Impact Evaluation and Summative Assessment of ESIF-funded Projects

Final Report

For Lancaster University

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Key Messages

Introduction

This report has been prepared by ekosgen – an independent economic development consultancy – as part of the Summative Assessment of six ERDF projects which Lancaster University are leading and an overarching Impact Evaluation of all twelve ESIF projects Lancaster University deliver under the 2014-20 programme. At the time of commissioning, all projects were ongoing.

The evaluation secured insights into the performance of Lancaster University's ESIF funded projects to provide evidence of their efficiency, effectiveness and value for money, as well as identify lessons for future delivery. The assessment draws on:

- consultations with members of the project delivery teams;
- 189 telephone and online beneficiary survey responses;
- project management records to understand performance against targets to date and forecast;
- a working session with Lancaster University's Project Support Unit;
- calculation of economic impacts; and
- provision of practical learning points to inform future activities.

Key messages arising from the work are outlined below.

A Significant Funding Award and Strong Project Coverage

A £27.5m ESIF award was secured for the twelve projects within the assessment scope – £26.1m (95%) in ERDF and £1.4m (5%) ESF – as part of a total funding package in excess of £48m. Activity is delivered across three ERDF Priority Axes and one ESF Priority and in the Lancashire, Cumbria, Liverpool City Region and Cheshire and Warrington LEP areas, despite the move from a regional to sub-regional delivery model for the 2014-20 programme. A range of subject areas and forms of support are offered to enable individuals and businesses to overcome challenges and explore opportunities. New funding applications also aim to expand the portfolio of support further.

Targets are Forecast to be Met

Slippage in project activity – primarily due to delays in contracting (beyond the University's control) and staff recruitment – has caused expenditure to be behind target. By the end of December 2018, total spend of £14.9m had been reported against at target of £16.6m, although this position is understood to have improved by the end of March 2019. Forecasts suggest eight of the 12 projects are expected to satisfy financial targets across their duration. Three projects are forecast to underspend due to the impact of irrecoverable slippage in programmes of activity.

Important progress has already been made against output targets, including:

- 682 enterprises have completed a programme of support;
- 243 potential enterprises have been assisted to be enterprise ready; and
- 133 enterprises have cooperated with research entities.

Delays in project activity have however caused performance on 10 out of the 12 output indicators to be behind target for this point in the programme.

Consultations suggest that projects have a strong pipeline of beneficiaries to satisfy targets during the remainder of the delivery period with time being factored into project planning to allow longer term outcomes (for example employment creation) to be captured within monitoring timescales. By the point of closure (using ERDF definitions), projects are forecast to have delivered 1,245 business assists, supported almost 600 enterprises to cooperate with research entities and led to 374 jobs being created. Sensible forecast profiles appear to be in place to allow these targets to be satisfied.

Delivery Approaches are Diverse and Appropriate

Tailored delivery models have been designed to meet each project's objectives and the needs of target beneficiaries, informed by previous project experience. This has included 121 support, group learning and the placement of masters by research and PhD students within businesses. There are a number of advantages and disadvantages associated with each delivery model but overall they have been fit for purpose, effective and project teams have been proactive in adjusting approaches when necessary. This has resulted in high levels of beneficiary satisfaction.

Partnership working is central to the delivery approach, allowing Lancaster University to share its expertise and draw on the skills and knowledge of others to help maximise the impacts of investment. It has also, at times, been necessary to allow the university to retain coverage across the North West region, as enjoyed under the 2007-2013 programme.

High Levels of Beneficiary Satisfaction and Benefits are Evident

The beneficiary survey findings were overwhelmingly positive across all projects:

- 96% of respondents are happy overall with the support provided by their project;
- 96% state they received high quality advice; and
- 99% agree the delivery approaches were fit for purpose.

On a project by project basis, a series of 100% satisfaction scores were secured. Survey results indicate that the majority of beneficiaries have gained the knowledge they need to take plans forward and feel more confident that their businesses are in a position to grow.

Beneficiaries are already experiencing commercial gains as a result of their participation in ESIF supported projects, with benefits forecast to continue to grow over time. Commercial benefits include: a greater understanding of the purchasing approaches of target sectors and businesses; securing external funding support to progress their product ideas; establishing new contacts within client organisations and potential supply chains; and new products or services being taken to market. Wider reported benefits include increased market awareness, improved business networks and greater likelihood of engaging with the university on an ongoing basis, suggesting there will be rolling benefits from engagement.

Strong Value for Money has been Achieved and is Forecast to Continue

Taking account of the benefits reported to date and anticipated in future, following an adjustment for optimism bias, suggests the following net benefits will result from programme activities:

Impacts to date	Forecast by December 2023 (cumulative)
• Over 900 net FTEs created/safeguarded • A net turnover impact of almost £20m; and • Increased net profit of almost £1m.	• Over 3,200 net FTEs created/safeguarded; • A net turnover impact of £440m; and • A net profit increase of £86m.

This suggests, by December 2023, average cumulative impacts per beneficiary are forecast to be:

- 2.60 net jobs created or safeguarded;
- A £353,015 net uplift in turnover; and
- Increased net profit of £68,854.

These are strong returns and exceed those identified through the evaluation of 2007-2013 ERDF projects delivered by Lancaster University.

Value for money measures show that activities are efficiently delivering results and are securing a strong return on investment. Cost per job measures are in line with benchmarks (despite delivery during what has been a challenging context with reluctance for SMEs, particularly those at the smaller end of the scale, to commit to recruitment) and the return on investment of £18.52 per £1 to date rising to an estimated £28.55 per £1 of investment by the time activities conclude shows how support has enabled benefits to the economy to be many times the call on funding.

Lessons for Future Delivery

Lessons for the Grant Recipient
Lesson 1: It takes time to build momentum: Early output expenditure and output targets were optimistic, causing targets to be missed. Account is needed of the time it takes to recruit staff and approval timescales.
Lesson 2: Think about how beneficiaries will be targeted from the outset: Greater clarity regarding priority criteria and tailored engagement approaches/ sifts can ensure beneficiaries are best placed to benefit and achieve the target outcomes.
Lesson 3: Don't be afraid to make changes: Continuing to make adjustments in delivery approaches when necessary can help to return activity to target and improve the experience for both staff and beneficiaries.
Lesson 4: Investing in programme management pays dividends: The Project Support Unit's role helps to reduce the risk of challenged claims and potential clawback, and so protects the University's reputation. Ongoing refinement of its remit will allow the value to continue to be increased.
Wider Lessons for Lancaster University
Lesson 1: There is a need to plan for the future: Including scope to inform the Shared Prosperity Fund and exploring wider funding opportunities to retain levels of SME and individual engagement.
Lesson 2: Further value could still be secured through academics: Findings suggest there is an appetite for further re-scoping of the programme of activities.
Lesson 3: ESIF activities should not be viewed in isolation: A central point of contact to connect project teams and academics would help to identify opportunities for advantages to be captured for all parties.
Lesson 4: Strategic positioning should be considered: a sectoral focus is likely to support successful project positioning with specialisms in low carbon and health innovation strategically aligned and distinct.
Lessons for Policy Makers
Lesson 1: Delays in project approvals impact on deliverability: Where significant delays are encountered, opportunities for variances to be automatically applied should be explored.
Lesson 2: Short term funding awards impact on the continuity of services: The lack of certainty around future resourcing can result in staff turnover and the loss of momentum in delivery.
Lesson 3: The offer of a lead in period would allow strong performance from the start: Allowing for preparations to be made to overcome the lag in activity at the point of approval.
Lesson 4: Universities have an important role to play in the growth of economies: Track record is evident in providing a skilled workforce, enterprise / business start-up, business growth and innovation.
Lesson 5: ESIF indicators do not capture the full impacts of supported activities: New businesses formed as a result of enterprise support, additional sales secured and softer indicators would provide a more accurate picture.

1 Introduction

1.1 ekosgen – a specialist economic development consultancy with a strong background of work related to Structural Funds – was commissioned by Lancaster University to conduct Summative Assessments for the ERDF projects which Lancaster University are leading as well as an overarching Impact Evaluation of all the ESIF projects in which Lancaster University were actively involved. At the time of the work being commissioned, this included seven projects led by Lancaster University and five projects which Lancaster University plays an active role in but which are led by another organisation.

1.2 The **Summative Assessments** were commissioned in order to comply with funder requirements. Guidelines require the assessments – completed on an individual project basis – to: assess the effectiveness of each project; suggest improvements to the implementation and effectiveness of any future projects; document the development of the project and activities to help ensure lessons are learnt and support successful replication; document outcomes achieved through the project; and evaluate value for money the project achieved and / or will achieve by the point of completion.

1.3 The role of the **overarching Impact Evaluation** is wider. It provides an opportunity for Lancaster University to reflect on achievements across the programme of supported activities. The Impact Evaluation draws more widely on project experiences (from a delivery team, beneficiary and stakeholder perspective), reflections on the effectiveness of delivery models (and specifically what has worked well and less well), progress against financial and output targets, impacts, value for money and lessons and recommendations for future delivery. The quantified impacts help to demonstrate the return generated on investment, both to date and anticipated in future, highlighting the impacts of the University's activities on the regional economy.

Overview of the Evaluation Scope and Activities

Research Objectives

1.4 The overall aim of the commission was to provide insights into the performance of Lancaster University's ESIF funded projects to enhance their implementation, provide robust evidence of their efficiency, effectiveness and value for money, and which factors have been more effective than others. The key questions / objectives for the research were:

- Have projects remained relevant and consistent throughout their delivery period, including in response to evolving regional and national policies?
- Are projects meeting their contractual targets? What are the reasons for any areas of under or over performance?
- What has been the economic impact of supported activities to date?
- Have the projects achieved value for money?
- Are there any lessons to be learnt from current delivery which could be implemented throughout the remainder of the projects and the planning of future activities?

Assessment Approach

1.5 The evaluation was undertaken between October 2018 and May 2019 and involved:

- Two phases of consultations with project delivery staff to understand how activities have been delivered in practice and lessons arising.
- Telephone consultations with a sample of stakeholders to understand external perceptions of the programme of supported activities and their added value.
- A significant programme of beneficiary consultation, cutting across all projects live at the time of the assessment, including telephone and online surveys and follow-up case study consultations. Each element captured beneficiaries' experiences of the support provided and benefits arising.
- Review of project management records to understand performance against targets to date and anticipated at the point projects conclude, any changes made and the reasons for them.
- A working session with Lancaster University's Project Support Unit to understand the package of support available to projects to ensure compliance with ESIF requirements.
- Calculation of economic impacts arising from project activities, both realised to date and anticipated in the future.
- The provision of practical learning points to inform future activities.

Issues Encountered

1.6 Two primary issues were encountered during the course of the assessment:

1. Due to the introduction of GDPR requirements part way through the delivery period, challenges were encountered in securing the engagement of beneficiaries in the research programme. By working through project leads, it was possible to eventually secure 189 survey responses from across the projects in scope. This figure exceeds the target set for 180 responses and equates to 27.7% of completed business assists recorded by the end of December 2018.
2. The impact assessment has been completed at a time when project activities are still underway – in six cases projects are due to run until 2020 or 2021. The true impacts of project activities are therefore yet to be realised and will increase over time, recognising that impacts often take some time to materialise. The assessment has therefore asked beneficiaries to comment on the impacts they have realised to date as a result of activities and those they anticipate experiencing in the future. Ongoing monitoring of project activities and impacts by Lancaster University will allow a fuller assessment to be established over time.

Report Structure

1.7 The remainder of this report is structured as follows:

- Section 2: provides an overview of each project within the commission scope, including the amount of funding secured and the delivery timescales.
- Section 3: presents the strategic context and rationale for each project, outlining related national and regional policies when the projects were developed and how policy drivers have evolved over time.
- Section 4: reviews the performance against finance and indicator targets using the latest monitoring data, plus consideration of forward forecasts.
- Section 5: considers the effectiveness of delivery approaches and the added value of activities, based on consultation findings.
- Section 6: focuses on beneficiary experiences of ESIF projects, including reasons for engagement and satisfaction with the support received.
- Section 7: analyses the impacts of project activities to date and anticipated in the future and the associated value for money.
- Section 8: outlines the overarching challenges and potential improvements identified through the course of the evaluation, drawing on consultation findings and the evaluator's perspective.
- Section 9: identifies the conclusions drawn from the research and lessons to be learned from the current delivery of each project to inform the planning of future interventions.

1.8 Report contents consider the position across all ESIF funded activities with project specific findings drawn out where they are distinct. Annexes 1 and 2 go on to provide headline performance and survey findings at a project level. This report should also be read in conjunction with the summative assessment summaries prepared for the six ERDF projects on which Lancaster University lead delivery.

2 Lancaster University's ESIF-Funded Projects

Key Points

- Spanning four of the North West's sub-regions, three ERDF Priority Axes and one ESF Priority, Lancaster University's ESIF projects cover a range of subject areas and forms of support to enable individuals and businesses to overcome challenges and explore opportunities. Opportunities to expand the portfolio of support also continue to be explored.
- A total of £27.5m of ESIF funding has been secured across 12 projects with a total funding package of £48.1m. This is a considerable programme of activity with extensions also being sought / secured to raise these figures.
- The University's strong commitment to the projects is demonstrated through its identification of £xxxx of match funding towards project costs. This contribution has largely been made in the form of staff time.
- Partnership working is central to the delivery approach, allowing Lancaster University to share its expertise and draw on the skills and knowledge of others to help maximise the impacts of investment.
- Although regional funding allocations are no longer available through the 2014-2020 programme, Lancaster University has sought opportunities to continue to deliver support services across the region.
- Delivery models have been developed to reflect the objectives of each project and draw on both Lancaster University's and partner experience of delivering previous projects and programmes.
- At the time of the impact evaluation and summative assessments being commissioned, all projects were live with a number remaining at a relatively early stage of delivery. This has implications for the benefits to date reported in later sections of the report.

Introduction

2.1 This section provides an overview of the projects in scope for the impact assessment, as intended at the point ESIF applications were made. Six of the projects have also been subject to an ERDF summative assessment: LoCaL-i, Cumbria Innovations Platform, Lancashire Forum, Health Innovation Campus, U Start and Cumbria Business Growth Hub. Summaries of supported activities are provided on a project by project basis in Annexes 1 and 2 and the summative assessment Excel summaries accompany this report.

Overview of the Projects

2.2 Supported projects cover a wide range of subject areas and forms of support, allowing the University to respond to diverse support needs and apply its varied expertise. Overall, 11 out of 12 projects covered in this evaluation are ERDF funded projects while one is ESF funded – the first time Lancaster University has accessed ESF funding in recent times.

2.3 Funds have been accessed across the Priority Axes. Half (six) of all projects were approved under Priority Axis 3 (Enhancing the competitiveness of small and medium sized enterprises) while the remainder were approved under:

- Priority Axis 4 (Supporting a shift towards the low carbon economy in all sectors) – four projects.
- Priority Axis 1 (Promoting research and innovation) – one project.
- Priority Axis 2.2 (Improved labour market relevance of education and training systems) – one project – the sole ESF award.

2.4 It is unusual for a university to only have a single award under Priority Axis 1 – given the research and innovation focus of this element of the programme – as part of a programme of activity of this scale. However, innovation is also supported through the Priority Axis 4 approvals and further funding opportunities under Priority Axis 1 are understood to currently be under investigation (see details under the Funding Secured sub-section).

2.5 The projects covered by the evaluation are:

Projects in Scope	
Priority Axis 1: Promoting Research and Innovation	
Project Title	**Description**
Cumbria Innovations Platform (ERDF)	Support to grow the Cumbrian economy by increasing innovation and productivity across the county's key economic sectors. The project delivers masterclasses, workshops, student placements, deep-technical assists and PhD supported R&D collaborations.
Priority Axis 3: Enhancing the Competitiveness of Small and Medium Sized Enterprises	
Project Title	**Description**
Health Innovation Campus (ERDF)	Focuses on the collaboration between SME's within the Lancashire region to enable cross-sector SME innovation of new products, processes and services into the growing health and care market place.
U Start (ERDF)	Uses two pathways of enterprise readiness and new business support, to deliver more robust graduate start-up businesses contributing to the local economy in priority sectors such as advanced manufacturing, low carbon energy, creative and digital, social enterprise and health sector innovation.
Healthcare Business Connect Lancashire (ERDF)	Offers tailored support for businesses working in health and life sciences with products or services of interest to the NHS make the right connections and grow their products and services by offering a package of clinical and commercial assistance.
Unite+ (ERDF)	Drives business growth and innovation by providing SME's direct access to highly skilled students and graduates capable of delivering positive commercial outputs through short-term placements.
Cumbria Business Growth Hub / Cumbria Forum (ERDF)	Uses workshops, networking events, and research support to develop a network of SMEs, translating emerging research into practice to deliver activities relevant to businesses in addition to driving cultural and behavioural change and increase collaboration.
Lancashire Forum (ERDF)	Creates a network of SME's with similar goals to facilitate innovation through their products and processes. Involves a series of workshops, masterclasses and networking opportunities to allow benefactors to share and develop ideas of how they can improve their business in an innovative capacity.
Priority Axis 4: Supporting the Shift Towards a Low Carbon Economy in All Sectors	
Project Title	**Description**
Low Carbon Lancashire Innovation Hub (ERDF) (also known as LoCaL-i)	With a need to stimulate growth in Lancashire's low carbon economy, the project aims to increase innovation and adoption of low carbon technologies by providing opportunities for local businesses to develop new products through research and innovation with a focus on eco-innovation.

Eco-Innovation Cheshire and Warrington (ERDF)	Facilitates the collaboration between businesses and universities to achieve business growth and innovation through funded R&D. Through a structured programme, SME's are able to innovate and commercialise new low carbon products and services to tackle varying business and market needs while growing the local low carbon economy base.
Low Carbon Eco-Innovatory (ERDF)	Creates innovative low carbon goods, processes and services, developed through collaborative partnerships between local companies in the Liverpool City Region and university researchers, students and academic staff.
Eco Innovation Cumbria (ERDF)	Targets and assists eligible SMEs to increase innovation and adoption of low carbon technologies. Through R&D and the development of higher-level skills it aims to enable business to grow capacity in developing new products and markets enabling expansion and growth.
ESF Priority Axis 2.2: Improving the Labour Market Relevance of Education and Training Systems	
Project Title	**Description**
EnginE (ESF)	Through the use of work placements, traineeships and apprenticeships, the project provides flexible technical and professional development opportunities to enhance the contribution of advanced skills to Advanced Engineering and Manufacturing (AEM) SME growth individually and across the sector.

2.6 Considering the geographic breakdown of projects:

- Seven are in the Lancashire LEP area;
- Three are in the Cumbria LEP area;
- One is in the Liverpool City Region LEP area; and
- One covers the Cheshire and Warrington LEP area.

2.7 This means that one project is operating solely in a more developed region (i.e. the Cheshire and Warrington LEP area) and eleven in transitional regions (i.e. the Lancashire and Cumbria LEP areas). The Low Carbon Eco-Innovatory project cuts across the two categories of region present in the Liverpool City Region.

Funding Secured

2.8 A total of £27.5m ESIF resource was secured for the projects within the assessment scope, as part of a total funding package in excess of £48m. This is a considerable programme of activity to support individuals and businesses to innovate and grow. Within the total ESIF award, £26.1m (95%) takes the form of ERDF and £1.4m (5%) ESF.

2.9 The capital and revenue split is 25% to 75%, ensuring that resources are focused on working with individuals and businesses to support them to overcome challenges and explore opportunities. Staff costs are the primary category of expenditure across the supported projects. Although breakdowns have not been shared with the evaluators for all projects within the assessment scope, discussions with the Project Support Unit suggest that this category accounts for an estimated 80-90% of approved revenue costs.

2.10 The largest funding award was secured for the Health Innovation Campus – a regionally significant project that also secured Lancashire Growth Deal's largest funding award – reflecting a contribution towards the cost of developing a new facility (£7.26m ERDF capital towards a total capital cost of £12.1m) alongside revenue support for business engagement activities. The only other project to secure a capital allocation is LoCaL-i - £9,000 toward a total capital cost of £15,000.

Project Funding Packages			
Project Title	**ERDF / ESF**	**Match**	**Total**
Health Innovation Campus	£8,459,474	£5,639,650	£14,099,124
Eco-Innovation Cheshire and Warrington	£2,960,467	£2,960,467	£5,920,934
Low Carbon Eco-Innovatory	£2,649,240	£2,752,708	£5,401,948
Low Carbon Lancashire Innovation Hub (LoCaL-i)	£3,059,346	£2,039,564	£5,098,910
Cumbria Innovations Platform (CUSP)	£2,499,523	£1,666,347	£4,165,870
Lancashire Forum	£1,578,331	£1,052,221	£2,630,552
Employer Engagement for Skills in Manufacturing and Engineering (EnginE)	£1,374,000	£916,000	£2,290,000
Eco Innovation Cumbria	£1,296,719	£864,480	£2,161,199
Unite+	£1,202,781	£801,855	£2,004,636
U Start	£1,067,112	£711,413	£1,778,525
Healthcare Business Connect Lancashire (HBCL)	£851,406	£567,596	£1,419,002
Cumbria Business Growth Hub/ Cumbria Forum	£528,319	£595,969	£1,124,288
Total	**£27,526,718**	**£20,568,270**	**£48,094,988**
Source: Application Forms			

2.11 As outlined below, five of the projects assessed are led by other organisations with Lancaster University playing a partner role. Of the £16.9m allocated, in total, to projects led by others, Lancaster University has an allocation of £9.7m (57% of the total), demonstrating the important contribution it has made to partner projects. The University has also demonstrated its own strong commitment to making the full ESIF project portfolio a success, committing £xxxxx of match funding, predominantly in the form of staff time.

2.12 The scope to expand the portfolio of ERDF funded projects is currently being explored. At the time of writing, project applications are being prepared or appraised for three new Lancaster University led ERDF projects under Priority 1 – together seeking ERDF funding of £6.6m. A series of extension applications are also being made in response to demand. Since commissioning the evaluation, a £3m ERDF award has also been secured for the Greater Manchester Cyber Foundry – a three year joint initiative between Lancaster University, Manchester Metropolitan University, the University of Manchester and the University of Salford to provide business support that combines expertise and research to create new products and services for SMEs to reduce cyber security threats.

Delivery Arrangements

Lancaster University in a Lead and Support Role

2.13 A strong project portfolio has been established by Lancaster University working in partnership with a network of contacts from across the North West. The projects fall into two groups – those being led by Lancaster University and those where the University plays a supporting role. By working in partnership, Lancaster University is delivering projects in four of the North West's sub-regions with opportunities that fall outside the scope of this evaluation also being explored in Greater Manchester (for example the Manchester Cyber Foundry project with Manchester Metropolitan University).

2.14 Lancaster University are leading on seven of the 12 projects covered by this evaluation. Project partners include other universities and further education providers in the region, the Cumbria Chamber of Commerce, and specialist research and sector organisations.

Lancaster University Led Projects		
Project Title	**Project Partners**	**Geographic Coverage**
CUSP	University of Cumbria	Cumbria
Health Innovation Campus	-	Lancashire
U Start	UCLan	Lancashire
Lancashire Forum	UCLan	Lancashire
Cumbria Business Growth Hub/ Cumbria Forum	Cumbria Chamber of Commerce	Cumbria
LoCaL-i	Centre For Ecology & Hydrology (CEH)	Lancashire
EnginE	Blackburn College, Blackpool and the Fylde College , the Northwest Aerospace Alliance and the Northern Automotive Alliance	Lancashire

2.15 Lancaster University is also supporting the delivery of five projects, four of which are led by other universities in the North West, while one is led by the Innovation Agency – an academic health science network for the North West coast. These projects support delivery across four of the North West LEP areas, allowing Lancaster University to secure broader geographic coverage.

Lancaster University Supported Projects			
Project Title	**Project Lead**	**Project Partners**	**Geographic Coverage**
Healthcare Business Connect Lancashire (HBCL)	Innovation Agency NWC	Lancaster University	Lancashire
Unite+	UCLan	Lancaster University	Lancashire
Eco-Innovation Cheshire and Warrington	University of Chester	Lancaster University and the University of Liverpool	Cheshire and Warrington
Low Carbon Eco-Innovatory	Liverpool John Moores University	Lancaster University and the University of Liverpool	Liverpool City Region
Eco Innovation Cumbria	The University of Cumbria	Lancaster University	Cumbria

2.16 Delivery arrangements have come about through existing working relationships, the preference of funders (e.g. the Lancaster LEP was keen that Lancaster University and the University of Central Lancashire worked together to deliver services) and opportunities for Lancaster University to share their expertise with others in the region. Service Level Agreements ensure that partners are clear of their roles and associated spend and indicator targets for each project.

Tailored Delivery Approaches

2.17 Delivery models have been developed to reflect the objectives of different project types. Four broad delivery models have been identified, alongside capital investment, with the scope of each and the associated projects outlined below:

Project Delivery Models	
Delivery Model	**ERDF Projects**
Bespoke support: Businesses facing a specific growth or innovation need are provided with bespoke support. The support can take a variety of forms including dedicated research undertaken by PhD or Masters by research students, internships and student projects, or support from technical consultants. Projects are delivered on a 121 basis.	Eco-Innovation Cheshire and Warrington Low Carbon Eco-Innovatory Eco Innovation Cumbria Unite+
'Hybrid' delivery: Includes elements of both bespoke support and cohort delivery. NB usually businesses can only benefit from one type of support, not both.	LoCaL-i (including the Low Carbon Innovation Forum) Cumbria Innovations Platform Health Innovation Campus – revenue
Cohort delivery: Businesses are grouped into cohorts to complete a largely pre-defined programme of support, albeit with the scope to adjust session topics to reflect attendee interests. The approach allows for networking and peer learning alongside undertaking the arranged 'formal' knowledge exchange.	Lancashire Forum Cumbria Business Growth Hub / Cumbria Forum
Flexible support: This model allows a tailored programme of support to be offered to beneficiaries with individuals and businesses accessing support on a rolling basis, as and when required with no formal in-takes within the delivery period.	U Start Healthcare Business Connect Lancashire

2.18 The single ESF project – EnginE – was yet to substantively start delivery at the time the assessment was completed but is expected to deliver a flexible programme of support, tailored to the needs of beneficiary SMEs. The flexible support model (albeit with a structured workshop programme and opportunities for longer term assistance through apprenticeships) is expected to apply to the project. The need to align with academic terms will mean that for elements of the programme there will be cohorts of starters.

2.19 Projects have typically been delivered cross-faculty, drawing on the varied expertise contained within the University. For example, the four Priority 4 projects delivered through the Centre for Global Eco-Innovation engage academics from across departments to meet business needs, while Cumbria Innovations draws on expertise from engineering, computing, physic and chemistry as well as the management school. This is understood to be distinct from previous delivery approaches.

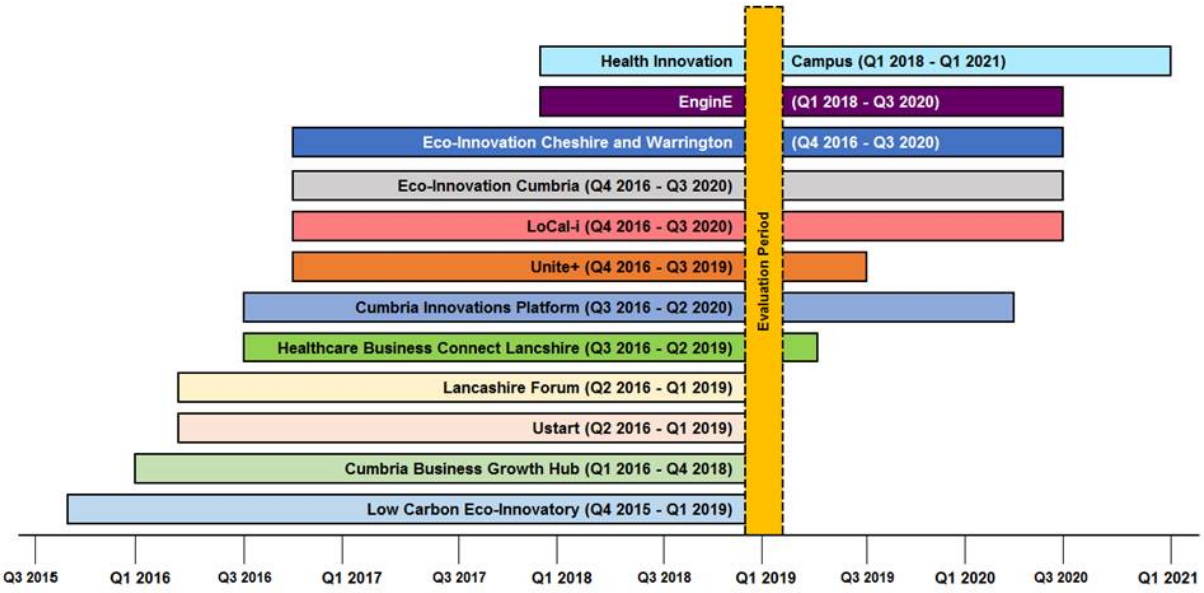
2.20 The identified advantages and disadvantages associated with each of the delivery models are considered in Section 5.

Delivery Timescales

2.21 The diagram below illustrates project delivery timescales from the start date to the proposed activity end date,[1] as detailed in ESIF application forms. As outlined later in this report, there have been some deviations from this programme (including due to later than anticipated funding approvals), however the diagram illustrates that for a number of projects, the assessment has been completed at a relatively early stage in their lifetime. As the scoping consultation found that the EnginE project was yet to start delivery, it fell outside the beneficiary research scope.

[1] Financial completion tends to be three to six months after the activity end date, and therefore claims will be made beyond the timescales shown, including benefits capture.

2.22 Based on project timescales at the time of funding applications being made, all 12 projects were still in progress at the time of being commissioned to undertake the evaluation. Two projects (Lancashire Forum and U Start) were due to complete delivery in early 2019 (although extensions mean that they will now continue delivery beyond this date) and a further three were due to complete before the end of 2019 (Low Carbon Innovation Forum, Healthcare Business Connect Lancashire and Unite+). In contrast, half of the projects have activity end dates in 2020 and beyond meaning that a significant period of activity remains.



