Regional Growth Fund Evaluation

Case studies summary report

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Disclaimer:

This study was conducted during 2015 and 2017, using data collected in Q1 2015 and Q2-Q3 2017 respectively. The information was correct at the time of the research work and will not include impacts for the period since early 2017.

Contents

Executive Summary

1. The Regional Growth Fund (RGF) is designed to support the creation and safeguarding of jobs in England. Over the seven years from 2011/12 to 2017/18, £2.8bn of funding has been made available.

2. The RGF encompasses a range of projects and programmes – some are aimed at individual firms and others are more complicated, larger in scale and may have multiple sources of funding. This report complements the economic impact report with depth case studies of a sample of large-scale, multi-beneficiary interventions with an area focus. Primarily found in place-based programmes (Scheme 2), with one being a national programme (Scheme 3). This allows the evaluation to also cover projects and programmes with more complicated intervention logics and to capture processes and wider impacts that are not amenable to a purely econometric analysis.

3. This involved the detailed study of 17 different interventions – spread across England and from different rounds of RGF. The sample consists of six transport projects/programmes, four multiple occupancy commercial or industrial projects/programmes, three spatial projects/programmes, two environmental projects, one housing project and the Wave 2 Growth Hub Programme (Scheme 3). These include nine Round Two projects/programmes (when the largest proportion of RGF was awarded), three Round One projects, three from Round Three and two from Round Four. This summary report synthesises evidence gathered in 2015 and 2017. The 17 case studies are presented in full in a separate report.

4. Most projects/programmes involve infrastructure and public realm improvement works aimed at facilitating private sector investment and employment growth. Some also contribute significant social value and environmental benefits. A few focus on small business support – most notably the multi-faceted Wave 2 Growth Hubs programme led by Lancaster University (Scheme 3); and the smaller scale Stimulating Sustainable Growth project led by South Devon College.

Approach

5. For the 2015 fieldwork, 15 different interventions (11 projects and four programmes) were selected, which varied considerably in scale. The case study selection was re-visited in 2017. Two cases were replaced since the interventions implemented had undergone significant contract variations. The fieldwork was then conducted on the thirteen 2015 interventions and the two new cases. This report covers all 17 interventions and both rounds of fieldwork.

6. A case study approach has been adopted that combines the use of documentation, management information and qualitative interviews with a range of relevant stakeholders. Primary research was carried out in the first quarter of 2015 and then again in the second and third quarters of 2017. This was written up after each period of fieldwork and project leaders and key stakeholders were invited to comment on the findings. Common to all selected interventions is a focus on the creation of new or safeguarded direct and indirect jobs (in supply chains or due to multiplier effects).

Emerging Findings

7. RGF supported interventions are reaching a stage where outputs are being delivered and first outcomes are emerging, although the full range of impacts has yet to be realised. Most of the case study interventions have met their job creation/safeguarding targets to date, with many expecting further jobs created and safeguarded in the future.

8. The size of RGF grants ranges from nearly £40m (West of England Rotational Infrastructure Fund, RIF) to just £1.2m contributed to the South Devon Stimulating Sustainable Growth Project. Interventions with significant amounts of match/leveraged funding include Bradford City Centre Growth Zone, with almost £200m of private sector investment associated with the previously stalled Broadway retail development, ten times the RGF contribution. Several awards secured substantial private sector leverage of some form where there were synergies with related developments receiving funding from other sources (for example Hinckley & Bosworth MIRA Technology Park, MTP; Sunderland City Deal Infrastructure Development, CDID). In some cases, the 'public good' nature of the works and private sector expectations has resulted in them being entirely publicly funded (notably Leeds Flood Alleviation Scheme, FAS). Some initiatives had been particularly successful in accessing a combination of sources (such as Sci-Tech Daresbury).

9. The research has identified some common themes:

- Most of the case studies focus on infrastructure investments and, by 2017, many of the projects have been completed and are in operation. Thus, activities discussed with interviewees in 2015 are translating into economic outcomes

- Employment impacts are in the form of both safeguarded jobs and created jobs, and targets have often been exceeded. The monitoring of impacts varies by project/programme but a focus is emerging on direct job creation/safeguarding

- For some of the large interventions, indirect job creation (in supply chains or in businesses proximate to an intervention) is projected to be larger than direct job creation, but there remain difficulties in measuring these impacts

- Also, for some industries supported job creation may not be the prime outcome, as business growth sometimes depends on sustained competitiveness and innovation which may include automation and reduction of overheads
- By 2017, there have been delays in one large programme and jobs secured have therefore been delayed
- Many projects and programmes that were experiencing delays in 2015, or at risk of delays, have since been able to return to planned timelines
- Confidence building, learning and aspiration raising were reported as significant benefits to delivery partnerships and the local economy in a number of cases
- Other important benefits include improvements to the public realm, amenity and ‘sustainable’ transport, as well as ecological benefits in some cases
- Some negative environmental impacts and risks have also been noted, such as air pollution and increased emissions of greenhouse gases associated with road traffic and airport expansion.

Additionality

10. Interviewees in each case study were asked for their assessment of whether the project or programme would have gone forward without RGF funding and what would have happened without the funding. Most interviewees were very clear that RGF funding had led to additional activity – although their judgements may be subject to their varying degrees of knowledge and awareness as well as their particular interests in relation to the initiative.

11. Findings include:

- most initiatives would not have been possible without RGF funding as it provided a catalyst for releasing other funding
- other initiatives would have gone ahead without the additional funding, although potentially on a smaller scale, to a lower standard, or significantly later
- some business beneficiaries stated that the RGF projects and programmes were critical for their growth
- there was some evidence of displacement and deadweight, such as the relocation of shops or offices to a new site from nearby sites

12. RGF is designed to create new jobs, safeguard existing ones and raise levels of economic activity. However, in any future evaluations by projects or programmes, it is important to verify whether the ‘new jobs’ are genuinely new or whether they are the result of already existing jobs being transferred to new locations. In some cases, displacement may be desirable, for instance if it involves a rebalancing of growth towards more deprived areas. Indeed, the logic of the RGF is partly predicated on bringing about the movement of economic activity from more prosperous regions to less prosperous regions and ones dependent on public sector jobs.

13. If an intervention focuses on services-type businesses, such as hotels or shops, the displacement has a higher potential to be local, since such types of business tend to compete locally rather than over extended geographic scales. Analysis of such effects tends to look at economic activity change at different geographies and check whether any growth in jobs or business activity near the investment is offset by changes in a wider area, and some studies look at this.

- In the case of Liverpool’s investment in leisure activity, the city region’s overall growth in number of visitors suggests that the new investments may be drawing in new visitors. Wider area employment growth in Solihull suggests that the jobs due to the A45 RGF investment did not involve jobs reallocated within the Birmingham and Solihull area, and Birmingham Airport also highlighted airlines increasing their routing through the airport.
- Future evaluations by the project/programme leaders need to focus on displacement, collecting data to provide the necessary evidence on this issue.

14. In one of the large programmes, the new Broadway shopping centre development in Bradford, programme leaders were anticipating displacement. Previous such developments have relocated shopping from other areas. Steps taken to mitigate this involved identifying areas likely to be affected and then implementing business support measures.

Challenges in delivery

15. Although all the initiatives are up and running, there have been several challenges including some that were common across the case studies. Some of these issues are found in other economic development programmes, particularly those involving multiple elements and diverse stakeholders. Other issues may be specific to the RGF. Given the staged nature of the RGF, the Fund has improved its delivery over time, such as BEIS addressing a range of issues following internal reviews and external scrutiny by the National Audit Office and Public Accounts Committee after the first two rounds:

- projects and programmes were ambitious, and had short timescales which had to be revised in many cases

- some felt the speed of delivery may have raised costs and led to insufficient detailed planning
- however, by 2017, with investments operational, there was a recognition that the pressure of tight timelines had provided some benefits, especially by driving complex programmes and projects to focus on delivery, and catalysing partnerships
- some cases had difficulty in sourcing advice on State Aid rules
- design issues, planning and public consultation have contributed to delays and, on occasion, to fraught relationships between those partners involved in delivery
- administrative issues such as the offer letter and due diligence resulted in delays in starting initiatives
- monitoring procedures have been improved over time, although some project/programme leaders felt that requirements had been inconsistent in the past, especially when there had been changes in the monitoring staff
- collection of data on job creation/safeguarding sometimes presented a difficulty particularly given the need for cooperation on the part of business beneficiaries

16. The capabilities and strengths of the project/programme leaders and knowledge pooling and learning within co-operative partnerships have been identified as key success factors in terms of addressing the significant challenges. Project leaders also commented on the ongoing constructive advice and support provided by BEIS and the project monitoring officers.

Key conclusions

17. All the case studies are able to demonstrate progress towards delivering the expected impacts, and the investment components of many initiatives are now completed. Some impacts are being observed. The effects on sustainable economic growth are likely to become more apparent later.

18. Central Government intends the RGF to be a means to develop lagging regional economies. However, there must be a balance between short term job creation/safeguarding and long-term ambitions to change local and regional economies in areas where there have been economic constraints on growth over many years. There is also a need to assess the impacts on a range of factors, not just the number of jobs created or safeguarded. This can include the quality of jobs, the displacement of jobs elsewhere and other social and environmental impacts of the RGF investments. This report also identifies some challenges around the measurement of jobs, particularly where there are many other parallel and complementary interventions.

Lessons from the delivery of the RGF

19. Key lessons and recommendations, as identified by interviewees, are:

- a need to link the RGF to both skills funding and the development of housing to maximise local benefits. Local benefits can also be maximised by including social value clauses in awarding contracts. This can include the promotion of apprenticeships and other training
- devolution and subsidiarity - several projects have been catalysed and led by the pro-active efforts of local authorities. A view emerging from some local authority interviewees during early consultations was that interventions such as the RGF need be run in a more devolved fashion. This is in line with government policy and initiatives such as the Growth Deals and Local Growth Funds that are now in place
- EU State Aid regulation – there is a defined process for assessing state aid which places the onus on applicants to ensure that they are compliant with the rules. Nevertheless, feedback from some project/programme leaders suggests a need for clearer and more consistent advice on how to avoid confusion and delay, particularly at the due diligence stage of project appraisal, and/or during the application phase

Recommendations for future evaluations by individual projects and programmes

20. The evaluation of case study progress and emerging impacts have resulted in the following recommendations for future evaluations:

- many interventions comprise multiple aspects; for this reason, it is necessary to use a varied evaluation toolset, capable of both qualitative and quantitative assessment, so as to provide a triangulated view on impact that incorporates the knowledge and judgments of local stakeholders
- explicit attribution of benefits and additionality to the RGF can be very difficult because the works associated with RGF interventions often receive funding from multiple sources simultaneously. Monitoring and evaluation of the different funds needs to be designed to minimise the risk of double (or multiple) counting
- the relative performance of different types of scheme is difficult to assess because of the variability in evaluation plans, including the metrics used across cases. However, there are some common indicators that can be compared
- for similar future policy initiatives, it would be useful to have further advice for project/programme leaders from BEIS to ensure consistency in evaluation approaches and metrics in order to facilitate comparison between cases; in particular there is a need for a clear definition of related or leveraged funding, and additionality.

Introduction and Methodology

Introduction

1. The Regional Growth Fund (RGF) was created in 2010 with two key objectives:

- to stimulate enterprise by providing support for projects and programmes with potential for economic growth, leveraging in private-sector investment, and creating additional sustainable private-sector employment
- to support those areas currently dependent on the public sector to make the transition to sustainable private sector led growth and prosperity

2. This report evaluates progress towards meeting these objectives for 17 interventions - 12 projects and five programmes. - therefore, complementing the economic impact report with depth case studies of a sample of large-scale, multi-beneficiary interventions with an area focus. This allows the evaluation to also cover interventions with more complicated intervention logics and to capture processes and wider impacts that would not be possible to gauge through a purely econometric analysis.

3. The case studies component of the RGF evaluation therefore focuses on complex projects and programmes for which quantitative data are limited. The research will unpack some of their complexities in greater depth to assess the programme's effectiveness. It also explores the experiences and lessons related to project/programme delivery. The case studies sit alongside the quantitative (econometric) analysis of job creation and a beneficiary survey to capture the impacts of RGF interventions on a large sample of businesses. These are reported separately.

4. Our final case study sample consists of six transport projects/programmes, four multiple occupancy commercial or industrial projects/programmes, three spatial projects/programmes, two environmental projects, one housing project and the Wave 2 Growth Hub Programme. These include nine Round Two projects/programmes (when the largest proportion of RGF was awarded), three Round One projects, three from Round Three and two from Round Four. The interventions are large-scale, with multiple elements, and have multiple sources of funding. This renders the evaluation difficult: attribution of impact specifically to RGF funds cannot be achieved through an experimental approach, for example through comparison against a control group. Such an approach is possible in many RGF interventions, which are instead aimed at specific individual firms and where a group of comparable unsupported businesses can be identified.

