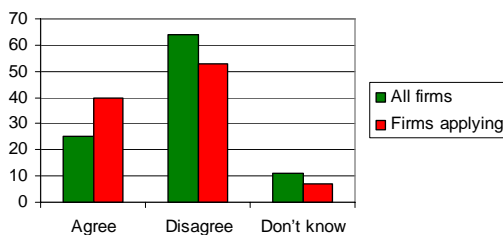


- Applicants are more negative about their region and consultants than firms in general are.

Grants in other regions undermine my competitiveness



Well informed about grants



- Companies applying for grants are more likely to see grants given in other regions as a potential threat to their competitiveness.
- Finally, although more applicant firms think that they are well informed about grants than firms overall do, a majority (53%) still disagree.

The Data Tables

Firms applying (tables 40—47)

Table 40 Regional split by RDA (%)										
	<i>East</i>	<i>E. Mid</i>	<i>London</i>	<i>N. East</i>	<i>N. West</i>	<i>S. East</i>	<i>S. West</i>	<i>W. Mid'</i>	<i>Yorks</i>	<i>Other</i>
<i>All firms</i>	13	8	4	1	18	23	7	15	9	2
Firms applying	8	9	5	2	16	16	9	22	9	3

Table 41a We would not have gone ahead without the grant (%)			
	<i>Agree</i>	<i>Disagree</i>	<i>Don't know</i>
<i>All firms</i>	38	33	29
Firms applying	57	30	13

Table 41b Share of specific applications made by companies that would not go ahead without the grant (%)								
	<i>Back Office</i>	<i>Buildings</i>	<i>Export</i>	<i>IT</i>	<i>Mach</i>	<i>Move</i>	<i>R&D</i>	<i>Train</i>
Firms	0	33	60	67	60	43	65	56

Table 42 We are in a good region for grants (%)			
	<i>Agree</i>	<i>Disagree</i>	<i>Don't know</i>
<i>All firms</i>	17	38	45
Firms applying	25	41	34

Table 43 Using a consultant to help apply for a grant is money well spent (%)			
	<i>Agree</i>	<i>Disagree</i>	<i>Don't know</i>
<i>All firms</i>	13	32	55
Firms applying	16	44	40

Table 44 Applying for grants is too complicated and ties up management time (%)			
	<i>Agree</i>	<i>Disagree</i>	<i>Don't know</i>
<i>All firms</i>	50	30	20
Firms applying	52	43	5

Table 45 Grants offered in other regions threaten my company's competitiveness (%)			
	<i>Agree</i>	<i>Disagree</i>	<i>Don't know</i>
<i>All firms</i>	27	27	46
Firms applying	36	27	37

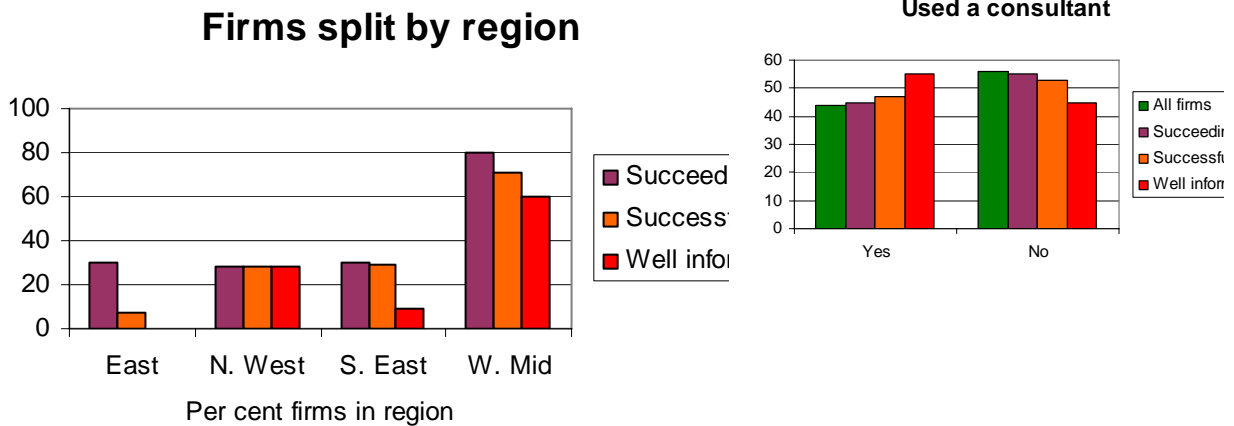
Table 46 We are successful in applying for grants (%)			
	<i>Agree</i>	<i>Disagree</i>	<i>Don't know</i>
<i>All firms</i>	37	32	31
Firms applying	61	23	16