2.23 At the time of reporting, a series of project extensions have been agreed (for example for U Start and Lancashire Forum) and extensions have also been requested for others (for example Unite+ and EnginE). A new funding award (secured as a new stand-alone project to allow beneficiaries of the previous project to be supported again) has also been secured for the Cumbria Business Growth Hub project. The extended and new awards have typically been approved on a similar scale (in terms of finances and target outputs) as the initial funding awards and allow a further three years of activity to be delivered beyond the original project timescales. It is understood that an extension is not being sought for the Healthcare Business Connect Lancashire project. This is surprising given the development of the Health Innovation Campus and opportunity to generate a cluster of businesses and expertise.

2.24 Discussions with the Lancashire Forum and Cumbria Forum project teams suggest that, despite approvals allowing ongoing programmes of activity to be delivered, there will be a pause in the delivery of support sessions until the autumn. Although it is understood that this has been planned to allow a review of the level of academic engagement to be completed and new approaches to be confirmed, there is a risk that delivery momentum will be lost at a time when there are known levels of business demand. In contrast, the U Start contract extension has allowed for continuity of service.

Building on Previous Experience

2.25 Delivery of the ESIF projects within the scope of this assessment builds on Lancaster University's extensive track record of both securing and delivering ESIF funds and supporting knowledge exchange and business growth. The University has successfully delivered a considerable scale of activity in recent programme periods and has developed a reputation for strong delivery that the 2014-20 programme builds on. The larger range of projects covered in this report shows a significant expansion in activity through the 2014-20 programmes.

2.26 Current projects were designed to respond to recognised support needs, reflect the University's expertise and acknowledge lessons – both in terms of what has worked well and less well – from previous projects and programmes. This includes responding to learning from the 2012 mid-term evaluation of five projects delivered at Lancaster University under the 2007-2013 programme, including:

- An opportunity to link academics more closely to the programme to facilitate a more intensive academic-company knowledge exchange.
- Reinforcing the importance of network building for innovation and business to business collaboration.
- Increasing follow up activities to uncover other opportunities for further support and ensuring that companies are aware of other support offered by the University.

2.27 These findings have been considered when completing the current evaluation.

Responding to 2014-20 Programme Arrangements

2.28 The move to LEP-level delivery in the 2014-2020 ESIF programme, compared to regional level delivery under the previous programme, has been a significant change. This meant that where pan-regional projects had previously been delivered and led by Lancaster University (in the case of low carbon interventions, for example), applications now had to be made to individual LEPs across the North West. Usually, these were led by a project sponsor based within the LEP area concerned, with Lancaster University (which had previously led the region-wide project) acting as a partner outside Lancashire (e.g. the Eco-Innovation Cheshire and Warrington project is led by the University of Chester, with Lancaster University a project partner. The exception to this is some Cumbria-based projects, where Lancaster University is the lead partner).

2.29 Although this allows projects to be tailored to the specific needs of each LEP area, it has also added complexity. It can also reduce business access to specialist expertise. Project activity can only be delivered to businesses within the specific LEP area, and support can only be provided by the project partners on that particular project. For example, if through the Eco Innovation Cumbria project, Lancaster University identified a business in Cumbria which would benefit from working with an academic based at Liverpool University, this could no longer be funded through the ERDF project.

3 Strategic Context and Rationale for Intervention

Key Points

- The programme of activities has been delivered at a time of evolving policy priorities and during a period of uncertainty for many businesses in the UK due to the lack of clarity regarding Brexit arrangements. This will have presented some challenges to business engagement and therefore project delivery.
- Supported projects are closely aligned with local and national strategic drivers. Projects were developed in response to strategic drivers evident at the time (as well as the requirements of the calls for projects) and have remained relevant as new policies have been launched.
- The project portfolio responds to both thematic – e.g. innovation, skilled workforce, productivity – and sectoral – e.g. health and advanced manufacturing – priorities identified through policy to support gains in productivity and economic growth whilst responding to local needs.
- Lancaster University remain alert to changing strategic and market drivers and continue to develop a pipeline of ERDF supported activities in response. This will allow the University to continue to make an important contribution to both locally and nationally significant policy agendas.
- Logic models set out the connections anticipated for each project at the start of their lifetime. Whilst there are some inconsistencies in the way logic models have been prepared to date, there are some good examples to demonstrate how others should track through from the context and evidence and market failure through objectives, activities, outputs and impacts.

Introduction

3.1 This section reviews the strategic context in which the projects were developed and have been delivered, and assesses the impact of changes in the context on the on-going relevance of the projects. It acknowledges the context at the outset of activity and the extent to which there has remained both a strategic fit and rationale for intervention over time.

Strategic Context

3.2 The Lancaster University ESIF project portfolio has been developed over a series of years. It appears that the projects within the evaluation scope were developed and submitted for support between 2015 and 2017 meaning that a changing policy context – nationally and regionally – has influenced the nature of activities brought forward for support and the opportunities for projects (both existing and new) to satisfy strategic ambitions. Common strands in the strategic context that cut across a number of the projects within the assessment scope are summarised below with consideration of how activities have aligned with them.

National Context

National Strategic Context and Project Alignment	
Strategic Drivers	**Projects Response**
Industrial Strategy (2017)[2] The UK Industrial Strategy 'Building a Britain Fit for the future' published in November 2017 identifies 'Five Foundations' for a prosperous and growing economy: 1. **Ideas** – R&D and innovation 2. **People** – skills, retraining and the labour market 3. **Infrastructure** – transport, digital and housing 4. **Business Environment** – increasing SME productivity and start-ups 5. **Places** – tackling regional disparities in productivity and economic performance. The strategy also introduces 'Grand Challenges' which represent areas in which the UK has the opportunity to play a leading global role. They are: AI and Data Economy, Clean Growth, Aging Society and the Future of Mobility.	Lancaster University's ESIF project portfolio responds to multiple strands of the Industrial Strategy. For example, the Ideas strand is supported by projects including Healthcare Business Connect Lancashire and Cumbria Innovations Platform, the People strand by EnginE and the Business Environment strand by U Start and Unite+. Across all of the ESIF supported activities there is also potential to support the Places strand by reducing disparities in productivity and driving up economic performance with important achievements already evident in this area and further gains expected in the future. Considering the Grand Challenges, supported activities directly contribute to advances in Clean Growth (through Priority 4 activities) and an Ageing Society (through the Health Innovation Campus and Healthcare Business Connect Lancashire).
The Inclusive Growth Commission: Making our Economy Work for Everyone (2017)[3] In line with the plans laid out by the Prime Minister, the RSA Inclusive Growth Commission published a report setting out a framework for the UK to obtain an inclusive economy that supports productivity and economic growth. The intention is to: • Support more people into employment, reducing the strain on the welfare state and additional associated impacts of being unemployed; • Deliver changes to social and physical infrastructure (including education, housing, and connectivity); • Determine locally backed measures from local industrial strategies and businesses to develop a culture of inclusivity; and • Place inclusive growth at the heart of policies, through devolved powers.	Actions to support new business start-ups / enterprise alongside business growth and workforce development interventions allow the University to make a broad contribution to the inclusive growth agenda. Ways of working have broken down potential barriers between the University and the business community and have established networks that allow SMEs to understand the wider support network available to them (both formally and informally, e.g. through peer learning). Benefits are expected to include greater productivity, higher economic growth, the creation of new employment opportunities for local people and giving people an alternative to employment through enterprise.
Smart Specialisation in England (2015) The Smart Specialisation in England strategy provides a strategic framework for investments in research and innovation funded by ERDF. It recognises the value of	The Lancaster University project portfolio responds to the Smart Specialisation agenda by seeking to build on the University's areas of expertise and opportunities evident in the sub-regions it is working in. Supported activities have encouraged

[2] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf

[3] https://www.thersa.org/globalassets/pdfs/reports/rsa_inclusive-growth-commission-final-report-march-2017.pdf

focusing on competitive advantages and the role that universities have in delivering the agenda and identifies priorities in sectors identified in the Industrial Strategy at that time, including aerospace and automotive, life sciences, professional business services and the information economy. A series of challenges to be overcome were outlined including a need to work with SMEs to bring new products to market, low levels of investment in R&D and an impetus to raise levels of innovation.	private sector investment as beneficiaries take forward the new knowledge and plans established with ESIF support to grow and innovate, and bring new products to market. Links to target sectors have been evident through both targeted activities (e.g. engagement of the automotive sector through the EnginE project) and wider business reach (through cross-sectoral business support and enterprise projects such as Lancashire Forum and UStart).
Fixing the Foundations: Creating a More Prosperous Nation (2015) Published by the then Chancellor of the Exchequer, the report introduced a framework to increase productivity in the UK. Based on two key pillars, it aimed to: • Encourage long-term investment – including through increased investment in science and innovation and enhancing STEM skills. • Promote a dynamic economy – by rebalancing the economy, increasing business competitiveness and making the UK an attractive place to live.	ESIF funded activities have been designed to: increase levels of innovation (through projects including the Cumbria Innovations Platforms and Health Innovation Campus); support business competitiveness to help promote business growth and rebalance the national economy (through projects such as Lancashire Forum, Cumbria Forum and Unite+); and enhance STEM skills to create a skilled workforce (through EnginE).
The Carbon Plan: Delivering Our Low Carbon Future (2011) This document set out how Government seeks to deliver the commitment to halve greenhouse gas emissions, on 1990 levels, by the mid-2020s. It recognised the need to secure new investment in low carbon infrastructure, industries and jobs and to ensure that technologies that to date had only been demonstrated or deployed on a small scale move towards mass deployment with further innovations to continue to be advanced, if targets are to be satisfied.	The identification of four projects under Priority Axis 4 has allowed Lancaster University to play a leading role in the region's low carbon agenda. Activities have built on internal expertise and have been delivered in combination with partners to allow varied skills sets and areas of specialism to be accessed. By working with businesses to increase awareness of policy drivers and the issues faced, and support the development of potential products and services in response, the University has taken an important step to advance the agenda with benefits expected to be realised in later years.

3.3 In addition to the need to respond to policy drivers, the projects have been delivered at a time of increasing uncertainty associated with Brexit. With the continued lack of an agreement following the passing of the original leaving date of 29th March 2019 following initial caution immediately after the referendum, Brexit has caused uncertainty for businesses and higher education institutions around the UK. The outcome of the Brexit negotiations will influence future trade agreements, regulation, the introduction of tariffs and fluctuations in the currency, which all have the potential to affect businesses and their decision making. With exporting and importing businesses and those with close links to these businesses are expected to feel the biggest impact. In February 2019, the CBI's UK Business Optimism indicator[4] fell to its lowest level since the immediate aftermath of the Brexit referendum in 2016 with many more businesses feeling pessimistic than optimistic about the future.

[4] https://tradingeconomics.com/united-kingdom/business-confidence

Sub-National and Sub-Regional Context

Regional Strategic Context and Project Alignment	
Strategic Drivers	**Projects Response**
The Northern Powerhouse Partnership (2017)[5] The Northern Powerhouse Partnership was created to increase economic growth in the North of England and the UK economy as a whole by bringing key regions together to reduce the North-South imbalance. The report prioritised four key capabilities of the North to stimulate economic growth: • **Education and Skills:** Improvement of educational attainment by age 16 in order to develop the technical and higher levels demanded by employers • **Infrastructure and Assets**: Improved East-West connectivity to improve access of major cities. • **International Competitiveness:** Driving productivity growth through health innovation, advanced manufacturing and the digital economy. • **Leadership and Learning:** Using devolution to give local authorities the powers to make the North a place where people want to live, work, and invest.	Activities being delivered by Lancaster University across the North West are designed to support the region to be more competitive. All projects make a contribution to this agenda but in different ways. For example, health innovation is targeted through the Health Innovation Campus (capital and revenue) and Healthcare Business Connect Lancashire projects while economy wide productivity gains are supported by projects including Lancashire Forum and Cumbria Growth Hub. The University's sole ESF project – EnginE – is allowing ESIF resources to be used to enhance workforce skills in response to the demands of key sectors within the Lancashire economy, specifically targeting advanced manufacturing and engineering SMEs thereby supporting productivity growth in the sector.
European Structural Investment Funds (ESIF) Strategy for Lancashire (2015)[6] The ESIF Strategy outlines the framework for the Lancashire LEP activities between 2014 and 2020. The strategy highlights the need to improve the LEP's infrastructure, as well as support for innovation, resource efficiency and skills development.	Project proposals directly responded to the requirements of the ESIF Strategy and calls for projects issued to take its delivery forward. Lancaster University activities respond to priorities across four axes of the programme, supporting innovation, business growth, advancement of the low carbon agenda and the development of a skilled workforce that is responsive to local business needs. Emerging project proposals continue to respond to local ESIF priorities.
Lancashire Local Enterprise Partnership Strategic Economic Plan (2014)[7] The Lancashire Local Enterprise Partnership (LEP) Strategic Economic Plan (SEP) outlines key priorities and programmes between 2015 and 2025. The vision for the SEP included the generation of 50,000 jobs, 40,000 new homes, and an additional £3 billion in economic activity. Six priorities were identified: • **Sector development and growth** to improve Lancashire's advanced manufacturing, aerospace, automotive, and energy expertise.	Lancaster University's ESIF projects are designed to support the achievement of Lancashire's economic priorities (and those of other sub-regional SEPs, where applicable), including by: • Working with SMEs to identify and plan for business growth opportunities and give them the skills and knowledge they need to exploit opportunities; • Supporting the development of skills in line with the needs of the advanced manufacturing and engineering sector through EnginE as well as offering

[5] https://www.n8research.org.uk/media/NPP-First-Report.pdf

[6] http://www.lancashirelep.co.uk/media/21472/Draft-ESIF-Strategy-for-Lancashire-1-Oct-15.pdf

[7] https://www.lepnetwork.net/media/1118/lancashire-sep.pdf

• **Innovation excellence** to enable Lancaster University and the University of Central Lancashire (UCLan) to support innovation in local economic sectors. • **Skills for growth** to help SMEs and the enrolment of apprenticeships. • **Business growth and enterprise** with an enhanced business growth hub to provide SMEs with support in growth sectors. • **Releasing local growth potential** with the Enhanced Growing Places Investment Fund to begin the regeneration of key assets across Lancashire. • **Renewal of Blackpool** with a transformational intervention in the housing market and improvements to attract more visitor trade.	practical experience to people in the education system through the placements offered by projects such as those funded under Priority 4; • Helping businesses to innovate by providing access to the University's expertise, facilities and equipment to support the innovation process; and • Working in collaboration with partners to respond to local priorities . Monitoring records (see Section 4) show that contributions are emerging towards growth targets.
Lancashire Local Enterprise Partnership (LEP) Refreshed Strategic Economic Plan (2016)[8] Following the introduction of the Industrial Strategy, the emergence of the Northern Powerhouse and the ongoing discussions around the UK leaving the European Union, the Lancashire LEP refreshed the Strategic Economic Plan (SEP). The refreshed SEP will 'remain focused on driving Lancashire's growth ambitions with the aim of closing productivity gaps by creating the conditions that enable businesses to grow and residents to access higher value employment', therefore remaining close to the six priorities of the original report.	Building on the contribution to the original Strategic Economic Plan outlined above, project proposals developed before and since the refreshed document's launch, will: • Support business growth and enterprise through the provision of tailored support services; • Help to supply the skills needed for growth through the University's single ESF project; and • Through innovation, support businesses to remain competitive. As outlined elsewhere, the supported projects are supportive of Northern Powerhouse ambitions and are responsive to local economic priorities – both overall and within priority sectors such as advanced manufacturing and evolving specialisms in health.
Science and Innovation Audits (SIA)[9] In 2015, the government initiated a series of Science and Innovation Audits (SIAs) to identify regional innovation advantages to stimulate increased productivity and economic growth through research-driven industries carried out by local businesses, universities, and LEP's. Audits in the North West include: • **Sheffield City Region and Lancashire Audit (SCRL)[10]:** aims to stimulate collaboration to create a '*Northern Advanced Manufacturing Innovation Corridor*' between the two areas, with the consortium including BAE systems, Lancaster University and UCLan. • **Greater Manchester and East Cheshire's (GMEC**) key ambitions are to stimulate strategic investment and facilitate growth in research and	Lancaster University's ESIF funded projects are supporting the continued development of specialisms identified through the North West SIAs, as follows: **Sheffield City Region and Lancashire Audit** – the EnginE project supports the development of a skilled workforce in the advanced manufacturing and engineering sector, supporting businesses to grow. Projects delivered by Lancaster University in collaboration with UCLan (e.g. Lancashire Forum and U Start) also offer potential to secure gains in the target sector. **Greater Manchester and Cheshire East** – the SIA aligns with the Eco-Innovation Cheshire and Warrington project and the more recently launched GM Cyber Security project, Lancaster University's only project in the GM sub-region.

[8] http://council.lancashire.gov.uk/documents/s95677/Lancashire%20Strategic%20Economic%20Plan%20Refresh%20Report.pdf

[9] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/565261/science-innovation-audits-wave-1-summary-report.pdf

[10] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/565261/science-innovation-audits-wave-1-summary-report.pdf

development related to digital, energy and industrial biotechnology sectors. • **The Coastal Arc Partnership for Clean and Sustainable Growth[11]:** aims to align research practises from the Universities of Lancaster, Liverpool, Chester, Cumbria, and Central Lancashire with specific strengths in the sector to utilise clean growth to increase productivity and stimulate new jobs and wealth. This will include improvements to education and training on sustainable growth, access to international markets, and SME support for sustainability. • **The North West Nuclear Arc**: the area between Carlisle and Bangor in the North of Wales is home to the majority of the UK's nuclear research and the most concentrated cluster in Europe featuring over 235 nuclear industry companies. The audit focuses on investing in current assets, to reduce waste and improve cost and time efficiency. • **Northern Powerhouse for Health Innovation**: aiming to improve the health and life science industry in the North through improved use of data across each business and research organisation to produce collaboration and stimulate new developments in the sector.	**Coastal Arc Partnership** – working with partners from across the North West, the SIA set the context for the four low carbon projects delivered through the Centre for Global Eco-Innovation, which are supporting SME advances in sustainable growth. **North West Nuclear Arc** – alignment is evident with projects working on clean growth across the arc (Eco Innovation Cumbria, Low Carbon Eco-Innovatory, LoCaL-i, Eco-Innovation Cheshire and Warrington) as well as the Cumbria Innovations Platform, supporting businesses through collaborative research. **Northern Powerhouse for Health Innovation** – this audit is well aligned with the Health Innovation Campus and Healthcare Business Connect Lancashire projects to develop new innovations for the NHS and the wider health sector.

Higher Education Sector Context

Higher Education Strategic Context and Project Alignment	
Strategic Drivers	**Projects Response**
Truly Civic: Strengthening the Connection between Universities and their Places (2019)[12] The Civic University Commission Report outlined the need for universities to play their part in the wider community they are placed in, recognising the higher education institutions as a '*place of good*'. The report highlights the proposed 'Civic University Agreement', where universities within a local area or region could come together to understand the needs of the local populations and how they can develop a clear set of measureable priorities to become more active at a local level, and help support schools, businesses, and other community organisations.	Lancaster University is one of 30 universities that have expressed their commitment to the agreement to date[13]. ESIF supported activities – alongside the University's wider outreach programme – are allowing greater engagement of the business community and individuals. This breaks down barriers to longer term engagement and demonstrates to all parties the benefits of having the University as part of the community. The larger network of contacts engaged through ESIF projects – and the greater understanding of local needs and opportunities that has been established as a result – will be an asset that can continue beyond the project timescales. Partnership working on projects will also help in this respect, supporting knowledge sharing.

[11] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/784350/beis-sia-summary-report-wave-3.pdf

[12] https://upp-foundation.org/wp-content/uploads/2019/02/Civic-University-Commission-Final-Report.pdf

[13] https://www.sustainabilityexchange.ac.uk/news/uk_institutions_commit_to_being_places_of_civic

The Knowledge Exchange Framework (KEF) (2017)[14] Announced as a new policy as part of the 2017 Industrial Strategy, and built upon the McMillan Review[15], the KEF aims (amongst other things) to increase the use of the expertise and skills of universities and their academics to provide solutions for commercial business needs over high growth sectors. The policy highlights that the UK has a number of high quality universities conducting world leading research, with public funding needing to go towards stimulating a collaborative culture between business and academia.	Collaborative working with businesses has been embedded across the Lancaster University project portfolio, allowing the sharing of skills and expertise and building relationships with the business base, including those in high growth sectors. Cross faculty delivery for a number of projects has ensured that the business base has been able to access the expertise they need from a diverse range of perspectives. Projects have also been designed to build on recognised research strengths, for example the expertise of the Centre for Global Eco-Innovation for delivery of Priority 4 projects.
The Dowling Review of Business-University Research Collaboration (2015)[16] The Dowling Review (2015) considered how the government can better support the relationship between businesses in the UK and researchers at world-leading UK universities. The review highlighted that public support for innovation in the UK was too complex, requiring better coordination by government. The review called for the system to be overhauled and simplified in order to capture more businesses seeking support on collaboration projects and to make sure that universities have the resources to provide the right services to businesses.	A number of the supported projects have sought to ease the process of businesses accessing expertise within the University. Active engagement approaches and building on both the University's own network of existing contacts and those of its partners has helped to increase awareness of opportunities for collaboration. ESIF resources have provided the mechanism for the University to increase its work with businesses (specifically SMEs) which it is hoped will result in a series of longer term working relationships.
Encouraging a British Invention Revolution Universities and Growth: Sir Andrew Witty's Review of Universities and Growth (2013)[17] The Witty Review (2013) sought the views and advice of Sir Andrew Witty on how universities can support local growth. Through research with entrepreneur members of LEP's, business schools and universities in the UK, two pertinent conclusions were: • *"The UK has an extraordinary wealth of ideas, technology and human energy – much of which is world-leading and capable of seeding not just new companies but whole industries with potential to build substantial export positions."* • *"Significant scope exists to better align funding streams, organisational focus and increase cross institution collaboration to avoid delays in ideas reaching maturity and the risk of British inventions building foreign industries."* Recommendations included the need for universities to engage more in economic growth and more funding for collaboration.	Lancaster University's ESIF projects respond to the review's recommendations in a series of ways including: • Sharing the University's expertise with the local business base and individuals to allow them to access both knowledge and equipment / facilities that it would otherwise be challenging to secure. • Building on good practice and lessons identified through the delivery of previous project activities. • Supporting delivery in collaboration with other partners in the region, including other universities. • Working with the business base to support the translation of ideas into practice. • Due to the scale of the project portfolio, making an important contribution to the achievement of the ESIF programme and LEP objectives.

[14] https://re.ukri.org/knowledge-exchange/

[15] https://dera.ioe.ac.uk/27123/1/2016_ketech.pdf

[16] https://www.raeng.org.uk/publications/reports/the-dowling-review-of-business-university-research

[17] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/249720/bis-13-1241-encouraging-a-british-invention-revolution-andrew-witty-review-R1.pdf

Continued Strategic Relevance

3.4 Due to the locally embedded nature of Lancaster University's activities and strong strategic rationales for intervention at the outset of projects, clustered around recognised priorities for the Lancashire economy and wider North West, supported projects have remained strategically relevant. The University has been able to apply its expertise to emerging opportunities and long standing ambitions in innovation, the low carbon agenda and supporting business growth and through its activities has demonstrated the wider role the institution plays within the economy.

3.5 As examples, the activities of the Centre for Global Eco-Innovation are already supportive of the opportunities identified through the Coastal Arc Partnership for Clean and Sustainable Growth and the North West Nuclear Arc Science and Innovation Audit as well as national low carbon ambitions outlined in The Carbon Plan. The Health Innovation Campus and Healthcare Business Connect Lancashire are delivering on Industrial Strategy priorities around innovation and an ageing population and the health innovation opportunity flagged by the Northern Powerhouse.

3.6 New funding opportunities explored beyond those projects covered by this impact evaluation show that the University has remained alert to the evolving strategic priorities of national, regional and local stakeholders, as well as market opportunities, to continue to expand their portfolio of activities, to the benefit of the institution and the economy. For example, the addition of the Greater Manchester Cyber Foundry project demonstrates strong fit with Industrial Strategy and Northern Powerhouse agendas around the data economy.

Project Logic

3.7 Each of the projects covered by the impact assessment has produced a project logic model which sets out the intervention logic for their project, and shows how the activity undertaken is intended to lead to outputs, outcomes and impacts. The logic model process is intended to help shape the design of a project, make explicit the rationale for the intervention, and test the assumptions being made about the how the identified needs will be addressed by the intervention.

3.8 The evaluation has assessed logic models for their completeness and robustness of the approach taken. The outcomes of this exercise are outlined below.

Defining the Context

3.9 The logic models generally provide a good description of the context in which each project will operate. This includes highlighting the international and national policy drivers, as well as the local economic conditions. Although there has been some change in the strategic context since the projects were developed, the logic models and therefore the project activities themselves remain valid.

Identifying Market Failures

3.10 The logic models are weaker on the analysis of market failure. Whilst some do this very successfully, identifying information asymmetries, uncertainty, market dominance and so on (e.g. Low Carbon Eco-Innovatory project, Lancashire Forum), others focus on additional context information, without analysing the market failure which gives rise to the issue. For example, the market failure section of the Cumbrian Innovations Platform logic model highlights that there are a low number of product innovations in Cumbria, and that SMEs that co-operate with universities are twice as likely to introduce new products - but doesn't set out what prevents Cumbrian SMEs from doing this in the absence of ERDF support.

Setting Objectives

3.11 The logic models set out objectives for each project. In the main, these objectives are specific and measurable, with quantified targets set out in the outputs, outcomes and impacts section. They link back clearly to the issues highlighted in the context and market failures section, e.g. the 'institutional deficiencies' in SMEs identified in the Lancashire Forum logic model will be tackled through reducing non-technical skills gaps (e.g. leadership development). There are a small number of projects where the objectives are less specific (e.g. Cumbria Growth Hub - *"enhancing the growth and competitiveness of Cumbrian SMEs and supporting job creation through review and action planning leading to personalised packages of support drawing on direct delivery through this project and support available more widely.")*

3.12 All the logic models provide a project rationale, which cite a variety of evidence to support the need for the project and the appropriateness of the chosen delivery model. In some cases this refers to learning from previous experience (e.g. Cumbria Innovation Platform, Lancashire Forum, LoCaL-i), in other cases, statistical data is cited (e.g. Unite+ HESA destinations data) to justify the need for the project. In a small number of cases, the rationale given is an explanation of what the project will do, rather than why it is the right thing to do (e.g. building capacity and capability in health and life science businesses).

Resources, Outputs, Outcomes and Impacts

3.13 Each of the logic models specifies the resources which will be used to deliver the project and achieve the specified outputs, outcomes and impacts. In most cases specific amounts of funding and their sources are identified. In addition to the funding being contributed by Lancaster University, most logic models also highlight the time, capacity and expertise being dedicated to the project by University staff and students. The amounts of funding allocated to each project appear reasonable given the output targets. Each project is different, and it is therefore not surprising that unit costs vary considerably across the projects, but there are also differences across apparently similar projects. For example, the unit cost per enterprise receiving support in Cumbria appears to be c£23,000, whilst in the Eco-Innovation Cheshire and Warrington project, the cost is over £32,000 (assuming that the number of businesses assisted is 177, based on a 12 hour ERDF business assist).

3.14 There are also some differences in the relationships between different outputs across the projects, which again could reflect differences in the nature of activities. For example, amongst the four low carbon projects two (LoCaL-i and Low Carbon Eco-Innovatory) have the same target for C26 (number of enterprises cooperating with a Research Institution) as they do for C01 (enterprises receiving support), i.e. it is assumed that every business supported through the project carries on its engagement with Lancaster University. In the Eco Innovation Cumbria project, just over one in two enterprises receiving support is expected to go on to cooperate with a university (52 out of 90 and similar to the Cumbria Innovations Platform project) and in the Eco-Innovation Cheshire and Warrington project, the ratio is closer to one in four (45 out of 177). There are also differences in the ratio of businesses assisted to businesses introducing new to firm products or services. This ranges from around one in two of the businesses supported through the low carbon projects (a high proportion but reflective of the nature of the support being offered) to around one in eight of those who participate in the Lancashire Forum. As the projects draw to a close, there would be value in considering the conversion rates in practice in order to inform future project targets.

3.15 Most of the logic models include defined outcomes, and state how these will be measured to test whether or not the project is meetings its objectives. However, only one (Eco Innovation Cumbria) includes baseline values against which progress can be tested.

The Impact of External Factors

3.16 The summative assessment logic model template does not allow for the identification of external factors that might influence the impact of projects. This makes it appear that the inputs and activities will lead inevitably to the outputs, outcomes and impacts. In fact there are numerous external factors which can influence delivery and impact. The most commonly experienced issue to date is the delay in projects being approved, causing a delay to start dates and staff recruitment. Given that most costs are staffing costs, in a number of cases this has left projects under-profile on both financial spend and on outputs.

Overarching Assessment

3.17 Overall the logic models provide a reasonable overview of the supported projects. It is clear that careful thought has gone into the development of the logic models and there are opportunities for lessons to be shared from the preparation of the strongest examples.

4 Project Performance

Key Points

- Slippage in project activity – primarily due to delays in contracting (beyond the University's control) and staff recruitment – means that expenditure has been behind target. By the end of December 2018, total spend of £14.9m had been reported against at target of £16.6m. However, discussions with project leads suggest that, in a number of cases, the position had improved by the end of March 2019 claims.
- Where variances have been required they have been actioned and the Project Support Unit – working with project teams – remain alert to the need to continue to review performance.
- Forecasts suggest eight of the 12 projects are expected to satisfy financial targets across their duration, while three projects are forecast to underspend due to the impact of irrecoverable slippage in programmes of activity.
- Although important progress has already been made against output targets, delays in project activity has caused performance on 10 out of the 12 output indicators to be behind target for this point in the programme.
- Consultations completed as part of the evaluation suggest that projects have a strong pipeline of beneficiaries in place to satisfy targets during the remainder of the delivery period with time being factored into project planning to allow longer term outcomes (for example employment creation) to be captured within monitoring timescales.
- Forecasts suggest 12 out of 14 output targets will be reached or surpassed by the end of project activity with significant forecast achievements to include the completion of 1,245 business assists, almost 600 enterprises cooperating with research entities and 374 jobs created. Sensible forecast profiles appear to be in place to allow these targets to be satisfied.