5. For this reason, cases have been examined by referring to existing material and by drawing on interviews with a cross-section of stakeholders and participants associated

with each intervention. The focus is therefore on the impact of each RGF intervention in the light of the available evidence, with an emphasis on the knowledge, perceptions and judgements of interviewees. Respondents were selected to facilitate the examination of interventions from the perspective of delivery organisations, beneficiaries (such as individual businesses) and wider stakeholders (such as community groups, relevant statutory agencies/consultees and local residents). The detailed analysis of each case and the interview topic guides can be found in the associated report.

6. This analysis of the case studies benefits from two rounds of evidence, with a first collected in 2015 as an initial benchmarking of early progress. In 2017, a second round of data collection was conducted, updating and augmenting the earlier findings. The objectives are to:

- set out the case studies to be included in this long-term evaluation
- identify the initial impacts, as revealed by the latest available evidence and the understandings of the stakeholders consulted for each case study, and to follow up the early observations
- integrate the existing evaluation and data collection activity conducted by project/programme leaders
- examine delivery processes, challenges experienced and how these have been addressed, any lessons learned
- identify factors that need to be addressed when considering the additionality of each case study initiative

Methodology

7. A case study approach has been adopted combining the use of documentation, management information and qualitative interviews with a range of relevant stakeholders. Triangulating evidence from different sources in this way allows the analysis to capture wider impacts, and study complex projects and programmes where quantitative data are limited. Complementing desk research and analysis of monitoring data with depth interviews and site visits also allows the evaluation to examine the effectiveness of interventions, as well as stakeholder experiences and lessons related to project/programme delivery.

8. Primary research was carried out in the first quarter of 2015 and then again in the second and third quarters of 2017. There were 17 interventions studied in total. In one case study, investing in a retail development, a sample of the businesses affected by the scheme were surveyed about their location decisions.

9. Common to all selected interventions is a focus on the creation of new jobs, safeguarded jobs (employment that would be lost without the funding according to the perceptions of business owners) and indirect jobs (in supply chains or due to multiplier effects). Data on jobs created and safeguarded comes from each initiative’s own monitoring information. By 2017, there is early data on indirect employment.

10. The interviews were used to collect evidence on other impacts and the experience of the delivery process. Such evidence is largely dependent on the knowledge and views of interviewees, particularly where the impacts are of a more qualitative or less tangible nature. The interviews allowed exploration of issues such as increased staff expertise; increased locally tailored provision; the spillover effects of improved coordination and linkages with both local and national support; and the confidence-enhancing and aspiration-raising effect of interventions. In some cases, interviewees also identified public safety and environmental/ecological impacts or risks.

11. The approach to assessing and attributing additionality focused on directly asking project managers, delivery partners and beneficiaries what they thought would have happened in the absence of RGF funding; including whether it would have been possible to raise funding from elsewhere; to what extent and in what form a project would have been able to continue functioning; and whether the intervention helped leverage in additional funding from other sources.

12. As London Economics (2010)[1] have emphasised, this counterfactual approach to evaluation is “necessarily hypothetical and so may not correctly indicate the actions that would have been undertaken in reality”. This study recognises this problem and the research therefore sought, wherever possible, to corroborate and triangulate responses, both using the limited quantitative data available, and the views of project leaders and relevant stakeholders.

[1] London Economics, 2010. Evaluation of UK Trade & Investment’s Global Entrepreneur Programme. Final Report to UK Trade & Investment.

Overview of case study projects/programmes

13. Annex A describes the process of RGF case-study selection in detail. Profile details of the 17 interventions selected are summarised in Table 1. Most involve infrastructure and public realm improvement works aimed at facilitating private sector investment and employment growth. Some also contribute significant social value and environmental benefits, as will be discussed in the section on assessing additionality. A few focus on small business support, notably the multi-faceted Wave 2 Growth Hubs Programme led by Lancaster University (Scheme 3); and the smaller scale Stimulating Sustainable Growth project led by South Devon College.

14. The size of RGF grants ranges from nearly £40m (West of England RIF) to just £1.2m contributed to the South Devon Stimulating Sustainable Growth project. Interventions with significant amounts of match/leveraged funding include Bradford City Centre Growth Zone, with almost £200m of private sector investment associated with the previously stalled Broadway retail development. Others had matched funding from Local Authorities or contributions in kind such as additional time spent by salaried staff. However, most awards secured private sector leverage of some form especially when there are synergies with related developments funded from other sources (for example Hinckley & Bosworth MTP; Sunderland CDID). In some cases, the ‘public good’ nature of the works and private sector expectations has resulted in them being entirely publicly funded (notably Leeds FAS). Some initiatives had been particularly successful in accessing a combination of sources (such as Sci-Tech Daresbury).

Table 1 Profile of RGF case study projects/programmes

Lead/responsible authority	Name of initiative	Fieldwork	RGF grant	Other matched funds or related developments	Summary of objectives
Birmingham city council	A45 Corridor Improvement	Conducted in 2015 and 2017	£15.7m	£10m Centro £7m Birmingham Airport	Road scheme to divert the A45 to enable runway extension at Birmingham airport
City of Bradford metropolitan district council	Bradford City Centre Growth Zone	Conducted in 2015 and 2017	£17.6m	£6.5m CBMDC; £191.1m Westfield (developers of Broadway shopping centre)	Enabling works for stalled Broadway retail development – infrastructure/public realm and business rate rebate and capital grants scheme
Burnley borough council	Todmorden Curve & Weavers Triangle	Conducted in 2015 only	£8.8m	£1.9m Lancashire county council; £1.3m European Regional Development Fund; £9m (approx.) Network Rail	Infrastructure and public realm works to enable economic growth in Burnley, including through improved connectivity with Manchester through the reinstatement of a rail link.
Burnley borough council	Aerospace Supply Chain Logistics Park	Conducted in 2017 only	£1.4m	£6.3 private sector leverage achieved through grant programme	Development of a business park for advanced manufacturing adjacent to the Aircelle plant with the aim to strengthen local supply chains and attract companies to Burnley.
Daresbury SIC LLP	Sci Tech Daresbury	Conducted in 2015 and 2017	£7.4m	£7.49m Langtree; £2.32m Scottish Power; £1.27m Public Sector JV Partnership	Investment in infrastructure and new workspace at Science Park / Enterprise Zone

				(Related investment from Enterprise Zones and ERDF)	
Hinckley & Bosworth borough council	MIRA Technology Park (MTP)	Conducted in 2015 and 2017	£17.6m	Numerous related developments on EZ but not funded by RGF	Infrastructure improvements to facilitate growth of new Enterprise Zone at MIRA Technology Park
Lancaster University	Wave 2 Growth Hubs (W2GH)	Conducted in 2015 and 2017	£32m	Bespoke programme funding has to be matched by the private sector at a minimum ratio of 2:1. Lancaster staff – time/expertise	Locally appropriate and cost effective business support across 15 participating Wave 2 City Areas in order to: create jobs, increase productivity and competitiveness; build a peer to peer good practice network to enhance provider capacity. 80% of funding that growth hubs received from Lancaster was for the development of bespoke business support programmes for their area and 20% went to Growth Hub development and coordination activities. As the funding for Growth Hub activity is common across the programme that has formed the focus of this evaluation.
Leeds city council	Flood Alleviation Scheme (FAS) Phase 1	Conducted in 2015 and 2017	£3.36m	£10m LCC £23m Department for Environment, Food & Rural Affairs (DEFRA) Growth Fund £8.45m Flood Defence Grant in Aid	Flood Alleviation Scheme to protect city centre and critical infrastructure from flooding and enable the economic growth potential of the Lower Aire Valley - site of the Leeds City Region Enterprise Zone

Luton borough council	M1 Junction 10A improvement	Conducted in 2015 and 2017	£24.8m	£5m Luton airport	Improvements to M1 Junction 10a to address traffic congestion and facilitate new business development in south Luton
Mersey Docks & Harbour Company's parent group Peel Ports	Port of Liverpool Post-Panamax Container Terminal: Enabling works – Estuary Dredging	Conducted in 2015 and 2017	£35m	£5m Mersey Docks & Harbour Company; £150m European Investment Bank (EIB)	Dredging works on River Mersey to facilitate development of Port of Liverpool Post-Panamax Container Terminal
Liverpool city council	North Liverpool City Fringe	Conducted in 2015 and 2017	£25.3m	£132.7m – expected additional private-sector investment, much of which is from Harcourt Developments Ltd	Multi-faceted programme for investment in residential and commercial space, infrastructure and public realm
Newcastle city council	Newcastle Science City – Economic Growth and Jobs on Science Central	Conducted in 2017 only	£6m	£14.2m, from Newcastle City council and Newcastle University	24 acres of prime city-centre development land in Newcastle upon Tyne, it is designed to support a thriving community, rewarding jobs and ground-breaking scientific advances.

South Devon College	Stimulating Sustainable Growth	Conducted in 2015 only	£1.2m	£2m Skills Funding Agency £1m Devon College and some in kind support; £2.6m investment from European Regional Development Fund (ERDF)	New Energy Centre to stimulate take-up of renewable energy technologies and related start-up support
Southampton city council	Southampton Docks: Platform for Prosperity	Conducted in 2015 and 2017	£10.9m	£1.75m Association of British Ports (+ in kind management time); £1.45m SCC	Road infrastructure improvements to Eastern Docks to facilitate economic growth driven by the Port of Southampton
Sunderland city council & South Tyneside council	Sunderland City Deal Infrastructure Development	Conducted in 2015 and 2017	£7.14m	Related developments linked, but separate, to RGF project	Transport infrastructure to enable growth of Enterprise Zone and advanced manufacturing/engineering businesses
Wakefield council	Creating the Right Environment for Housing & Economic Growth in South East Wakefield	Conducted in 2015 and 2017	£8.1m	£70m Developers; £10m Registered Providers; £0.5m Wakefield council	Redevelopment of 5 housing sites – focus on neighbourhood renewal and job creation.
West of England Local Enterprise Partnership	Revolving Infrastructure Fund (RIF)	Conducted in 2015 and 2017	£39.8m	Revolving nature of the fund should amount to £119m in total.	‘Enabling infrastructure’ projects across West of England LEP area to facilitate & encourage construction/development, mainly private sector

Note: Correct at Q3 2017 except * correct at Q1 2015

Data collection and evaluation processes

15. Project leaders and delivery partners were asked about the data collection and evaluation processes that had been put in place. These will be important sources for the final stage of this evaluation. Table 2 provides a summary of the approaches undertaken by each case study initiative, including BEIS's standard monitoring and reporting requirements which apply to all RGF programmes. In most cases, BEIS requires a quarterly submission in which the delivery organisation reports on the finance (such as spend), job-creation, jobs safeguarded and project management aspects of the intervention. In some cases, this monitoring is conducted more regularly because of the complexity or scale of the intervention.

16. This standard reporting and ongoing monitoring mainly requires delivery organisations to maintain records on direct job creation/safeguarding, in line with the contractual targets agreed with BEIS. These figures generally refer to gross jobs created rather than net jobs or considerations of displacement.

17. There is variation between cases in terms of the extent to which they go above-and-beyond this standard, minimum requirement. Some cases currently appear not to have any plans to do more than show they have met the job-creation/safeguarding targets as set out in offer letters. Other cases are progressing fuller evaluations (either internally or commissioned externally).

18. Several cases reported having experienced problems in acquiring employment monitoring data from beneficiaries. As described in the detailed case studies which accompany this report, some delivery organisations have found novel ways to overcome this problem. For example, several interventions supporting the growth of business/technology parks had found it hard to keep track of job-creation in multiple businesses as their residence on the business park can be transient in nature. Some companies were also found to be reluctant to release data on employees and their salaries. One delivery partner organisation had overcome this problem by building in a requirement to report on employment into their tenancy agreements, thus formalising the provision of job-creation data and making it compulsory for businesses that wished to benefit from the prestigious technology park location. Others have similarly built reporting requirements into the contracts through which they have defrayed funds from the RGF.