Table 47 We are well informed about grants (%)			
	<i>Agree</i>	<i>Disagree</i>	<i>Don't know</i>
<i>All firms</i>	25	64	11
Firms applying	40	53	7

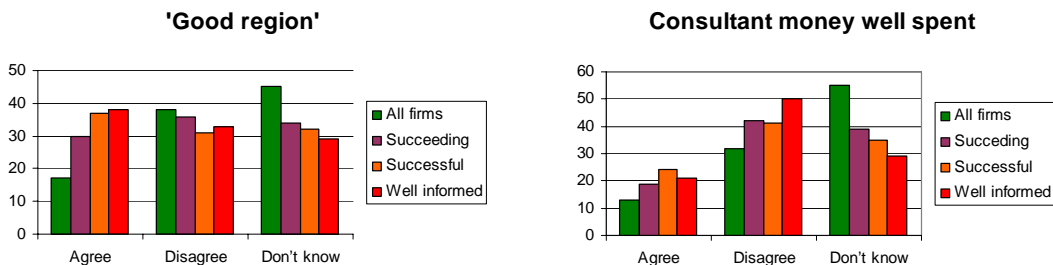
Successful firms and informed firms (tables 48 – 56)

Here we look at three types of firm: firms that were successful with their last application (we call them 'succeeding'), those that see themselves as successful (we label them 'successful') and finally those that agree that they are well informed about grants ('well informed')

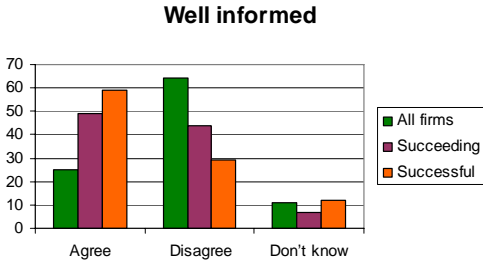
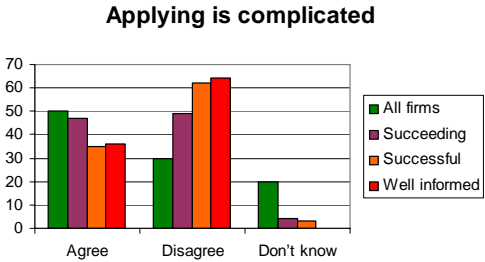
- If firms felt they were equally successful around the country, then the distribution would be similar in each region. But this is clearly not the case.
- West Midlands has a significantly larger proportion of firms that regard themselves as successful and well informed in applying for grants. The region also has a strong contingent of firms 'succeeding' in actually getting grants. The South West and North East also have (marginally) bigger shares, but their base numbers are relatively small. Other regions with larger numbers of companies taking part show smaller numbers of successful companies.



- Firms seem to 'succeed' more in fact than they give themselves credit for.
- Firms in East of England, West Midlands, East Midlands and Yorkshire all do better than they give themselves credit for.
- A consistent, small majority of 'succeeding' and 'successful' firms don't use a consultant to help make their applications.
- However, a small majority of well informed firms do use a consultant.
- Applications for export, R&D and training support were more often than not successful.
- Opinion amongst 'successful firms' is fairly evenly split on whether they are in a good region for a grant or not, with a small majority agreeing that they are in a good region. However, even then nearly one third are undecided (and a similar number disagree).
- 'Well informed' companies are a little more likely to think that they are in a good region.



- Successful firms don't think that consultants represent value for money by a 2:1 majority.
- Even 'well informed' firms, a majority of whom use consultants, think that consultants don't represent money well spent.
- Successful and well informed firms don't find the process of applying for a grant too complicated.
- Successful firms are just as cautious as all the other firms about the impact of grants on their competitiveness.



- Naturally enough, successful firms believe they are well informed about grants.
- The overwhelming majority of 'well informed' firms consider themselves successful in applying for grants.

The Data Tables

Successful firms and informed firms (tables 48 – 55)

This section covers firms that were successful with their last application (firms succeeding) and those that see themselves as successful (believe successful).

Firms that agree that they are well informed about grants and their availability are also covered.

Table 48									
Regional split by RDA (% on different bases)									
	East	E. Mid*	London*	N. East*	N. West	S. East	S. West*	W. Mid	Yorks *
All firms (% all regions)	13	8	4	1	18	23	7	15	9
Firms succeeding (firms in each region)	30	63	75	100	28	30	57	80	56
Believe successful (firms in each region)	7	25	25	100	28	29	43	71	33
Well informed	0	13	0	0	28	9	14	60	33

Note * Base less than 10 firms

Table 49		
Used a consultant to apply?		
	Yes	No
All firms	44	56
Firms succeeding	45	55
Believe successful	47	53
Well informed	55	45