Introduction

4.1 This section reviews the performance against targets, using the latest monitoring data received. The assessment includes consideration of the financial performance to date, any changes to the expenditure profile, the overall output target profile across all projects and current output performance against targets. An overview of the forecast performance is also provided to give an indication of the anticipated position at the point of completion of project activities.

4.2 The standard performance tables for each of the six ERDF projects required to complete a summative assessment are provided in Annex 3.

Financial Performance

Programme Performance to Date

4.3 Monitoring data provides the current financial expenditure against the targets up to the end of Q4 2018. By the end of December 2018, almost £15m of expenditure had been claimed, equating to around 41% of the total project costs and 90% of the target for expenditure by this date.

4.4 Ten out of the 12 projects had underspent against targets for spend to the end of December 2018, leading to an overall underspend against target of around £1.68 million. Lower than anticipated expenditure levels have been due, primarily, to later than anticipated project approvals being secured (impacting on ten of the projects) with a consequent impact on the timing of recruitment (with a funding commitment required ahead of Lancaster University and partner organisations being able to make appointments) and therefore the ability to draw down funding. Steps are being taken by project staff wherever possible to return expenditure to target but where this is not possible, variance requests are being made to allow the programme of activity to be managed and the funder to be made aware of potential longer term implications for expenditure (see details later in this section).

4.5 The programme wide and project by project progress against expenditure targets is summarised below with brief explanations of the primary causes for variations against targets.

Financial targets to end of Q4 2018 against actual expenditure totals

	Target to Q4 2018	Actual to Q4 2018	Difference	Reason for Difference
Health Innovation Campus	£3,245,799	£3,559,615	+£313,816	The capital element of the project is ahead of profile allowing project expenditure to be accelerated. Delay in recruiting the team has resulted in revenue underspend.
Eco Innovation Cumbria*	£518,325	£575,703	+£57,378	Despite a slow start, strong take-up means this project is now ahead of schedule.
Low Carbon Eco-Innovatory*	£196,093	£168,281	-£27,812	Expenditure a little behind profile due to SME recruitment delays.
LoCaL-i	£2,473,620	£2,445,221	-£28,399	Expenditure a little behind profile due to SME recruitment delays and knock on effects, but most funding now committed.
Eco-Innovation Cheshire and Warrington*	£677,229	£635,004	-£42,225	Re-profile required due to the delay at the start and the withdrawal of the University of Liverpool from the project.
Unite+*	£587,487	£520,402	-£67,085	Changes to the structure of the staff team and churn within the team has led to under-spend.
Healthcare Business Connect Lancashire	£922,434	£783,972	-£138,462	A high number of staff changes and the complexity of adding new people to the project has impacted on match funding levels and therefore overall project spend.
Lancashire Forum	£2,243,112	£2,094,643	-£148,469	Delays in project approval and UCLan staff recruitment.
U Start	£1,595,084	£1,409,684	-£185,400	Lower than anticipated expenditure due to delay in receipt of the offer letter, only recruiting once the contract was in place and some staff turnover.
Cumbria Business Growth Hub	£955,643	£653,875	-£301,768	Delayed project start date and lower staff costs.
Cumbria Innovations Platform	£2,306,273	£1,927,694	-£378,579	Underspend on staff salaries due to the late start of posts.
EnginE	£836,746	£107,340	-£729,406	Delays in staff recruitment resulted in a later than anticipated start to activity and spend.
Total	**£16,557,845**	**£14,881,434**	**-£1,676,411**	

Source: Monitoring data
* Based on targets and actual spend for Lancaster University only

Spend by Priority Axis

4.6 Overall the projects falling under ERDF Priority Axes 1 and 3 and ESF Priority Axis 2.2 had underspent at the time of the December 2018 claims being submitted, while overall projects under Priority Axis 4 are on target with 99% of the target spent by the end of 2018. EnginE, the only ESF project (priority axis 2.2) significantly underspent due to delays in the project start date. Momentum is however starting to build in 2019 now the project manager is established in post and an agreed programme of activities has been planned out with partner organisations.

Actual expenditure against financial targets to the end of Q4 2018, by Priority Axis

	Target to date	Actual to date	% of target achieved	Key	
Priority Axis 1	£2,306,273	£1,927,694	84%		less than 85%[18]
Priority Axis 3	£9,549,559	£9,022,191	94%		between 85% and 95%
Priority Axis 4	£3,865,267	£3,824,209	99%		Greater than 95%
ESF Priority Axis 2.2	£836,746	£107,340	13%		
Total	£16,557,845	£14,881,434	90%		

Source: Monitoring data

Agreed Variances

4.7 As a high proportion of project costs have related to staffing, a delay to the start of projects has meant it has not been possible to return expenditure to profile, i.e. you cannot simply spend more at a later date within a fixed project duration. There has also been agreement that there is no value in trying to spend resources if it would not be productive with one project manager commenting: *"we couldn't find a way to usefully spend the under-spend"*. As a result, a number of projects have sought changes to their project funding allocations, as outlined below, and the Project Support Unit – in conjunction with project teams – remain alert to identifying where further variances may be required. Variations agreed to date bring the overall total spend figure down by around half a million to £35.6 million over the projects' lifetimes.

Agreed changes to expenditure targets – whole project lifetimes

	Original	Adjusted	Change	Reason for Adjustment
Lancashire Forum	£2,630,552	£2,436,821	-£193,731	Later than anticipated project contracting and delays in staff recruitment, particularly within UCLan.
Cumbria Business Growth Hub	£1,124,288	£955,643	-£168,645	Level of project spend reduced due to the later than anticipated appointment of staff members.
Healthcare Business Connect Lancashire	£1,419,002	£1,311,415	-£107,587	Staffing changes resulted in lower match than anticipated – impacting on overall spend.
Cumbria Innovations Platform	£4,165,870	£4,083,054	-£82,816	Changes to the staff team within the Computing department.
EnginE	£2,290,000	£2,284,610	-£5,390	Delayed start to project activity due to later than anticipated funding approval and appointment of a project manager.

Source: Monitoring data

[18] This key reflects summative assessment bandings and has been applied to all of the colour coded tables that follow

Expenditure Forecasts

4.8 During 2019, 2020 and 2021, to project completion, £0.5m more is expected to be spent than was initially contracted across these years (keeping within overall project budgets) reflecting the underspend to date and plans to utilise allocations. In 2019 there is expected to be a significant expenditure across all projects, in the case of six of the projects to catch up with underspend in 2018, as projects start to draw to an end.

Forecast Expenditure – ordered high to low				
	2019 forecast	**2020 forecast**	**2021 forecast**	**Total**
Health Innovation Campus	£8,704,549	£2,120,596	£28,180	£10,539,509
LoCaL-i	£1,592,243	£1,033,047	£0	£2,672,304
Cumbria Innovations Platform	£1,093,309	£683,472	£0	£2,155,360
EnginE	833,242.00	£614,622	£0	£1,447,864
Eco-Innovation C&W*	£407,478	£345,920	£0	£795,622
HBCL	£388,981	£0	£0	£527,443
Eco Innovation Cumbria*	£308,136	£250,425	£0	£501,183
U Start	£183,441	£0	£0	£368,841
Unite+*	£246,513	£0	£0	£313,598
Lancashire Forum	£193,709	£0	£0	£193,709
LCEI*	£61,565	£0	£0	£89,377
Cumbria Business Growth Hub	£0	£0	£0	£0
Total	**£14,013,166**	**£5,048,082**	**£28,180**	**£19,604,810**

Source: Monitoring data
* Based on forecast spend for Lancaster University elements only

4.9 By the end of the projects' contractual commitments, it is currently anticipated that:

- Eight out of the 12 projects will have spent their contracted amount;
- One project will record a slight underspend (although during the course of Lancashire Forum's project extension performance may catch up over time); and
- Two projects will report significant underspend – 68% of contracted expenditure[19].

4.10 Details are provided overleaf.

[19] Although in the case of EnginE it is recognised that a variance request is proposed to be issued to agree a final scale of resource and expenditure profile. For the Cumbria Growth Hub, it has not been possible to catch up staff costs following a later project start

Financial Profile to Date and Forecast		
	Actual to date plus forecast spend	**% of total contracted**
Health Innovation Campus	£14,099,124	100%
LoCaL-i	£5,117,525	100%
Cumbria Innovations Platform	£4,083,054	100%
Lancashire Forum	£2,288,352	94%
U Start	£1,778,525	100%
Eco-Innovation C&W*	£1,430,626	100%
HBCL	£1,311,415	100%
Eco Innovation Cumbria*	£1,076,886	100%
Unite+*	£834,400	100%
Cumbria Business Growth Hub	£653,875	68%
LCEI*	£257,658	100%
EnginE	£1,555,204	68%
Total	£34,486,644	97%

Source: Monitoring data
* Based on financial profile for Lancaster University inputs only

Achievement of Profiled Outputs

Output Coverage

4.11 The range of supported activities means that the university has targets against a series of ESIF indicators. The number of enterprises receiving support is a key output target across all projects (C01 for the 11 ERDF projects and C023 for the ESF project) with a total target of 1,466 enterprises to be supported by Lancaster University across the total lifetime of these projects. This is a significant target given that projects need to compete with other ESIF funded projects to secure beneficiaries, for example a number of Priority 4 projects have been approved since the Centre for Global Eco-Innovation projects commenced, all of which will be targeting similar businesses with an appetite for eco-innovation.

4.12 Reflecting the nature of supported projects, the portfolio also has important targets for:

- C08 - employment increase in supported enterprises with a target of 366 across the seven projects;
- C26 - the number of enterprises cooperating with research institutions with a target of 616 businesses across six projects; and
- C29 – the number of enterprises supported to introduce new to the firm products with 261 in total across ten projects.

4.13 At the aggregate level, just over two in five enterprises receiving support are expected to go on to meet the criteria to be counted as cooperating with a research institution. More detailed guidance is now available than was the case at the start of many projects about what evidence MHCLG is expecting to see to confirm a C26 output. This has implications for projects which have already claimed C26 outputs or had planned to do so in the near future with guidance being provided by the Project Support Unit to ensure compliance.

Overall Output Profile[20]														
Project Title	**C01**	**C04**	**C05**	**C08**	**C25**	**C26**	**C28**	**C29**	**C34**	**P02**	**P11**	**P13**	**R9**	**C023**
CUSP	120	120		25		60	10	50						
Health Innovation Campus	300	300		35	50	300	25	50		3,750				
U Start	86	86	86	87			5				250			
Healthcare Business Connect Lancashire	94	94	23	61			12	25				9		
*Unite+**	100	100	16	40				15						
Lancashire Forum	210	210		88				27						
Cumbria Business Growth Hub	70	70		30				15						
*Eco-Innovation Cheshire and Warrington**	34		4			16		11	840					
*Low Carbon Eco-Innovatory**	20		4			20		11	80					
*Eco Innovation Cumbria**	21		4			21		17	200					
LoCaL-i	180		9			180		50	1,328					
EnginE													150	230
Total	**1,236**	**980**	**146**	**366**	**50**	**597**	**52**	**271**	**2,448**	**3,750**	**250**	**9**	**150**	**230**
* Based on output profile for Lancaster University project elements only[21]														

Performance to Date

4.14 From the most recent monitoring data available at the time of reporting, consideration has been given to the outputs achieved to the end of December 2018 against targets for this point in the programme. Mirroring lower than anticipated expenditure, across all projects and indicators, Lancaster University is behind in its contracted output achievements for 10 of the 12 indicators.

4.15 Performance against targets is outlined in the table below with key points to note being:

- By the end of 2018, the target number of enterprises receiving support (C01 for the 11 ERDF projects) was 747 however by this date the actual figure was 682, 91% of the target.
- For the ESF project a target of 72 enterprises were to be supported (indicator C023) by the end of 2018, however a delay in the start of the EnginE project meant no progress was reported.

[20] The indicator names are outlined in the table that follows

[21] In the tables that follow, the figures for these projects are also based on the Lancaster University only elements of partner led projects, reflecting the management information shared with the evaluators.

- The number of new enterprises supported (C05) had reached 59 opposed to the target of 107 contracted to the end of 2018 (59%). One project manager stated that in part, this is due to the definition of 'new enterprises' used by MHCLG, which uses a time-based definition, rather than looking at the business' state of development[22].

- The number of enterprises cooperating with research entities (C26) is behind profile with 133 against a target of 208 (64%). The main reason for underperformance highlighted by many of the projects, as noted above, was a lack of clarity about how this output could be evidenced. Work is now underway to agree a cross-University definition which all projects will use, and gather the necessary evidence from companies to submit a backlog of output claims.

Targets to the end of Q4 2018 against achieved

Outputs	Target	Achieved	% of target achieved
C01 – enterprises receiving support	747	682	91%
C04 – enterprises receiving grants	625	544	87%
C05 – new enterprises receiving support	107	59	55%
C08 – employment increase in supported enterprises	202	112	56%
C26 – enterprises cooperating with research entities	208	133	64%
C28 – enterprises supported to introduce new to the market products	16	18	113%
C29 – enterprises supported to introduce new to the firm products	118	74	63%
C34 – estimated annual decrease of greenhouse gas	60	51	85%
P11 – potential enterprises assisted to be enterprise ready	219	243	111%
P13 – enterprises receiving information, diagnostic and brokerage support	7	0	0%
R9 - disadvantaged participants in employment 6 months after leaving	28	0	0%
C023 – supported micro, small and medium sized enterprises (ESF)	72	0	0%

Source: Monitoring data

4.16 Monitoring data reveals that targets for more developed areas (although targets were significantly lower) have been achieved or surpassed to date, this reflects strong progress made in particular on the Eco-Innovation Cheshire and Warrington project. While for transition areas – which account for the majority (98%) of the target outputs – progress is behind target for 10 out of the 12 indicators. Projects which have contributed the most to the below target output achievement across the transition areas include: Healthcare Business Connect Lancashire, LoCaL-i, U Start, Health Innovation Campus and EnginE.

[22] In some cases where a new business is established specifically to develop an innovation (the type of new business that the University may wish to support under a number of the ERDF projects), it may be many months after the business is registered that any activity actually occurs and engagement with Lancaster University's ERDF projects becomes a possibility. By this time, the company may no longer meet the MHCLG definition of a 'new enterprise'.

Transition and More Developed Areas: Targets to the end of Q4 2018 against achieved						
	Transition Areas			More Developed		
Outputs	Target	Achieved	% of target achieved	Target	Achieved	% of target achieved
C01	727	661	91%	20	21	105%
C04	625	544	87%			
C05	105	57	54%	2	2	100%
C08	202	112	56%			
C26	193	117	61%	15	16	107%
C28	16	18	113%			
C29	116	72	62%	2	2	100%
C34	60	0	0%	0	50.87	-
P11	219	243	111%			
P13	7	0	0%			
R9	28	0	0%			
C023	72	0	0%			

Source: Monitoring data

4.17 The below table details the outputs achieved by the end of 2018 against targets for the same period by Priority Axis. Priority Axis 1 Promoting Research and Innovation (which consists of one project – Cumbria Innovations Platform) is over performing against its current activity measure targets according to the latest monitoring data available at the time of reporting. While projects under Priority Axis 3 – enhancing the Competitiveness of Small and Medium Sized Enterprises are underperforming, recording 78% of the target number of beneficiaries assisted by this point in the programme. The one ESF project (EnginE) was yet to start business engagement by the end of December (with delivery beginning in 2019 after a delayed start) meaning that performance was yet to be recorded against the R9 and CO23 indicators.

4.18 Across the low carbon projects (Priority Axis 4), delivery staff are reasonably confident that most targets will be achieved. The one exception to this is C29 – the number of enterprises supported introducing new to the firm products or processes. There is some concern that the target here has been set at too high a level. Firms expected to introduce a new to firm product or process account for around 80% of businesses assisted through Eco-Innovation Cumbria (an exceptionally high proportion), one in two of enterprises receiving assistance for the Low Carbon Eco-Innovatory project, roughly one in three of those supported through Eco-Innovation Cheshire and Warrington, and just under one in three on the LoCaL-i project. It is understood that nationally, the ratio is closer to one in six.

Targets to the end of Q4 2018 against achieved, by Priority Axis								
	Priority Axis 1		Priority Axis 3		Priority Axis 4		ESF Priority Axis 2.2	
Outputs	Achieved	% of target achieved	Achieved	% of target achieved	Achieved	% of target achieved	Achieved	% of target achieved
C01	91	121%	453	78%	138	113%		
C04	91	121%	453	78%				
C05			51	50%	8	89%		
C08	3	43%	109	43%				
C26	27	77%	0	32%	106	91%		
C28	9	225%	9	60%				
C29	17	74%	52	71%	5	21%		
C34					51	85%		
P11			243	111%				
P13			0	0%				
R9							0	0%
C023							0	0%

Source: Monitoring data

Future Forecasts

4.19 Project managers remain confident that output achievements will satisfy targets by the point of project completion. Discussions suggest that – for the majority of projects – strong pipelines of beneficiaries and programmes of activity are either already in place or are being identified to allow this position to be reached. A number of projects (e.g. Healthcare Business Connect Lancashire and U Start) are also believed to have reported significant progress against targets since the December 2018 claims considered in this section were prepared.

4.20 Forecasts prepared at the end of 2018 (see overleaf) reveal that for the indicators C01, C04, C05, C08, C26, C29 and P13 greater numbers are expected to be achieved in 2019 than contracted, while the same is true for indicators C01, C04, C08, C26, C29, C34, P2, R9 and C023 in 2020. This relates to the lower financial spend and outputs achieved than targeted for the period up to the end of 2018 where Lancaster was behind target spend by £1.6m and target output achievements for 10 of the 12 indicators. Overall, the forecasts appear reasonable and demonstrate a commitment to returning projects to profile.

Forecast and Contracted Output Profile						
	2019		2020		2021	
	Forecast	Contracted	Forecast	Contracted	Forecast	Contracted
C01	379	303	184	161	0	0
C04	299	222	141	130	0	0
C05	84	32	3	3	0	0
C08	219	124	7.5	5	35	35
C26	282	213	182	155	0	0
C28	8	9	11	12	15	15
C29	107	65	75	69	15	15
C34	186	195	2,238	2,178	0	0
P11	10	31	0	0	0	0
P2	0	0	3,750	0	0	3,750
C25	0	0	50	50	0	0
P13	9	1	0	0	0	0
R9	61	77	61	45	0	0
C023	79	126	79	32	0	0

Source: Monitoring data

4.21 Forecasts suggest 12 out of 14 output targets will be reached or surpassed by the end of the monitoring period, reflecting project managers' confidence in the pipeline of beneficiaries and planned programmes of activity. It also reflects that claims are only made when there is confidence that all evidence is in place to support a claim meaning that there may be a lag in achievements being captured.

4.22 ESF Output indicators R9 and C023 – belonging to the EnginE project – are forecast not to be met, however this is to be expected as the project is also forecasting spend to be significantly below the level contracted. Comparison of the forecast expenditure and outputs against targets suggests that the project will record outputs in line with or above the level of expenditure expected.

Output Achievements to Date and Forecast			
	Actual to date plus forecast output	Targets to date plus contracted 2019-2021*	% of total contracted
C01	1,245	1,235	101%
C04	984	980	100%
C05	146	146	100%
C08	374	366	102%
C26	597	597	100%
C28	52	52	100%
C29	271	271	100%
C34	2,475	2,448	101%
P11	253	250	101%
P2	3,750	3,750	100%
C25	50	50	100%
P13	9	9	100%
R9	122	150	81%
C023	158	230	69%

Source: Monitoring data
** based on claims forms received by the evaluators*

5 Effectiveness of Project Delivery and Management Arrangements

Key Points

- Partnership working has allowed Lancaster University to successfully expand its profile of ESIF projects, by geography and subject areas. The relationships established have been clearly articulated through Service Level Agreements with day to day activities typically delivered in parallel with partners.
- Beneficiary engagement routes have proved effective and there is evidence of both referrals being made into and on from ESIF supported schemes, supporting beneficiaries to access the support they need to succeed.
- Whilst each delivery approach can present advantages and disadvantages, the combined approaches are fit for purpose with tailored models ensuring each project has been able to take an approach that best meet their needs. A willingness to adapt approaches where necessary is positive and a focus on peer learning has been highlighted as a particular strength by beneficiaries.
- The receipt of ESIF resources has allowed Lancaster University to add value to its in-house support offer and services across the sub-regions it is operating in. Delivery of the same breadth and scale of activity would not be possible in the absence of ESIF funding and beneficiary feedback suggests projects are filling a gap in provision.
- Lancaster University has robust processes in place to manage ESIF funding with the role of the Project Support Unit central to ensure compliance and consistency of approaches across the project portfolio. The Unit's activities are valuable to protect the reputation of the University and minimise the scope for clawback or refused claims.

Introduction

5.1 This section considers how the ESIF projects have been delivered in practice. It sets out an assessment of how partners have worked together, the advantages and disadvantages of the delivery approaches that have been applied and steps taken to manage ESIF resources across the programme. It captures feedback secured from project teams and beneficiaries as well as the evaluator's assessment of the effectiveness of approaches being applied by Lancaster University.

Effectiveness of Partnership Working

Clarity of Partner Roles and Regular Communication

5.2 Partnership working has been a common feature of the ESIF projects approved under the 2014-2020 programme. Service Level Agreements have ensured there is clarity regarding the roles of project partners and their responsibility for the delivery of both expenditure and output targets. Consultations suggest that partners have also remained in regular contact with each other, through day to day discussions and more formal operational boards, ensuring that there is regular communication and any issues arising could be discussed and addressed as early as possible.

Benefits Encountered

5.3 By working with partners, Lancaster University has been able to maintain geographic reach across the North West (despite the move to sub-regional ESIF programmes) and also share expertise both from and with partner organisations. The delivery arrangements have ensured that beneficiary engagement has been broader than it would have been possible to achieve if delivered in isolation as projects have been able to access networks of people and businesses that are broader than Lancaster University's own.

5.4 Inevitably there have been some instances of variation in performance between partners but overall partners have all had a role to play in the success of project delivery. There have also been occasions where some partners have been able to make a prompt start to delivery ahead of others to start building momentum (for example Lancaster University ahead of UCLan due to staff members already being in place for the Lancashire Forum project, and Blackpool College running ahead of partners on the EnginE project). The experience of the lead partner has been an important consideration in the success of partnership working.

Aligned Delivery or Partnership Working?

5.5 The partnership between Lancaster University and UCLan to deliver Lancashire Forum and U Start was prompted by the objectives of the LEP. Whilst the partners have worked effectively together and regular communication has been maintained to allow experiences and forward plans to be shared, in practice, for much of the project period, two separate projects have been delivered in parallel. The added value of such an approach is therefore limited although each partner has been able to focus on their particular area of expertise.

5.6 In contrast, although the Lancaster University and UCLan approaches to delivering the Unite+ project vary somewhat to reflect each organisation's particular ways of working, there have been examples of added value where Lancaster University has engaged with a business in need of support with a business growth project, and it has become apparent that a UCLan student might be better placed to meet that need than a Lancaster University student, e.g. if the business is in the fashion sector, or needs a corporate video etc. In these cases, the Lancaster University Unite+ team has referred the business on to their UCLan counterparts, to ensure their needs are met.

Project Delivery Arrangements

Business Engagement

Approaches Taken

5.7 Project beneficiaries have typically been secured through five primary routes:

- Existing networks of Lancaster University contacts and the student base;
- The networks of project partner organisations;
- Marketing (e.g. advertisements in University, partner and wider publications);
- Activities to actively engage target groups through business development posts; and
- Word of mouth as projects have built momentum.

5.8 This combination of approaches has helped to ensure that Lancaster University has been able to secure both the number and characteristics of beneficiaries required for varied project types with the volume of beneficiaries building across the portfolio. In general, project managers were happy with the number and quality of businesses engaged with their projects.

> *"Boost referrals have been like gold dust…we have got some cracking companies."*
>
> *"There has been no let-up in the number of enquiries."*

5.9 Consultations suggest that marketing materials and approaches have been tailored to reflect previous experience with project team comments including:

> *"Headlines like apprenticeships and training sometimes fall on deaf ears…we talk about the benefits of workforce development first."*
>
> *"We have developed a number of different straplines to engage the right types of organisations."*

Beneficiary Experience

5.10 Survey results show that beneficiary experience of the initial engagement process has been positive with:

- 93% satisfied or very satisfied with the quality of the information about the available support; and
- 92% satisfied or very satisfied with the:
  - clarity of the eligibility criteria for receiving support;
  - ease of the application process; and
  - length of time taken between initial inquiry to working with the project.

Onward Referrals

5.11 Projects have also been alert to the need to refer beneficiaries on to further support services on the completion of support packages. This includes:

- Referrals on to other ERDF funded projects being delivered by the University (for example a number of Cumbria Forum beneficiaries have gone on to benefit from CUSP and Health Innovation Campus beneficiaries have accessed Healthcare Business Connect Lancashire services);

- Considering opportunities to maintain working relationships outside ERDF support (for example through the 'in between workshops' where businesses from the different Low Carbon Innovation Forum cohorts are introduced to each other, or by inviting past participants to take part in Lancaster University Management School's regular masterclasses or other networking events); and

- Referrals to external business support providers (such as access to finance support available through Lancashire Boost from U Start and Lancashire Forum referrals for mentoring support).

5.12 This suggests that the project teams are alert to ensuring businesses secure the support they need and are keen to identify support packages to best suit their needs. However, referrals within the University appear to be somewhat ad-hoc. They are usually dependent on personal contacts rather than an agreed or common way of supporting beneficiaries to progress. With greater coordination of

activity – ideally through a central contact point that can support a seamless journey for beneficiaries and effective signposting – there appears to remain an opportunity for both businesses and Lancaster University to secure greater value from the process, allowing university and industry collaboration to continue with more consistency (where a strong opportunity has been identified) than at present. Greater academic engagement in project delivery (as considered under the Potential Improvements sub-section) may assist in this process.

Effectiveness of Delivery Models

Overarching Findings

5.13 Overall, the delivery models adopted by projects have been effective. By developing tailored approaches for each project, it has been possible to ensure that they recognise project objectives and the needs of target beneficiaries. The approaches taken have been developed and adapted to reflect experience gained from the delivery of previous projects and current projects as delivery has progressed, allowing teams to learn from both what has worked well and what has not been as effective as hoped. The teams have also learnt from their previous project delivery experience with a number of projects (for example enterprise support and business growth services) evolving from earlier projects.

5.14 Based on evidence gathered through the evaluation, the assessors have identified the following advantages and disadvantages of the main delivery approaches taken. It is recognised that in some cases, beneficiaries have benefited from more than one delivery model to allow them to maximise benefits.

Project Delivery Models – Primary Advantages and Disadvantages	
Bespoke delivery	
Advantages	**Disadvantages**
The support provided to beneficiaries is tailored specifically to their needs and is overseen by the most suitable academic, rather than being tied to a specific Department or Faculty. Businesses help to scope the support they need and usually have a role in selecting the student / researcher who will provide it.	Support tends to be offered on a 121 basis - the relationship is between the business and the University. There is no real opportunity to develop a cluster of like-minded businesses or encourage peer learning.
A range of different intensities of support is available - from relatively short-term projects undertaken as part of student course or internship, to year-long Masters by Research projects and 3-year PhD projects - meaning businesses can access the level of support they need and, in theory, can move up an 'escalator' of support as their involvement in innovation intensifies.	The restrictions of ERDF funding and the time period over which projects are running means it is not possible to offer businesses more than one type of support within the same project. So a business which is initially engaged through a student project cannot then access an (ERDF-funded) Masters by Research or PhD project.
In addition to the benefits of the project itself, businesses in Lancashire are provided with access to highly skilled students / graduates / researchers that they might not otherwise have been able to employ. This can highlight the benefits of employing a graduate and help to create more graduate opportunities locally. The students also benefit from gaining practical experience.	This delivery model is resource heavy meaning that the cost per output will be higher than under other delivery models (although there may be scope for resulting impacts to be higher) and a strong staff complement is needed. This reflects that businesses benefit from in the region of 5,000 hours researcher time on PhD projects.

Hybrid delivery model	
Advantages	**Disadvantages**
Can combine the 121 support of the bespoke delivery model with some group learning / peer networking.	Can be challenging to communicate to businesses (and partners - both internal and external) exactly what the support offer is
Provides businesses with an opportunity to exchange learning with a cohort of like-minded peers, whilst also benefiting from 121 support.	Managing a diverse programme of activity can be challenging to ensure all beneficiaries remain engaged and achieve an assist for ERDF purposes.
Cohort delivery model	
Advantages	**Disadvantages**
Group learning approach has been developed and tested over many years and is recognised within the sector as offering good practice.	Need to balance delivery of workshops which are generic enough to engage a range of businesses, but specific enough to be useful.
Use of 'challenge' approach - e.g. open innovation challenge on Low Carbon Innovation Forum and Cumbria Innovations Platform. Enables bigger local businesses to become involved and gives participants the chance to work on a real-world problem / issue.	Need a 'next step' offer to keep those who have been involved in cohort delivery engaged with the University.
Flexible support model	
Advantages	**Disadvantages**
Less up-front commitment required from businesses - they can opt in to the workshops / sessions of most interest to them.	Can be challenging to communicate to businesses (and partners - both internal and external) exactly what the support offer is.
Potential scope for greater tailoring of support packages to meet beneficiary needs.	Delivery can be time and administration heavy to ensure beneficiaries remain engaged in the programme of support.

A Responsive Approach

5.15 Where challenges have been encountered during the course of project delivery, they have also been acknowledged by the project teams and addressed as far as possible. As examples:

- Low take-up of support at an early automotive sector event for EnginE has resulted in a new focus on engagement through a scheduled, well-attended annual meeting for SME members.

- In the Cumbria Innovations Platform project, lower than expected take up of PhD support by companies has enabled additional resource to be used to deliver a larger number of shorter projects.

- Under the U Start project the number of beneficiaries progressing from a P pathway (potential entrepreneurs) to a C support (business assist) has not been as high as anticipated. To satisfy targets, new marketing has been introduced to increase the number of direct engagements for business assists. More two day boot camps have also been delivered recently to allow targets to be satisfied more efficiently than under a one to one delivery approach.

- Pilot approaches under the Lancashire Forum have reported mixed success with a family business cohort proving very successful while a cohort focused on businesses from Blackburn and its surrounds was not effective due to many of the participants already knowing each other, resulting in commonly reported networking benefits not being applicable in this case and a high dropout rate.