Table 2 Data-collection and evaluation methods

Programme Name	Data Collection	Evaluation
Birmingham city council: A45 Corridor Improvement	Data collected on Job title; Type of entrant (for example apprentice, graduate, etc.); Training received; Qualifications gained and level of the qualifications; Length of prior period of unemployment; Benefits claimed prior to emp.; and No. of hours worked.	Impact of wider economic benefits not monitored during the project; a separate evaluation would be required to do this.
Bradford Met. district council: Bradford City Centre Growth Zone	Beneficiaries are visited by individual contract managers from the delivery team every 4-6 weeks to monitor job creation and capital expenditure.	Standard quarterly report to BEIS, and annual audit; an evaluation baseline was completed in 2013. Scoping work on a reporting system integrated with wider council management information.
Burnley borough council: Weavers' Triangle and Todmorden Curve	Project managers provide a monthly progress report against key milestones as well as detailed quarterly reports on progress and expenditure for RGF claims. Key outputs that are monitored include jobs created and safeguarded and capital spend.	Monthly reports by those responsible for delivery to Burnley borough council on progress towards key milestones, standard quarterly reporting to BEIS. As at 2015, Burnley borough council were to commission a baseline on both passenger use of railways and users of the Weavers' Triangle site, with plans to use it for evaluation, due to be completed by March 2018.
Burnley borough council: Aerospace Supply Park	Project management team in council monitors business beneficiaries on a quarterly basis in accordance with BEIS requirements, recording jobs and verifying capital spend. The business support team collects additional qualitative information through site visits.	Standard quarterly report to BEIS. The information gathered by business support officers feeds into council scoping of business support and local offer. No additional monitoring is planned.
Sci-Tech Daresbury	Annual survey of businesses and data collected on jobs, apprentices, investment, innovation, patents, and collaborations. Survey is focused on current tenants only; no information collected on the 100 companies located on the site in the past	There are no specific evaluation plans for the RGF element beyond collecting employment statistics as required. The Science Park is conducting business surveys and introducing questions about impacts.
Hinckley & Bosworth MIRA Tech. Park	Data recorded under 8 job categories linked to standard industry classifications. Each contractor provides figures, different skills levels and salary bands.	The delivery partner (MIRA) collect standard data for quarterly report to BEIS and also their own commercial purposes (for example on technology park tenants)

		HBBC commissioned an economic evaluation of the impact of MIRA Enterprise Zone along with a range of other economic regeneration schemes taking place in the locality (this reported in 2015). Sustainable transport element – bus service operator reports monthly on use of new service and income generated
Lancaster University: Wave 2 Growth Hubs Scheme 3	Growth Hubs monitor how many businesses they engage with, refer, assist to improve performance, number of individuals receiving skills based training, number of start-ups, grants awarded and private sector investment leveraged.	Growth Hubs report to Lancaster University on a quarterly basis on a range of KPIs depending on the nature of support provided plus an annual review of performance. Lancaster University then compiles the required information for quarterly reporting to BEIS. Lancaster University have run a workshop and webinars to encourage the alignment of monitoring and evaluation approaches across Growth Hubs. A research group within their Management School provided a comprehensive programme evaluation using data as at December 2015 .
Leeds city council – Flood Alleviation Scheme Phase 1	Employment outputs are monitored in line with BEIS and other funder requirements. Data is collected on a monthly basis with the help of contractors, including on skill levels.	Standard quarterly report to BEIS Monitoring will use LCC's existing databases, providing coverage of all new jobs arising from land designated as employment land, triangulated with local area intelligence on planning proposals and permissions brought forward and floor space ratios
Luton Southern Gateway–Unlocking Luton's Job-Growth Potential	LBC assume an employment impact from the scheme for any jobs created within a certain radius of the road improvement. Difficulties collecting employment information from employers; some beneficiaries were unwilling to provide information about salary levels and qualifications, often citing data protection issues.	Standard quarterly report to BEIS Both LBC and the Highways Agency have been monitoring the impacts on traffic flow before, during, and subsequent to construction.
Mersey Docks and Harbour Company: Port of Liverpool	Peel Ports provide three kinds of monthly progress reports to BEIS – financial, employment and project-management related.	See 'Data collection'.

Post-Panamax Container Terminal		
Newcastle Science City – Economic Growth and Jobs on Science Central	NCC are monitoring on a quarterly basis over the 6 years from 2012 to 2018. Data has been collected related to jobs within contractors (construction etc.), tenant businesses, as well training and apprenticeships. NVQ level, as well as salaries and job titles, has been collected.	In September 2015, NCC commissioned Centrifuge Consulting to conduct a summative evaluation of the performance and value added impact of The Core Building. The current operator of The Core building conducts an annual survey of occupants
North Liverpool City Fringe Employment and Investment Prog.	LCC essentially conduct a rolling evaluation of the programme, constantly collecting data on, for example, jobs created, location and origins of jobs, and spend.	LCC conduct a rolling evaluation of the programme. Beneficiaries are required to report on job-creation, including postcode of those employed. LCC plan to conduct a full internal evaluation of the programme upon its completion, focussing on individual projects
S. Devon College: Stim. Sust. Growth	Data collected on the Energy Centre's activities (such as number of events hosted, tenants on site etc.), new employment and safeguarded employment.	Two external audits had been conducted for the project as of 2015 Little or no further evaluation planned
Southampton Docks – Plat. for Prosperity	Beneficiaries make a quarterly submission on number of direct and indirect jobs created, as-well-as information on job roles and skill levels.	A transport model measures the impact of the scheme on traffic flow and congestion. Continued monitoring of traffic flows using computer modelling.
Sunderland City Deal Infrastructure Development	Contractors are required to provide information on the number of jobs created or safeguarded, the number of hours worked per week, the NVQ/skill level, salary information and whether the employees had a contract in place.	Standard quarterly report to BEIS Sunderland city council plan to monitor indirect employment through an Annual Business Survey, implemented through its Business Investment Team.
Wakefield. council: Creating the Right Envir. for Housing & Econ. Growth	Data collected on direct jobs created within the housing, highways and building control teams; collected from developers and subcontractors on indirect jobs created and safeguarded by trade, NVQ level, salary, hours worked and postcode. Council also monitoring no. of homes built, reserved, and sales completed.	Monitoring through the council's routine highway monitoring mechanisms, including condition of network, accidents, speed and traffic-growth surveys, and accessibility. Due to lack of funds, there are no plans to commission an external evaluation of the project although the council intends to assess the

		impact of the scheme during and on completion of the projects and the final claim report includes all data collected.
West of England LEP: Revolving infrastructure fund	Monitoring is predominantly focussed on ensuring that schemes are on track to complete in the agreed timetable. A consultant visits each authority on a quarterly basis to make enquiries and receive progress updates	Standard quarterly report to BEIS It has been agreed with BEIS that their outputs will focus on gross rather than net jobs

Impact of Case Studies

Overview

19. Given the diversity of the interventions, this synthesis report will consider each case in turn, identifying the key impacts that have been documented to date, and the knowledge and views of stakeholders on other current and potential future impacts. Further details are given in the short reports on each case study that follow. Table 3 shows the jobs created and safeguarded to date.

20. The table indicates the progression towards meeting jobs targets, with projects and programmes committed to delivering all their benefits by 2021-22. By 2015, reported jobs represented 19% of the jobs expected during the lifetime of the 17 interventions. By 2017, this had risen to almost 35%. Delivery rates have been reduced by one programme supporting businesses in the Southwest, which has agreed with BEIS/CLG a new delivery plan given significant delays. Outside of that programme, about half the jobs targeted have been created or safeguarded.

21. Targets to be achieved, as reflected in RGF offer letters, mostly pertain to direct job-creation/safeguarding, for which an explicit assessment of impact can be made through monitoring data. For some schemes, almost the entire direct job creation impact is in the form of 'safeguarded' jobs, rather than 'newly created' jobs. In some cases, the distinction between shorter term jobs in construction and long-term jobs in other businesses is less clear.

22. Since the completion of these case studies, the progress of employment in the supported areas has been tracked in administrative data and the data monitoring the projects and programmes. These indicate employment changes consistent with targets in the more recent period and also begin to track the effects of investments as indirect effects permeate.

23. There are further jobs being created or safeguarded. For several cases, the indirect employment impact (in supply chain expansion, R&D spillovers, wider skill enhancements and due to infrastructure/public realm improvements) is expected to be somewhat larger than the direct employment impact. The monitoring of these impacts cannot be undertaken directly, with some case studies using estimates provided through inquiries of employers or through modelling.

24. Beyond the monitoring of direct job creation/safeguarding, monitoring of other impacts varies by intervention and depending on their nature. Other important benefits include improvements to the public realm, amenity and 'sustainable' transport, and also ecological benefits in some cases. For many cases, significant

but less tangible impacts are identified by interviewees, but are difficult to quantify explicitly. For example, in several cases, interviewees identified confidence-enhancing, aspiration-raising and learning effects on delivery partnerships and the local economy. A further less tangible impact reported in some cases was a credibility enhancing effect, enabling project/programme leaders to secure further funding from lending institutions or from a head office. These funders may have been sceptical about the initiative prior to it receiving RGF funding.

Table 3 Direct job-creation/safeguarding

Intervention	RGF Funding Received	Number Created/Safeguarded		
		2015	2017	Lifetime (Forecast)
Birmingham city council: A45 Corridor Improvement	£15.7m	69	58	1,400
Bradford Metropolitan district council: Bradford City Centre Growth Zone	£17.6m	270	652	2,264
Burnley borough council: Weavers' Triangle and Todmorden Curve	£8.8m	61	NA*	176
Burnley borough council: Aerospace Supply Park	£1.36m	NA**	130	130
Sci-Tech Daresbury	£7.4m	249	681	1,986
Hinckley & Bosworth borough council: MIRA Technology Park	£17.6m	79	139	91
Lancaster University: Wave 2 Growth Hubs (Scheme 3)	£32m	1,185	5,550	2,500
Leeds city council: Flood Alleviation Scheme Phase 1	£3.4m	0	184	150
Luton Southern Gateway: Unlocking Luton's Job Growth Potential	£24.8m	809	1351	900
Mersey Docks and Harbour Company: Port of Liverpool Post-Panamax Container Terminal – Enabling Works, Estuary Dredging	£35m	31	320	408
Newcastle Science City	£6m	NA**	360	235
North Liverpool City Fringe	£25.3m	485	727	799
South Devon College: Stimulating Sustainable Growth	£1.2m	34	NA*	407
Southampton Docks: Platform for Prosperity	£10.9m	472	472	2239
Sunderland City Deal Infrastructure Development	£7.1m	23	230	735
Wakefield council: Creating the Right Environment for Housing and Economic Growth in South East Wakefield	£8.1m	457	1,083	559
West of England LEP: Revolving Infrastructure Fund	£39.8m	616	1,485	10,719

* The programme was undergoing a major contract variation as at 2017 and so not re-surveyed.

**The programme was sampled for the 2017 evaluation round to replace the programmes undergoing contract variations.

Birmingham city council: A45 Corridor Improvement

25. This RGF project has led to the creation of 31 new jobs and 27 safeguarded jobs, a number of which were targeted at unemployed people from the local area. By 2015, the number of jobs safeguarded and created was higher, as these were involved in construction. While some individuals were taken on permanently by construction companies, other jobs were transitory, being limited to the construction phase of the RGF intervention. However, interviewees noted – looking forward – a continued focus in infrastructure investment and construction as an HS2 station was sited nearby. Collaboration on such strategic investments was becoming closer between local authorities, with Solihull and the West Midlands setting up the Urban Growth Company. Long term evaluations over five or ten-year periods will be able to assess the wider economic, social and environmental impacts of the series of investments.

26. As the road improvements were only completed in late 2014, interviewees at Birmingham Airport perceived few impacts on their organisation in the 2015 interviews. However, by 2017, the extended runway has resulted in the airport attracting new operators and their long-haul flights to Birmingham. The National Exhibition Centre reported that the RGF scheme may have helped in attracting new custom, but, in both rounds of interviews, it was reported as one enabler among many that made the venue more attractive for events' organisers.

27. There is some emerging evidence that the project has helped create and safeguard jobs in the wider area, implying a spill over effect, although stakeholders felt that obtaining a reliable measure of this would require a separate evaluation. One example is Virgin's move to the nearby Eagle Business Park, which Birmingham city council considered may have been at least partially because of the RGF supported work. The application bid also anticipated benefits in employment to the Birmingham Business Park and Blythe Valley Business Park, particularly among ICT and telecoms businesses. Birmingham city council reported that it is developing a monitoring and evaluation methodology which will allow them to capture more quantitative data on the wider economic impact to the area.

28. An interviewee from Friends of the Earth called for more assessment of the wider environmental impact of the RGF intervention, particularly the impact of emissions from increased flights. Solihull council and Birmingham Airport have attempted to compensate for negative effects on the environment by creating improved cycle routes in the area; extending the operating hours of local bus services; planting new trees and green areas; implementing noise-insulation schemes; and, by investing £500,000 per year into a community trust which allocated funds to community projects.

Bradford Metropolitan district council: Bradford City Centre Growth Zone

29. Key to this RGF project is the development of the previously stalled Broadway retail centre which opened in late 2015. The project has therefore attracted sizable private sector co-investment, almost ten times the RGF award, from Westfield, the developers of the Broadway shopping centre. The benefits in relation to job-creation are targeted to be 2,264 jobs by 2021, of which 1,764 relate to the operation of the Broadway development.

30. As of June 2017, 652 verified jobs had been created through the project to create the City Centre Growth Zone. Individual businesses benefitted from two schemes, a business rate rebate scheme and a capital grant scheme, and reported higher turnover and profitability, and the freeing up of existing staff to focus upon future growth opportunities. Some grant recipients have used the RGF funding to create apprenticeship positions, with an emphasis on opportunities for investing in local young people. The Broadway development is contractually obliged to maximise opportunities for local businesses and employment by sourcing from local supply chains; hence work has been subcontracted to multiple businesses based within the region.

31. The project is widely reported to have helped raise Bradford's profile, with businesses receiving grants reporting greater confidence to make further long-term investments. There have been public realm improvements, including a city park.