Table 50									
Most recent applications were successful for (% of all applications for each type of support)									
Back Office	Buildings	Export	IT	Joint Vent	Mach	Move	R&D	Train	Other
-	-	81	-	-	-	-	53	83	-

Note: Only where more than 10 responses received

Table 51			
We are in a good region for grants (%)			
	Agree	Disagree	Don't know
All firms	17	38	45
Firms succeeding	30	36	34
Believe successful	37	31	32
Well informed	38	33	29

Table 52			
Using a consultant to help apply for a grant is money well spent (%)			
	Agree	Disagree	Don't know
All firms	13	32	55
Firms succeeding	19	42	39
Believe successful	24	41	35
Well informed	21	50	29

Table 53			
Applying for grants is too complicated and ties up management time (%)			
	Agree	Disagree	Don't know
All firms	50	30	20
Firms succeeding	47	49	4
Believe successful	35	62	3
Well informed	36	64	0

Table 54 Grants offered in other regions threaten my company's competitiveness (%)			
	Agree	Disagree	Don't know
<i>All firms</i>	27	27	46
Firms succeeding	29	31	40
Believe successful	28	33	39
Well informed	29	38	33

Table 55 We are well informed about grants (%)			
	Agree	Disagree	Don't know
<i>All firms</i>	25	64	11
Firms succeeding	49	44	7
Believe successful	59	29	12

Table 56 We are successful in applying for grants (%)			
	Agree	Disagree	Don't know
<i>All firms</i>	37	32	31
Well informed	83	13	4

Questionnaire

EAMA Grass Roots Survey-- Grants

At a recent meeting with EAMA, Minister for Industry and the Regions Alun Michael asked for your views on how Business Link and the RDAs perform in delivering grants. We know that firms' experiences differ both in terms of eligibility and in success when applying. Please help us identify good practice as well as bad by completing this questionnaire so that we can lobby the minister directly for changes to get you a better deal.

Contact:	Company:	Post Code
----------	----------	-----------

Telephone no		e-mail address	
--------------	--	----------------	--

NB These contact details will only be used for clarification purposes

1 How big is your company? (PLEASE TICK BOXES AS APPROPRIATE)

- a) Number of employees <10 11--49 50--249 250+
- b) Turnover < £1.5m £1.6m--£5.9m £6m--£33m £33+ m

2 a) Which region are you in? _____

b) Roughly what percentage of your UK sales goes outside your region? _____

3 Has your company applied for a grant in the last 10 years

Yes (*please go to question 4*) No (*please go to question 11*)

4 How many times?

- a) Did your company apply? 1 2 3 4 or more (please specify) _____
- b) Were you successful? 1 2 3 4 or more (please specify) _____

5 a) What were these applications for? (PLEASE TICK ALL RELEVANT)

- | | | | |
|--------------------------------------|--|--|---------------------------|
| Back office <input type="checkbox"/> | IT <input type="checkbox"/> | Move location <input type="checkbox"/> | Other
(please specify) |
| Buildings <input type="checkbox"/> | Joint venture <input type="checkbox"/> | R&D <input type="checkbox"/> | |
| Exporting <input type="checkbox"/> | Machinery <input type="checkbox"/> | Training <input type="checkbox"/> | |

b) What was the value of the overall project? _____

c) What percentage did the grant cover? _____

6 How long ago was your most recent application?

- | | |
|-------------------------------|---------------------------------------|
| 2005 <input type="checkbox"/> | 2000 -- 2003 <input type="checkbox"/> |
| 2004 <input type="checkbox"/> | Before 2000 <input type="checkbox"/> |

7 Was this most recent application successful

Yes (Please go to question 8) No

If No, has this deterred you from applying again?

Yes No

8 a) Have you ever used a consultant to help prepare your application?

Yes (please go to question 8b) No (please go to question 9)

b) If yes, roughly what proportion of the grant did the consultant's fees represent?

<4% 5-9% 10-19% 20-29% 30-39% >40%

9 What was your last application for? (SELECT ONE ONLY)

Back office IT Move location
 Buildings Joint venture R&D Other (please specify)
 Exporting Machinery Training _____

10 Who have you made applications to for grants over the last 10 years? How do you rate them?

Who did you apply to?

(PLEASE TICK ALL RELEVANT)

Grant providers

RDA
EU facility
MAS
Business Link
UKTI
Other (PLEASE SPECIFY)

How do you rate them?

Very positive	Fairly positive	Fairly negative	Very negative
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

11 Do you agree or disagree with these statements about grants?

Agree Disagree Don't Know

(Re our last project) We would not have gone ahead without the grant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We are in a good region for grants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Using a consultant to help apply for a grant is money well spent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Applying for grants is too complicated and ties up management time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grants offered in other regions threaten my company's competitiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We are successful in applying for grants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We are well informed about grants and their availability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

12 Any other comments?