- More intensive forms of support are proposed to be offered under the Health Innovation Campus revenue project from next year through a delivery approach that is more aligned to the cohort working model, focusing on specific topics of interest to beneficiaries.

5.16 It is clear that staff are not afraid to make changes where they are needed to ensure projects can deliver to their potential. Examples of comments made include:

> *"We have tried to be flexible to support the needs of the business."*
>
> *"We have had to make some changes."*
>
> *"We are constantly evolving."*
>
> *"We have got the momentum going. We now have better engagement with schools and faculties and have a regular workshop programme."*

5.17 It will be important that this learning informs the future design and implementation of projects with signs that the project teams are already planning accordingly. As the University starts to look beyond ESIF funding, there may also be scope to secure greater flexibility in delivery methods, particularly as performance measures change. Whilst the University is already keen to focus on the achievement of impacts rather than purely the achievement of contracted output targets, the scope to tailor delivery approaches accordingly may alter as new funding streams are introduced.

Beneficiary Experiences

5.18 Programme wide reflections on delivery models are broadly supported by beneficiaries with 99% of those surveyed agreeing that the delivery approaches are/ were fit for purpose. The highest levels of satisfaction were reported with the workshops and business diagnostic and peer learning (please refer to Section 6 for further details).

5.19 When asked an open question about the strengths of their project experience, prominent themes identified by beneficiaries were the benefits of peer support and networking with like-minded businesses. The diverse range of attendees that were involving in a number of the projects allowed for beneficiaries to gain valuable insights into their business looking from another perspective. Furthermore, many businesses also stated that despite a diverse group of businesses, many shared the same challenges when running and growing a small business, allowing for connections to be made that may not have existed if it was not for the support programmes.

5.20 Examples of feedback provided are outlined below and further commentary on this theme is provided below.

> *"It was quite a diverse group of attendees and the discussions gave a lot of food for thought… it provided discussions points and a different perspective."*
>
> *"[The project] changed my whole perspective. Made me think 'outside' of my day to day company life enabling me to improve existing and develop new processes within my business."*

5.21 Linked to the benefits of a diverse attendee list, networking was frequently mentioned as many businesses were able to gain valuable contacts for future business opportunities in addition to the advice and insights of others.

> *"Networking was excellent, we were able to help each other, even though our companies were all completely different."*

5.22 Projects related to student placements received positive comments related to the work ethic and results students produced over the time spent helping each business. As a result, two beneficiaries stated they had gone on to employ the student in a full time role.

> *"Our student was excellent. He helped to deliver the project over and above what we expected."*
>
> *"Extremely positive; we have employed, on a full time basis, the student that was assigned to us."*

5.23 Many beneficiaries stated that the support they obtained from the projects allowed them be more optimistic about themselves and their business, increasing their confidence and encouraging them to stay focused with the business.

"I wouldn't be in business without the team at Lancaster…. The enthusiasm of the team has helped keep me motivated when I was lacking confidence to move forward. I can't fault them."

"An excellent service could not have done it without them"

"The project has helped me reassess my organisation, the project came along just at the right time as I had hit a brick wall."

"We've gained better understanding of our value proposition which is crucial for the growth of our business."

The Value of Peer Learning

5.24 Peer learning is an important feature running across the delivery models of a number of the supported projects, including Lancashire Forum, Cumbria Forum, Cumbria Innovations Platform and the Low Carbon Innovation Forum which is part of the LoCaL-i project. This approach is a particular specialism of the Lancaster University Management School, and something which has been drawn on by project sponsors across the University who believe it will add value to their project. The delivery team believe that the approach generates significant benefits for beneficiaries with sample feedback outlined below:

"It's really important to have this sort of offer, otherwise we will have lots of individual projects but no cluster of businesses."

"The peer network that is developed - collaboration and sharing, pooling ideas – it's really important to get businesses into an innovation mindset."

"We are starting to build a network and businesses are helping each other."

"The peer group is the single most important thing about the programme."

5.25 Comments from beneficiaries suggest that the approach has been effective with the value of peer learning and networking regularly captured in open survey responses. Examples of the feedback secured include:

"[The biggest impact was] a trusted network of peers, who we can turn to advice or support."

"The peer support has been fantastic"

"[The biggest impact was] the peer support network vision and strategy for the business using the tools learned"

"I now have an awareness of business models, advice from facilitators and… an open network of peers."

"Peers attending the event was great… staying overnight [2 day workshop] created a bond of trust and have made several good friends who I have kept in with 80% of them… looking forward to meeting up with them again."

Strategic Alignment and Added Value

Adding to the In-House Offer

5.26 The award of ESIF resources has allowed the University to deliver a programme of activities that would not be possible in the absence of external funding. Whilst the University takes its civic society role seriously and recognises the value that it can add to local communities and economies, there is a limit to what can be delivered in the absence of external support. A series of internal support services (e.g. enterprise support and joint working with industry) are evident but they do not operate on the same scale or breadth as has been possible through ESIF funding.

5.27 As a consequence, ESIF resources have added significant value to what could be delivered by the institution unsupported, predominantly in the form of the scale of activity. The number of staff posts assigned to the delivery of ESIF activity means that it would not be possible to continue the same scale of activity in the absence of external funding.

Aligned and Added Value Services

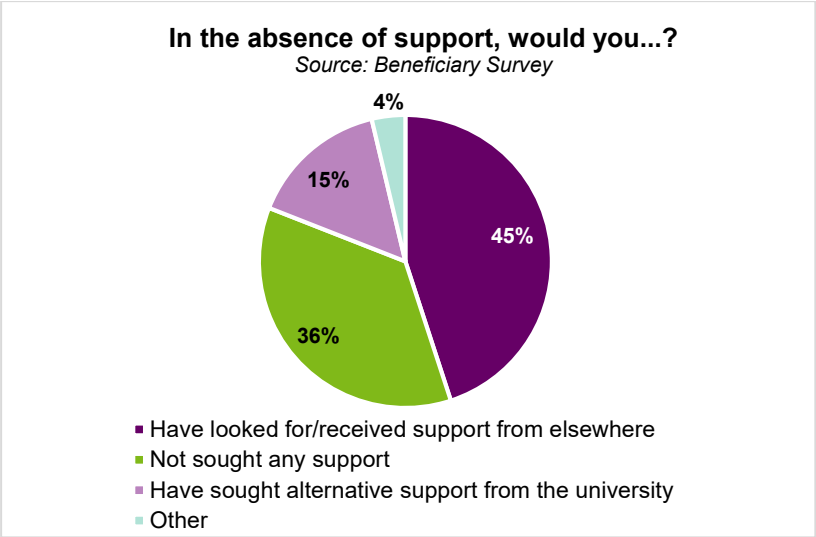
5.28 The partnership approach taken to the delivery of many of the ESIF funded projects and Lancaster University's wider network of contacts means that there is coordination in the programme of activities being delivered. The University has also drawn on a network of external contacts (for example to deliver specialist workshops) that offer beneficiaries a different perspective to what would be possible if the University was to deliver activities alone. Consultations suggest that ESIF projects are seen to add value to the service offer and respond to strategic priorities in Lancashire and beyond (where applicable).

5.29 Stakeholders welcomed the role that the University plays in the local economy - both through its delivery of business support projects, and through its wider lobbying and influencing role. No concerns were identified regarding the potential duplication of activity with Lancaster University products seen to be distinct from the other available through sources such as the Growth Hubs.

> *"Having a champion and ambassador for the area is really valuable, especially when it's a really credible, export body which is providing services to business. The University's engagement on the wider issues is phenomenal."*

Beneficiary Perspectives

5.30 Beneficiaries were asked what they would have done in the absence of the ESIF project they had accessed. Under half (45%) of respondents reported they would have sought support from elsewhere compared to just 14% who suggested they would have looked at other support options within the University. With over one third of respondents (36%) stating that they would not have sought support, the added value being generated by ESIF funded activities is clear as it appears other routes to benefits realisation would not be pursued.



5.31 The breadth and scale of benefits reported by beneficiaries and apparently high levels of additionality (see Section 7) suggests that ESIF funded projects are filling a gap in the support landscape and are generating added value in return.

5.32 When planning for potential project extensions, project managers have also been able to demonstrate a strong pipeline of interest. For example, the U Start project reports having a regular flow of enquiries, the new project manager for Cumbria Forum has inherited a list of interested businesses and the Lancashire Forum had a list of 100 businesses that had expressed an interest in accessing support at the point the bid to extend the project was submitted.

Role of the Project Support Unit

A Notable Service

5.33 The Project Support Unit (PSU) is a distinct feature of the Lancaster University structure, given the scale of the team (approximately 10 people), and the depth and breadth of its activities. Designed to effectively manage external non-research funding secured by the University (with ESIF accounting for approximately 90% of projects), working closely with project teams, the PSU has a wide ranging remit including:

- **Project development** – advising on bid requirements and eligibility as project proposals emerge and providing financial support.
- **Project management and compliance** – a diverse remit, including providing guidance and training to project staff, liaising with project teams and funding bodies, sharing best practice, compiling project claims, timesheet and risk management.
- **Post project support** – including leading on audit visits, facilitating evaluations and providing guidance around archiving requirements.

5.34 The second of these items accounts for the majority of the team's time ensuring that externally-funded, non-research projects are delivered in accordance with often complex funder requirements. This includes liaising with project partners and, when working with new and less experienced delivery partners, completing spot checks of partner returns to maintain overall quality. An established rolling programme of activity ensures regular checks are completed and reports are prepared.

5.35 As well as building on in-house expertise, contact with other university partners and the North West Universities European Unit, alongside regular liaison with MHCLG and DWP, allows the team (and projects in turn) to learn from wider experience. There are already examples of where this has allowed further checks to be completed ahead of claims being submitted to reduce the scope for challenge (for example as new guidance was issued regarding the definition and audit trail requirements for indicators C26, C28 and C29).

5.36 A review is ongoing to allow the PSU to refine its remit and ways of working to further enhance its value. For example, the team's role in project development is expected to increase over the coming year, allowing lessons from the management of projects to date to be applied and new funding opportunities to be explored and new performance dashboards will support day to day review of progress against targets. A series of more customer focused objectives are also being applied. How changes are communicated to project teams – and the implications for them – will be an important consideration.

Project Team Experience

5.37 Feedback from the project teams suggests that – while there are occasionally tensions – the role and value of the PSU function is, on the whole, recognised. Positive feedback focused on the PSU's offer of guidance and reporting templates, ensuring compliance with guidance and managing the claims process.

"We do delivery - they do compliance, and that is spot on. It's absolutely right that there is someone separate from the delivery teams who put in the claims."

"It is useful to have someone who can have the final word on how the University as a whole is interpreting ERDF guidance."

"I wouldn't be without them…they perform a vital role and make my life a lot easier."

"They keep on top of things and keep us on the straight and narrow."

5.38 Where potential improvements in the relationship were identified they related to questions around whether the level of requested detail was necessary and delays in providing projects with finance data, meaning that projects did not always have an up-to-date understanding of spend levels, leaving them unable to write project update reports to submit to MHCLG. It was recognised that there has been a considerable degree of staff turnover within the PSU since the current round of projects started, and it takes time for the team to get back up to speed.

"PSU could have been lighter touch…but they have been pretty good."

"Sometimes they forget they are supposed to be helping us."

5.39 A related issue is the fact that there is a bottleneck in the system, with numerous projects having the same deadline for their quarterly claim to MHCLG to be submitted - placing additional pressure on the PSU team. The PSU also needs to co-ordinate with the delivery partners working on Lancaster University-led projects, and provide its own claims to lead partners where Lancaster is playing a supporting role - again often within a very short time period. This places pressure on both PSU and project team timescales and capacity.

Evaluator Assessment

5.40 It is the evaluator's view that the PSU is an important element of Lancaster University's project management arrangements. Its activities seek to make the ESIF reporting process as smooth as possible and reduce the audit pressures placed on project teams. The arrangements help to ensure that all projects comply with funder requirements, allowing any potential issues to be identified and addressed early and reducing the risk of challenges being raised through either the claims or audit process.

5.41 The absence of clawback and limited claims queries (none of which have been challenging to overcome) suggest that the system is effective and lessons are effectively being shared across the project teams. A small charge included within ESIF project costs generated a funding allocation of £xxxxx to fund the team – xx% of the ESIF allocation. The return on this investment – through time saved on challenged claims and the risk of clawback – would be anticipated to outweigh the upfront cost.

Project Monitoring and Reporting

5.42 Consistent monitoring approaches are facilitated by the PSU, helping to ensure that records are completed and maintained in line with ESIF requirements. A series of data collection and reporting templates ensure that project teams understand what they need to collect and have the tools readily available to them to do so.

5.43 Regular communication is an important feature across the projects in scope, particularly where delivery partners are involved. Clear reporting milestones – based on a set programme of monthly and quarterly activity defined by the PSU and project specific requirements – ensures that parties know what is expected of them and by when. Discussions occur at both an operational and strategic level with appropriate mechanisms in place to escalate issues if necessary.

5.44 A range of different monitoring and reporting methods were identified, including quarterly meetings with delivery partners to discuss any issues and share challenges, and regular meetings with line managers and the PSU to keep track of progress. Delivered alongside the completion of required paperwork, these mechanisms support effective project management and, where necessary, allow issues to be identified, addressed or escalated as soon as they become apparent.

6 Beneficiary Experiences

Key Points

- Telephone and online surveys collected responses from 189 beneficiaries across the eleven ERDF projects, with qualitative follow up consultations undertaken on a smaller sample.
- Reflecting project scopes, the most common reasons for seeking support were to assist with business strategy/ business growth and to develop new products or product development followed by leadership/management/commercial skills development and building a network of contacts.
- The survey findings were overwhelmingly positive across all projects: with 96% of respondents happy overall with the support provided by their project; 96% stating they received high quality advice; and 99% of respondents agreeing the delivery approaches were fit for purpose. On a project by project basis, a series of 100% satisfaction scores were secured.
- Across the strands of support, workshops received the highest satisfaction rate followed by a business diagnostic and peer learning. Long term research opportunity, the least common form of support for respondents, scored the lowest for satisfaction.
- Open comments provided by beneficiaries were predominantly positive, with numerous positive comments secured regarding the quality of the support and the delivery team at Lancaster University.
- Survey results show that, as a result of the support received, the majority of beneficiaries have the knowledge they need to take plans forward and feel more confident that their businesses are in a position to grow.

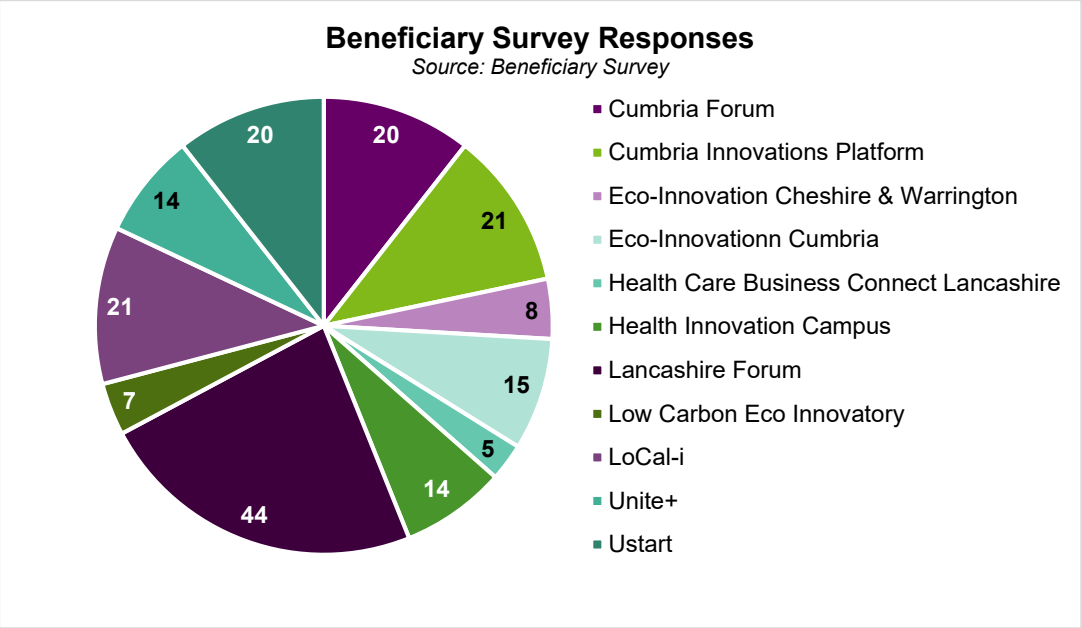
Introduction

6.1 This section sets out evidence of beneficiary experiences of the supported projects, gathered through survey work. The consultations explored reasons for engaging with the project, duration and type of support received, satisfaction with the support received and impacts experienced to date and anticipated in future.

6.2 Views were sought through a combination of telephone and online surveys, plus follow up qualitative interviews with a smaller sample. Whilst the findings of the telephone and online surveys are reported below, a short case study for each of the projects secured through the qualitative interviews is contained within Annexes 1 and 2. The findings reflect experiences across 11 of the 12 ESIF projects with no survey work completed for EnginE due to beneficiary engagement not being underway at the time of launching the work.

Survey Sample

6.3 Across the telephone and online survey a total of 189 responses[23] were secured; 109 telephone survey respondents and 80 online respondents. To put the figure into context, the sample equates to almost 28% of beneficiaries who had completed a business assist by the end of December 2018. Complying with General Data Protection Regulations (GDPR) meant the telephone survey sample was shaped by the willingness of beneficiaries to give permission to project leads for their contact details to be shared with the evaluators, whereas the online survey (distributed via project leads) was open to all beneficiaries with no scope to influence respondent numbers or characteristics. The number of responses secured per project is summarised below.



6.4 The table below shows the self-reported status of beneficiaries who completed the survey at the time of accessing support and after. At the time of accessing support, 55% of respondents (102) classified themselves as established businesses operating for more than 3 years, after receiving support this figure rose to 61% of respondents. Notably while 15% of respondents were pre-start entrepreneurs at the time of accessing support just 8% of respondents classified themselves this way once they had received support.

Status of the beneficiaries at the time of accessing support and now

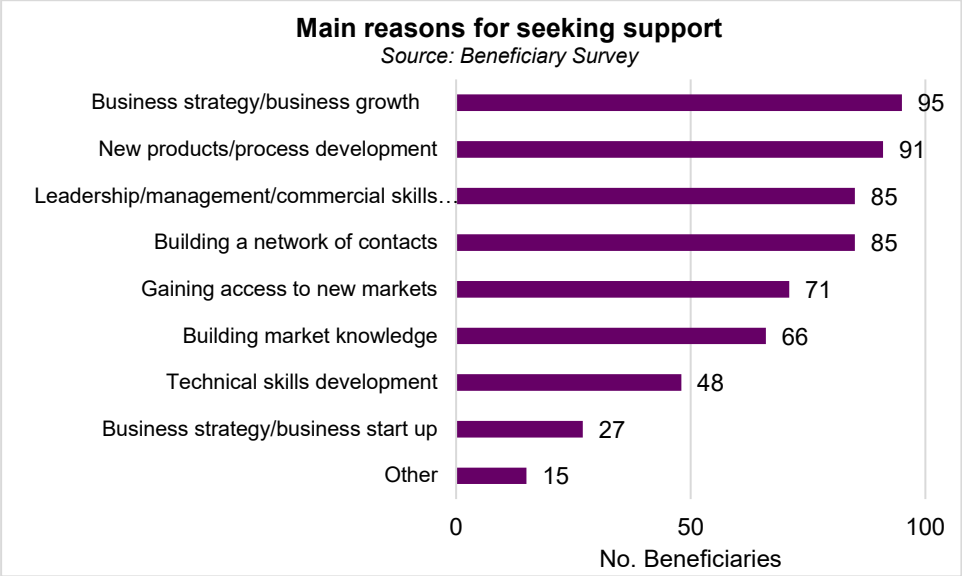
	Before		Now	
	No.	%	No.	%
Established business (more than 3 years old)	102	55%	110	61%
Recent business (less than 3 years old)	52	28%	53	30%
Pre start entrepreneur	28	15%	14	8%
Student with no plans to start a business	3	2%	2	1%

Source: Beneficiary survey

[23] Note not all went on to complete the full survey

Reasons for Engagement

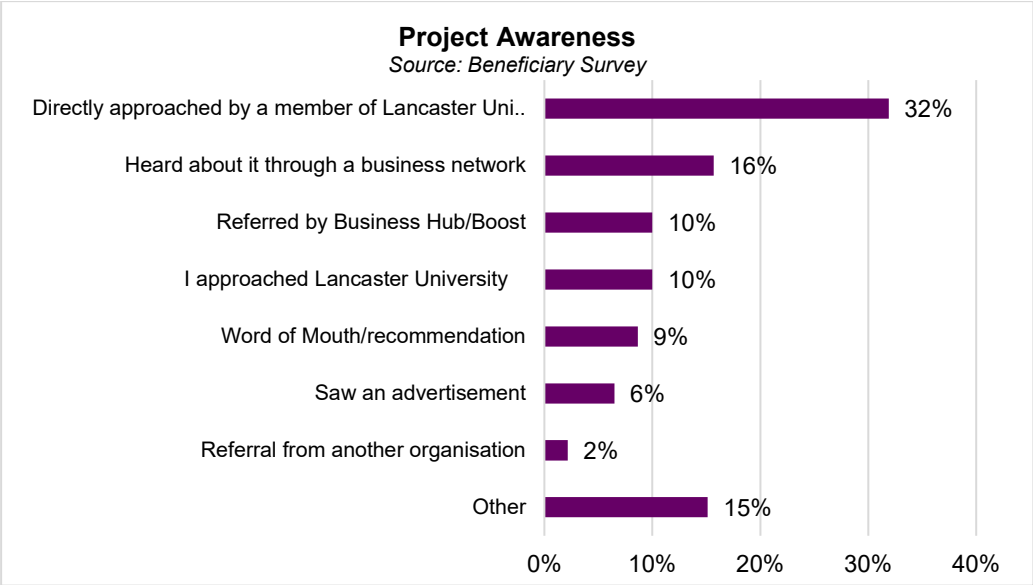
6.5 The chart below summarised the main reasons beneficiaries identified for seeking support. The most common support requirement was to assist with was business strategy/ business growth (52%) – reflecting that businesses made up the majority (91%) of respondents. Support with new products or product development was the second most common reason (recorded by 91 respondents (49%)), followed by leadership/management/commercial skills development and building a network of contacts (both accounting for 46% of responses). Reasons cited under the 'Other' category (in each case reported by one beneficiary) included R&D, ideas for other business opportunities and reducing carbon footprint, branding, building an evidence base and marketing advice.



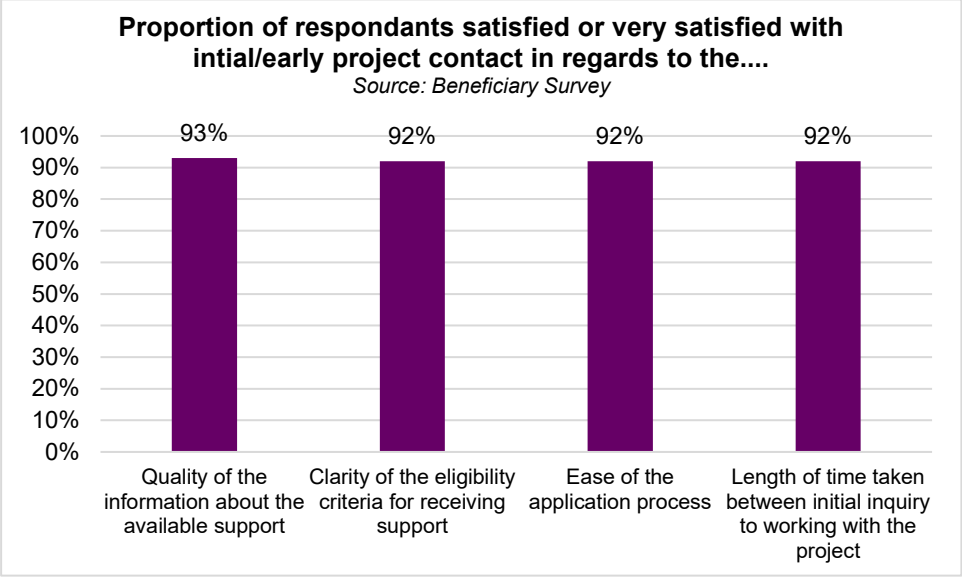
6.6 Reflecting the varied foci of projects, the reasons for seeking support varied across the respondents. For example, beneficiaries of the Lancashire Forum project most commonly sought support to develop leadership/management/commercial skills, while beneficiaries of the Health Innovation Campus most commonly stated that they were seeking to develop new products or processes.

Experience of Initial Project Engagement

6.7 Respondents became aware of the support available through a variety of means with the most common being directly approached by someone at Lancaster University, accounting for almost a third of those surveyed. The next most common route was through a business network (16%), followed by referral by a Business Growth Hub/Boost, or approaching Lancaster University directly (both 10%). 'Other' responses included becoming aware of the project through being based at the university (3), at a university open day (2) and via social media (2). Reasons varied between projects, for example the most common route through which beneficiaries were made aware of the Lancashire Forum was through a business network, whereas for Unite+ a referral through a Business Hub/Boost was the most common reason reported by beneficiaries.



6.8 The respondents were asked to rate aspects of the initial/early contact they had with the project on a scale from 1 to 5 with 1 being very dissatisfied and 5 being very satisfied. The level of satisfaction was overwhelmingly positive. Between 93% and 92% of respondents satisfied or very satisfied with the: quality of the information about the available support; clarity of the eligibility criteria for receiving support; ease of the application process; and length of time taken between initial inquiry to working with the project.



6.9 None of those surveyed reported being very dissatisfied with any of the statements shown in the above chart, while between 1% and 2% of respondents reported being dissatisfied with the statements regarding initial/ early project contact. These beneficiaries were across four of the projects[24]. This is a positive finding as beneficiaries' initial experience of engaging with project support can have a lasting impact on their overall perception of the support received.

[24] Unite+, LoCaL-i, U Start and Eco Innovation Cumbria

Satisfaction with Support Received

Overall Satisfaction

6.10 In terms of the support received, 96% of respondents were happy with the support provided by their project. Projects which reported the highest satisfaction rate (100%) in the order of largest number of respondents were: Cumbria Innovations Platform, Cumbria Forum, Unite+, Health Care Business Connect Lancashire, Low Carbon Eco-Innovatory, Eco-Innovation Cheshire and Warrington. Overall dissatisfaction levels were low. The highest number of respondents who were dissatisfied about the support they received overall was two out of the 14 respondents for the Health Innovation Campus. One, who had attended a workshop, stated there was "*not enough time to provide solutions*". In limited instances there may be a requirement to manage expectations about the level of support projects are able to provide.

Effectiveness of the Delivery Models

6.11 Respondents were asked to rate their satisfaction (using a scale where 1 is very dissatisfied and 5 is very satisfied) with the different types of support they received. The proportion of those satisfied or very satisfied with the support (out of those who reported receiving that type of support) is detailed below.

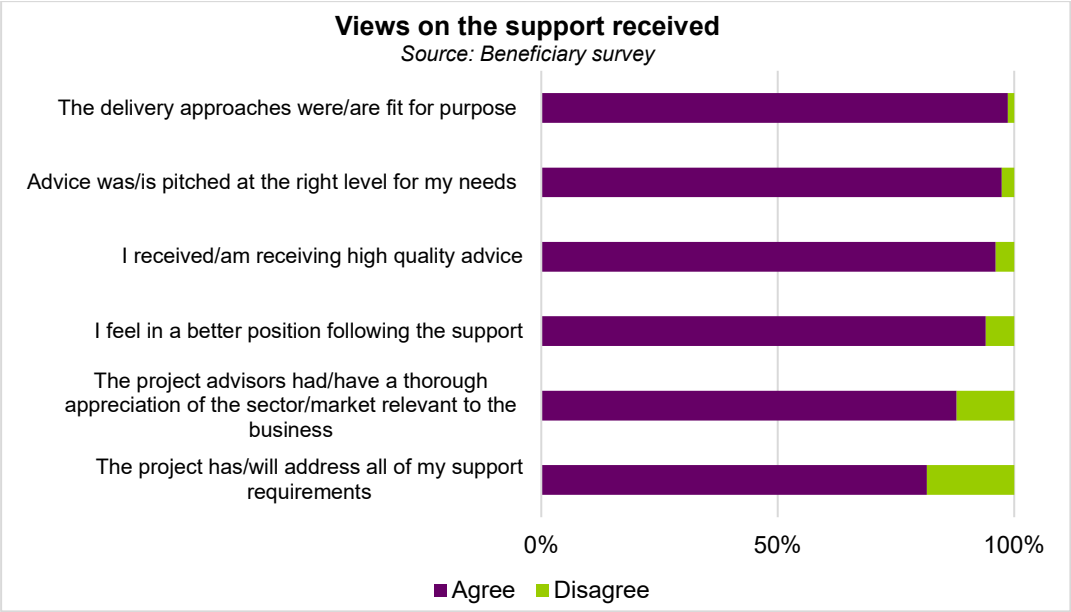
- Attendance at workshops: **95%**
- A business diagnostic: **91%**
- Peer learning: **88%**
- 1-2-1 tailored support: **86%**
- Short term student project / placement: **78%**
- Long term research opportunity (e.g. a PhD or Masters): **60%**[25]

6.12 Nearly all of those surveyed – 99% – agreed the delivery approaches were fit for purpose, all projects except for Health Care Business Connect Lancashire and U Start scored 100%. In addition, 97% agreed that advice was pitched at the right level, 96% felt they were receiving high quality advice and 94% felt in a better position following support. A lower proportion of respondents agreed that the project advisors has a good appreciation of the sector or market relevant to their business with 88%, although this result is still strong. A similar proportion, 82%, felt the project had (or will) address all of their support needs, suggesting there are a number of beneficiaries who have not had all their needs met and would benefit from further support.

"Would like to work closer with them to get more benefits of research."

"Not enough time to provide solutions."

[25] Reasons for this lower than average percentage are unclear, based on the open survey responses secured



6.13 In the case of beneficiaries of the Priority Axis 4 low carbon projects, securing access to the University's equipment and facilities had been an important feature of support. This allowed businesses to complete testing that would have been costly and time-consuming (if possible at all) outside of the project support. The ability to access academic expertise was a further strength.