Burnley borough council: Weavers' Triangle and Todmorden Curve

32. Burnley borough council obtained RGF support towards infrastructure improvements and setting up a local University Technical College (UTC). Though the rail improvement and infrastructure developments have been completed according to plan the problems faced getting the UTC off the ground have resulted in a major contract variation which was under way in 2017. As a result, the continued evaluation was deemed inappropriate, and fieldwork was not conducted in 2017.

33. The findings as of 2015 were that 61 direct jobs had been created or safeguarded, from an overall RGF target of 176. These direct jobs are associated with the construction work that has taken place on the Weavers' Triangle, the staff employed in delivering the new University Technical College, and rail operating staff recruited and trained in advance of the new train service rolling out in May 2015. Indirect job-creation was expected to occur in later phases of the programme to redevelop the Weavers' Triangle site, notably through the construction of additional 'mixed use' spaces.

34. As part of this scheme, by 2015, there had been improvements to local pedestrian spaces, highways and other public spaces, as well as renovation of previously rundown historic buildings. Local stakeholders felt the improvements were encouraging more travel into the town for various purposes. The scheme had rendered it easier to market the town, according to a network of over 150 local businesses whose efforts in promoting the town were recognised by Burnley's award of the title 'Most Enterprising Area in the UK' in 2013 by BEIS. These improvements to the town's image have also resulted in increased confidence. Local businesses in the construction and services supply chains report improved levels of activity resulting from the Weavers' Triangle investment. The new, faster rail service to Manchester enabled by the Todmorden Curve was expected to reduce travel times and help to alleviate congestion, making Burnley more attractive to employers and commuters alike.

Burnley borough council: 'Burnley – Aerospace Supply Park'

35. The programme has met its target spend and exceeded job creation target. There were no significant changes since the final draft of the delivery plan apart from an extra year granted to collect the additional private sector leverage. There were 80 total jobs created contracted over the programme's lifetime, against which 130 have been achieved, overachieving the initial target by 50 jobs.

36. Burnley borough council (BBC) was allocated a £1.4m grant from the RGF towards a grant scheme for local businesses. The initial objective was to create a dedicated aerospace logistic park adjacent to the Aircelle plant in Burnley and the programme was intended to help strengthen the local supply chains in the aerospace and advanced energy sectors. The programme was anticipated to raise skill levels and generate jobs in the local economy. The Aerospace Supply Park (ASP) has since the initial proposal been rebranded as Innovation Drive.

37. The programme has unlocked brownfield land to provide premises and growth opportunities for local businesses employing skilled labour. The scheme has taken a broader purview than the initial focus of the business park, and made the choice to also support suitable businesses that did not or could not relocate to the business park. The initial focus on logistics has been changed in favour of an industrial cluster, although the development of a 'hub' for businesses to share knowledge and resources was noted as an aspect that needed further work.

Sci-Tech Daresbury

38. Of the 249 direct jobs attributed to this project, 245 are safeguarded and just 4 created. This is because the RGF work has focused on improvements seen as necessary to retain businesses on the Sci-Tech Daresbury campus and which might have otherwise moved elsewhere. These jobs are mainly in higher-skill categories. Travel surveys show that only a small number of employees are living locally: 3% of employees live within 3 miles of the campus, 16% within 3-5 miles, 50% between 5-20 miles and 30% more than 20 miles.

39. Feedback from some business tenants on the Sci-Tech Daresbury campus indicates that the campus has been instrumental to their growth. Safeguarding of jobs has come about through improvements to the campus facilities, such as the upgrading of the power supply. The improved transport links resulting from the investment were also considered a factor in retaining businesses and likely to lead to an increase in the number of local people who work on the campus.

Hinckley & Bosworth borough council – MIRA Technology Park

40. This project entails public infrastructure improvement works to help unlock the potential of the new Enterprise Zone at MIRA Technology Park (MTP) near Nuneaton. The project is based on the need to increase the attractiveness of MTP as a competitive high-tech R&D facility and the realisation of high quality employment and other benefits to the local/regional economy. The target is to create 91 direct jobs connected with the project and to create or safeguard 354 indirect jobs over the five-year project monitoring period. As at April 2015 the programme was on track to deliver contracted outputs, and by 2017, with 79 direct jobs created, 60 jobs safeguarded, and 217 indirect jobs created, all targets had been exceeded.

41. The RGF supported infrastructure improvements were judged by interviewees to have been crucial to enabling the development of MTP, with some 10 to 15 large companies having moved onto the park since they began. Wider public benefits include reduced congestion and safety of the adjacent road network and also the introduction of new local bus services, cycle routes and footpaths.

Lancaster University: Wave 2 Growth Hubs (Scheme 3)

42. As of September 2017, 5,500 verified jobs had been created or safeguarded exceeding the target of 2,500. Already in 2015, stakeholders were confident that the programme will over-deliver on targets by the end of the monitoring period. Growth Hub business advisors have been successful at identifying and supporting SMEs that may not have received business support services in the past, implying an additionality. By providing bespoke support to access grants and other business support services, the programme is providing recipient businesses with the confidence and skills needed to access other forms of business support in the future.

43. The Growth Hubs are reported to be fulfilling an important coordinating role, helping to simplify the support landscape for local businesses by identifying and removing duplicate services. The programme has also fostered and facilitated new collaborations between previously competing services through common branding. In some cases, the presence of a Growth Hub acts as a focus, drawing together different delivery bodies for the benefit of local businesses. Lancaster University has run sessions on stakeholder engagement and stakeholder mapping which have encouraged the creation of new partnerships, a greater involvement of universities in business support, and facilitated knowledge exchange amongst local delivery partners, as well as with national bodies. Unanticipated collaborations have emerged at a local level and interviewees perceived these to be providing added value to local businesses. For example, in Brighton and Hove there is evidence that business beneficiaries are beginning to develop their own self-sustaining support networks because of the support they have received. In Warwickshire, the ‘Growth Hub Directors’ Club’ has been established for the exchange of good practice among Growth Hub beneficiaries.

Leeds city council – Flood Alleviation Scheme Phase 1

44. This complex project involves an innovative approach to flood prevention which is seen as key to promoting investor confidence and unlocking the regeneration and development potential of the waterfront and adjacent land south of Leeds city centre. A primary focus is to afford flood protection to 500 city centre businesses, 3,000 residential properties and key infrastructure.

45. The RGF jobs target is to directly create 150 construction jobs, and this has been exceeded with 184 direct jobs created, and some 22,000 jobs are predicted to be safeguarded over the next 10 years. Despite a number of challenges which have delayed completion, including a major flood event in December 2015, the scheme has won several awards reflecting that it has been well-managed and delivered within a tight timescale for such a complex project.

46. The case study provides several examples of recent investment activity which, although difficult to attribute directly to the flood alleviation scheme, may not have gone ahead in its absence. Interviewees reported a boost to the confidence levels of investors and tenants because of the scheme. This has contributed to investment in: housing developments on a 600-acre site on the riverside opposite the Royal Armouries; further residential development around the former Carlsberg Brewery site on the River Aire; a new school planned south of river; central government's investment in HS2; Allied London's investment in Clarence Dock, near Crown Point Weir; and Burberry have recently relocated their manufacturing within the protected zone.

47. Businesses carrying out the construction work have benefitted, safeguarding existing jobs and leading to the recruitment of new staff, additional apprenticeships and improved turnover. These businesses also reported a benefit in terms of learning, leading to an improvement of their capabilities. As well as the increased flood protection, there are benefits in terms of ecological diversity, improved public space, including attractive public realm areas for people to visit and work. Ecological benefits include fish passes built into two new weirs, contributing to efforts to attract trout, salmon and other fish back into the River Aire.

Luton South Gateway – Unlocking Luton's Job-Growth Potential

48. This scheme was expected to result in the creation of approximately 900 direct jobs over a five-year period. By 2015 over 800 new jobs had been attributed to the project, well ahead of the target of 94 for 2014/15. In 2017, the figure has risen to 1,351. Further direct job-creation is expected to come from sites that are 'unlocked' for development. The release of this land is dependent upon this scheme alleviating the traffic congestion in the area. Northern Shell has already moved their offices from London to Luton as a result of this work.

49. The scheme is also expected to result in the creation of 6,750 indirect jobs which are associated with the scheme's expected broader benefits, some of which are already being delivered. Luton Airport has, for example, received permission to expand, possibly resulting in up to another 8m passengers using the airport per year. This expansion was dependent on the resolution of traffic issues related to Junction 10A. One airline has reported that they feel more comfortable investing in Luton Airport as a central base now that these issues are being addressed. Local campaign groups have expressed concern at the anticipated environmental impacts of the airport expansion.

Mersey Docks and Harbour Company – Port of Liverpool Post-Panamax Container Terminal: Enabling Works – Estuary Dredging

50. Direct job-creation for this case relates to the running of the Liverpool2 container terminal, the construction of which is enabled by the river dredging funded through the RGF. The target was for 408 direct jobs to be created because of the operation of the dock itself in relatively highly-skilled roles such as crane operators. So far, 470 posts have been filled in addition to dredging and construction jobs.

51. Broader benefits are modelled, with a study estimating the creation of around 10,000 indirect jobs because of the extra warehousing and transportation required as businesses switch their custom from southern ports to Liverpool. However, full realisation of the indirect job-creation effect depends upon sufficient land being made available locally for the additional warehousing and improvements to the A5036, which runs from the Port of Liverpool to the motorway. In the Autumn Statement 2016, the government committed £300m to enhancing or replacing the A5036.

52. Stanlow Oil Refinery is set to receive an annual $1m (£640,000) cost saving from the dredging scheme as it will no longer have to pay suppliers 'deadfreight' for bringing below capacity oil tankers to the oil refinery at Tranmere. There is a benefit to Liverpool Cruise Terminal in terms of a wider 'window of opportunity' for cruise ships to enter and leave the port due to the deeper channel resulting from the dredge. This is advantageous to them because cruise ships usually wish to port in the morning and then leave port at night. Due to the channel dredging, there are fewer restrictions on timing of movement, making Liverpool more attractive as a cruise destination.

Newcastle Science Centre

53. In August 2014, BEIS agreed to extend the timescales for expenditure and amend delivery plans. There were then some shortfalls in the jobs safeguarded at the end of the financial year 2015/2016. However, by the end of the 2016/2017 financial year, this had been resolved. As of Q4 of 2016/2017, 85 direct jobs had been created and 150 jobs have been safeguarded with 125 jobs still forecast (source: RGF Management Information Database).

54. The project is on track to exceed the following job creation targets to create an average of 46 new direct jobs (between 2014 and 2017), safeguard an average of 114 direct jobs (between 2013 and2017), and create an average of 271 indirect direct jobs (between 2013 and 2018).

55. In addition, Newcastle city council used a “Targeted Recruitment and Training (TRT) clause” in planning to ensure that the benefits of investment would positively impact local communities, particularly those who are unemployed and living in Newcastle’s most disadvantaged wards. The Framework Training and Employment Management Plan (TEMP) resulted in all planning applications submitted for each development on NSC requiring a “TEMP” which includes targets related to the impact on local jobs and training at the construction and end user stages.

56. The “TEMP” for the infrastructure works and the Core Building (21% funded by RGF and providing space for SMEs co-located with University research) included a target of 213 training weeks for out of work Newcastle residents (including apprentices, trainees and individuals employed on site or work experience, recruited from Newcastle Futures, NCC’s employability partner). In addition, every vacancy associated with the development (including vacancies within the contractor Sir Robert McAlpine and their subcontractors) were notified to NCC at least 7 days before recruitment from other sources. The contractor, Sir Robert McAlpine, delivered a total of 215 weeks, exceeding the target and delivered the following outputs: 7 jobs including 2 apprenticeships; 2 graduate placements; and 7 paid placements for 16-18 year olds part of a Construction Pathway programme developed with Sir Robert McAlpine (ibid).

North Liverpool City Fringe

57. Approximately 727 direct jobs have been created so far, from an overall target of 799 over the course of the programme, which runs to 2019. There is also a separate target to create 1,250 jobs existing for at least two years, not necessarily within the duration of the programme, but some of which will be among the 799 created during the programme. During construction, jobs have numbered 1,041.

58. The direct jobs created in an up-market hotel, restaurant and conferencing facility created as part of this scheme have been largely taken by local people. Employees have been provided with training and development opportunities. The jobs created in the redevelopment of the former tobacco warehouse at Stanley Dock have also mainly been taken by local construction workers. As part of this programme, £3m has been spent improving the main road arteries leading to North Liverpool. The improvements include better junctions, road-widening, construction of cycle paths, and a much-improved pedestrian experience resulting from improved lighting, landscaping and paths. These improvement works are largely complete.

59. Some of the individuals benefitting from employment opportunities as part of this RGF programme describe a positive effect on their lives. This prospect-raising and morale-creating effect is not necessarily captured well through a focus on job-creation numbers alone. Many of those employed by Glendale Liverpool to landscape the area leading to the new hotel were previously at the margins of the job market, in some cases never having previously had a job. While these jobs are relatively low-paid and temporary in nature, therefore unlikely to contribute to a regional employment multiplier, the positive effect on the lives of the individuals concerned should be taken into consideration.

