SCALEUP INSIGHTS

GOVERNMENT INSIGHT:

Working together to unlock the power of data to understand and support high growth businesses

Through its modern Industrial Strategy, the Government is committed to harnessing the value of publicly held data as a means of identifying businesses with scaleup potential and connecting these business to the range of support available to help them reach their potential.

Her Majesty's Revenue and Customs (HMRC) has the largest and richest dataset on individual businesses. HMRC is committed to maximising the value of the data it holds, both for the department and for others while continuing to appropriately safeguard confidentiality. HMRC has frequent requests to share its data, but is bound by a strict statutory duty to protect taxpayer confidentiality, laid out in the Commissioners for Revenue and Customs Act 2005 (CRCA), which governs all information held by the department.

In early 2018 the Department for Business, Enterprise and Industrial Strategy (BEIS) and HMRC began an experimental project using cutting edge data science techniques to understand the characteristics of high-growth firms and test whether these could be used to identify firms with similar characteristics that might go on to achieve high rates of growth.

Initial results are encouraging and the dataset will be developed further through winter and into spring 2019 to build a fuller picture of scaling businesses in our economy.

Making it simple for scale ups to navigate the support available

A key part of the project is looking at how this firm-level data can be used to target messages to scaleup businesses to signpost them to local initiatives designed to help them in their growth challenges. Early work by HMRC indicated that customers would be receptive to such messaging and wanted targeted, timely and more joined up communications from government.

Since 2016 HMRC has embarked on a series of small scale pilots, to understand how data can be used to profile businesses and then send them targeted messages to signpost to local, government-backed growth support.

The most recent pilot, in October 2018, aimed to signpost selected scaling businesses towards local scale up programmes. The pilot used HMRC data to identify scale-up businesses. Emails and letters were issued to raise the business leaders awareness of their potential high-growth status, and to advise them of tailored local initiatives geared to their growth challenges.

To shape the approach and fine tune the detail of the offer the work involved HMRC, BEIS, Cabinet Office, Insights, the ScaleUp Institute and three of the local areas who have benefitted from the Institute's Driving Economic Growth course and established bespoke scaleup programmes, namely, Thames Valley Berkshire and Greater Birmingham Growth Hubs, and Scotland.

Ruth Mackman, who led the work for HMRC, said: "Getting these pilots running took a lot of planning and close collaboration with stakeholders. All the partners' expertise was needed to ensure we got various aspects aligned, including timing and communication styles. Our partners were all very generous in their support and willingness to work together to get this right."

NEXT STEPS

The pilots went live in October 2018. HMRC and BEIS plan to continue working with stakeholders through 2019 to evaluate these pilots and shape further pilots in 2019. This will lead to delivery of a series of communications trials from early 2019, to further connect high-growth potential businesses to the right support at the right time. These trials will build on this year's work and learnings from it. They will not involve any sharing of individual company data with BEIS or any of the partners.