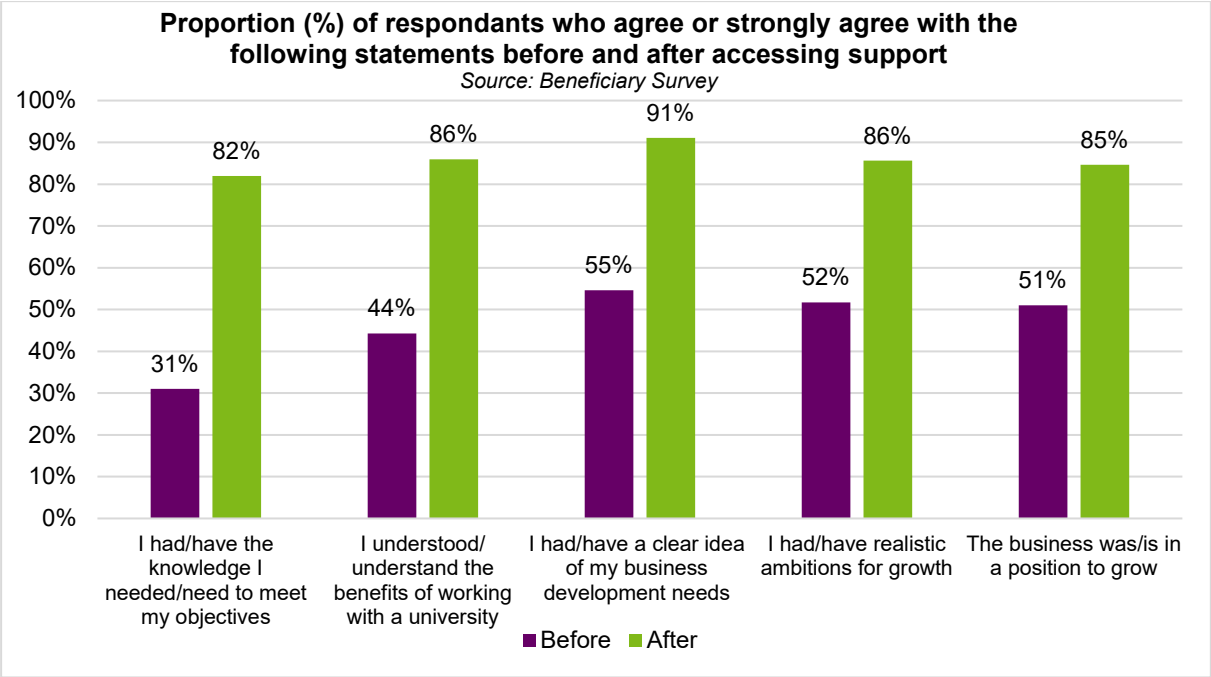
"[We were] *very lucky to have found a researcher with the right knowledge and capabilities."*

"[The University provided] *access to the right talent which is hard to find on your own."*

"Through the University we have been able to access specialist expertise across a range of departments. We can call on electrical engineering specialists, software developers, whoever we need."

Beneficiary Progression

6.14 Those surveyed were asked the extent to which they agreed with numerous statements before they accessed support and after in order to capture some of the qualitative benefits. The results from the survey were positive with a significantly larger share of those surveyed agreeing (or strongly agreeing) with the statements after receiving support. The most significant improvement was the knowledge needed to meet objectives, with 31% agreeing with the statement before receiving support and 82% agreeing after, suggesting support has equipped beneficiaries with useful and practical knowledge as well as the confidence to meet their business needs. In addition a significantly larger proportion felt they understood the benefits of working with the University after engaging with a project (44% before to 86% after).



Overarching Comments

6.15 Comments on beneficiaries' overall experience were gathered as part of the survey work, and the majority were positive about the support they had received. 28 respondents (18% of those who gave comments) used the word "excellent" to describe their experience, while 17 used the word "happy".

6.16 There were numerous positive comments on the quality of the staff/delivery team at Lancaster:

"The team at Lancaster were excellent. The training providers were also of a high quality. The project provided valuable learning for me to develop the business."

"The organising staff were brilliant - engaged, supportive, attentive."

"The staff were brilliant and very supportive."

"The team at Lancaster were excellent."

"I wouldn't be in business without the team at Lancaster. The 1-2-1, and peer group interactions have been really helpful. Two workshops have been useful and helped me develop new networks. The enthusiasm of the team has helped keep me motivated when I was lacking confidence to move forward. I can't fault them."

6.17 Although limited, there were several beneficiaries who were not satisfied with the follow up or duration of support. Themes in the comments made were: the need for longer periods of support; advisor engagement and / or clarity around the support package; and the need for post-support follow-up. Example quotes are provided below.

"Initial support was good, but the project advisor's interest waned quickly. They didn't put in the right amount of time and effort into the research, and they lost focus on the objectives."

"However, post project support was unsatisfactory, there was no follow up."

"After that, I sadly didn't receive any further response, which was a real shame. I also felt unsure whether I could attend workshops or whether they were meant for people further on in the project. It wasn't so well organised on that front - maybe advice about which meetings were available would have helped."

"However, the support should be longer in order to maximise and implement the support."

"…I did not think the course was long enough."

"…the duration of the support could be a bit longer."

6.24 These points are reflected in the potential improvements outlined in Section 8.

7 Project Impacts and Value for Money

Key Points

- Participation in Lancaster University's ESIF funded projects has generated wide ranging benefits for beneficiaries including improved commercial performance and prospects and softer benefits such as increased market awareness and improved business connections.
- Benefits for the University include a raised profile in the sub-regions it is working in and the ability to engage a wider range of businesses and students in non-academic activities than would otherwise be the case.
- It is clear that beneficiaries have an appetite to continue working with the University in future and that the institute has a commitment to support sustainable benefits rather than simply achieve output targets.
- The quantified impact assessment shows that the projects are delivering a high level of additionality with net benefits across the programme period forecast to reach over 3,200 net FTE jobs, net additional turnover of £440m and net profit of £86m.
- If forecasts are achieved, benefits will equate to:
  - 2.6 net jobs per beneficiary;
  - Over £350,000 uplift in turnover per beneficiary; and
  - Net profit of over £68,000 per beneficiary.
- With a cost per job of £14,817 and return on investment of £16.58 per £1 of project spent, supported activities are forecast to offer strong value for money on conclusion of activities with performance to date already notable.

Introduction

7.1 This section presents an assessment of the projects' impacts and calculates the value for money offered as a result. The assessment draws on evidence gathered through the beneficiary survey programme to reflect on both impacts already secured and those anticipated to arise in the future. As well as reporting on identified benefits, the impact of the programme of activities has been quantified to consider local intelligence and accepted benchmarks to allow the additionality of reported impacts and the return on investment generated by activities to be assessed.

Impacts for Beneficiaries

Commercial Benefits

7.2 As illustrated in the quantified benefits section below, beneficiaries are already experiencing commercial gains as a result of their participation in ESIF supported projects, with benefits forecast to continue to grow over time. Consultations have also identified further commercial benefits including:

- Establishing greater understanding of the purchasing approaches of target sectors and businesses to allow opportunities to be targeted.

- Securing external funding support (for example from Innovate UK in the case of a Healthcare Business Connect Lancashire beneficiary) to progress their product ideas.

- Establishing new contacts within client organisations and potential supply chains and, ultimately securing new orders / business opportunities.

- New products or services being taken to market, for example 13 businesses supported by the Centre for Global Eco-Innovation projects[26] identified the development of a new product, process or service as a benefit of their involvement and nine businesses had already experienced an improvement in their existing products and services.

7.3 Although not all projects had defined targets to generate commercial benefits, it is clear that support has helped businesses to test new ideas and to both directly and indirectly lead to commercial benefits. In some cases, projects will have identified that potential innovations are not worthy of further exploration (for example through the activities of the Centre for Global Eco-Innovation or Healthcare Business Connect Lancashire) due to the results of research and market assessment. Whilst at the time this may have been disappointing for beneficiaries, it will have reduced the potential for significant investments to be made in product development and marketing that ultimately would not have generated a return. Some management of expectations has also been supported, for example to allow businesses to understand the timescales associated with taking products to market. Examples of feedback provided by project managers include:

"The programme has helped nurture companies."

"To get an order in the NHS is not easy…there is a nine month minimum lead to get an order."

7.6 A number of beneficiaries commented that securing business growth has been the biggest impact to their business of participating in projects. Feedback included:

"[the biggest impact has been] increased confidence to innovate and grow."

"It gave myself the confidence to help grow our business."

"Helped the business grow."

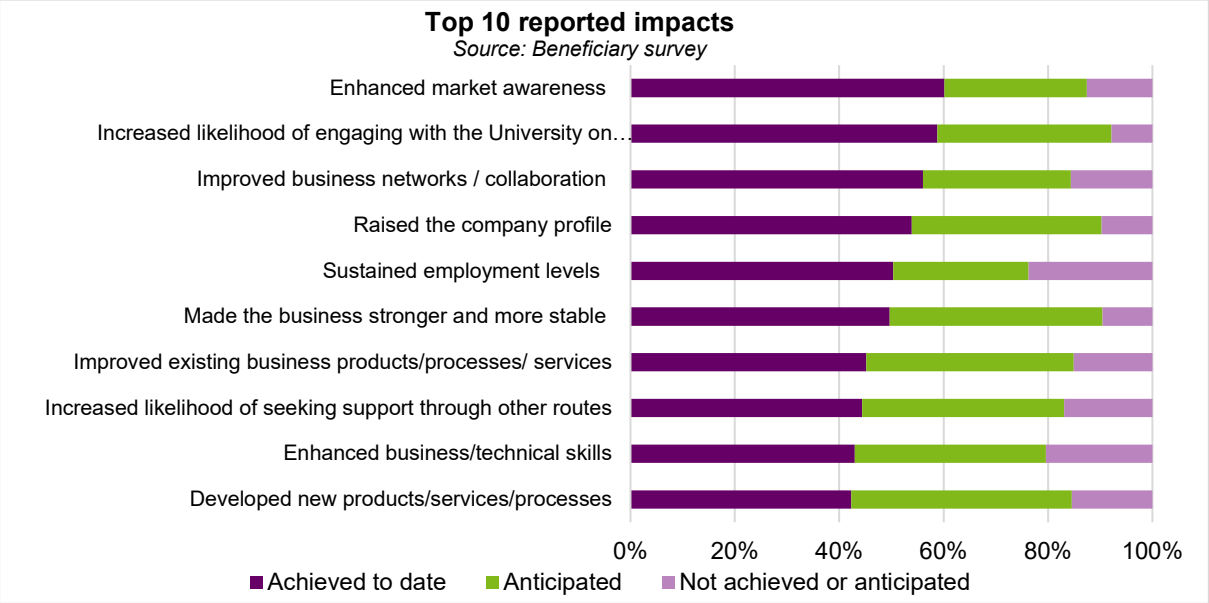
"It helped us begin to analyse & understand our business strategy and the importance of having a clear strategy on determining our future direction."

Softer Benefits

7.11 Participation in ESIF supported activities has generated wide ranging benefits for beneficiaries. At the time of being surveyed the most common reported benefit achieved was an enhanced market awareness with 60% of respondents giving this response. An increased likelihood of engaging with the University on other projects was the second most reported impact achieved to date, and the most common impact achieved or anticipated with 92% of respondents – reflecting the

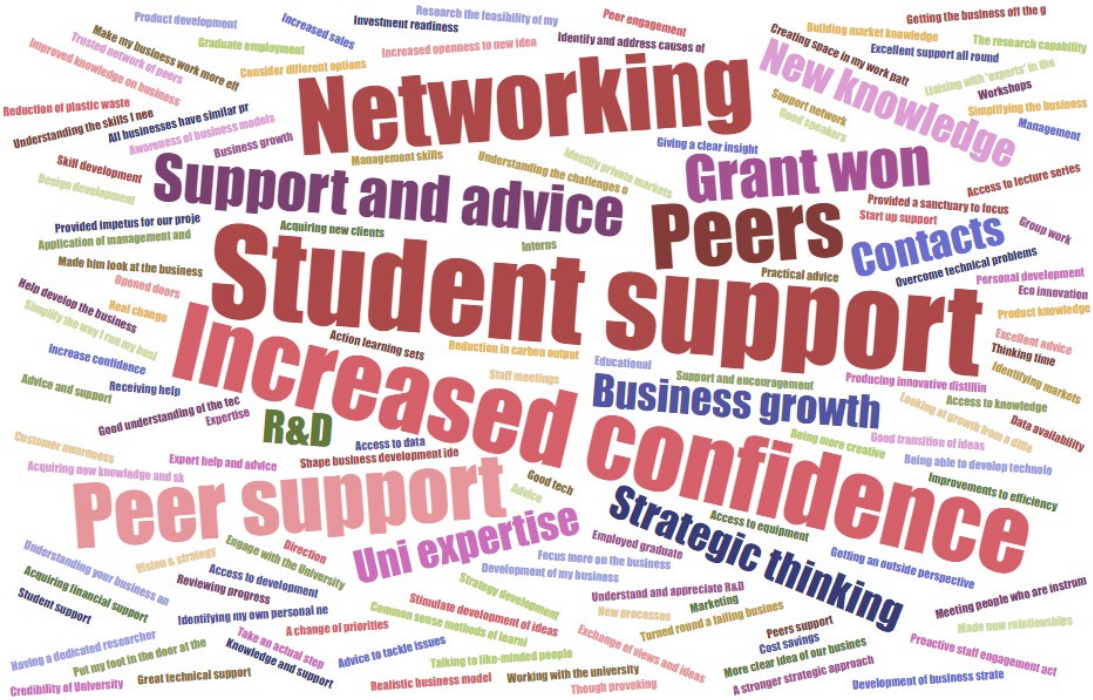
[26] LoCaL-i, Eco-Innovation Cheshire and Warrington, Low Carbon Eco-Innovatory and Eco Innovation Cumbria

strength of the University and individual project teams. Improved business networks/ collaboration, raised company profile, sustained employment levels and a stronger and more stable business were also reported to have been achieved by at least half of those surveyed.



7.12 Survey results for the Cumbria Innovations Platform, Lancashire Forum, Unite+ and Eco-Innovation Cheshire and Warrington projects revealed that 100% of respondents achieved or anticipated an increased likelihood of engaging with the University on other projects. These findings suggest that, for many, involvement in an ESIF project may be towards the start of their support journey with an appetite to go on to access other services.

7.13 When beneficiaries were asked, in their own words, what the biggest impact of participating in ESIF funded projects has been on their business the responses below were generated. Common responses focused on benefits arising from 'networking', 'peer support', 'increased confidence' as well as securing 'support and advice' and 'new knowledge'.



7.14 Sample responses provided by respondents, linked to these prominent themes, include:

"My self-confidence has increased, I've got the fire back in my belly."

"A trusted network of peers, who we can turn to for advice or support."

"[the biggest impact has been] the Networking opportunities."

"[the biggest impact has been] continued peer groups and networks established."

"The peer support network has been fantastic."

7.20 In addition, 21 comments highlighted the benefit of working with the University, with many stating they would be happy to work with the University again. Examples of feedback provided include:

"[the biggest impact has been] the opportunity to engage with the staff at the University."

"Overall, very valuable and have made plans to work with the University again."

"We would be more than happy to work with the University again."

"The enthusiasm of the team has helped keep me motivated when I was lacking confidence to move forward. I can't fault them."

"The research would have not been done or been very costly if it wasn't for the student project."

Wider Impacts

7.26 Stakeholders are broadly positive about the role that Lancaster University – through the delivery of ESIF supported projects – play in the local economy. Although many of those consulted were only familiar with distinct elements of the offer, the package of support has helped Lancaster University to raise its profile amongst stakeholders and businesses with partnership working in support of project delivery, allowing wider coverage to be secured than may otherwise have been the case.

7.27 The offer the University has been able to make to students has also been enhanced with one consultee commenting: *"As a student, the benefits you get from engaging with our programmes is far wider than their academic programme of study."* Provision of purely an academic offer is no longer sufficient in a competitive marketplace with the wider support offer, in part supported by ESIF resources, helping Lancaster University to retain a competitive advantage and demonstrate the potential students the wider advantages that they can secure by studying there. In addition, the University's network of SME contacts has continued to expand, offering potential for further collaborative working of mutual benefit.

7.28 Consultations completed during the course of the evaluation emphasise that Lancaster University are not delivering services purely to draw down resources and satisfy ESIF targets – they want to provide a valuable service to support individuals and businesses to succeed. Project teams are committed to working to offer beneficiaries the most effective packages of activity that they can and to generate sustainable benefits as a result. This is apparent in the fact that many projects have offered businesses support in excess of the 12 hours required to be counted as an ERDF business assist.

7.29 As examples, all four projects delivered through the Centre for Global Eco-Innovation provide support tailored to specific needs that extends far beyond a 12 hour period to allow needs to be addressed. Lancashire Forum also host quarterly events for project alumni to help maintain relationships between beneficiary businesses and between the SMEs and the University post project support. The impacts arising from support are therefore anticipated to span far beyond those captured in ERDF monitoring returns.

> *"We work really hard on keeping relationships."*
>
> *"It is not just about the outputs on the page."*
>
> *"*[We are] *not trying to deliver a project that just ticks the boxes…we want sustainable businesses."*

7.30 The strength of Lancaster University's experience in the delivery and management of ESIF projects means that it is now something of an ESIF guru within the North West university network. Other universities and wider project partners have been able to learn from the University's experience, helping to add value to support services and ultimately, hopefully, helping to reduce the scope for clawback of resources across the region. The PSU's interactions with the MHCLG team also suggest that Lancaster University is seen to be a trusted partner, providing a potential advantage when future funding streams are introduced.

Quantified Benefits and Value for Money

Benefits to Date

Gross Benefits

7.31 The beneficiary survey asked respondents to reflect on the economic benefits they have recorded as a result of participating in ERDF funded activities. The 184 businesses who fully responded to the beneficiary survey[27] reported 25.5 jobs created and 392 sustained to date as a result of the support they have received. Applying this ratio of 2.27 created/safeguarded jobs per businesses to the recorded 682 businesses, an estimate of 1,547 FTEs for the total employment impact of projects across the beneficiary base is reached[28].

7.32 In addition, the survey found that:

- Just over one fifth (22%) of respondents had secured uplifts in turnover totalling £8.98m; and
- Twenty-six had experienced profit increases totalling £39,310 (the sum of only twenty-four increases as two were reported as percentages).

7.33 Aggregating these figures up to the total beneficiary base at the end of December 2018, suggests that total benefits will be in the region of:

- A £33.3m uplift in sales / turnover; and
- A £1.58m uplift in profit.

[27] At the level of the programme of activities, this response rate equates to a confidence level of 95% with a 6.18% margin of error

[28] Please note, as different projects were designed to deliver different types of impact and sample sizes vary across the project portfolio, the aggregate assessment provides an indication of the scale of total potential benefits generated by supported project activities

7.34 Although these measures are not captured as direct outputs of ERDF, using the programme's indicators, they provide a good indication of the wider impacts that participating in ERDF projects are generating for beneficiaries.

7.35 The findings suggest that each beneficiary receiving support through Lancaster University's ERDF projects generates the following gross impacts on average:

- 2.27 jobs created or safeguarded;
- An £48,830 uplift in turnover; and
- Increased profit of £2,136.

Net Benefits

7.36 In order to assess the real impact of activities, consideration has been given to net impacts arising from activities at the North West level. Moving from gross to net benefits has required consideration of:

Additionality Considerations	
Factor	**Explanation**
Deadweight	What proportion of impacts what have happened without the projects ever occurring.
Displacement	The proportion of impacts accounted for by reduced outputs/outcomes elsewhere in the target area.
Substitution	Whether a firm has substituted one activity for a similar one to take advantage of public sector assistance.
Leakage	The proportion of outputs that benefit those outside of the area.
Multiplier effects	Further economic activity associated with additional local income, local supplier purchases and longer term effects.

7.37 To determine the scale of the additionality of the reported benefits at the regional level, consideration has been given to:

- Survey respondents assessment of additionality[29];
- Local intelligence regarding workforce catchment; and
- HCA mean benchmarks for business competiveness activities.

7.38 The following additionality adjustments were applied across the programme of activities. This suggests that 59% of all benefits reported by beneficiaries are additional. This is higher than the HCA benchmark for business competitiveness activities.

[29] Although it should be noted that many respondents found it challenging to comment on the additionality of benefits

Additionality Adjustments		
Factor	**Adjustment**	**Rationale**
Deadweight	40.0%	Adjusted down from the mean regional benchmark for business development & competitiveness (45%) in response to survey feedback
Displacement	29.3%	Mean regional benchmark for business development & competitiveness
Substitution	3.4%	Mean regional benchmark for business development & competitiveness
Leakage	4.7%	2011 Census travel to work date for the North West showing labour catchment from outside the region
Multiplier effects	1.51	Mean regional benchmark for business development & competitiveness
Source: ekosgen estimates based on project intelligence and published guidance		

7.39 The resulting net benefits to date are as follows:

Gross to Net Benefits to date		
	Gross	**Net**
Jobs Created / Safeguarded	1,547	912
Turnover supported	£33.30m	£19.62m
Increased profit	£1.58m	£0.93m
Source: ekosgen estimates		

7.40 Applying these figures across the beneficiary base to date, suggests that each business receiving support through Lancaster University's ERDF projects has experienced the following net impacts on average:

- 1.34 jobs created or safeguarded;
- An £28,782 uplift in turnover; and
- Increased profit of £1,364.

Forecast Benefits

Gross Benefits

7.41 Survey respondents were also asked to indicate if they expect to record benefits in the future by the end of December 2023 and, if so, to estimate the scale of future benefits they expect to experience. The 184 surveyed businesses reported anticipating the creation of a further 430.5 new jobs and 299 safeguarded jobs in addition to the benefits to date reported above. Therefore on average each beneficiary is expecting to create/safeguard an additional 3.96 jobs each in the future.

7.42 When forecasting future benefits there is a recognised tendency for beneficiaries to over-estimate the scale of impacts they will experience. To account for this, an adjustment has been made for optimism bias, in line with guidance. With 20% optimism bias applied this ratio falls to 3.17 jobs per business leading to an overall forecast of 3,949 jobs to be supported. Combined with the benefits reported to date, this suggests that activities will result in a total employment of up to 5,496 FTEs.

7.43 In addition, the survey found that:

- Sixty two respondents (33.7%) expect to experience uplifts in turnover totalling £132m (£105m once optimism bias has been applied); and
- 62 expect to record an increase in profit, this totalled £21.4m (the sum of only fifty increases as 12 were reported as percentages) (£17.1m once optimism bias has been applied).

7.44 Aggregating these figures up to the total forecast beneficiary base of 1,245 anticipated at the point of project closure, suggests that total benefits (following consideration of optimism bias) will be in the region of:

- A £712m uplift in sales / turnover; and
- A £144m uplift in profit.

7.45 The findings suggest that each beneficiary receiving support through Lancaster University's ERDF projects is expected to generate the following gross impacts on average going forward:

- 7.43 jobs created or safeguarded;
- A £572,175 uplift in turnover; and
- Increased profit of £115,549.

7.46 Forecast benefits are summarised below.

Gross Anticipated Benefits*		
	Anticipated by surveyed businesses	**Aggregated total (with optimism bias applied)**
Jobs Created / Safeguarded	730	3,949
Turnover supported	£131.6m	£712.4m
Increased profit	£21.4m	£143.8m
*Source: IBP Survey (184 respondents), ekosgen estimates, *additional to benefits to date*		

Net Benefits

7.47 The same gross to net adjustments applied to the reported to date benefits have been applied to the forecast benefits, resulting in the forecasts below.

Gross to Net Benefits*		
	Gross	**Net**
Jobs Created / Safeguarded	3,949	2,327
Turnover supported	£712.4m	£419.9m
Increased profit	£143.9m	£84.8m
*Source: ekosgen estimates, *additional to benefits to date*		

7.48 Applying these figures across the forecast total beneficiary base by the point the programme of ERDF activities concludes, suggests that each business receiving support through Lancaster University's ERDF projects is forecast to experience the following net impacts on average:

- 1.87 jobs created or safeguarded;
- An £337,249 uplift in turnover; and

- Increased profit of £68,106.

Total Benefits

7.49 Taking account of the benefits reported to date and anticipated in future, following an adjustment for optimism bias, suggests the following scale of benefits resulting from programme activities:

- Over 3,200 net FTEs created/safeguarded;
- A net turnover impact of £440m; and
- A net profit increase of £86m.

7.50 Based on the figures above, average cumulative impacts per beneficiary are forecast to be:

- 2.60 net jobs created or safeguarded;
- A £353,015 net uplift in turnover; and
- Increased net profit of £68,854.

7.51 These are strong returns and exceed those identified through the evaluation of 2007-2013 ERDF projects delivered by Lancaster University.

GVA Impact

7.52 The GVA impacts have been estimated based on the employment benefits of the programme, taking account of both created and sustained employment. A GVA per FTE figure of £63,204 has been applied – the mean GVA per FTE for the North West based on ONS GVA data and Business Register and Employment Survey employment data for 2017, taking account of all sectors of the economy to determine an average contribution. Multiplying the number of supported posts by the GVA per FTE figure generates the forecast GVA impact per annum.

7.53 The GVA benefits of the supported roles are assumed to persist for three years. This is a typical benchmark for interventions taken from the 2014 HCA Additionality Guidance. The resulting gross GVA benefit of the 1,547 gross jobs created/safeguarded to date is estimated to be £292.6m. Combined with forecast employment GVA impacts an estimate of £1.04bn of impacts is reached.

7.54 The same level of gross to net adjustments have been made to the GVA benefits as the employment benefits (see earlier details). A discount rate of 3.5% has also been applied across the assessment period to determine the net present value of the GVA benefits, as summarised below.

GVA Impacts			
	Current	**Future**	**Combined**
Gross	£293m	£747m	£1.04bn
Net	£172m	£440m	£613m
Discounted net	£161m	£411m	£572m

Source: ekosgen estimates

Value for Money

7.55 The value for money assessment has taken account of two core measures: the cost per job generated by project activities; and the return on public investment. The ESIF drawn down by the end of 2018 was £8.69m, and the total ERDF funding forecast to be spent by the projects is £20.0m. These totals are divided by the number of jobs to determine the cost per job figure for both to date and the future jobs.

Cost per job		
ERDF Cost per Job	**Current**	**Current and Future**
Gross	£5,660	£3,645
Net	£9,535	£6,183
Total Cost per Job		
Gross	£9,547	£6,987
Net	£16,198	£14,817
Source: ekosgen estimates		

7.56 The cost per job forecasts suggest that the supported activities perform strongly relative to accepted benchmarks. This in line with widely recognised benchmark cost per job for business support programmes of £13,300 (in 2010 prices) from DCLG guidance, once inflationary uplifts are applied, and significantly below the median anticipated for the 2014-20 ESIF programmes of £26,000 per gross job.

7.57 Every pound of ERDF expenditure to date has returned an estimated **£18.52** of GVA (NPV), and if all forecast impacts are realised this is expected to rise to **£28.55** of GVA (NPV). For every pound of total expenditure the returns are **£10.90** and **£16.58** respectively. These figures are broadly in line with the findings of the 2012 evaluation of the University's 2007-2013 ERDF activities and exceed figures identified through ekosgen's evaluations of business support and innovation projects supported elsewhere in the country plus the gross return of approximately £12 in GVA for every £1 invested through Boost – Lancashire's business growth hub.

8 Identified Challenges and Potential Improvements

Key Points

- Overall, ESIF supported projects are being delivered effectively with limited challenges encountered given the scale of activity.
- Projects teams are alert to and open about the challenges they have encountered and none have proved insurmountable.
- Managing beneficiary expectations may be necessary as the programme of activities continues, reflecting constraints on the funding available and the fact that, in many instances, Lancaster University already goes beyond the 12 hour assist required for ERDF outputs capture.
- A limited number of potential improvements have been identified to inform forward planning, including scope to increase academic engagement, greater targeting of beneficiaries and recognising distance travelled by beneficiaries.
- Many of the issues arising may not be resolvable within the confines of ESIF funding but may present factors that are worthy of consideration in the planning of future funding streams such as the Shared Prosperity Fund.

Introduction

8.1 In conducting the evaluation, consideration has been given to emerging themes around delivery experiences and the potential to improve approaches going forward. On the whole, the ESIF supported projects are being delivered effectively and the Lancaster University team are working hard to make them a success. This section highlights some of the themes that have been identified that offer scope for consideration, both during the remainder of the ESIF delivery period and in the planning of future projects under the funding regime and other programmes.

Challenges Encountered

8.2 Given the scale of supported activities and requirements associated with ESIF funding, some challenges to delivery across a package of 12 projects is inevitable. Although limited, challenges identified through the course of the evaluation include:

Identified Programme Challenges
Delivery timescales and geographies
• **Delays to funding approvals** with implications for project delivery timescales and levels of expenditure. These issues were particularly acute for those projects which included PhDs as one form of delivery - with a 3 year funding period, the fact that the window to advertise for and recruit PhD researchers to start in September 2017 (because the low carbon projects were not approved until later in 2017) in effect meant that an entire year was lost, as recruiting high quality PhD students at any other time of the year is extremely challenging. • Some **delays in staff recruitment and turnover** (including as original project terms were coming to an end) which impacted on both the profile of activity and levels of expenditure and have been challenging to recover from. • The **move to LEP-level projects** rather than regional delivery has caused issues for some parts of the University. The Centre for Global Eco-Innovation, which is involved in four low carbon projects in Lancashire, Cumbria, Cheshire and Warrington and Liverpool City Region has lost the economies of scale that working at the regional level used to bring, with additional complexity and bureaucracy involved in delivering four separate projects.
Regulations
• The **introduction of GDPR** which required the introduction of new guidance and approaches when many projects were already live and has caused some confusion around how details can be used. Although the PSU offered guidance on this topic as soon as they were able, it presented challenges to implementation and to the ease of delivering evaluation activity. • An **inability to offer an 'escalator' of support** with businesses initially accessing short-term inputs and gradually building up to more intensive PhD / Masters by Research support - due to the short project timescales, and the restriction on claiming a company that has been supported more than once as an output, under ERDF funding rules.
The delivery environment
• Business reticence to engage in some project activities due to **uncertainties associated with Brexit** which has impacted on both business engagement levels and outcomes arising from support, for example in terms of new employment creation and the advancement of products towards market. As one project team member commented: *"People, particularly in smaller businesses, are reluctant to recruit in the current climate and where they do it is often part-time jobs"*. • There has been some evidence of **business demand not entirely aligning with the support offer** available through the ERDF projects. For example, the Cumbria Innovations Platform included funding for four PhD researchers to undertake long-term research on behalf of clients, but only two of these have been taken up. Further market testing could potentially have identified this challenge.