South Devon College: Stimulating Sustainable Growth

60. The Energy Centre constructed as part of this project was expected to result in 407 directly-created, full-time jobs, along with 250 internships.[2] By 2015, 34 had been created or safeguarded so far with most of these at NVQ4 skill level. Examples of the types of jobs created include new lecturer positions; business and community engagement officers; an individual trained by the college who has since attained full-time employment; and employment associated with start-up companies working in the incubation space that was also created as part of this programme. One tenant of the incubation space expected to grow from three employees to around ten over the next two years. The Energy Centre is perceived as having accelerated the development and growth of companies offering innovative renewable-energy technologies.

61. The Energy Centre's activities have helped reduce inefficiencies and costs in various ways. The Centre offers accredited training in designing and installing renewable technologies where previously there was little local provision. Businesses operating in this sector therefore benefit from training provided at a lower cost. The installation of renewable technologies by the businesses located at the centre is already helping to reduce local businesses' operating costs. Other benefits identified include raising public awareness of renewable technologies.

Southampton Docks – Platform for prosperity

62. This RGF project is expected to create 2,239 jobs in total over a ten-year period to 2020-21, some of which are temporary. The annual expected job creation that makes up this overall target is expected to peak at 368 in 2020-21. In early 2015, 472 from 2,239 had been created.

63. Balfour Beatty, the lead contractor, has taken on approximately 25 to 40 people to carry out the work associated with this intervention. The cruise-ship operator Carnival UK, report an 18% increase in their locally-based employment

[2] This case is limited to evidence from 2015 only.

since the programme's commencement, amounting to some 200 additional employees in various roles and at various skill levels. They cite the additional confidence the project has provided as important in relation to this job-creation.

64. The improvements to the local transport network have encouraged the cruise-ship operator Royal Caribbean to send larger ships to the port. Both Royal Caribbean and Carnival UK expect the RGF supported transport-network improvements to reduce their fuel costs and improve customer satisfaction, since their customers travel to and from the port via the local road network. The car-manufacturing company BMW stated that they expect to accrue benefit from the improvements from 2017 onwards. The cruise-terminal operator ABP has invested £12m in the refurbishment of two cruise terminals in the Western Docks, Southampton Port, in addition to extending a multi-deck car facility in the Eastern Docks. They attribute their willingness to invest to the RGF programme.

Sunderland City Deal Infrastructure Development

65. This RGF project is expected to deliver an average of 735 jobs created/safeguarded a year, peaking at 1,060 jobs in 2018-19. These figures were arrived at through projection of the anticipated floor-space of the Enterprise Zone and International Advanced Manufacturing Park sites. 15 construction jobs are assumed to be created for every £1m of construction work associated with the project, implying a total of 105 construction jobs created.[3] Indications of an indirect job-creation effect are not yet available.

66. In total, it is anticipated that the project will be a catalyst for over £28m of private sector investment over eight years. Feedback from key stakeholders indicates that investment enquiries from businesses are already coming through as a result of the RGF intervention, much of which is expected to come to fruition only over the medium- to long-term. The jobs associated with these subsequent investments are expected to be sourced locally, with Sunderland city council's Business Investment Team working with businesses to recruit and then train local labour to an appropriate skill level.

[3] Based on DCLG/HMT estimates, 2009

67. An immediate and direct benefit of this RGF programme has been the reduction of traffic as a result of that part of the project focused on junction improvements and the development of a cycle network. A prominent, local employer - the car manufacturer Nissan - already reports a reduction of congestion.

Wakefield council: Creating the Right Environment for Housing and Economic Growth in South East Wakefield

68. The project developed five housing sites and was completed in 2018 ahead of the initial 2019 deadline, with benefits for the local community: in creating sustainable communities with homes that are affordable and healthy to live in. Short- and medium-term benefits include the creation or safeguarding of 36 direct jobs and the creation of 22 additional apprenticeships. Indirect job-creation has occurred in the form of jobs created or safeguarded by developers and contractors carrying out the redevelopment work.

69. Wider benefits were expected include the sourcing of material locally, implying a positive effect on local supply chains. There has been significant interest in the new properties, indicating that the developments will assist in addressing local housing demands, and adjacent sites are being unlocked for development. As a result of the level of interest, the size of one development increased its annual rate of production for 2015 from 36 units to 73 units. Interviewees in the council delivering the programme expect to see a long-term boost to the local economy resulting from the spending by families in the developed properties. The developments include several state-of-the-art design aspects related to improved security which are expected to contribute to crime reduction in the area. Key informants have also reported a notable increase in community pride and confidence as a result of the RGF supported developments.

West of England LEP: Revolving Infrastructure Fund

70. This RGF programme targeted the creation or safeguarding of 10,719 direct jobs by 2014 and 53,549 by 2031. Because of the delays to the programme, the target has been revised to 10,719 jobs by 2019. To date, 616 jobs have been created or safeguarded, against a revised 2014/15 target of 500, although most of these are safeguarded rather than newly created. The developer of the Weston Gateway Business Park reports that the construction work has so far resulted in the creation of 479 jobs, implying a significant benefit to this business. They anticipate that the scheme will create up to 1,800 jobs over its life-cycle.

71. Knightstone Housing Association reported improved productivity levels because several offices from several locations are now being consolidated into a single office on the new business park. Knightstone estimate savings of £2m per annum, which they are reinvesting. The Housing Association’s move to the business park is reported to be having a positive effect on local suppliers, including a local catering company that has doubled in size since having won a contract to supply the Housing Association.

Assessing Additionality

72. It is important to assess additionality and deadweight for the interventions to understand the extent to which funding enabled new and additional growth and developments. Unlike projects and programmes where grants were provided to firms, it is not possible to assess this using the same approach as the econometric analysis of firm-level data. At this stage, the additionality of most of the cases examined has therefore been assessed largely by qualitative means. Interviewees were asked to consider the counterfactual of what might have happened without the RGF funding, providing a view of the additional value contributed by the RGF. When considering these views, it should be borne in mind that interviewees were from organisations that are recipients of funds and, in some cases, delivery organisations. In some instances, the jobs of interviewees may have been directly dependent on securing the RGF funding. These individuals' perception of the importance of and benefit from RGF funding is therefore likely to be positive; this is also true of individual beneficiary businesses for similar reasons. A firmer attribution of additionality is therefore desirable and ought to be possible as investment programmes move forwards to completion. A fuller attribution of additionality would require individual RGF programmes/projects to conduct, or to procure, their own evaluations using an econometric approach to explicitly isolate additionality where possible.

73. Future evaluations will be able to further corroborate and triangulate the views of stakeholders with emerging quantitative data so as to build up a more nuanced view as to the overall additionality of the RGF programme. This further work needs to clearly set out the specific aspects of additionality, the methods of assessment and the geographic scale of the effects.

74. Overall, the RGF had led to additional activity, according to project leaders and key stakeholders. A common theme across many cases is that some of the work supported may have gone ahead without RGF funding, with funding instead secured from elsewhere. However, in such a scenario, interviewees often felt that the resulting developments would have been on a reduced scale, and may have been delayed for some time. This suggests that additionality is indeed occurring, but perhaps in a more limited form in terms of catalysing investments, whilst ensuring that developments go ahead sooner rather than later.

75. The multiple sources of funding on which a number of interventions were particularly dependent create further difficulties in attributing benefits. Having these different funding streams integrated into a single plan or strategy is likely to lead to greater and longer-term benefits and lower costs. However, it also makes assessing the effectiveness of different funding streams and attributing the benefits to different elements particularly challenging. There are also challenges in assessing the displacement of existing businesses by supported business as the latter increase their employment and market share. Future evaluations need to consider displacement at local, regional and national levels. Below, a short overview is presented about additionality in each case study.

Birmingham city council: A45 Corridor Improvement

76. For this case, the views of respondents differed on what would have happened had the RGF funding not been available. Solihull council felt that the project could not have gone ahead at all, as the funding gap was too great. The council also observed that employment growth in Solihull had been the highest in England outside of London, attributing some of this to RGF. Birmingham council agreed, reporting that the RGF had been the fundamental catalyst for other funds to be provided by Centro and the Airport, two major contributors to this programme. They felt it unlikely that the Department of Transport would have funded the project. However, interviewees from Birmingham Airport believed that within a few years they would have been able to find an alternative funding source for the scheme.

77. There are some potential displacement effects. If airlines simply re-route their long-haul flights to Birmingham from Heathrow or Manchester, the economic benefits that result for the Birmingham area will simply be transferred from other English regions. In the case of Heathrow, this may be desirable as jobs in that region may be easily replaced, but this may be less true of Greater Manchester and its surrounding area. Future evaluations will also need to consider the wider environmental impacts from the airport expansion.

Bradford Metropolitan district council: Bradford City Centre Growth Zone

78. If the RGF application had been unsuccessful, interviewed stakeholders agreed that the perceived benefits of the project would not have occurred. However, some of the ‘public good’ elements would either not have taken place, or would have taken place on a reduced scale and to a lower standard.

79. There was some uncertainty about whether the Westfield development (The Broadway) would have gone ahead at all without the RGF support. Key stakeholders felt that the development could not have been delayed any further, as the tenant retailer agreements in place had time limits and the scheme had already stalled once. Further delays would have undermined what confidence remained in the scheme rendering it unviable. However, the RGF funding was part of a broader package of business incentives and occurred at a time when the retail sector was starting to show signs of recovery, which were all contributory factors to Broadway moving back on site.

80. If the Broadway development had gone ahead without RGF funding, it was believed that the lack of investment in other parts of the city centre would have resulted in even greater levels of displacement. Without RGF funding, council stakeholders believed that the grant schemes would either not have been offered or would have been offered on a much-reduced scale. Fifty recipients of business rate rebates were surveyed in 2017 for this study and compared to a counterfactual group in a neighbouring area of 61 businesses. The results show beneficial and additional impacts on job creation and retention. A set of questions also covered location decisions. Twenty-six of the fifty businesses were already based in the Bradford city centre, ahead of the scheme, indicating the possibility that activity was merely displaced. However, 17 businesses (34%) had opened a new site in Bradford and six relocated to Bradford from areas other than the city centre. Most of these six businesses were previously in the Bradford postal area.

81. Some displacement was expected, as retailers vacated existing city centre premises to relocate to the RGF supported retail centre. These impacts are being addressed through complementary local programmes. The council is using their own reserves to fund targeted business rate rebate and capital grant schemes to incentivise businesses to move into the vacated properties. They are also considering other uses for former retail spaces, including offices and residential accommodation. Other proposals to encourage new business tenants to occupy these premises include converting some of the larger units into smaller, more affordable units.

Burnley borough council: Weavers' Triangle and Todmorden Curve

82. Without the RGF funding, stakeholders agreed that the reinstatement of the rail track (the Todmorden Curve) which is a central aspect of this intervention, could not have gone ahead at all. Stakeholders involved in implementing this element considered it unlikely that the considerable funding needed could have been found elsewhere and that if alternative funding had been possible, the project would still have been subject to severe delays. For the railway network provider, the business case for the scheme was not sufficiently strong to justify their involvement without the RGF subsidy.

83. Regarding the Weavers' Triangle scheme, without the RGF funding this would have gone ahead but delayed and on a reduced scale. It would have been dependent on previously secured English Heritage funding. Council stakeholders highlighted that the high-quality highway and public realm work would not have been possible and that it would have been difficult to attract occupants to the site without the improvements. The University Training College (UTC), identified by several stakeholders as a key factor in encouraging others to move onto the Weavers' Triangle site, would not have gone ahead without RGF funding.

Burnley borough council: 'Burnley – Aerospace Supply Park'

84. Stakeholders did not believe the programme could have gone ahead at the same scope and within the same timeframe without the RGF. It was argued that the delay would have adversely affected smaller supported companies that could not have waited. Interviewed stakeholders and beneficiaries also considered that the size and grant nature set the programme apart from other offers of business support, generating real and additional benefits.

85. In the absence of funding companies were likely to have considered other venues and locations, and one larger beneficiary would have been likely to have considered Leeds as an operating centre. Grant schemes were considered as well suited to manufacturing companies due to the nature of the expense incurred and revenue prospects. This tends to involve large capital expenditure with very long payoff periods. In comparison, loan finance was felt to work better for less capital-intensive ventures.

86. Displacement was not considered a major issue, as all businesses supported are of similar size and nature and pay similar rates. Businesses wishing to locate on site were vetted, and the council did turn down one application where the applicant was in direct competition with an existing tenant. Beneficiaries work in different markets and on different scales, meaning that they tend not to compete for the same customers.

Sci-Tech Daresbury

87. This case highlights the difficulty of attributing additionality, given the project's reliance on a combination of funding from various sources, including the RGF. This renders the task of disentangling the additionality that is specifically attributable to the RGF particularly complex. Nevertheless, interviewees reported that the RGF funding had helped accelerate plans that were already in place. Respondents also stated that, without the RGF, the improvements would have been started at a smaller scale, delivered over a longer time frame, and would still have needed additional funds from elsewhere for their completion.