8.3 The project teams have been alert to these challenges and have worked to overcome them, or where necessary work around them, as best they can. In other instances, they are recognised learning points for the delivery of future projects, including those to be brought forward under ERDF successor programmes.

8.4 In addition, project managers commented that in some cases the ESIF indicators do not allow a full picture of project achievements to be captured. For example, in the case of U Start – an enterprise support scheme – there is no measure of the number of new businesses established while for others a measure to capture the value of additional orders secured by beneficiaries would be a valuable measure of success. Distance travelled measures (for example on an innovation journey or towards launching a business) could also provide an important indication of project achievements that are not reflected in ESIF indicators. The new business indicator has also proved problematic, ensuring businesses are at a stage where they are ready to engage but still comply with the definition.

"The programme isn't measured in pound note orders."

"I don't think the national programme takes account of non-standard support."

Potential Improvements

Delivery Team Perspectives

8.5 As noted elsewhere in this report, the Lancaster University team remain alert to the effectiveness of delivery approaches and the opportunity to make improvements where necessary. Delivery continues to evolve to reflect this and as projects come to an end and both extensions and new project proposals are developed, opportunities can be taken to make changes.

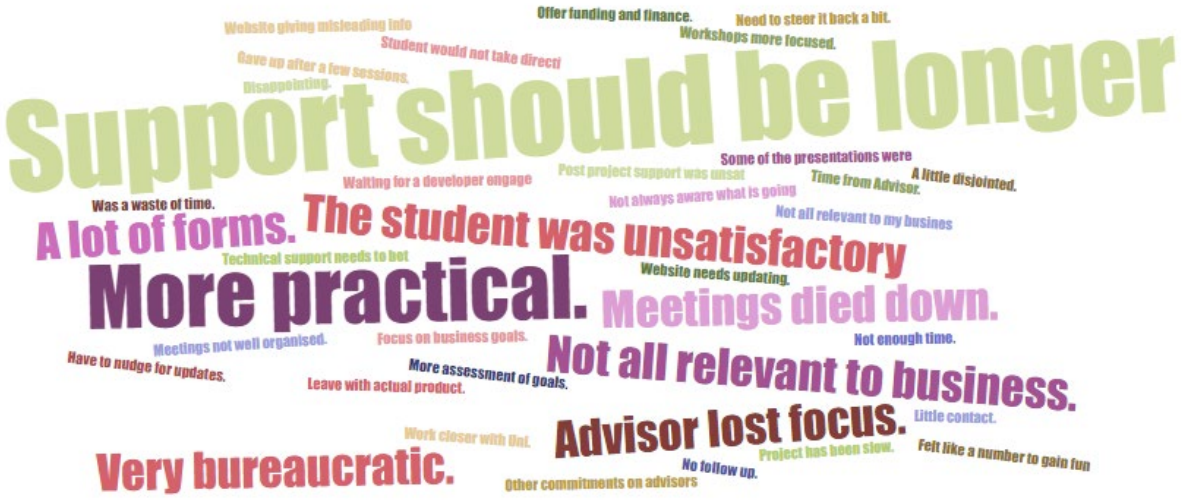
8.6 Potential improvements identified through the evaluation include:

Potential Programme Improvements
Delivery approaches
Going back to regional level delivery – a move to sub-regional delivery has been dictated by LEP level funding allocations rather than the practicalities of delivery or the identification of distinct needs at a local level. Discussions completed during the course of the evaluation suggest that in some instances, especially for more specific support such as around the low carbon agenda, there would be value in returning to a regional delivery model (if funding streams allow) as the expertise a business requires may be in one of a number of institutions across the region. **Adjusting the balance of activity within some existing projects** – through the experience of delivery it has become clear that business support needs have not always been as anticipated at the outset of projects. For example, the Cumbria Innovation Platform has found that market demand has been for short-term, technical support rather than PhD research. Delivery of the Health Innovation Campus revenue support has also allowed the team to gradually determine the type of support most required by the market. **Further enhancement of academic engagement** – the current reviews of the Cumbria and Lancashire Forum projects (as they begin a new delivery phase) have been prompted by recognition that academics are not as closely engaged in delivery as anticipated at the outset of the projects and that this may represent a missed opportunity. This replicates one of the lessons arising from the 2012 evaluation of 2007-2013 programme activities. Getting the balance right between higher levels of academic engagement and ensuring provision is pitched at the right level and engaging for businesses remains a challenge.
Business engagement
Greater targeting of beneficiaries – a number of projects have found that further targeting of businesses is required, if the outputs identified at the outset of activity are to be achieved. For example, Healthcare Business Connect Lancashire has determined that support is most effective if it is delivered to established businesses that have turnover of over £1m, have been trading for more than two years and have an established product in place as this enhances their ability to progress in a competitive marketplace. The UCLan element of the Lancashire Forum has found it challenging to deliver its jobs created target because it has worked with small and micro businesses where taking on staff represents a greater uplift in activity than in a medium sized company (more commonly targeted by Lancashire University). **Being able to support businesses more than once** – ERDF rules mean that businesses can only be counted as an assist once within the scope of a single project. The scope to offer multiple assists (for example to explore different growth opportunities) would allow projects to whet their appetite through the cohort learning, and then enable them to go onto more in-depth support, thereby generating greater impacts as a result of the support delivered.
Benefits capture
Capturing a wider range of benefits – identification of a wider range of performance measures (extending beyond the core ESIF indicators) would allow a more accurate picture of supported activities to be captured. For some projects, the available indicators are currently seen to underplay achievements with, for example, no measures of businesses increasing their sales or profits levels, or which capture the number of new businesses launched or surviving as a result of support. **Recognising distance travelled** – linked to the point above, there are instances where project support will allow beneficiaries to progress towards an end goal but it may not necessarily be captured within the ERDF monitoring period. The use of distance travelled tools (for example progress towards starting a business or innovating) and their consideration by funders would provide a more comprehensive picture of project impacts.

8.7 There is scope for each of these points to inform future project planning, delivery and monitoring activities.

Beneficiary Perspectives

8.8 Beneficiaries were also asked to provide their perspectives on potential improvements and the word cloud below summarises the responses secured:



8.9 From the 42 beneficiaries who identified some form of improvement (22% of survey respondents), the most common themes were:

1. The length of support: The most common theme mentioned was that the support offered could be longer in order to encapsulate more benefits, despite many projects already offering more than a 12 hour standard ERDF assist. This was mentioned over the different types of support, with beneficiaries mentioning the need for forums *"because of the content, the duration of the support should be longer"* in order to provide practical solutions. Issues with length were consistent with beneficiaries of student placements with one beneficiary commenting: *"The student was only able to look at a small part of the business and we would have loved to throw more tasks at her".* Of the seven respondents who commented on the length of support, two reported they had received or expected to receive less than 12 hours of support, the rest expected or had received more than 24 hours of support. These beneficiaries spanned across the five projects: Cumbria Innovations Platform, Eco Innovation Cumbria, Cumbria Forum, Health Innovation Campus and Lancashire Forum. Managing expectations within the confines of available funding may be required, particularly as many beneficiaries are already receiving in excess of the 12 hours of support required for capture of an ERDF business assist output.

2. The relevance of provision: Beneficiaries mentioned that the types of courses on offer were not particularly relevant to their business and that the projects need to be more practical. It was noted that the projects were aimed at a wide variety of businesses, reflecting the one to many delivery approach taken on a number of projects. As a result, presentations were seen as being too broad and left some beneficiaries feeling like the course was going to be run whether it was relevant or not and were *"just a number for funding"*. A desire for more practical – rather than theoretical – support was also highlighted with one beneficiary commenting: *"It would be great to come away with an actual product rather than just plans on paper. There is much scope for the university to help on the practical side of things, not just the theory".* Achieving this would be expected to require a tailored delivery approach – which would carry an additional cost – to allow support to be practical to individual beneficiaries.

3. Advisor interest in business needs: Some beneficiaries reported that although the university advisors' initial support was good they felt that they later lost focus with their business and their goals. Issues with the level of interaction with the business, with meetings dying down after the initial stages and one beneficiary having to *"nudge for updates on progress"* were also reported. Additionally, there were expectations that *"the students' tutor to be more engaged with them [student] rather than just leaving them to do it".*

8.10 Other notable themes included comments relating to: bureaucracy due to the number of forms to be completed; limited awareness of the full range of workshops available; a desire for post-support follow up; and the quality of students received as part of research projects.

8.11 Whilst many of the suggested improvements could not be accommodated within the confines of ESIF support, new funding regimes (such as the forthcoming Shared Prosperity Fund) do provide an opportunity to design arrangements in response to experience and the feedback of both beneficiaries and delivery staff. Making views known (both in the University's own right and through partners such as the LEP) will be important to influence future arrangements.

9 Conclusions and Lessons Learned

Conclusions

Building on a Strong Track Record

9.1 The 2014-20 programme has provided an important opportunity for Lancaster University to continue to build on its expertise and reputation in the delivery of ESIF activities. By working with partner organisations, including other higher education institutions, the University has been able to both share its expertise and learn from the experience of others while gaining exposure across four of the North West's sub-regions – an important distinction for the latest programme period.

9.2 Activity suggests that Lancaster University remains at the forefront of ESIF delivery in the region. The addition of an ESF project to the 2014-20 portfolio has been an important addition, allowing the University to explore opportunities to support advances in higher-level skills – a core objective of the institution – as part of its externally funded activities. As the EnginE project manager commented: *"ESF is a new area for the university but it is an important one",* with strong growth evident nationally in Level 7 apprenticeship demand noted in particular. Further ESIF funding opportunities currently being explored (although focused on ERDF rather than ESF) will allow further gains to be made, alongside the ongoing delivery of projects within this impact assessment scope.

Making Important Progress against Targets

9.3 The impact evaluation was commissioned at a time when all projects were continuing delivery. Although progress was behind target for a number of indicators at the time of the December 2018 claims being submitted, the majority of project managers are confident that they will satisfy their indicator targets by the time of closure and noted that a number of projects had improved performance relative to targets by the time of the March 2019 claims. Consultations suggest that – on the whole – projects have a strong pipeline of beneficiaries in place to allow targets to be satisfied and / or demand for services continues to be demonstrated through marketing and engagement activities.

9.4 Delays in project approvals were beyond the University's control and undoubtedly impacted on the start date of a number of projects. Later than anticipated recruitment and some staff turnover (inevitable on a programme of activity this size and particularly when project extensions are agreed close to the point of original contracts coming to an end) mean that – on projects dominated by staffing costs – many projects are behind their expenditure targets and will now deliver programmes of activity at a lower cost than envisaged at the point funding applications were made. With achievements to the end of December 2018 including 682 enterprises assisted, 133 businesses supported to develop new to the firm products and 243 potential entrepreneurs assisted to be enterprise ready, ESIF investment is enabling Lancaster University to make a considerable contribution to programme targets and the economy of the North West.

9.5 As a series of new project approvals and particularly project extensions go live, it will be important to build on the momentum that has been established. A prolonged pause in delivery – as appears to be planned under a number of projects – could present a challenge to maintaining business interest and ensuring strong progress can be made against early output targets, as well as providing the longest time possible to capture resulting outcomes. With a strong pipeline of activity now evident across the University, there is a strong impetus to retain business engagement and continue the achievement of positive outcomes for individual beneficiaries and the economy as a whole.

Successful Delivery Approaches (with changes being made where necessary)

9.6 Delivery approaches have been fit for purpose with high satisfaction reported by beneficiaries and clear benefits arising from support delivered to date. By tailoring approaches to the objectives of each project, the University has been able to respond to varied support needs through a programme of provision that has been appropriate to needs. The assessment has found that where issues have been encountered, the projects teams have been alert to them and, where possible, adjustments have been made in response. This process is continuing to apply as existing projects continue delivery and project extensions and new approvals are secured, allowing the delivery teams to build on their experience of what has worked and what has not with the latter being the exception to recent experiences. This is in part due to the extensive experience held within the project and learning points being applied from previous projects.

9.7 Overall, partnership working arrangements appear to have been effective. However, where joint working has been prompted by funders, it is unclear whether the joint approaches have generated significant added value as some projects have effectively involved two projects being delivered in tandem (one by Lancaster University and the other by UCLan) with a single claim being submitted across the two. Had significant delivery challenges been encountered by one partner, the implications for the lead body and the funder could have been more challenging to address than it they had been led separately.

9.8 Opportunities for further engagement with academics and identifying seamless transitions for beneficiaries completing support onto other relevant contacts within the institution (where relevant) would further enhance the offer.

Strong Project Oversight and Challenge

9.9 The University has placed emphasis on the need to effectively manage resources secured to ensure compliance with funder requirements and protect the institution's reputation. The Project Support Unit (PSU) have an important role to play in the administration of ESIF resources and the University's strong track record in the funds. While at times project teams find the arrangements cumbersome, this largely reflects the requirements of the funders rather than any unnecessary steps being introduced by PSU. Overall, the unit has been effective in ensuring project compliance across a wide range of projects and giving confidence to the funders around competence in fund management with the absence of clawback and limited queries arising through the claims process evidence of the successful approaches being taken.

Securing Early Benefits and a Lasting Legacy

9.10 Securing a total ESIF award of £27.5m across 12 projects has allowed Lancaster University to deliver a considerable programme of activity, including projects with varied objectives and foci. The resulting benefits – in both commercial and softer forms – are starting to be evident to beneficiaries, the sub-regional economies in which activity is being delivered and to the University itself, including through a strong appetite for continued collaborative working expressed by beneficiaries.

9.11 Forecasts suggest that benefits will continue to grow with impressive net benefits expected to be achieved, both in their totality and in terms of the average benefits forecast per beneficiary. Value for money measures show that activities are efficiently delivering results and are securing a strong return on investment.

9.12 Cost per job measures are in line with benchmarks (despite delivery during what has been a challenging context with reluctance for SMEs, particularly those at the smaller end of the scale, to commit to recruitment) and the return on investment of £18.52 per £1 to date rising to an estimated £28.55 per £1 of investment by the time activities conclude shows how support has enabled benefits to the economy to be many times the call on funding. In both cases, the results build on the strong performance identified through the evaluation of Lancaster University's ERDF activities under the 2007-2013 programme with forecasts comparable in their scale.

9.13 If, as survey results suggest, projects facilitate longer term working relationships between businesses and the University beyond ESIF support, there is also scope for wider impacts to be catalysed over time as a culture of business innovation and growth continues.

Lessons for the Future

9.14 The scale and breadth of activities being delivered have presented wide ranging lessons. The University is alert to the need to learn from experience and is open to adapting approaches where necessary to ensure that the greatest value is secured from the investments being made at present, as well as the design of future projects and programmes.

9.15 Given Lancaster University's extensive ESIF experience, consideration should be given to opportunities to influence the delivery of future initiatives, including the Shared Prosperity Fund which is due to succeed ESIF funding. In particular, the case should be made for the ability to deliver projects which run over longer timescales (and can therefore more easily accommodate more intensive support such as that provided by PhD researchers). Being able to deliver on pan-LEP geographies would also be beneficial for some projects.

9.16 The lessons below have been identified from the evaluation completed across the ESIF project portfolio and acknowledge that a series of lessons from delivery under the 2007-2013 programmes remains valid. Consideration is given to both the lessons required for Summative Assessments and wider lessons for consideration by Lancaster University in the planning and delivery of future interventions. Project specific lessons for the six Lancaster University led ERDF projects are provided in the Summative Assessment Excel summaries that accompany this report.

Lessons for the Grant Recipient and Others Developing Similar Projects

9.17 The primary lessons identified for future grant receipts and others developing projects are:

Lesson 1: It takes time to build momentum: Many of the projects considered as part of the evaluation started later than originally anticipated and struggled to satisfy early targets. One of the primary reasons for this has been the later than anticipated approval of ESIF resources which impacted on the ability to deliver to target from the project's onset. The time taken to recruit staff (with certainty of resources required ahead of appointments being made) has also been a factor. Going forward, there is a case to balance the realism of factoring in potential delays with funders' desire to see that projects are in a strong position to commence delivery. In hindsight, many of the early expenditure and output targets were optimistic. The stop-go approach which has been experienced in recent years is confusing for businesses and damaging for the economy.

Lesson 2: Think about how beneficiaries will be targeted from the outset: There have been instances where demand for support has been lower than anticipated or projects have found that the businesses they have engaged may not be best suited to the support available or are unable to achieve target outcomes (e.g. employment creation, the ability to secure new orders or introduce new products). Subject to eligibility checks being completed, projects appear to have been very inclusive to date with potential for clarity regarding priority criteria being in place at the outset and engagement approaches and initial sifts being tailored accordingly to ensure projects can meet their targets and wider objectives.

Lesson 3: Don't be afraid to make changes: Lancaster University have continued to evolve their delivery approaches to reflect experience on both previous and current projects. Overall, approaches have been effective but where support has not been as effective as it could have been, changes have been made. This is an important lesson with small adjustments required to ensure activity is effective without altering the reasons for intervention or outcomes sought. Being honest about where changes are needed can help to return activity to target and improve the experience for both staff and beneficiaries.

Lesson 4: Investing in programme management pays dividends: The Project Support Unit plays in important role in ensuring the smooth delivery of ESIF activities, taking many of the pressures of managing the funds away from project teams. Consistency in project paperwork, rolling checks and balances, liaison with the funder and auditors are all valuable features under what is a complex funding regime that presents risks around non-compliance for the uninitiated. Through the reduced risk of challenged claims and potential clawback, as well as protection of the University's reputation, this service is anticipated to cover its costs. Ongoing refinement of the Unit's remit and effective communication of any changes to project teams will allow the value to continue to be increased.

Wider Lessons for Lancaster University

9.18 In considering lessons cutting across the portfolio of supported projects and extending beyond ESIF considerations, the following recommendations have been identified:

Lesson 1: There is a need to plan for the future: ESIF funding has played an important role in Lancaster University's activities for a number of years, with consideration of what happens beyond the current programme period and the prospect of Brexit now required. As arrangements for the implementation of the Shared Prosperity Fund remain to be finalised there are opportunities for Lancaster University – both in its own right and with partners – to express its desires for the fund, based on a strong track record in delivery. Wider funding opportunities to continue a similar portfolio of activities will also need to be explored, if the University is to retain its level of SME and individual engagement.

Lesson 2: Further value could still be secured through academics: Whilst there is recognition of the challenges at times associated with ensuring academic inputs at pitched at an appropriate level for businesses, there is an appetite to do more. This reflects an opportunity also identified at the time of the 2007-2013 projects evaluation. This is already recognised in the re-scoping of Lancashire and Cumbria Forum's activities and there may be scope to extend this exercise across the wider programme of supported activities.

Lesson 3: ESIF activities should not be viewed in isolation: Lancaster University is already alert to the wider opportunities to engage with businesses and individuals beyond individual ESIF project engagement. However, this could go further with a defined referral system. There is a recognised appetite from beneficiaries to continue their engagement with the University but achieving this requires a smooth transition, if the full value (for both beneficiaries and the University) is to be secured. A central point of contact with the ability to make connections between project teams and academics would support this process, helping to identify opportunities for advantages to be captured for all parties.

Lesson 4: Strategic positioning should be considered: Whilst the broad portfolio of supported projects can be seen as a positive, when positioning for new funding streams it will be important for Lancaster University to be able to demonstrate its particular strengths. A sectoral focus is likely to form part of successful project positioning with growing specialisms in low carbon and health innovation (as examples) strategically aligned and distinct, although in the latter case, the decision not to seek an extension to the Healthcare Business Connect Lancashire project is a surprise.

Lessons for Policy Makers

9.19 The following primary lessons have been identified for policy makers from across all the ESIF projects within this assessment scope:

Lesson 1: Delays in project approvals impact on deliverability: Many of the projects Lancaster University is delivering secured approvals later than anticipated at the time submissions were made. This impacts on the ability of projects to hit their targets and deliver within agreed timescales. Where significant delays are encountered, opportunities for variances to be automatically applied should be explored, for example to allow the same period of staff time to be captured in project costs – a factor that cannot be 'caught up' once a late start occurs.

Lesson 2: Short term funding awards impact on the continuity of services: The challenges faced by projects differ dependent on the nature of activities being taken forward. For those projects (such as LoCaL-i, Low Carbon Eco-Innovatory project, Eco Innovation Cumbria and Eco-Innovation Cheshire and Warrington) that provide support to businesses by providing a dedicated PhD researcher to investigate a specific topic, a three year funding award means that placements need to be fixed at an early stage in the project, through a single intake, to allow achievements to be secured. For other projects (such as Cumbria Forum), the lack of certainty around future resourcing as three year contracts come to an end can result in staff turnover and the loss of momentum in delivery that it can be challenging to recover.

Lesson 3: The offer of a lead in period would allow strong performance from the start: Linked to lesson 1 for the grant recipient and others delivering similar projects, approval processes assume that projects can quickly build momentum from the point of approval. Where approvals need to be in place ahead of staff being recruited there is an inevitable lag in activity starting that causes projects to be behind profile from an early stage. Building a lead in period into contract awards that allow preparations to be made so projects can hit the ground running from their official start date could help to overcome this challenge.

Lesson 4: Universities have an important role to play in the growth of economies: The breadth of activities being delivered by Lancaster University and both the impacts secured to date and anticipated in future demonstrate the wide ranging role that universities have to play in the success of areas. There is clear track record and potential across the spectrum of providing a skilled workforce, enterprise / business start-up, business growth and innovation. Considering how universities, such as Lancaster, are engaged in future programmes such as the Shared Prosperity Fund, will be an important consideration to allow expertise to be shared and for benefits to continue to be captured.

Lesson 5: ESIF indicators do not capture the full impacts of supported activities: Lancaster University, like other applicants across the country, have found that that ESIF indicators do not adequately capture the impacts of supported activities. Particular challenges have been identified around the lack of outputs for new businesses formed as a result of enterprise support and there being no measure of additional sales secured as a result of support received across innovation and business support activities. A series of softer indicators, including measures of distance travelled, would also help to build a more comprehensive picture of benefits arising from supported activities.

Annex 1: Lancaster University Led Project Headline Findings

Annex 1a – LoCaL-i

Description of the Project

This project aims to increase innovation and adoption of low carbon technologies by enabling businesses across all sectors to develop new products and markets through research and innovation and the development of capacity for eco-innovation – leading to growth of the low carbon economy in Lancashire.

Project Profile	
Funding type	ERDF
Priorities sought under	4: Supporting The Shift Towards A Low Carbon Economy in All Sectors

Delivery arrangements	
Leading organisation	Lancaster University
Project partners	Centre For Ecology & Hydrology (CEH)
Geographical coverage of project	Lancashire
Start date – Activity end date	Q4 2016 – Q3 2020

Management Information Review

Financial performance

Financial Profile	
ERDF	£3,059,346
Public match	£2,039,564
Private match	£0
Intervention rate	60%
Total project cost	£5,098,910

Targets to end of Q4 2018 against actual expenditure			
Target to Q4 2018	**Actual to Q4 2018**	**Difference**	**Reason for Difference**
£2,473,620	£2,445,221	-£28,399	Expenditure a little behind profile due to SME recruitment delays and knock on effects, but most funding now committed

Outputs

Output targets	
C01 – No. enterprises receiving support	180
C05 – No. new enterprises supported	9
C26 – No. enterprises cooperating with research entities	180
C29 – No. enterprises supported to introduce new products to the firm	50
C34 – Estimated GHG reductions	1328
Source: Output annex	

Targets to the end of Q4 2018 against achieved			
Outputs	**Target**	**Achieved**	**% of target achieved**
C01	81	83	102%
C05	4	2	50%
C26	81	68	84%
C29	9	1	711%
C34	40	0	0%
Total	**215**	**154**	**72%**

Headline Beneficiary Survey Findings

Overall 21 responses were secured across the online and telephone survey.

Views on early contact	% satisfied or very satisfied
Quality of information about the available support	86%
Clarity of the eligibility criteria for receiving support	90%
Ease of the application process	76%
Length of time taken between initial inquiry to working with the project	86%

Top three reasons for engaging with support	% of respondents
New products/process development	62%
Building market knowledge	38%
Business Strategy - business growth	38%

Top three forms of support	% satisfied or very satisfied
1-2-1 tailored support	71%
Workshops	100%
Peer learning	83%

Views on support	% who agree
Overall, I am happy with the support provided by the project	89%
I received/am receiving high quality advice	100%
The delivery approaches are/were fit for purpose	100%
The project has/will address all of my support requirements	67%

Top five benefits achieved to date
60% raised the company profile
45% have improved business networks/collaboration
40% are more likely to engage with the University on other projects
40% enhanced market awareness
40% stronger and more stable business

Comments

- *"the project has made us realise that however small the enterprise, through a number of small changes, we can reduce our carbon footprint at very little cost."*
- *"Very happy with the project. Regular contact by telephone/skype/face to face. Was good to use the expertise of staff and students in designing green powered vehicles and being able to use their facilities. We felt that the projects could be larger, and it would be great to come away with an actual product rather than just the plans on paper. There is scope for the university to help on the practical side of things, not just the theory."*
- *"Quite pleased with the progress. Might need to steer it back a bit more towards their goals - what they need from it is changing a bit. It is coming up with some interesting stuff and I appreciate that these projects have to be unique and innovative. Have to nudge for updates of the progress."*

Case Study

Case Study: Euriscus

With offices in Preston and London, Euriscus are an additive manufacturing (3D printing) and software company made up of three employees with more than 15 years' experience in the sector. They also offer marketing services to businesses in the dermatology and skincare sector.

The company has worked with Lancaster University on a number of different projects over the years. Euriscus heard about the LoCaL-i project through a contact within the University's Department of Engineering in 2017. After a very positive initial meeting with the programme team, a PhD research project was developed to explore the potential use of plant based materials for additive manufacturing, an innovation that would be more sustainable than current approaches which are dependent on the use of plastics-based materials. If successful, the new approach could provide significant business opportunities for Euriscus within the additive manufacturing sector, which is part of a growing industry of transition to 3D printing as a mean of mass production.

By working in collaboration with Lancaster University, Euriscus has benefitted from the wide array of academic expertise and facilities on campus which would have been costly and challenging to acquire without the support of the project. They commented: "*[It] gives a tiny company access to resources that even a much bigger company cannot access".*

The project is still in the research stage with its outcomes shaping the trajectory of Euriscus for the next 3-5 years. Good progress has been made so far and Euriscus are already planning a second project with the university to develop their business.

Annex 1b – Cumbria Innovations Platform

Description of the Project

This project will support growth of the Cumbrian economy, by increasing innovation and productivity across the county's key economic sectors. This will be achieved by delivering masterclasses, workshops, student placements, deep-technical assists and Ph.D supported R&D collaborations.

Project Profile	
Funding type	ERDF
Priorities sought under	1: Promoting Research and Innovation

Delivery arrangements	
Leading organisation	Lancaster University
Project partners	University of Cumbria
Geographical coverage of project	Cumbria
Start date – Activity end date	01/10/2016 – 01/06/2020

Management Information Review

Financial performance

Financial Profile	
ERDF	£2,499,523
Public match	£1,666,347
Private match	£0
Intervention rate	60%
Total project cost	£4,165,870
Adjusted	£4,083,054
Change	-£82,816
Reason for change	Later than anticipated project start impacted on staff costs

Targets to end of Q4 2018 against actual expenditure			
Target to Q4 2018	**Actual to Q4 2018**	**Difference**	**Reason for Difference**
£2,306,273	£1,927,694	-£378,579	Started to catch up on a back log of expenditure and transaction processing, however there remains underspend on staff salaries due to the late start of posts.

Outputs

Output targets	
C01 – No. enterprises receiving support	120
C04 – No. enterprises receiving non-financial support	120
C08 – Employment increase in supported enterprises	25
C26 – No. enterprises cooperating with research entities	60
C28 – No. enterprises supported to introduce new products to the market	10
C29 – No. enterprises supported to introduce new to the firm products	50
Source: Output annex	

Targets to the end of Q4 2018 against achieved			
Outputs	**Target**	**Achieved**	**% of target achieved**
C01	75	91	121%
C04	75	91	121%
C08	7	2.5	36%
C26	35	27	77%
C28	4	9	225%
C29	23	17	74%
Total	**219**	**237.5**	**108%**

Headline Beneficiary Survey Findings

Overall 21 responses were secured across the online and telephone survey.

Views on early contact	% satisfied or very satisfied
Quality of information about the available support	95%
Clarity of the eligibility criteria for receiving support	95%
Ease of the application process	95%
Length of time taken between initial inquiry to working with the project	95%

Top three reasons for engaging with support	% of respondents
Business strategy/ business growth	67%
New products/process development	57%
Leadership/management/commercial skills development	52%

Top three forms of support	% satisfied or very satisfied
Workshops	94%
Peer learning	93%
1-2-1 tailored support	85%

Views on support	% who agree
Overall, I am happy with the support provided by the project	100%
I received/am receiving high quality advice	100%
The delivery approaches are/were fit for purpose	100%
The project has/will address all of my support requirements	67%

Top five benefits achieved to date

63% are more likely to engage with the University on other projects

50% are more likely to seek support through other routes

47% have improved business networks/collaboration

42% have enhanced their business/technical skills

41% have sustained employment levels

Comments

- "I now have an awareness of business models, advice from facilitators and have an open network of peers."
- "It was absolutely great! It allowed me to take time out of my business to think and to be creative, away from a very hectic working environment."
- "The input from peers was invaluable. The academic & university input was very good. Exposure to other businesses opened up ideas I had not considered. However, post project support was unsatisfactory, there was no follow up, we were advised there would be a social meeting with our peer groups in the autumn (the course finished in April) but this never happened."
- "Enhanced networking provided good contacts. I would like it noted that I did not think the course was long enough."

Case Study

Case Study: EJ Jordan

EJ Jordan design and manufacture high quality and unique loudspeakers for music on a private and commercial basis, including for broadcasting, communications and architectural practises. The company was formed in 1976 by EJ 'Ted' Jordan who still takes the lead on many of the company's new and improved product innovation projects.

Having worked with the University's engineering department on previous projects, EJ Jordan received a tweet from Lancaster University to inform them about the Cumbria Innovation Forum and they were interested in taking part. Initial discussions suggested that the project was a good fit for the business, aligning with their company values.

"[The Cumbria Innovation Forum] seemed like a good match as a small company in a market with larger players. It seemed to fit with the ethos of our founder to not copy others in the market".

EJ Jordan got involved with the Innovation Forum in 2017, attending six monthly meetings with other businesses and staff from the university to discuss and learn about the different aspects of being an innovative business. The meetings involved a series of talks and case studies to see how other successful businesses from around the world had used innovation to stimulate ideas of their own.

The project also provided an opportunity to gain new insights from a diverse range of businesses on the programme in the form of peer learning. EJ Jordan may not have had any contact or communications with these businesses if they had not been involved in the Forum, and benefitted from understanding their business and their ideas of how they can be innovative.

As a result of the project, EJ Jordan gained a valuable insight into their own business, helping them change the way they think about marketing strategies.

"They [monthly meetings] tested and pushed our own ideas in a new way… we had a different slant on what we were doing, deciding to look at how we can market the business as a whole and not just our products".

Since support came to an end in 2018, EJ Jordan have kept in touch with a number of businesses from their support cohort. Furthermore, EJ Jordan felt that the programme was of huge value to their business, continuing to influence their thinking about the business and their future strategies. As a result of their positive experience, EJ Jordan are eager to be involved in similar projects that are organised by the University in future.

Annex 1c – Lancashire Forum

Description of the Project

This project aims to develop a network of like-minded SMEs, translating emerging research into practice to deliver activities relevant to businesses in their world. The project will develop the beneficiary's capacity for the development of new innovative processes and products through innovation focused workshops, inspirational masterclass speakers and opportunities through facilitated networking for collaboration.

Project Profile	
Funding type	ERDF
Priorities sought under	3c: Supporting the creation and the extension of advanced capacities for products, services and development

Delivery arrangements	
Leading organisation	Lancaster University
Project partners	University of Central Lancashire (UCLAN)
Geographical coverage of project	Lancashire
Start date – Activity end date	01/04/2016 – 30/03/2019

Financial performance

Financial Profile	
ERDF	£1,578,331
Public match	£1,052,221
Private match	£0
Intervention rate	60%
Total project cost	£2,630,552
Adjusted	£2,436,821
Change	-£193,731.00
Reason for change	Later than anticipated contracting and delays in recruitment

Targets to end of Q4 2018 against actual expenditure			
Target to Q4 2018	**Actual to Q4 2018**	**Difference**	**Reason for Difference**
£2,243,112	£2,094,643	-£148,469	Continued impact of delays in the project's start. Change request submitted with variance to be resolved once finalised

Outputs

Output targets	
C01 – No. enterprises receiving support	210
C04 – No. enterprises receiving non-financial support	210
C08 – Employment increase in supported enterprises	88
C29 – No. enterprises supported to introduce new products to the firm	27

Source: Output annex

Targets to the end of Q4 2018 against achieved			
Outputs	**Target**	**Achieved**	**% of target achieved**
C01	189	196	104%
C04	189	196	104%
C08	61	39	64%
C29	27	20	74%
Total	**452**	**451**	**100%**

Headline Beneficiary Survey Findings

Overall 42 responses were secured across the online and telephone survey.

Views on early contact	% satisfied or very satisfied
Quality of information about the available support	98%
Clarity of the eligibility criteria for receiving support	100%
Ease of the application process	100%
Length of time taken between initial inquiry to working with the project	95%

Top three reasons for engaging with support	% of respondents
Leadership/management/commercial skills development	88%
Business strategy - business growth	76%
Building a network of contacts	63%

Top three forms of support	% satisfied or very satisfied
Workshops	98%
Peer learning	95%
1-2-1 tailored support	88%

Views on support	% who agree
Overall, I am happy with the support provided by the project	98%
I received/am receiving high quality advice	95%
The delivery approaches are/were fit for purpose	100%
The project has/will address all of my support requirements	88%

Top five benefits achieved to date

76% stronger and more stable business
76% have sustained employment levels
76% have enhanced market awareness
76% have improved existing business products/processes/services
73% Improved business networks/collaboration

Comments

- *"Every session was thought provoking and led to changes within my business as I endeavoured to implement positive change."*
- *"The project had to cover an extensive range of topics and apply them to a group of different businesses. It's difficult to be specific within this format and some of the presentations were a bit 'wooly' as a result."*
- *"We've gained better understanding of our value proposition which is crucial for the growth of our business."*
- *"Changed my whole perspective. Made me think 'outside' of my day to day company life enabling me to improve existing and develop new processes within my business."*
- *"The overall experience was excellent. As a result of the knowledge and support gained I have restricted our board of directors and begun writing a new strategy to underpin our plans to scale our work across the UK. We have gained new funding from Arts Council England and I'm much clearer about the direction we're taking as a whole organisational approach."*

Case Study

Case Study: Julie Stirpe Associates

Julie Stirpe Associates (JSA) offer a number of psychological and psychotherapy services to organisations in the private sector as well as local government and the educational sectors. Their team of 12 therapist consultants work with referred clients in areas related to adult therapy; child therapy; working with the family justice system; personal injury; education; and residential care.

During 2018, JSA's Business Development Manager was directly approached by the Lancaster University team and informed about the services of the Lancashire Forum. JSA went on to benefit from Lancashire Forum's support, attending six monthly workshops focused on "*all things business growth"*, with a number of guest speakers sharing their experiences in corporate business, accountancy, and business growth stages to name a few. The project also provided opportunities for discussions with other delegates, allowing beneficiaries to talk about their business challenges and gain insights from each other.

The main benefit of the Lancashire Forum for JSA was the development of a new service which was supported by the University. With the number of sick days taken through stress, depression or anxiety increasing by 12% nationally (equal to 1.5m days per in 2017), JSA had a business idea to begin offering consultancy and wider services related to wellbeing in the workplace. Through the support of the Lancashire Forum and other university initiatives, JSA were able to begin thinking about the market for these services and identified a gap in the market.

"We were able to develop a strategic plan to test the market for services related to prevention rather than a cure… and were able to find a gap in the market for a consultancy-based service for SME's." Furthermore, JSA benefitted from the diverse range of delegates supported by the Lancashire Forum, creating strong social bonds which have been maintained beyond the support period.

"Staying over the first night with the other delegates was great… it helped create a strong bond with each other and a sense of trust… looking forward to meeting with them again."
"It showed us that although businesses can be different, everyone has the same issues when it comes to growing a business."

In summary, JSA had a very positive experience taking part in the Lancashire Forum, *"making several good friends and staying in touch with 80% of the delegates"*. Additionally, JSA were able to work with Lancaster University regarding their new consultancy service, hosting a Stress in the Workplace seminar which was attended by 20 delegates.

"The university and the business school have been phenomenal for us and people do not know what they have to offer… [Lancaster University support] needs to be more in your face."

Annex 1d – Health Innovation Campus

Description of the Project

The capital development of a new Health Innovation Campus at Lancaster University, including the initial building and road and infrastructure works and a revenue programme which begins related innovation collaborations with Lancashire-based SMEs. The project focusses on supporting cross-sector SME innovation of new products, processes and services into the growing health and care market place.

Project Profile	
Funding type	ERDF
Priorities sought under	3: Enhancing the competitiveness of small and medium sized enterprises

Delivery arrangements	
Leading organisation	Lancaster University
Project partners	N/A
Geographical coverage of project	Lancashire
Start date – Activity end date	01/01/2018 – 31/01/2021

Financial performance

Financial Profile	
ERDF	£8,459,474
Public match	£5,639,650
Private match	£0
Intervention rate	60%
Total project cost	£14,099,124

Targets to end of Q4 2018 against actual expenditure			
Target to Q4 2018	**Actual to Q4 2018**	**Difference**	**Reason for Difference**
£3,245,799	£3,559,615	£313,816	The capital element of the project is currently ahead of profile whilst delays have resulted in an underspend on the revenue element mainly due to the delay in recruiting the team and consequent onset of full delivery. The full project team are now in place (minus the technical manager role which is subject to a change request).

Outputs

Output targets	
C01 – No. enterprises receiving support	300
C04 – No. enterprises receiving non-financial support	300
C08 – Employment increase in supported enterprises	35
C25 – No. researchers working in improved research facilities	50
C26 – No. enterprises cooperating with research entities	300
C28 – No. enterprises supported to introduce new products to the market	25
C29 – No. enterprises supported to introduce new products to the firm	50
P2 – Public or commercial buildings built or renovated	3,750
Source: Output annex	

Targets to the end of Q4 2018 against achieved			
Outputs	**Target**	**Achieved**	**% of target achieved**
C01	56	36	64%
C04	56	36	64%
C08	0	0	-
C25	0	0	-
C26	56	0	0%
C28	0	0	-
C29	0	0	-
P2	0	0	-
Total	**168**	**72**	**43%**

Headline Beneficiary Survey Findings

Overall 14 responses were secured across the online and telephone survey.

Views on early contact	% satisfied or very satisfied
Quality of information about the available support	100%
Clarity of the eligibility criteria for receiving support	93%
Ease of the application process	100%
Length of time taken between initial inquiry to working with the project	100%

Top three reasons for engaging with support	% of respondents
New products/process development	86%
Building a network of contacts	50%
Technical skills development and Leadership/management/commercial skills development	43%

Top three forms of support	% satisfied or very satisfied
Workshops	91%
Peer learning	78%
1-2-1 tailored support	83%

Views on support	% who agree
Overall, I am happy with the support provided by the project	86%
I received/am receiving high quality advice	85%
The delivery approaches are/were fit for purpose	100%
The project has/will address all of my support requirements	77%

Top five benefits achieved to date
83% have enhanced market awareness
67% have sustained employment levels
67% are more likely to engage with the University on other projects
50% stronger and more stable business
50% are more likely to seek support through other routes

Comments

- *"I gained knowledge of developing innovation and pitching an idea. I thoroughly enjoyed the 2 day course I attended and would recommend it."*
- *"I have found everyone I have worked with on HIC has been incredibly helpful and supportive. I have had support from a wide range of both technical and commercial experts that has helped develop and grow my business. I am still working with HIC and I find their ongoing support invaluable excellent service could not have done it without them."*
- *"It has made me understand and appreciate the importance of research and development."*
- *"Being able to develop technology prototype to take to market which I could never have done alone. This will set me apart from my competitors and allow the business to grow."*
- *"Not the most practical, but it provided discussion points and a different perspective.*

Case Study

Case Study: (Anonymised Business)

The business works in the training industry, providing a wide array of courses related to retail and the services sector. They also offer licenced qualifications training such as the Scottish Certificate for Personal License Holders (SCPLH), Award in Licensed Hospitality Operations and Essentials in Pub Management.

Back in 2018, the recently formed business was directly approached by the Lancaster University team and invited to take part in a workshop as part of the Health Innovation Campus project. Support included a series of monthly meetings, where businesses and other organisations were invited to discuss various innovation ideas to improve their business products and processes. The workshops were beneficial for the business and peer learning has been particularly valuable, allowing the business to have discussions with a vast and diverse range of businesses.

"There was such a diverse range of people at the workshops. There were private businesses, public sector, the council, NHS, students, plumbers and I could go on… There were so many different viewpoints, insights, opinions, and thoughts to learn from… Gave a lot of food for thought"

The diversity of workshop attendees generated valuable insights regarding product development, helping the business to understand their product strategy and be more productive with their time.

"It helped us understand the production creation process… is the product actually wanted in the market before going through with it and taking you time to develop it"

Overall, the beneficiary found the project enjoyable and they were very satisfied with the management and organisation from the Lancaster University team who generated a number of new insights and business contacts from within the North West region.

"[The project] was enjoyable and we learned a thing or to. Really helped us remove any tunnel vision our business had and allowed to see how different people and businesses perceived our products and challenges."

Annex 1e – U Start

Description of the Project

This project seeks to deliver more resilient graduate start-up businesses contributing to the local economy particularly in priority sectors such as advanced manufacturing, low carbon energy, creative and digital, social enterprise and health sector innovation. Non-financial support includes:

- Enterprise readiness: support for potential entrepreneurs to become enterprise ready focussing on ideas testing, market research, business planning, and business formation.
- New Business: support for new business owners to de-risk their businesses and prepare them to engage in growth support including strategic planning, business leadership, securing finance and marketing – supporting the resilience of owners and business sustainability.

Project Profile	
Funding type	ERDF
Priorities sought under	3: Enhancing the competitiveness of small and medium sized enterprises

Delivery arrangements	
Leading organisation	Lancaster University
Project partners	University of Central Lancashire (UCLAN)
Geographical coverage of project	Lancashire
Start date – Activity end date	01/04/2016 – 31/03/2019

Financial performance

Financial Profile	
ERDF	£1,067,112
Public match	£711,413
Private match	£0
Intervention rate	60%
Total project cost	£1,778,525

Targets to end of Q4 2018 against actual expenditure			
Target to Q4 2018	**Actual to Q4 2018**	**Difference**	**Reason for Difference**
£1,595,084	£1,409,684	-£185,400	Reflects late project approval, recruitment delays and staff turnover impacting on spend

Outputs

Output targets	
C01 – No. enterprises receiving support	86
C04 – No. enterprises receiving non-financial support	86
C05 – No. new enterprises supported	86
C08 – Employment increase in supported enterprises	87
C28 – No. enterprises supported to introduce new products to the market	5
P11 – No. potential entrepreneurs assisted to be enterprise ready	250
Source: Output annex	

Targets to the end of Q4 2018 against achieved			
Outputs	**Target**	**Achieved**	**% of target achieved**
C01	64	43	67%
C04	64	43	67%
C05	64	33	52%
C08	67	18	27%
C28	2	3	150%
P011	219	243	111%
Total	**489**	**383.4**	**78%**

Headline Beneficiary Survey Findings

Overall 20 responses were secured across the online and telephone survey.

Views on early contact	% satisfied or very satisfied
Quality of information about the available support	90%
Clarity of the eligibility criteria for receiving support	90%
Ease of the application process	85%
Length of time taken between initial inquiry to working with the project	85%

Top three reasons for engaging with support	% of respondents
Building market knowledge	75%
Business strategy – business growth	70%
Gaining access to new markets	50%

Top three forms of support	% satisfied or very satisfied
1-2-1 tailored support	94%
Workshop	100%
Business diagnostic	100%

Views on support	% who agree
Overall, I am happy with the support provided by the project	94%
I received/am receiving high quality advice	94%
The delivery approaches are/were fit for purpose	94%
The project has/will address all of my support requirements	88%

Top five benefits achieved to date
69% have enhanced market awareness
44% have improved existing business products/processes/services
44% have improved business networks/collaboration
38% are more likely to engage with the University on other projects/seek support through other routes
38% have developed new products/services/processes

Comments

- *"There are many opportunities to attend workshops and engage in networking. I am being given support by a person with a background in the charity sector, which is really helpful."*
- *"I wouldn't be in business without the team at Lancaster. The 1-2-1, and peer group interactions have been really helpful. Two workshops have been useful and helped me develop new networks. The enthusiasm of the team has helped keep me motivated when I was lacking confidence to move forward. I can't fault them."*
- *"I now have a published book for sale and another product being developed for sale. Neither would have been achieved without the excellent advice, workshops and group work arranged by the enterprise team. The business modelling exercise at the beginning also highlighted areas I had overlooked in my original business plan and areas that I need to pay more attention to."*
- *"Initially really positive"… "They seemed well informed, and were encouraging but realistic. After that, I sadly didn't receive any further response, which was a real shame. I also felt unsure whether I could attend workshops or whether they were meant for people further on in the project. It wasn't so well organised on that front - maybe advice about which meetings were available would have helped."*

Case Study

Case Study: Leanne (Student)

Leanne is currently studying a Ba (Hons) Business and Marketing degree at the University of Central Lancashire (UCLan) looking to become an entrepreneur upon graduation. Leanne has always had entrepreneurial drive, but realised that she did not have the knowledge to run a successful business. After hearing about the enterprise support available at UCLan, Leanne applied for a degree in order to gain the knowledge and support she needed to start her business.

Leanne came to the U Start team in 2018 with a number of business ideas. Through the business diagnostic service, Leanne was able to fully develop and refine her concepts to identify the business venture with the highest potential. Her past experience in the charity sector gave Leanne motivation to run a business which organised different projects to help support local community issues. She developed a platform to help improve opportunities for young women at a community level, including activities such as events and guest lectures and more depending on the needs of the women in the area.

Over the year working with the U Start programme, Leanne benefitted from attending a number of workshops to help her understand the practicalities of running her own business, as well as meeting contacts at networking events. Leanne also received 1-2-1 mentoring for developing her ideas further. Leanne praised the mentoring support for being very flexible, able to work around Leanne's changing needs.

"They were very flexible… I was meeting with them twice a week but now I have exams at the moment and am only able to meet once a month."

"You can give them any problem, and if they don't know the answer, they will find someone who does… go above and beyond what is expected of them."

While undertaking her degree, Leanne was able to secure funding for her business venture through the project which signposted and supported her application for an internal business fund called the Propeller Prize. Her mentor helped Leanne understand each aspect of the grant application, how she could improve one section at a time, and where she could be lean with her business operations. This ultimately led to her securing funding.

"[Her mentor] really made me think about the whole business process… make me understand where I could be more efficient with my business model."

"[The main benefit of the programme] was giving the accountability for my own work, especially when being self-employed… rather than having university deadlines, we would book in meetings where I would have to motivate myself to show what I have done and how I have made progress".

Leanne is currently studying for her finals and upon completion, will be looking to begin working on her business ideas full time, applying the knowledge she has gained from not only her degree, but also from the U Start programme.

Annex 1f – Cumbria Business Growth Hub

Description of the Project

This project aims to develop a network of SMEs, translating emerging research into practice to deliver activities relevant to businesses in their world.

The project will develop the beneficiary's capacity for the development of new innovative processes and products through a number of proven interventions including: interactive workshops and masterclasses, facilitated networking events to enhance opportunities for open innovation, student consultancy projects, support programme of action planning, development of peer-to-peer networks and reflective practice that will drive cultural and behavioural change and increase collaboration.

Project Profile	
Funding type	ERDF
Priorities sought under	3: Enhancing the competitiveness of small and medium sized enterprises

Delivery arrangements	
Leading organisation	Lancaster University
Project partners	Cumbria Chamber of Commerce
Geographical coverage of project	Cumbria
Start date – Activity end date	Early 2016 – December 2018

Financial performance

Financial Profile	
ERDF	£528,319
Public match	£595,969
Private match	£0
Intervention rate	47%
Total project cost	£1,124,288
Adjusted	£955,643
Change	-£168,645.00
Reason for change	Staff members appointed later than anticipated, impacting on spend

Targets to end of Q4 2018 against actual expenditure			
Target to Q4 2018	**Actual to Q4 2018**	**Difference**	**Reason for Difference**
£955,643	£653,875	-£301,768	Lower than anticipated staff costs

Outputs

Output targets	
C01 – No. enterprises receiving support	70
C04 – No. enterprises receiving non-financial support	70
C08 – Employment increase in supported enterprises	30
C29 – No. enterprises supported to introduce new products to the firm	15
Source: Output annex	

Targets to the end of Q4 2018 against achieved			
Outputs	**Target**	**Achieved**	**% of target achieved**
C01	70	74	106%
C04	70	74	106%
C05	0	1	-
C08	30	38	128%
C29	15	12	80%
Total	**185**	**199**	**108%**

Headline Beneficiary Survey Findings

Overall 20 responses were secured across the online and telephone survey.

Views on early contact	% satisfied or very satisfied
Quality of information about the available support	95%
Clarity of the eligibility criteria for receiving support	80%
Ease of the application process	95%
Length of time taken between initial inquiry to working with the project	100%

Top three reasons for engaging with support	% of respondents
Business strategy/ business growth	90%
Leadership/management/commercial skills development	80%
Building a network of contacts	65%

Top three forms of support	% satisfied or very satisfied
Workshops	95%
Peer learning	90%
Business Diagnostic	93%

Views on support	% who agree
Overall, I am happy with the support provided by the project	100%
I received/am receiving high quality advice	100%
The delivery approaches are/were fit for purpose	100%
The project has/will address all of my support requirements	75%

Top five benefits achieved to date
88% have enhanced their business/technical skills
81% have improved business networks/collaboration
65% are more likely to engage with the University on other projects
59% have sustained employment levels
59% stronger and more stable business

Comments

- *"The support I have received far exceeded my expectations."*
- *"I felt it was of very high quality, hands on support. It helped us begin to analyse & understand our business strategy and the importance of having a clear strategy on determining our future direction. However, the support should be longer in order to maximise and implement the support. After a period of 6 months, goals and expectations could be assessed and then have a further 6 months of support."*
- *"Increased confidence to innovate and grow"* [as a result of support]
- *"The experience was very positive, particularly the peer to peer support group that has continued since the completion of the course."*

Case Study

Case Study: (Anonymised Business)

The beneficiary business is a consultancy firm, providing strategic and commercial support to businesses in the creative sector. After attending the Natwest Women in Business conference back in 2017, the owner was advised to secure the support of the Cumbria Forum from a business contact they met at the conference. At the time, the beneficiary was a pre-start entrepreneur with an emerging business idea, and began to get involved with the Cumbria Forum as a source of guidance and support to build the business, gain a number of contacts in the local area and develop their skills as an entrepreneur.

The Cumbria Forum offered a series of workshops, mentoring and business support once a week over a six month period, which included discussions with other businesses and talks from key business leaders. The programme was praised for its well-rounded support, notably the use of the 'Tool Kit' workbooks. The workbooks were given to businesses at the start of the programme, helping owners to think hard about their business and understand how they could improve their products, services and business operations.

"We are given a 'Tool Kit' o
n our first meeting and kept it updated so we could see at the end of the period of support all we had covered… it was very practical and included looking at marketing, human resources, finances, making you think specifically about your business."

In addition to the tool kit, business were asked to write down a number of targets and objectives. These goals were revisited three and six months into the programme to see how businesses had developed and if they had met their targets.

"Another excellent thing was, on the first day we were asked to write a postcard of what we expected to achieve, our aims and goals. These were handed back and after six months were posted to our business address. It was wonderful to receive it; very encouraging and uplifting."

One of the main benefits the business obtained from the Cumbria Forum was the knowledge and mentoring from the business leaders. The business leaders provided a series of talks and shared insights about their experience, and were praised for being able to understand the challenges of being a new small business owner.

"[The business leader] had worked, run, and grown a successful business prior to working at the university and could share important experiences. He was not just an academic, or someone from big business who could not scale down their insights."

Overall, the business benefitted from the technical skills and insights of being a successful entrepreneur, meeting like-minded people and building a strong network of contacts in the Cumbria sub-region. The resulting business network has provided opportunities for the business to grow, providing new clients and supporting an increase in turnover of approximately 50 percent.

Annex 1g – EnginE

Description of the Project

This project aims to engage Advanced Engineering and Manufacturing (AEM) SMEs by providing technical and professional development opportunities and offering a flexible approach to building capacity by increasing the number of work placements, traineeships, apprenticeships and graduate placements. This will enhance the contribution of advanced skills to AEM SME growth individually and across the sector.

Project Profile	
Funding type	ESF
Priorities sought under	3: Enhancing the competitiveness of small and medium sized enterprises

Delivery arrangements	
Leading organisation	Lancaster University
Project partners	Blackburn College, Blackpool and the Fylde College , the Northwest Aerospace Alliance and the Northern Automotive Alliance
Geographical coverage of project	Lancashire
Start date – Activity end date	01/01/2018 – 30/09/2020

Financial performance

Financial Profile	
ERDF	£1,374,000
Public match	£878,903
Private match	£37,097
Intervention rate	60%
Total project cost	£2,290,000
Adjusted	£2,284,610
Change	-£5,390
Reason for change	Delayed project start

Targets to end of Q4 2018 against actual expenditure			
Target to Q4 2018	**Actual to Q4 2018**	**Difference**	**Reason for Difference**
£836,746	£107,340	-£729,406	Activity yet to substantively start due to delayed project approval and late appointment of a Project Manager

Outputs

Output targets	
R9 – Small and medium sized enterprises successfully completing projects (which increase employer engagement; and/or the number of people progressing into or within skills provision)	150
ESF C023 – Number of supported micro, small and medium enterprises (including cooperative enterprises and enterprises of the social economy)	230
Source: Output annex	

Targets to the end of Q4 2018 against achieved			
Outputs	**Target**	**Achieved**	**% of target achieved**
R9	28	0	0%
C023	72	0	0%
Total	**100**	**0**	**0%**

Annex 2: Lancaster University Supported Project Headline Findings

Annex 2a – Healthcare Business Connect Lancashire

Description of the Project

This projects helps businesses working in health and life sciences with products or services of interest to the NHS make the right connections. Support is tailored to help pre start-ups, new and established businesses develop and grow their products and services through clinical and commercial assistance.

Project Profile	
Funding type	ERDF
Priorities sought under	3: Enhancing the competitiveness of small and medium sized enterprises

Delivery arrangements	
Leading organisation	Innovation Agency NWC
Project partners	Lancaster University
Geographical coverage of project	Lancashire
Start date – Activity end date	01/07/2016 – 30/06/2019

Financial performance

Financial Profile	
ERDF	£851,406
Public match	£567,596
Private match	£0
Intervention rate	60%
Total project cost	£1,419,002
Adjusted	£1,311,415.25
Change	-£107,586.75
Reason for change	Challenges associated with claiming staff time

Targets to end of Q4 2018 against actual expenditure			
Target to Q4 2018	**Actual to Q4 2018**	**Difference**	**Reason for Difference**
£922,434	£783,972	-£138,462	A high number of staff changes and the complexity of adding new people to the project and capturing all time has impacted on match funding levels and therefore overall project spend

Outputs

Output targets	
C01 – No. enterprises receiving support	94
C04 – No. enterprises receiving non-financial support	94
C05 – No. new enterprises supported	23
C08 – Employment increase in supported enterprises	61
C28 – No. enterprises supported to introduce new products to the market	12
C29 – No. enterprises supported to introduce new products to the firm	25
P13 – No. enterprises receiving information, diagnostic and brokerage support	9
Source: Output annex	

Targets to the end of Q4 2018 against achieved			
Outputs	**Target**	**Achieved**	**% of target achieved**
C01	86	47	55%
C04	86	47	55%
C05	21	5	24%
C08	22	2	9%
C28	10	6	60%
C29	22	15	68%
P013	7	0	0%
Total	**254**	**122**	**48%**

Headline Beneficiary Survey Findings

Overall 5 responses were secured across the online and telephone survey.

Views on early contact	% satisfied or very satisfied
Quality of information about the available support	80%
Clarity of the eligibility criteria for receiving support	80%
Ease of the application process	100%
Length of time taken between initial inquiry to working with the project	100%

Top three reasons for engaging with support	% of respondents
Gaining access to new markets	100%
New products/process development	75%
Building a network of contacts	50%

Top three forms of support	% satisfied or very satisfied
1-2-1 tailored support	75%
Peer learning	100%
Workshops	50%

Views on support	% who agree
Overall, I am happy with the support provided by the project	100%
I received/am receiving high quality advice	100%
The delivery approaches are/were fit for purpose	75%
The project has/will address all of my support requirements	75%

Top three benefits achieved to date
75% have improved business networks/collaboration
50% are more likely to engage with the University on other projects
50% have enhanced market awareness

Comments

- *"Receiving the reassurance that I am on the right track. I have found the support easy to access and is well tailored to my needs."*
- *"Excellent service could not have done it without them."*
- *"Would like to work closer with them to get more benefits to research."*
- *"The project has helped me reassess my organisation. Also, it has been very beneficial in accessing grants."*

Case Study

Case Study: Mente (EMW Support Ltd)

Mente is a provider of mental health support for businesses. They offer a unique set of skills and an array of digital tools and services to help businesses manage the mental health of their employees. With approximately one in four people in the UK likely to experience some form of mental health issue each year, this is a topic of growing importance to businesses and therefore a growing business area.

Mente first contacted Lancaster University in 2017 with a novel business idea looking for a graduate internship to help start up the business. After meeting with the programme team, and talking about the ambitions of the business, Mente were offered a 140 hour graduate internship to help set up the business and develop the initial mental health support services. Since then, Mente has continued to work with Lancaster University and the Healthcare Business Connect programme on a number of pilot projects, workshops, and 1-2-1 mentoring, leading up to the current project through which Mente have secured support to create a new prototype product for mental health support. Talking about their ambitions as a business, Mente highlighted how "*a one-off comment turned into a two year relationship*".

The most significant benefit from working with Lancaster University came through the support they received from the graduate internship. Before the start of the programme, Mente would have never considered working with students or new graduates, instead looking for more mature employees through recruitment agencies. However, due to the work ethic and insights provided by the two students working with the business, they are on course to be offered employment at the end of their studies.

"By having young people within the business, it has enabled us to mould the product as well as thinking differently… a 20 year old's perspective on mental health will be different to that of a 40 year old, and by bringing in a new perspective, we will be able to support a wider client base"

Mente has also benefitted from building a network of contacts within the different departments in the university as well as from the number of businesses present at support workshops.

Overall, Mente gained support from the Healthcare Business Connect programme that was invaluable, with start up support playing a significant role in the growth and success of the business. Mente is eager to work with the university on more projects in the future and hope to access an incubator programme.

"[*Start up support] we could not have done it without it… it's a fantastic programme and has benefitted our business"*

Annex 2b – Unite+

Description of the Project

This project aims to drive business growth and innovation by providing SMEs direct access to highly skilled students and graduates capable of delivering positive commercial outputs through short-term placements.