88. In common with most of the other cases, the data currently collected is insufficient to estimate the extent of displacement of jobs in companies located locally, regionally or nationally. There are 12 other industrial parks in the Borough but only one other science site. However, these sites have different types of tenants and Sci-Tech Daresbury charges higher rents and selects applicants with a strong science base.

Hinckley & Bosworth borough council – MIRA Technology Park

89. Most interviewees felt that the project would have been unlikely to have gone ahead on the same scale without the RGF funding. Alternative ways of funding the infrastructure improvements could have involved a combination of funding from Leicester and Leicestershire Enterprise Partnership (and/or Coventry and Warwickshire LEP). However, this would have taken longer and most likely have been on a reduced scale. Some interviewees thought that MIRA, the owner of the technology park, might have led on funding a reduced project of a similar nature in the absence of RGF funding, although their available resources have largely been committed to the development of floor space on the Technology Park. One interviewee felt that MIRA could not have found the funding needed to support such a project. Similarly, the bus service created as part of this scheme could not have been provided by the local authority relying on its own resources.

90. MIRA are conscious of the risk of displacement, but aim to address this through a test and decision process for tenancy applications specifically devised in collaboration with the LLEP. Companies need to be a 'good fit' with the sectoral focus and R&D intensive nature of the park, rather than seeking to move to take advantage of favourable business rates. An example was given of a company relocating from the Midlands, which had been a strategic move related to the inadequacy of their previous site and that they would have had to move elsewhere if they had not moved to the MTP.

Lancaster University: Wave 2 Growth Hubs (Scheme 3)

91. Across the three individual city regions which were the focus of this phase of the evaluation, RGF funding was used to coordinate, build upon and amplify existing business support provision. In this respect, there is a clear additionality. Some cities already had website portals in place which provide information on support services, whereas others had plans to create one, with RGF funding providing a spur to develop plans further and to bring them to fruition. The funding provided the impetus to create a more proactive coordinating and engagement mechanism using business advisors. The funding also allowed existing support services to be expanded or extended, and in some cases new provision has been created. Delivery partners argued that a central aspect of the additionality has been to provide impetus for relationship building between partners who may not have worked closely together in the past, thus creating a framework for future collaboration.

Leeds city council – Flood Alleviation Scheme Phase 1

92. The evidence here is mixed. Most respondents felt that the project would not have gone ahead without public funding (albeit from four different pots of money) given its public good nature. It is more open to question whether the project would have gone ahead without the RGF support, a relatively small component (7.6%) of the total budget but still seen by some as catalytic in encouraging other public sector investors to come on board. Some interviewees felt it could have gone ahead without the RGF but later and on a smaller scale, subject to being able to access other sources. But it does appear that the RGF played an important role, including as a 'stamp of approval', given the reliance on multiple funding sources, the innovative nature of the FAS, and its focus on enabling business/economic development and how different it was to how flood defences are normally delivered.

93. The successful delivery of Phase 1 has been particularly important in terms of providing a good model for Phase 2 of the Flood Alleviation Scheme and taking the case for this forward. Phase 2 draws on funding made available since Storm Eva in December 2015, and will extend beyond the city centre to areas upstream and downstream not covered by Phase 1. One respondent mentioned a ‘beneficial effect’ of Storm Eva in terms of demonstrating the real (rather than theoretical) impact of flooding and thus further helping to unlock funding.

94. At the time of writing FAS 2 was at the feasibility stage, with the business case and a suite of options offering different standards of protection due to be presented to government in December 2017. There is also an aspiration for a Phase 3 scheme which would bring an even higher level of protection.

Luton South Gateway – Unlocking Luton’s Job-Growth Potential

95. Most stakeholders were of the view that, had the money not been available from the RGF, they would not have been able to acquire the funding needed from other sources. Luton borough council had previously sought funding through several avenues but was not successful with any of its applications.

Mersey Docks and Harbour Company – Port of Liverpool Post-Panamax Container Terminal: Enabling Works – Estuary Dredging

96. Multiple organisations use the river channel to access the river Mersey resulting in a problem of allocating costs of improvement. Interviewees stated that without the RGF funding, the improvement to the river channel would not have gone ahead and, as a result, the subsequent investment in the Liverpool2 container terminal would not be unlocked.

97. The entire investment in Liverpool2 (amounting to some £300m) represents an additionality at the regional level but displacement from elsewhere in the UK is not known. There is evidence that port usage – for freight feeder services – is growing faster in Liverpool than the UK average. It was explicitly stated by the Chief Financial Officer of the delivery organisation, that the RGF funding helped provide credibility in securing financing for the Liverpool2 investment. The investment had been on the cusp of what amounted to an ‘acceptable’ internal rate of return for Peel Ports. For this reason, without the RGF funding, the large-scale investment in the Liverpool2 container terminal probably would not have gone ahead, implying a strong case for additionality.

Newcastle Science Central

98. The interviewees concurred that the project would not have gone ahead without public funding given the financial crisis. Yet, some viewed RGF funding as essential to the project going ahead at the scale outlined in the original vision, while others argued it would have gone ahead without RGF funding either later or at a reduced scale. However, most interviewees agreed that RGF has successfully been leveraged to attract other funding to the site over the last five years.

99. While the land for the NSC site was purchased approximately 10 years ago, the project only commenced five years thereafter due to the financial crisis and property market crash de-railing the original master plan. Further, there were site abnormalities that meant commercial returns were considerably lowered, rendering it unattractive to private investors. Both Newcastle and the city council were not sufficiently resourced to fund the complex remediation required at the NSC site at the time. Interviewees also noted that RGF funding *brought confidence back to the market* and the importance of such site enablement is often underestimated.

North Liverpool City Fringe

100. This RGF programme has catalysed a set of related projects, some of which may not have happened at all without the RGF investment, while others may have happened in different forms. For example, the most high-profile elements – the development around Stanley Dock – may have happened anyway since Harcourt Development Ltd had been monitoring developments in Liverpool for some years. Nevertheless, the development of the hotel and the initial part of the transformation of the tobacco warehouse has occurred quite rapidly. Furthermore, this dock area had lain derelict for many decades, with previous attempts to develop it having failed. This implies additionality in terms of catalysing the development and ensuring it went ahead. Because of the nature of the hotel and the service it provides, it does not compete with other hotels in the city, but rather offers a different type of venue and experience.

101. Many of the direct jobs created have gone to those who were previously on the margins of the employment market. Feedback from some recipients indicates that the jobs created have given them impetus to continue their development and seek further employment once their current contracts end, also boosting their morale and confidence.

South Devon College: Stimulating Sustainable Growth

102. Owing to the relatively isolated location of the Energy Centre built as part of this RGF project, and the innovative nature of its activities, any displacement effects were expected to be minimal. Indeed, the general perception is that the Centre's activities are mutually beneficial to others in the local and wider area. Businesses are now diversifying into the growing energy sector, which was smaller in scope in this region prior to the Centre being built.

103. Some businesses reported cost savings because of not needing to send people to Exeter and Plymouth for training, implying a displacement from these alternative providers. However, they may have simply engaged in a lower level of training if the new centre were not so close, implying an additionality in terms of skills enhancement. If the money had not been available from the RGF for this project, most stakeholders believe they would not have acquired alternative funding, or in-kind support. Consequently, the Energy Centre would not have been built, and with it the keystone of the project would be lost. According to a representative of South Devon College that hosts the Centre, recently submitted bids would have been unlikely to have gone ahead without the advice and support of the Centre.

Southampton Docks – Platform for prosperity

104. For this case, most interviewees felt that without the RGF funding the project would have been unlikely to have gone ahead at all, or on the same scale, given a lack of available funding from other sources. Because of the nature of the work undertaken as part of this project, there is little evidence of displacement. Efforts have been made, for example, to ensure that there was no net loss in terms of public space because of the works.

105. Future evaluations should examine the extent of displacement between competing ports. Interviewees noted that the competitive edge gained by the Port of Southampton could come at a cost to other ports at a national level. Specifically, there is another RGF case that seeks to enhance the deep-water river port at the Port of Liverpool, although BEIS report that the extent of displacement was factored into the assessment of bids. The Southampton Docks project focuses on transport infrastructure needed to improve access to the port, especially for ferry and cruise traffic, while the Port of Liverpool is focussed on enabling the improvement of container facilities.

Sunderland City Deal Infrastructure Development

106. Stakeholders and beneficiaries felt it was unlikely that this development could have gone ahead on the same scale or in the same time period without the support of the RGF. Moreover, the funding has allowed works to be undertaken in one programme, leading to a greater overall effect rather than through the piecemeal approach which would otherwise have occurred.

107. While not on the same scale or in the same timeframe, most interviewees felt that the works would ultimately have gone ahead without RGF funding due to the strength of the business case. However, stakeholders typically felt it would have taken another five to ten years to secure alternative funding, possibly from the Local Transport Plan (LTP). Despite the scale of this RGF project, there was little evidence of displacement from other schemes or projects in the region. Sunderland and South Tyneside councils were collaborating on firm-level studies of the Enterprise Zone and traffic monitoring to understand impacts.

Wakefield council: Creating the Right Environment for Housing and Economic Growth in South East Wakefield

108. There were different views on the importance of RGF funding in enabling this programme to go ahead. For some developers, the RGF funding was important in enabling the developments to continue. For another, the economic recovery was perceived as the main driving factor in enabling work to resume on the relevant sites, although the RGF contribution to public realm works was acknowledged as helping in the transformation of the area.

109. If the developments had gone ahead in the absence of RGF funding, it is unlikely that the same quality and local specification of units would have been achieved (for example, the Extra Care element would not have been included – see detailed case study report). These have proven to be attractive aspects to potential purchasers. The additionality was considered as substantiated by the continued viability gap identified by the developers involved. Further, without RGF funding, the wider environmental works would not have taken place. Therefore, even if the developments had gone ahead, the surroundings would have remained in their former rundown state. Stakeholders were of the view that this would have reduced house prices in the area.

West of England LEP: Revolving Infrastructure Fund

110. Stakeholders felt that without the RGF, the impacts of the RIF would likely have still occurred, but at a much later date and without the strategic overview that the LEP is able to provide as the programme lead. The development of sites would have therefore been much slower, especially in the context of economic recession.

111. There are no plans to measure displacement-related impacts and it therefore remains to be seen whether businesses moving into the developed sites are local businesses simply looking to relocate their offices (with little aspiration to grow), or businesses looking to use the opportunities the new sites provide to grow and provide new employment prospects in the local area. While Knightstone Housing Association have benefitted because of moving to a new Business Park, their relocation will have nevertheless served to reduce economic activity in the area where they were previously based.

Challenges and How Addressed

112. Table 4 summarises the state of progress in 2017, both in relation to RGF project/programme completion dates and the challenges experienced as conveyed by leaders and delivery partners. Many of the interventions have experienced delays of some sort, with varying degrees of impact on delivery and the achievement of outcomes. The proposals were ambitious with short timescales, many of which have had to be adjusted and put back. Early stage delays were often attributed to administrative/management issues relating to the RGF scheme itself and associated legal/contractual details, such as the offer letter from BEIS, and due diligence. Eleven of the 17 cases are drawn from Rounds 1 and 2 when, according to BEIS, the contracting and monitoring processes were in their infancy. Many of the issues raised by interviewees were identified and addressed as part of wider internal reviews or in response to external scrutiny by the National Audit Office (NAO) and the Public Accounts Committee (PAC).

113. Other delays occurred at the operationalisation/delivery phase, with the tight timescales involved often exacerbating difficulties, particularly in the larger and more complex schemes. Challenges documented in the case studies which have contributed to delays include design issues (such as road infrastructure at HBBC-MTP), planning and public consultation, the need to secure approvals from statutory agencies and adverse weather conditions (including a major flood event in the case of the Leeds FAS). In some cases, pressures associated with the timelines for project/programme delivery have clearly given rise to fraught relations between delivery partners and, in one case at least, questions raised as to the fairness of the distribution of the risks involved between project partners.

114. Time pressures have placed significant constraints upon activities, such as recruitment and the need to establish relationships and gain the trust of targeted businesses. This is particularly challenging for initiatives providing business support (for example Wave 2 Growth Hubs (Scheme 3)). Interviewees also identified a level of disconnect between the contractual focus on created and safeguarded jobs on the one hand and some of the wider objectives for local economies.

115. Lack of understanding of EU State Aid rules proved to be a significant area of difficulty in several cases, causing uncertainty and delay as a result of applicants having to seek clearer guidance and legal advice (such as HBBC-MTP; LCC-North Liverpool City Fringe; Peel Ports – Estuary Dredging).

116. In many cases, project/programme leaders reported their experience of strong, supportive relationships with BEIS and with RGF project officers which had been important in helping them to deliver. At the same time, many projects/programmes reported having experienced difficulties around the RGF/BEIS monitoring requirements, including a perceived “lack of consistency” and changes in personnel causing disruption and loss of continuity. However, interviewees felt that the process had improved and become more efficient over time.