Project Profile	
Funding type	ERDF
Priorities sought under	3: Enhancing the competitiveness of small and medium sized enterprises

Delivery arrangements	
Leading organisation	UCLan
Project partners	Lancaster University
Geographical coverage of project	Lancashire
Start date – Activity end date	01/10/2016 – 30/09/2019

Financial performance

Financial Profile	
ERDF	£1,202,781
Public match	£0
Private match	£801,855
Intervention rate	60%
Total project cost	£2,004,636
Lancaster University total	£834,400

Targets to end of Q4 2018 against actual expenditure			
Target to Q4 2018	**Actual to Q4 2018**	**Difference**	**Reason for Difference**
£587,487	£520,402	-£67,085	Changes to the structure of the staff team and churn within the team has led to under-spend
Based on Lancaster University figures only			

Outputs

Output targets	
C01 – No. enterprises receiving support	100
C04 – No. enterprises receiving non-financial support	100
C05 – No. new enterprises supported	16
C08 – Employment increase in supported enterprises	40
C29 – No. enterprises supported to introduce new products to the firm	15
Based on Lancaster University figures only	

Targets to the end of Q4 2018 against achieved			
Outputs	**Target**	**Achieved**	**% of target achieved**
C01	85	57	67%
C04	85	57	67%
C05	13	12	92%
C08	15	12	80%
C29	7	5	71%
Total	**205**	**143**	**70%**
Based on Lancaster University figures only			

Headline Beneficiary Survey Findings

Overall 13 responses were secured across the online and telephone survey.

Views on early contact	% satisfied or very satisfied
Quality of information about the available support	92%
Clarity of the eligibility criteria for receiving support	92%
Ease of the application process	85%
Length of time taken between initial inquiry to working with the project	92%

Top three reasons for engaging with support	% of respondents
New products/process development	62%
Gaining access to new markets	62%
Business strategy – business growth/building a network of contacts	46%

Top three forms of support	% satisfied or very satisfied
Short term student project / placement	92%
1-2-1 tailored support	100%
Business diagnostic	83%

Views on support	% who agree
Overall, I am happy with the support provided by the project	100%
I received/am receiving high quality advice	100%
The delivery approaches are/were fit for purpose	100%
The project has/will address all of my support requirements	100%

Top five benefits achieved to date
58% have improved existing business products/processes/services
58% have developed new products/services/processes
58% raised the company profile
58% are more likely to engage with the University on other projects
50% have made the business stronger and more stable

Comments

- *"Since the project, I have won a grant, my products have been improved and I have employed 2 graduates from the University; in short the experience has been life changing."*
- *"Extremely positive; we have employed, on a full time basis, the student that was assigned to us."*
- *"The student that was provided to us was excellent. However, I would say there were a lot of forms and the process was very bureaucratic, but the advisor was very helpful with this."*
- *"The staff were brilliant and very supportive. However, the student that was assigned to us was very unsatisfactory."*

Case Study

Case Study: Single Malt Design

Single Malt Design are a brand design studio based in Kirkby Lonsdale in Cumbria who provide re-brand services for existing businesses and create new brands for start-up SME's. Services involve creative graphic and web design alongside marketing campaigns and photography to bring business brands to life.

Single Malt engaged with the Unite+ project in 2018 after receiving a recommendation through their business network. After an easy and "*hassle free process*", Single Malt took on a marketing student from Lancaster University to work with them on a 10 week placement to review how Single Malt marketed themselves to their clients.

As a small business, time is a finite resource for Single Malt, and being able to sit down and prepare a solidified marketing strategy was proving to be difficult. Over the course of the 10 week placement, the student was able to help bring together a fresh marketing strategy, helping Single Malt to realign their business offer and marketing tools.

"As a small business we are short on time, and did not have a strategy… [The marketing student] helped us focus our strategy, bringing it all together… changing the company from two merged businesses into one specialised brand"

The high quality work delivered by the marketing student resulted in them being offered a full time position with the company as the marketing executive. Furthermore, delivery of the new marketing strategy has helped Single Malt to grow, resulting in the employment of another designer to satisfy increasing client demand and additional turnover of up to £50,000.

"[Unite+] created two jobs by being better at marketing to bigger and better clients. It has also allowed us to sustain the five current employees at Single Malt."

"Our objective was to find a suitable student that we could take on full time and this has been achieved… [Unite+] is a really valuable programme and we would do it again in a new area of the business."

Annex 2c – Eco-Innovation Cheshire and Warrington

Description of the Project

This project connects businesses and universities to achieve business growth and innovation through funded R&D. It allows SMEs to be part of a structured programme of collaborative R&D interventions and activities, supporting SMEs to innovate and commercialise new low carbon products and services.

Project Profile	
Funding type	ERDF
Priorities sought under	4: Supporting the Shift Towards a Low Carbon Economy in All Sectors

Delivery arrangements	
Leading organisation	University of Chester
Project partners	University of Lancaster & University of Liverpool
Geographical coverage of project	Cheshire and Warrington
Start date – Activity end date	Q3 2016 – Q3 2020

Financial performance

Financial Profile	
ERDF	£2,960,467
Public match	£2,960,467
Private match	£0
Intervention rate	50%
Total project cost	£5,920,934
Lancaster University Total	£1,430,626

Targets to end of Q4 2018 against actual expenditure			
Target to Q4 2018	**Actual to Q4 2018**	**Difference**	**Reason for Difference**
£677,229	£635,004	-£42,225	Awaiting a re-profile being approved following the delay at the start and the withdrawal of the University of Liverpool from the project
Based on Lancaster University figures only			

Outputs

Output targets	
C01 – No. enterprises receiving support	34
C05 – No. new enterprises supported	4
C26 – No. enterprises cooperating with research entities	16
C29 – No. enterprises supported to introduce new products to the firm	11
C34 – Estimated GHG reductions	840
Based on Lancaster University figures only	

Targets to the end of Q4 2018 against achieved			
Outputs	**Target**	**Achieved**	**% of target achieved**
C01	16	18	113%
C05	1	2	200%
C26	11	14	127%
C29	0	0	-
C34	0	0	-
Total	**28**	**34**	**121%**
Based on Lancaster University figures only			

Headline Beneficiary Survey Findings

Overall 8 responses were secured across the online and telephone survey.

Views on early contact	% satisfied or very satisfied
Quality of information about the available support	100%
Clarity of the eligibility criteria for receiving support	100%
Ease of the application process	100%
Length of time taken between initial inquiry to working with the project	100%

Top three reasons for engaging with support	% of respondents
New products/process development	88%
Technical skills development	50%
Gaining access to new markets/building a network of contacts	25%

Top three forms of support	% satisfied or very satisfied
Long term research opportunity (e.g. a PhD or Masters)	100%
1-2-1 tailored support	100%
Workshop	100%

Views on support	% who agree
Overall, I am happy with the support provided by the project	100%
I received/am receiving high quality advice	100%
The delivery approaches are/were fit for purpose	100%
The project has/will address all of my support requirements	100%

Top five benefits achieved to date
75% raised the company profile
50% are more likely to engage with the University on other projects
50% have sustained employment levels
50% enhanced market awareness
38% have developed new products/services/processes/reduced carbon output

Comments

- *"Regular contact was good. Had a lot of time talking to both academic supervisors at the start of the project where the first year of a PhD project is focussed on the set up for later years."*
- *"*[The advisor] *has been brilliant throughout, understanding our needs, communicating and ensuring were happy with the project. Ensuring a project remains useful commercially can be tricky, academics have a tendency to lose sight of the commercial application of the research. Overall, very valuable and have made plans to work with the university again."*
- *"The university was professional and was exactly what research should be doing connecting academics with businesses. I have made new relationships in the horticultural department and happy to work with the university again."*

Case Study

Case Study: May Barn Horticultural Consultancy

May Barn Horticultural Consultancy is a Cheshire-based consultancy business for agronomy, crop production, and operational and technical management of associated horticultural processes. Founded in 2011, the business owners have over 30 years' experience in the industry which informs its work with clients in the agricultural sector, helping them develop new production techniques, plant and crop analytic interpretation, maximise crop yields and product development.

After hearing about the Eco-Innovation Cheshire and Warrington project though a business network, May Barn inquired about accessing support. With the director previously studying at Lancaster University, talks began about a project which May Barn were keen to pursue in order to drive innovation in the business. The project began in 2018 with the support of a PhD student researching how different types of lighting affect crop yields for a vertical farm where energy costs are particularly high compared to alternative crop production methods. If the aims of the research are met, then the use of vertical farm crop production will become a more attractive option in terms of crop yields and energy efficiency.

May Barn had a positive experience working with the support team, including being involved in the interview process for the PhD student to allow them to secure an appropriate candidate for their needs. May Barn also have worked closely with the university team throughout activity to date, benefitting from the frequency of contact with the supervisors in addition to gaining access to the academic expertise and state of the art equipment the University offers.

Although the project is still in its early stages, a commercial business has already been formed to take forward the results of the research working with vertical farms around the UK to improve crop yields. Outcomes of the research are also anticipated to provide an employment opportunity for the PhD student within the new businesses upon completion of their studies, hopefully retaining their skills and expertise in the North West and making knowledge available to a small business. There have been numerous other benefits for May Barn from being involved in the research project with the University.

The company reports that as a result of engaging in the project it has benefited from a raised company profile and increased business confidence and ambitions through providing the foundations for an important piece of research that is shaping the future direction of the business. May Barn have also been able to gain access to new markets and obtain an enhanced market awareness through business networking, making new connections within the different university departments and the student presentations from across the programme.

Through the Eco-Innovation Cheshire and Warrington programme, May Barn has gained a range of new contacts within Lancaster University and is looking for support on additional projects in future.

"*The university was very professional and [connecting academia with businesses] is exactly what research should be doing".*

Annex 2d – Low Carbon Eco-Innovatory

Description of the Project

Creates innovative low carbon goods, processes and services, developed through collaborative partnerships between local companies in the Liverpool City Region and University researchers, students and academic staff.

Project Profile	
Funding type	ERDF
Priorities sought under	4: Supporting the Shift Towards a Low Carbon Economy in All Sectors

Delivery arrangements	
Leading organisation	Liverpool John Moores University
Project partners	University of Lancaster & University of Liverpool
Geographical coverage of project	Liverpool City Region
Start date – Activity end date	01/10/2015 – 01/03/2019

Financial performance

Financial Profile	
ERDF	£2,649,240
Public match	£2,752,708
Private match	£0
Intervention rate	49%
Total project cost	£5,401,948
Lancaster University Total	£257,658

Targets to end of Q4 2018 against actual expenditure			
Target to Q4 2018	**Actual to Q4 2018**	**Difference**	**Reason for Difference**
£196,093	£168,281	-£27,812	Expenditure and outputs remain a little behind profile due to SME recruitment delays and knock on effects
Based on Lancaster University figures only			

Outputs

Output targets		
C01 – No. enterprises receiving support	Transition	14
	MD*	6
C05 – No. new enterprises supported	Transition	3
	MD	1
C26 – No. enterprises cooperating with research entities	Transition	14
	MD	6
C29 – No. enterprises supported to introduce new products to the firm	Transition	8
	MD	3
C34 – Estimated GHG reductions	Transition	20
	MD	60
Based on Lancaster University figures only ** More developed area*		

Targets to the end of Q4 2018 against achieved				
Outputs		**Target**	**Achieved**	**% of target achieved**
C01	Transition	11	7	64%
	MD*	4	3	75%
C05	Transition	3	2	67%
	MD	1	0	0%
C26	Transition	11	6	55%
	MD	4	2	50%
C29	Transition	6	2	33%
	MD	2	2	100%
C34	Transition	20	0	0%
	MD	0	51	-
Total		**62**	**75**	-
Based on Lancaster University figures only				

Headline Beneficiary Survey Findings

Overall 7 responses were secured across the online and telephone survey.

Views on early contact	% satisfied or very satisfied
Quality of information about the available support	86%
Clarity of the eligibility criteria for receiving support	86%
Ease of the application process	86%
Length of time taken between initial inquiry to working with the project	71%

Top three reasons for engaging with support	% of respondents
New products/process development	86%
Gaining access to new markets	57%
Building market knowledge/technical skills development	29%

Top forms of support	% satisfied or very satisfied
Short term student project/placement	67%
1-2-1 tailored support	50%
Business diagnostic	50%
Long term research opportunity (e.g. a PhD or Masters)	50%

Views on support	% who agree
Overall, I am happy with the support provided by the project	100%
I received/am receiving high quality advice	100%
The delivery approaches are/were fit for purpose	100%
The project has/will address all of my support requirements	100%

Top five benefits achieved to date
83% are more likely to engage with the University on other projects
50% have improved existing business products/processes/services
50% have raised the company profile
50% more likely to seek support through other routes
33% stronger and more stable business

Comments
• *"Very happy with how the project was delivered and felt that the level of support from the supervisor from the academic supervisor was very appropriate. We could not afford the project without the support."*
• *"The knowledge of the researchers and the access to technology we would of not been able to use if it wasn't for the project. The centre allowed us to bridge the gap between business and academia which can be difficult."*
• *"It was a very straightforward process and we were able to support the business. The work has helped up move forward with a grant application from Horizon 2020 worth £50,000 to conduct more research and make some prototypes."*

Case Study

Case Study: Green Mole Engineering

As part of the wider Mole Group, based in Wirral, Green Mole specialises in sustainable energy products and services for business and private use to help their customers save money on energy and become more sustainable. After hearing about the Low Carbon Eco-Innovatory project through the Wirral Chamber of Commerce, Green Mole began talks with Lancaster University about a potential project in 2017. The company was very satisfied with the initial meetings regarding project scope, the way in which eligibility criteria were explained and the ease of the application process.

Through an internship, a student at Lancaster University worked with the Green Mole team on the innovative electric vehicle charging channel which the business had developed. The charging channel enables people living in terraced houses with no off-street parking to own and charge electric cars.

As this is an innovative approach, the company needs to demonstrate its effectiveness to potential customers. Through the internship project, the assigned student produced a video that illustrates how the charging point works, using Computer Generated Images (CGI). Green Mole benefitted from access to Lancaster University's equipment and modelling software, which they would have been unable to afford through a commercial provider.

The project is one part of Green Mole's wider investment in developing a role in the electric vehicle market. The new product can support the Government's ambition for all cars in the UK to be electric by 2040. Once further testing and prototype development has been carried out, and the appropriate accreditations have been obtained, the materials produced through the internship will become even more useful as the marketing of the new product gets underway.

The internship ran between July 2017 and January 2018, with the student producing content which has been used on the Green Mole website and in their meetings with potential clients, including the likes of Honda and Nissan. The experience has been of significant value to the business.

Annex 2e – Eco Innovation Cumbria

Description of the Project

The project targets and assists eligible SMEs to increase innovation in and adoption of low carbon technologies. Through R&D and the development of higher-level skills it aims to enable business to grow capacity in developing new products and markets enabling expansion and growth.

Project Profile	
Funding type	ERDF
Priorities sought under	4: Supporting the Shift Towards a Low Carbon Economy in All Sectors

Delivery arrangements	
Leading organisation	The University of Cumbria
Project partners	Lancaster University
Geographical coverage of project	Cumbria
Start date – Activity end date	2016 - 2020

Financial performance

Financial Profile	
ERDF	£1,296,719
Match	£864,480
Intervention rate	60%
Total project cost	£2,161,199
Lancaster University Total	£1,076,886

Targets to end of Q4 2018 against actual expenditure			
Target to Q4 2018	**Actual to Q4 2018**	**Difference**	**Reason for Difference**
£518,325	£575,703	+£57,378	Change request has been submitted – variance will be resolved once finalised
Based on Lancaster University figures only			

Outputs

Output targets	
C01 – No. enterprises receiving support	21
C05 – No. new enterprises supported	4
C26 – No. enterprises cooperating with research entities	21
C29 – No. enterprises supported to introduce new products to the firm	17
C34 – Estimated GHG reductions	200
Based on Lancaster University figures only	

Targets to the end of Q4 2018 against achieved			
Outputs	**Target**	**Achieved**	**% of target achieved**
C01	10	27	270%
C05	0	2	-
C26	10	16	160%
C29	7	0	0%
C34	0	0	-
Total	27	45	167%
Based on Lancaster University figures only			

Headline Beneficiary Survey Findings

Overall 14 responses were secured across the online and telephone survey.

Views on early contact	% satisfied or very satisfied
Quality of information about the available support	93%
Clarity of the eligibility criteria for receiving support	93%
Ease of the application process	86%
Length of time taken between initial inquiry to working with the project	86%

Top three reasons for engaging with support	% of respondents
New products/process development	64%
Technical skills development	36%
Gaining access to new markets	36%

Top three forms of support	% satisfied or very satisfied
Long term research opportunity (e.g. a PhD or Masters)	100%
Short term student project / placement	100%
A business diagnostic	100%

Views on support	% who agree
Overall, I am happy with the support provided by the project	86%
I received/am receiving high quality advice	86%
The delivery approaches are/were fit for purpose	100%
The project has/will address all of my support requirements	71%

Top five benefits achieved to date
50% raised the company profile
43% are more likely to engage with the University on other projects
43% have developed new products/services/processes
36% have a stronger and more stable business
29% have enhanced market awareness

Comments

- *"Great technical support - analysis improved R&D"*
- *"Is a very well organised centre who are very good at finding the right person for my company and project. Have made strong contacts with the university and feel that the collaboration was natural fit."*
- *"Initial support was good, but the project advisor's interest waned quickly. They didn't put in the right amount of time and effort into the research, and they lost focus on the objectives."*
- *"There has been little contact with the university or the intern. When we contacted the university to say the intern hadn't been in touch since the initial meeting, the university did contact him and said that they were making progress."*

Case Study

Case Study: Agronomy Research Group

Agronomy Research Group (ARG) offer consultancy services in crop production, energy efficiency and water conservation for businesses in the agricultural sector. At the time of accessing support in 2017/18, ARG was a 'pre-start up' business. The entrepreneur who set up the businesses approached Lancaster University to benefit from the "*knowledge and facilities they can offer which are not available to most businesses".*

The project provided ARG with a master's student looking to develop a product which can be used in water treatment to increase water conservation around the world for horticultural and amenity businesses. ARG has seen good progress on the project and enjoyed regular meetings with the university support team within the initial stages. More recent contact has been less frequent but the business leader stated that "I *can always get in touch if I need anything*".

ARG gave high praise for the project and the Lancaster University staff, stating that they were "*very good at finding the right person for your company and project… it has been a natural fit to use the centre [Centre for Global Eco-Innovation] as a middle man between businesses and the university*".

As a result of working on the project, ARG has seen their business become stronger and more stable, raising the company profile through the development of a new product. With a successful water treatment project in sight, AGR are anticipating future revenues of between £3-5 million over the next few years in addition to offering the current master's student an employment opportunity to carry on their work.

Annex 3 – Summative Assessment Standard Spend and Output Performance Tables

Achievements against targets are presented below in the standard table format for the six projects led by Lancaster University which summative assessments have been completed for. The information has also been completed in the summative assessment Excel summary sheets that accompany this report.

LoCaL-i

Standard Table Format: Spend and Output Performance							
Indicator	**Targets**		**Performance at Time of Evaluation**		**Projected Performance at Project Closure**		**Overall Assessment**
	Original	**Adjusted**	**Number**	**% of Target**	**Number**	**% of Target**	
Capital Expenditure (£m)	£15,000	£15,000	£5,255	35%	£11,155	74%	
Revenue Expenditure (£m)	£5,083,910	£5,083,910	£2,439,966	48%	£5,106,370	100%	
(C1) Number of enterprises receiving support	180	180	83	46%	180	100%	
(C5) Number of new enterprises supported	9	9	2	22%	8	89%	
(C26) Number of enterprises cooperating with research entities	180	180	68	38%	180	100%	
(C29) Number of enterprises supported to introduce new products to the firm	37	37	1	3%	50	135%	
(C34) Estimated GHG reductions	1,328	1,328	0	0%	1,328	100%	

	less than 85%
	between 85% and 95%
	greater than 95%

Cumbria Innovations Platform

Standard Table Format: Spend and Output Performance							
Indicator	**Targets**		**Performance at Time of Evaluation**		**Projected Performance at Project Closure**		**Overall Assessment**
	Original	**Adjusted**	**Number**	**% of Target**	**Number**	**% of Target**	
Capital Expenditure (£m)	£0	£0	£0	-	£0	-	
Revenue Expenditure (£m)	£4,165,870	£4,083,054	£1,927,694	47%	£4,083,054.07	100%	
(C1) Number of enterprises receiving support	120	120	91	76%	120	100%	
(C4) Number of enterprises receiving non–financial support	120	120	91	76%	120	100%	
(C8) Employment increase in supported enterprises	25	25	2.5	10%	25	100%	
(C26) Number of enterprises cooperating with research entities	60	60	27	45%	60	100%	
(C28) Number of enterprises supported to introduce new products to the market	10	10	9	90%	10	100%	
(C29) Number of enterprises supported to introduce new products to the firm	50	50	17	34%	50	100%	

	less than 85%
	between 85% and 95%
	greater than 95%

Lancashire Forum

Standard Table Format: Spend and Output Performance							
Indicator	**Targets**		**Performance at Time of Evaluation**		**Projected Performance at Project Closure**		**Overall Assessment**
	Original	**Adjusted**	**Number**	**% of Target**	**Number**	**% of Target**	
Capital Expenditure (£m)	£0	£0	£0	-	£0	-	
Revenue Expenditure (£m)	£2,630,552	£2,436,821	£2,094,643	86%	£2,288,352	94%	
(C1) Number of enterprises receiving support	210	210	196	**93%**	210	**100%**	
(C4) Number of enterprises receiving non–financial support	210	210	196	**93%**	210	**100%**	
(C8) Employment increase in supported enterprises	88	88	39	**44%**	88	**100%**	
(C29) Number of enterprises supported to introduce new products to the firm	27	27	20	**74%**	27	**100%**	

	less than 85%
	between 85% and 95%
	greater than 95%

Health Innovation Campus

Standard Table Format: Spend and Output Performance							
Indicator	**Targets**		**Performance at Time of Evaluation**		**Projected Performance at Project Closure**		**Overall Assessment**
	Original	**Adjusted**	**Number**	**% of Target**	**Number**	**% of Target**	
Capital Expenditure (£m)	£12,099,124	£12,099,124	£3,209,223	27%	£12,099,124	100%	
Revenue Expenditure (£m)	£2,000,000	£2,000,000	£350,392	18%	£2,000,000	100%	
(C1) Number of enterprises receiving support	300	300	36	**12%**	300	**100%**	
(C4) Number of enterprises receiving non–financial support	300	300	36	**12%**	300	**100%**	
(C8) Employment increase in supported enterprises	35	35	0	**0%**	35	**100%**	
(C25) Number of researchers working in improved research facilities*	50	50	0	**0%**	50	**100%**	
(C26) Number of enterprises cooperating with research entities	300	300	0	**0%**	300	**100%**	
(C28) Number of enterprises supported to introduce new products to the market	25	25	0	**0%**	25	**100%**	
(C29) Number of enterprises supported to introduce new products to the firm	50	50	0	**0%**	50	**100%**	
(P2) Public or commercial buildings built or renovated	3,750	3,750	0	**0%**	3,750	**100%**	

	less than 85%
	between 85% and 95%
	greater than 95%

U Start

Standard Table Format: Spend and Output Performance							
Indicator	**Targets**		**Performance at Time of Evaluation**		**Projected Performance at Project Closure**		**Overall Assessment**
	Original	**Adjusted**	**Number**	**% of Target**	**Number**	**% of Target**	
Capital Expenditure (£m)	£0	£0	£0	-	£0	-	
Revenue Expenditure (£m)	£1,778,525	£1,778,525	£1,409,684	79%	£1,778,525	100%	
(C1) Number of enterprises receiving support	86	86	43	**50%**	86	**100%**	
(C4) Number of enterprises receiving non–financial support	86	86	43	**50%**	86	**100%**	
(C5) Number of new enterprises supported	86	86	33	**38%**	87	**101%**	
(C8) Employment increase in supported enterprises	87	87	18.4	**21%**	86.4	**99%**	
(C28) Number of enterprises supported to introduce new products to the market	5	5	3	**60%**	5	**100%**	
(P11) Number of potential entrepreneurs assisted to be enterprise ready	250	250	243	**97%**	253	**101%**	

	less than 85%
	between 85% and 95%
	greater than 95%

Cumbria Business Growth Hub

Standard Table Format: Spend and Output Performance							
Indicator	**Targets**		**Performance at Time of Evaluation**		**Projected Performance at Project Closure**		**Overall Assessment**
	Original	**Adjusted**	**Number**	**% of Target**	**Number**	**% of Target**	
Capital Expenditure (£m)	£0	£0	£0	-	£0	-	
Revenue Expenditure (£m)	£1,124,288	£955,643	£653,875	68%	£653,875	68%	
(C1) Number of enterprises receiving support	70	70	74	**106%**	74	**106%**	
(C4) Number of enterprises receiving non–financial support	70	70	74	**106%**	74	**106%**	
(C5) Number of new enterprises supported	0		1	**-**	1	**-**	
(C8) Employment increase in supported enterprises	30	30	38.4	**128%**	38.4	**128%**	
(C29) Number of enterprises supported to introduce new products to the firm	15	15	12	**80%**	12	**80%**	

	less than 85%
	between 85% and 95%
	greater than 95%

Annex 4 – Project Level Impacts

The standard table format gross and net impact tables are provided below for the six Lancaster University led ERDF projects. The details are also contained in the Excel summative assessment summaries that accompany this report.

Local-i

Standard Table Format: Gross and Net Additional Impact for Employment and GVA			
		Impact Area 1: Lancashire LEP	
		Measure	**Adjustment**
Impact Indicator: Employment Unit = FTEs	Gross Impact	216	Estimate derived from survey data for created and safeguarded jobs to date and in the future (to the end of 2023)
	Deadweight / reference case	114	47% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Displacement / substitution	89	21% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Leakage	75	16% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Net Additional	94	Multiplier: 1.25 - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
Impact Indicator: GVA Unit = £m	Gross Impact	£40,129,129	Lancashire economy-wide average GVA per FTE 2017 applied to employment impacts, persisting for three years
	Deadweight / reference case	£21,188,180	47% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Displacement / substitution	£16,595,960	21% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Leakage	£13,890,818	16% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Net Additional	£17,363,523	Multiplier: 1.25 - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015

Cumbria Innovations Platform

Standard Table Format: Gross and Net Additional Impact for Employment and GVA			
		Impact Area 1: Cumbria LEP	
		Measure	**Adjustment**
Impact Indicator: Employment Unit = FTEs	Gross Impact	462	Estimate derived from survey data for created and safeguarded jobs to date and in the future (to the end of 2023)
	Deadweight / reference case	244	47% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Displacement / substitution	191	21% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Leakage	160	16% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Net Additional	200	Multiplier: 1.25 - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
Impact Indicator: GVA Unit = £m	Gross Impact	£84,359,423	Cumbria economy-wide average GVA per FTE 2017 applied to employment impacts, persisting for three years
	Deadweight / reference case	£44,541,775	47% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Displacement / substitution	£34,888,013	21% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Leakage	£29,201,267	16% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Net Additional	£36,501,584	Multiplier: 1.25 - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015

Lancashire Forum

Standard Table Format: Gross and Net Additional Impact for Employment and GVA			
		Impact Area 1: Lancashire LEP	
		Measure	**Adjustment**
Impact Indicator: Employment Unit = FTEs	Gross Impact	1,087	Estimate derived from survey data for created and safeguarded jobs to date and in the future (to the end of 2023)
	Deadweight / reference case	574	47% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Displacement / substitution	449	21% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Leakage	376	16% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Net Additional	470	Multiplier: 1.25 - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
Impact Indicator: GVA Unit = £m	Gross Impact	£201,682,180	Lancashire economy-wide average GVA per FTE 2017 applied to employment impacts, persisting for three years
	Deadweight / reference case	£106,488,191	47% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Displacement / substitution	£83,408,473	21% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Leakage	£69,812,892	16% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Net Additional	£87,266,115	Multiplier: 1.25 - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015

U Start

Standard Table Format: Gross and Net Additional Impact for Employment and GVA			
		Impact Area 1: Lancashire LEP	
		Measure	**Adjustment**
Impact Indicator: Employment Unit = FTEs	Gross Impact	86	The forecast total employment increase in supported enterprises as stated in project monitoring returns
	Deadweight / reference case	46	47% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Displacement / substitution	36	21% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Leakage	30	16% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Net Additional	37	Multiplier: 1.25 - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
Impact Indicator: GVA Unit = £m	Gross Impact	£16,037,509	Lancashire economy-wide average GVA per FTE 2017 applied to employment impacts, persisting for 3 years
	Deadweight / reference case	£8,467,805	47% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Displacement / substitution	£6,632,535	21% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Leakage	£5,551,432	16% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Net Additional	£6,939,290	Multiplier: 1.25 - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015

Health Innovation Campus

Standard Table Format: Gross and Net Additional Impact for Employment and GVA			
		Impact Area 1: Lancashire LEP	
		Measure	**Adjustment**
Impact Indicator: Employment Unit = FTEs	Gross Impact	1,312	Estimate derived from survey data for created and safeguarded jobs to date and in the future (to the end of 2023)
	Deadweight / reference case	693	47% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Displacement / substitution	543	21% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Leakage	454	16% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Net Additional	568	Multiplier: 1.25 - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
Impact Indicator: GVA Unit = £m	Gross Impact	£243,585,580	Lancashire economy-wide average GVA per FTE 2017 applied to employment impacts, persisting for three years
	Deadweight / reference case	£128,613,186	47% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Displacement / substitution	£100,738,207	21% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Leakage	£84,317,879	16% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Net Additional	£105,397,349	Multiplier: 1.25 - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015

Cumbria Business Growth Hub

Standard Table Format: Gross and Net Additional Impact for Employment and GVA			
		Impact Area 1: Cumbria LEP	
		Measure	**Adjustment**
Impact Indicator: Employment Unit = FTEs	Gross Impact	519	Estimate derived from survey data for created and safeguarded jobs to date and in the future (to the end of 2023)
	Deadweight / reference case	274	47% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Displacement / substitution	215	21% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Leakage	180	16% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Net Additional	225	Multiplier: 1.25 - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
Impact Indicator: GVA Unit = £m	Gross Impact	£96,390,256	Cumbria economy-wide average GVA per FTE 2017 applied to employment impacts, persisting for three years
	Deadweight / reference case	£50,894,055	47% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Displacement / substitution	£39,863,532	21% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Leakage	£33,365,776	16% - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015
	Net Additional	£41,707,220	Multiplier: 1.25 - Mean sub-regional benchmark for business development & competitiveness, HCA Additionality Guidance 2015