117. Interviewees also reported a lack of coordination of the monitoring requirements of different funds investing in different activities within specific localities (for example RGF and Enterprise Zones). In such cases, the lack of local monitoring officers with an understanding of local demands was a hindrance. In the case of Sci-Tech Daresbury, managing different funding streams was considered to have been easier when working with funding bodies operating at a regional scale.

118. Difficulties were also experienced in collecting data on job creation from businesses, some of whom had been resistant (such as WELEP-RIF; HBBC-MTP). This challenge was addressed in the case of MTP by inserting a requirement into lease agreements with tenants to provide employment data on a regular basis.

119. The capabilities of project leaders and strength of the co-operative partnerships established appear to be key success factors in terms of learning about and addressing the significant challenges encountered.

Table 4 Progress and challenges experienced

Project	Delivery	Challenges reported by interviewees
Birmingham city council: A45 Corridor Improvement	November 2013	Delays in finalising RGF offer attributed to change of staff at BEIS – BCC had to proceed with land purchase and procurement at own risk Construction work delayed by inclement weather and marshy/dangerous conditions
Bradford Met. district council: Bradford City Centre Growth Zone	March 2015	Delays in finalising the RGF offer caused uncertainty for developers and other potential investors - resultant short timescale for delivery highlighted as main challenge. Administration/management time – costs not covered by RGF. Complaints from businesses located outside growth zone and in sectors ineligible for grant funding and concerned about displacement. Experiences of overly complex and protracted application for early applicants to the business rate rebate and capital grants. Some early recipients of grant schemes encountered changes in required monitoring information – they attributed this to rushed roll-out of the scheme.
Burnley borough council: Weavers' Triangle and Todmorden Curve	February 2015	Delays in finalising contract and extended due diligence stage before issue of contract Rail works delayed by 12 months and additional costs were incurred due to issues arising from the original signalling layout and level crossing Additional delays due to lack of available rolling stock Burdensome monitoring requirements
Burnley Borough council: Aerospace Supply Chain Park	February 2015	Tight timeframes and drawing down private sector match.

Sci-Tech Daresbury	March 2016	RGF application process and requirements considered arduous compared to other Funds, causing delay Frustration due to the number of personnel changes amongst RGF monitoring staff and varying requirements. Contract variations have been processed on time. Demonstrating matched funding to DCLG was difficult due to commercial sensitivities around one organisation's contribution
Hinckley & Bosworth MIRA Tech. Park	March 2015	Tight timescale in combination with complexities around delivery of road works and need to resolve issues relating to design, approvals from statutory agencies, and other contingencies Monitoring of employment outputs – difficulties experienced in collecting data from businesses and responding to BEIS requirements
Lancaster University: Wave 2 Growth Hubs	June 2015	Tight timescale – very little time for set-up and implementation of such a complex project and the multiple activities involved: bidding process, setting up contracts, establishing partnerships, mapping existing local and national business support landscape, implementation, assessment etc. Recruitment - challenges in recruiting skilled staff in short timescale, particularly given that future funding for Growth Hubs not secure. Some beneficiary businesses struggle to provide match funding and up-front costs Monitoring & evaluation – narrow focus on job creation; difficulty providing sufficient proof of jobs safeguarded; personnel changes resulting in additional information required; disproportionate level of bureaucracy. Balancing the needs of local contexts and national policy
Leeds city council – Flood Alleviation Scheme Phase 1	September 2017	LCC, as the new lead local flood authority (LLFA), had little prior relevant experience so had to procure expertise from private sector consultants Tight timescale for delivery impacting on planning process Damage to infrastructure works caused by major flood event in 2015

		Some limitations and uncertainties related to the design and level of flood protection provided are expected to be addressed by subsequent planned phases, building on the learning and positive experience of partnership working during the RGF-supported Phase 1 of the scheme.
Luton Southern Gateway–Unlocking Luton's Job-Growth Potential	April 2015	Technical engineering issues - design and implementation Timing of RGF application process and council's own internal procedures LBC also overcame the limited timeframes by applying a time limit on the construction at the point of procurement. This is felt to have been successful, with the site transforming from greenfield to near-completion of works within 14 months.
Port of Liverpool Post-Panamax Container Terminal: Enabling works	December 2015	EU State Aid rules – exemption from this not clear cut in early stage Availability of land for increase in warehousing capacity Trunk road/motorway links
Newcastle Science City – Economic Growth and Jobs on Science Central	March 2018	Due diligence delayed start and the site remediation works took longer than initially expected. Definition of jobs targets meant monitoring difficult, with beneficiaries likely to be SMEs and in complex supply chains. The project – reporting to both RGF and ERDF funders – felt monitoring burden was high.
North Liverpool City Fringe Employment and Investment Prog.	2019	EU State Aid rules – uncertainty related to this caused difficulties during early stage (2012-13)
S. Devon College: Stim. Sust. Growth	February 2014	Market and policy uncertainty facing renewable technology sector, especially given recent changes to Government policy Loss of key personnel from the college, especially as the proactivity and attitude of staff was viewed by many as being the key driver in the success of the project Marketing and dissemination of Centre's activities and message to businesses and home owners and wider region, especially with funding coming to an end

Southampton Docks – Plat. for Prosperity	April 2015	Disruption caused by works to local traffic and businesses and need to manage this – need for earlier local community engagement around this
Sunderland City Deal Infrastructure Development	March 2016	Short timescale and time taken to confirm RGF funding Discovery of protected species in the wetland area, plus inclement weather, caused delays resulting in an extension to project delivery deadline Procurement frameworks perceived as being rigid and limited options
Wakefield council: Creating the Right Envir. for Housing & Econ. Growth	March 2018	Delays in finalising the RGF offer letter made delivering the project to the original timescale challenging. Objections from local residents – ameliorated by council and Developer community engagement efforts. Challenges associated with building on brownfield sites including finalising land transfers, lifting easements, and organising road diversions and closures. Some developers faced setbacks due to theft and vandalism of equipment.
West of England LEP: Revolving infrastructure fund	TBC	State Aid issues – some proposed projects found not to be eligible Delays due to incompatibility of proposed private sector led schemes; lengthy process of organising public infrastructure works Aligning different funding stream requirements/timeframes – challenges leading to inefficiencies in project delivery

Recommendations for future evaluation by case studies

120. This report aims to identify lessons learned for future interventions and further evaluation. Several key evaluation challenges have been identified:

- there is the general challenge associated with establishing the counterfactual - what would have happened had no intervention been made
- in many instances the nature of the intervention means that assessment of additionality is necessarily partial and heavily reliant on the awareness and judgement of key stakeholders, for example on evidence that is largely qualitative in nature. An example is the improved prospects and outlook of job recipients previously at the margins of the labour market
- another example is the morale-boosting and confidence-enhancing effect of RGF programmes/projects on communities which have suffered economically
    - these are very important impacts but difficult to quantify
- most of the cases examined are part of multi-project interventions, financed through funds from multiple sources in addition to RGF, rendering it highly complex to attribute additionality accurately to one particular source
- there is a need to consider the displacement of existing economic activity, at the local, regional and national levels

121. Given the challenges of assessing additionality, there is a need for approaches to evaluation that employ a portfolio of different techniques and tools, providing an over-lapping triangulation of evidence, both qualitative and quantitative. The nature of RGF interventions implies that evaluations that rely on any single lens, such as a purely quantitative assessment, are likely to provide a skewed view that draws attention to some outcomes at the expense of others. The use of different approaches enables evaluations to uncover aspects that might otherwise be ignored, particularly by drawing on the expertise and local knowledge of diverse stakeholders. This requires qualitative research, complemented by quantitative evidence that provides a baseline against which to compare.

122. Measures can be taken to ensure that the data is available to enable this, but these need to be implemented early on. Attempting to retrospectively measure impacts once an intervention has begun is very problematic. For example, data on employment changes

within businesses can be hard to collect. To address this, tenants of a developing technology park were required under the terms of their tenancy to provide the delivery organisation with detailed figures on job creation, including job type, skill level and salary.

123. Writing reporting requirements into tenancy agreements should be done by any intervention of a similar type as a matter of course. Such reporting should also seek to capture the extent of displacement. In this case, the company could be required to provide details on reasons for relocating, where they have moved from, and the employment changes on the previous site. Such information would provide a useful indicator of the additional benefits of the new location, and allows for an assessment of displacement. Indirect employment impacts can also be collected by asking tenants about their supply chains. This should be done sensitively to avoid creating unnecessary burdens on businesses.

124. There is also a need to focus on the local specifics of what is being measured. Most RGF programmes/projects are weighted towards individual investments and this has encouraged a somewhat isolated form of evaluation. The complexity of these 17 cases studies indicates the need for greater attention to project context, synergy and critical interdependencies with adjacent investments.

125. A common approach to evaluation and measuring key indicators should be adopted across interventions, based on recommendations provided by BEIS. This can build on monitoring and evaluation requirements currently included in RGF contracts. In this way, a clearer assessment can be made of the relative effect of individual intervention programmes in comparison to the effects of programmes of a similar type, or on a similar scale. There is currently little in terms of a common approach to assessing additionality as the programme of investment unfolds. However, each project and programme should also have the ability to conduct or commission their own evaluations as they see fit. What is measured can shape what is delivered, so prescribing specific indicators can hinder innovation. A sensitive balance is therefore needed.

126. Some delivery organisations are currently conducting or planning their own evaluations of RGF funded activities, either as specific studies or as part of evaluations of their wider strategies. Action should be taken now to ensure comparability in the methods adopted by these evaluations. Even in the case of a specific intervention, for which there is unlikely to be a direct comparator the evaluation of indirect job-creation can be assessed in comparison to other interventions. At the very least, comparisons can be conducted in terms of the different methods used to assess additionality and commentary provided on the relative robustness of different approaches. This could provide a basis for fruitful discussion and further learning.

127. At least a third of the case studies are directly supporting businesses in a range of ways (providing advice or subsidised premises). The impact on these beneficiary firms could be assessed alongside comparison groups using a data matching methodology similar to that developed for the quantitative elements of this evaluation which are reported in a separate report. Such approaches should be encouraged in any evaluations conducted by the projects and programmes themselves.

128. As a start to coordinating the evaluation efforts, each project or report could be asked to share information on the following questions:

- what budget has been allocated to monitoring and evaluation?
- how will the evaluation be conducted?
- what indicators of outcome and impact will be used?
- how will additionality and the counterfactual be assessed? (impacts beyond what would have happened if there was no RGF funding)
- how will displacement be measured? (such as, loss of jobs locally, regionally and nationally when firms grow or move)
- how will additionality be attributed when there are multiple funding streams?
- what data collection and surveys are planned during the RGF funded period and after the RGF funding is complete?

Conclusion

129. This study's evidence collection concluded in 2017 when many of the 17 RGF initiatives examined were complete or nearing completion, in terms of their funding allocation and – where this is significant – the construction phase. The benefits are expected to accrue over a longer time period. The case studies demonstrate the progress towards meeting targets in many cases, and set out the wider decisions being made by businesses following the investments. The full effect on sustainable economic growth is likely to become apparent at a later date.

130. The RGF was intended by central government to be a means to support the creation and safeguarding of jobs in specific regional economies in England. The policy was implemented after a severe recession and as delivered in the context of the consequent priorities. However, there needs to be balance between short term job creation and longer term ambitions to change local and regional economies in areas where there have been economic constraints on growth identified over many years. There is also a need to assess impacts more broadly, not just in terms of the number of jobs created. This can include the quality of jobs, the displacement of jobs elsewhere, business start-ups and the environmental effects of the RGF investments. This report also identifies the challenges of measuring impact when there are many other parallel and complementary interventions funded by other sources.

Lessons from the delivery of the RGF

131. Key lessons and recommendations, as particularly identified by interviewees, are:

- a need for more consideration of realistic timeframes for project delivery, taking into account the range of issues affecting the more complex initiatives in particular (in terms of planning/design and consultation)
- a need for more detailed project design work and due diligence on the part of project partners to minimise the risk of later disagreements
- infrastructure works - the importance of involving relevant agencies, statutory authorities and key stakeholders likely to be affected early in the project conception stage, due to the time needed for their approval process
- need to link RGF to both skills funding and the development of housing
- local benefits can also be maximised by including social value clauses in awarding contracts. This can include the promotion of apprenticeships and other training

- EU State Aid regulation – there is a defined process for assessing state aid which places the onus on applicants to ensure that they are compliant with the rules. Nevertheless, feedback from some project/programme leaders suggested a need for clearer and more consistent advice on how to avoid confusion and delay to supported initiatives, particularly at the due diligence stage of project appraisal, and/or during the application phase

132. There were views expressed in the context of devolution and subsidiarity. A number of initiatives have been catalysed and led by the pro-active efforts of local authorities (for example HBBC, Leeds, and Liverpool) and a view emerging from LA staff in some of these cases was that interventions such as the RGF need be run in a more devolved fashion.

133. The RGF is intended to rebalance the economy, implying that funds will mainly be dispensed to areas that are lagging economically, with a ‘low’ business base of relatively weak businesses. Such businesses can find it very difficult to go through the process of applying for and securing funding as they lack the time, resources, or expertise to do so. For some ‘lagging’ areas (such as North Liverpool) the private sector is expected to play a pivotal role in regeneration, but is often not capable of doing so. Some interviewees interviewed in 2015 then called for an intermediary organisation, which is credible to local business, to facilitate and coordinate. This is in line with government policy and initiatives such as the Growth Deals and Local Growth Funds that are now in place.

Summary of recommendations for evaluations

134. The perceived impacts of the RGF cases should be benchmarked, compared and contrasted against each other, so as to better understand the relative performance of different types of scheme. This is challenging given the variability in evaluation plans, including the metrics used, across cases.

135. There is a case for BEIS to provide fuller guidance that ensures consistency in evaluation approaches and metrics in order to facilitate comparison between cases; in particular there is a need for a clearer definition of related or leveraged funding and additionality.

136. Many interventions comprise multiple elements, may also be closely related to other developments funded by other sources and quite varied in terms of their aims. This further reinforces the need for a mixed evaluation toolset, capable of both qualitative and quantitative assessment, so as to provide a triangulated view on benefits that incorporates multiple stakeholder viewpoints.

137. Explicit attribution to the RGF may be very difficult because the works supported often receive funding from multiple sources simultaneously. Care needs to be taken to avoid double (or multiple) counting of benefits, especially when evaluations of different funds are not coordinated. Case study interviews were, and should continue to be,

structured to identify inputs and sources of inputs. This includes asking operational and strategic staff about all sources of funding and activities that have contributed to the delivery of RGF-supported interventions.

138. Evaluations carried out or commissioned by individual delivery organisations need to be rigorous, with particular attention to additionality. This requires action to be taken now to ensure that individual evaluations are sufficiently well designed and can contribute to the full RGF evaluation of which this report is a part. There may be a case for individual delivery organisations to pool resources to allow for the application of econometric methods using a quasi-experimental approach. However, even when employing such an approach, it will remain difficult to isolate the specific effect of the RGF because of factors such as multiple, overlapping funding streams.

139. Future evaluations by the project leaders need to focus explicitly on displacement and ensure data is collected to provide the necessary evidence on this issue.

Annex A: Identifying potential case studies

Developing a typology of cases

1. The earlier scoping study (BIS Research Paper 264, 2015, “Regional Growth Fund: Impact and Economic Evaluation Options”) classified each project and programme into four overarching classifications (firm level subsidies, grant and loan programmes, land and property, and other interventions), and suggested the use of case studies for the latter two classifications. Given that a full breakdown of the scoping study’s classification system was not available, it was necessary to return to the underlying data and develop a classification system for this study. This enabled an identification of which projects and programmes could most benefit from a case-study approach, using a series of iterative rules to facilitate an initial data-driven classification.

2. Firstly, a field is created to classify each of the 434 projects and programmes (as of October 2014) by beneficiary type (including bank, charity, college/university, company, LEP, local authority, mixed consortiums). After reviewing a small sample of grant beneficiaries’ management information data, the research team then collaboratively developed an initial list of classifications based on whether the grant recipient was a single beneficiary or multiple beneficiaries, and the intended uses of the grant. Classifications of intended uses included using funds to create a revolving loan, plant and machinery costs, developing commercial or industrial land and property, housing, research and development, business support/mentoring, training, transport (sub-divided into road, rail or other projects), environmental or energy projects, communications, and tourism. Separate binary fields were created for each of these classifications.

3. Next, the project title, project description, and media statement for each grant recipient was combined. These management information fields were selected as they were found to include the most relevant descriptive data for the classificatory process. After generating this new composite field, a series of automated searches within the composite field was set up. If certain key terms were found, the relevant classification field would be transformed to ‘1’. For example, if any of the terms ‘equipment’, ‘machinery’, ‘capital’, ‘install’, ‘equip’ or ‘capability’ were present in a grant recipient’s composite field, their associated plant and machinery field would change from ‘0’ to ‘1’. This enabled us to rapidly classify each project or programme into non-mutually exclusive groupings, which would allow us to draw out hybrid variations.

4. The next step involved some exploratory analysis of the data to assess any patterns that might emerge between BEIS sector and project/programme classifications, beneficiary type and the intended uses of the grant. When patterns were identified (for example projects were found to be strongly associated with single beneficiaries) the data was sorted based on these characteristics to check for inconsistencies and to ensure that they had been correctly classified. Similarly, sorting by beneficiary type to identify all grant recipients involving banks enabled us to quickly identify asset loan programmes.

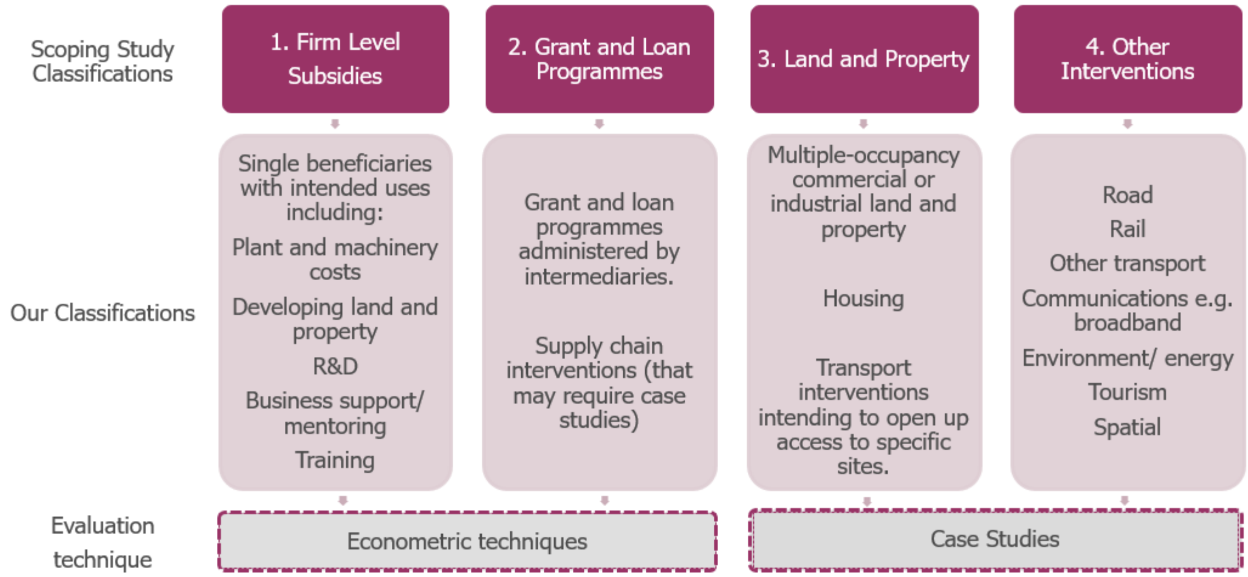
5. The automated searches and initial exploratory analyses were followed up with a manual quality assurance check to ensure that each project or programme had been classified correctly. At this stage, results were cross-checked against a financial scrutiny report compiled by the House of Commons Transport Committee (2012) to verify that all 22 transport-related projects and programmes that were recipients of the Regional Growth Fund in Rounds 1 and 2 were identified and correctly classified.

6. Descriptive statistics were then generated for the overall sample of projects and programmes. These gave a sense of the distributions to aid in our selection of case studies. These included generating pivot tables comparing the total number of projects/programmes by type of beneficiary, round, region and intended use; and region and round by total amount allocated, and number of jobs created. At the end of this classification, all the 434 projects and programmes had been categorised by intended use of RGF grants, and how funding had been allocated by round, region and use had been analysed. This allowed identifying potential case studies.

Identifying potential case studies

7. Once the more granular classifications had been completed, and a sense gained of the overall spread of the data, the focus turned to the projects and programmes that could be potential case studies. A grouping of the detailed classifications into the scoping study’s broad overarching four classifications was developed as depicted in Figure A1.

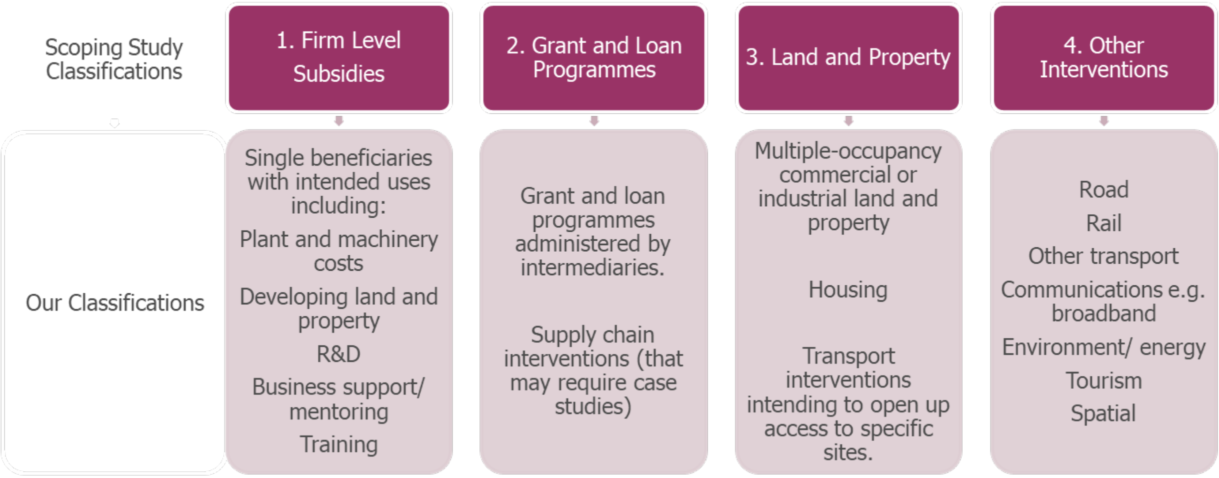
Figure A1 Classification system



8. After comparing the total number of projects and programmes and total grant allocations under these grouped classifications to the totals provided by the scoping study, a few adjustments to definitions were made. These included moving any single beneficiary land and property projects from the Land and Property group into Firm Level Subsidies, and re-classifying transport interventions designed to open access to land from Other Interventions to Land and Property. This resulted in a total of 48 projects and programmes falling into Land and Property and Other Interventions. After consulting the programme beneficiary data that was available (which would allow for the use of quantitative rather than qualitative evaluation methods), the total number of potential case study projects and programmes reduced to 40.

9. Figure A2 provides a breakdown of the numbers of projects/programmes and amount of grant allocated by classification under both the earlier scoping study and the research team’s classification.

Figure A2 Breakdown by classification in 2015



Selecting case studies

10. In 2015, 15 case studies were selected out of the list of 40 projects and programmes; a further two were selected for the 2017 fieldwork as two of the earlier projects were replaced. The selection strategy considered representation on variables including scale of RGF funding, geography, funding round and practical aspects of interviewing. The projects and programme were firstly ordered by the total grant allocated and the highest ten grant allocations were shortlisted, which amounted to 63.4% of the total grant allocations to the full list of 40 projects and programmes. After cross-tabulating each classification by the amount allocated, and the grant allocations by round and region, the distributions across the full list of 40 projects and programmes were compared to the selection of 10, and then purposively selected an additional 10 to create a shortlist of 20 with approximately proportionate representation of each classification, round and region to those across the full list of 40. Given the number of sub-divisions under ‘Other Interventions’, it was necessary to adjust the initially proposed number of case studies for each classification, from 10 Land and Property and 5 Other Interventions, to 8 or 9 Land and Property and 6-7 Other Interventions to ensure that each sub-division was represented in the case studies. At this stage in the 2015 selection, how much grant each beneficiary had drawn down was also considered, removing those that had not yet drawn down any grant funding, replacing them with equivalent cases that had drawn down funds.

11. In 2015, an initial document review was conducted for each of the 20 shortlisted cases. The research team then met to discuss each of the shortlisted cases, and purposively selected 15 cases with 3 reserves. In 2017, the earlier shortlisting process was revisited, and 2 cases with 2 reserves were chosen, taking into consideration the selection's geographical, round and classificatory coverage. The lists were reviewed by BEIS. In 2015, three of the original selection were replaced: the first case, for reasons of atypicality, the second case as stakeholders would be unable to participate within the phase one evaluation timetable, and the third case from round five as it was considered too early in the process for identifying perceived impacts. In the first case the project in question was unlike any other that had been supported (before or since) by RGF and therefore the scope for learning was quite limited. One preferred case was Lancaster Growth Hubs, which have been rolled out more broadly as part of Growth Deals - and by contrast offer much more significant scope for informing future policy. The second and third cases were replaced by reserves. In 2017, the two preferred options were selected.

12. The 2015 final selection of 15 cases covered £254.8m of allocated grant (59.2% of the total grant allocations to all 40 classification 3 and 4 plus 1 classification 2 potential case studies). In 2017, the two additional studies meant a further £7.4m of funded project was covered. For all studies, a document review was carried out, comprising of publicly available documentation and the RGF monitoring data (on a BEIS/CLG system called MyMI). Fieldwork was conducted during the period January - March 2015 and April – Sept 2017. The 2017 fieldwork was extended by two months as interviews were not conducted during the General Election period.

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