Final Summative Assessment of the part ERDF funded Cheshire and Warrington Business Growth Programme

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1 Executive Summary

1.1 Every European Regional Development Fund (ERDF) grant funding agreement places a requirement on recipients to undertake a Summative Assessment. Universities Economic Development Unit Ltd, as applicant, has commissioned this final Summative Assessment of the Cheshire and Warrington Business Growth Programme (completed by S4W Ltd) to:

- Identify whether the programme is likely to achieve its outputs, outcomes and impacts in comparison to those projected in the ERDF application.
- Assess feedback from beneficiaries on project processes and quality of offer
- Understand how the project meets market need and adds value to the current business support offer in Cheshire and Warrington
- Assess the likely value for money of the project
- Identify key lessons from the experiences of the project in supporting business start-up and growth in Cheshire and Warrington
- Recommendations for delivery of the remainder of the programme
- Legacy and future project opportunities

1.2 The original Cheshire and Warrington Business Growth Programme (CWBGP), which commenced in November 2015, was initially a £5.4m 3-year project to support a range of pre and post start-up businesses through the provision of business advice, workshops and support to businesses and entrepreneurs within the Cheshire and Warrington Local Enterprise Partnership area. The project was subsequently extended by a further two phases to the end of September 2023, with a revised and cumulative budget of £9,320,174.

1.3 The current project is a partnership between the University of Chester, Manchester Metropolitan University and Reaseheath College as delivery partners – with Universities Economic Development Unit Ltd acting as the lead partner for the project and the ERDF investment.

1.4 Each individual partner has had their own offer to businesses and the programme has largely operated as independent activity project within a broader programme. Support has often marketed to businesses at the level of each partner rather than as a single strategic programme. UEDU Ltd operate the central project website with details of all partner events and its own enquiry generation platform (including from the Growth Hub), as well as centrally co-ordinate a small grant scheme.

1.5 The ERDF investment aimed to assist with a series of market failures in supporting local businesses. The premises has been that support to SMEs is frequently fragmented and uncoordinated – so the project offered a relatively streamlined package to both pre-starts and established businesses. Also, Cheshire and Warrington SME's have seen their rate of productivity declining relative to national averages and there is a gap in the provision of innovation support to businesses in the area.

Project Expenditure, Outputs and Impacts

1.6 The Cheshire and Warrington Business Growth Programme has been operational since November 2015 and had cumulatively spent £8,231,278 to the end of December 2022 (Claim 31). This represented a total defrayal of 88.3% of the available budget of £9,320,174 with two final quarters remaining. UEDU spending estimates for the remainder of the programme suggest a final expenditure on the CWBGP of £8,624,128, which represents 92.5% of its allocated budget.

Table 1.1 Project Performance Measures

Project Outputs	Current Target	Achieved Claim 31a	Projected Performance	% of projected
C1 Number of enterprises receiving support	625	643	643	103%
C2 Number of Enterprises receiving grants	84	21	23	27.4%
C4 Number of enterprises receiving non-financial support	625	643	643	103%
C5 Number of new enterprises supported	216	191	191	88.4%
C6 Private investment matching public support to enterprises (grants)	£195,500	£78,019	£78,960	40.4%
C8 Employment increase in supported enterprises	257	276.24	276.24	107.5%
C28 No of enterprises supported to introduce new to the market products	14	26	26	185.7%
C29 No of enterprises supported to introduce new to the firm products	37	24	24	64.9%
P11 Number of potential entrepreneurs assisted to be enterprise ready	296	272	272	91.9%

Source: CWBGP ERDF Claims, Funding Agreement and Funding Agreement Variations

1.7 As shown in Table 1.1 above, the CWBGP has exceeded its C1 (number of enterprises supported) target and stands at 103% of the contracted targets, has hit 92% of its P11 (potential entrepreneurs supported) target and 88% of its C5 (new enterprise) targets.

1.8 There are still a number of areas at this point where the project remains behind profile. This includes investment through the grant fund, which is at 27.4% of its target. As a result, matched funding from businesses stands at 40% of target – demonstrating higher than average grants being awarded.

1.9 In terms of more 'impact' orientated outputs, there is more of a mixed performance. The programme has already significantly exceeded its C28 output, supporting businesses to introduce new to the market products and services. Conversely the project has only met 65% of its target to support businesses introduce new to the firm products and services. ERDF definition anomalies around the IP3a and IP3d categories of firm by age, have not helped.

1.10 As of March 2023 the project had supported the creation of 276.24 additional jobs, already exceeding its target by 7%. This represents an average of 0.43 jobs per each business supported by the programme.

1.11 At the point of completing the Summative Assessment there remains a final quarter of delivery to claim. Whilst there may be some additional outputs claimed by the delivery partners, anecdotally these are not likely to be significant and will not materially change the final performance of the programme.

1.12 Results from the Post Completion Business Survey, undertaken by Manchester Metropolitan University, an impressive 84% of businesses stated they had subsequently increased their turnover after support, with only 3% of businesses reporting a decrease in turnover.

1.13 The biggest area that businesses said had improved as a result of the support they received was confidence, with 96% of all businesses seeing a positive impact. Other areas that businesses say the programme has helped to improve competencies include marketing (84%), communication skills and communicating with customers (81% and 80% respectively) and then sales (71%) which also demonstrates the tangible link between businesses receiving support and then increasing levels of turnover.

1.14 Businesses were also asked to agree or disagree with a number of statements related to whether businesses felt the Cheshire and Warrington Business Growth programme had directly helped their business across certain areas of business growth. The area that businesses stated they most agreed with that the CWBGP had supported them with were exploiting new ideas and engaging in innovation, to which 67% of businesses agreed or strongly agreed the programme had directly supported this area of business growth.

1.15 A total of 62% of respondents agreed that the support from the programme had helped the business to survive, which considering the survey was distributed from early 2021, reflects the state of many businesses during the COVID-19 pandemic.

1.16 In terms of the overall increase in 'employment' in supported enterprises, the actual impact when measured by wider criteria than the ERDF outputs is likely to be in excess of this. A total of 28% of businesses stated they had taken on work placements or internships, a total of 25% of businesses undertook collaborations with other businesses whilst 23% used external contractors and 23% upskilled or retrained existing staff. All of these activities will lead to employment opportunities within the business or supply chains, either immediately or further down the line that cannot be claimed for ERDF purposes.

1.17 Across the interviews there remained a consensus that UEDU Ltd had performed the Accountable Body role very effectively and had supported partners to comply with ERDF requirements. There had been constructive dialogue on levels of administration and bureaucracy on the project – to ensure that processes were kept as simple as possible for partners and businesses.

1.18 As a long term programme, the CWBGP has suffered from considerable personnel changes across all of the delivery partners, which has affected governance and continuity – but has also affected delivery and expenditure. One of the key challenges that affected all the delivery partners right through the programme has been ensuring there has been sufficient input from academic staff to the programme and co-ordinating this process.

1.19 Whilst there was some collaboration between partners, it was relatively limited and mainly related to cross referrals due to either capacity or another partner having a particular specialism. All partners were keen to stress that a significant number of businesses received well in excess of the expected 12 hours of support through ERDF.

1.20 Whilst the grant fund, whilst seen as a valuable tool, it was noted as a particular challenge to administer, not least due to ERDF funding and compliance requirements. The input required in terms of support to pull together a quality and relevant application for a business was often significant and the grant did not add to each partner's C1 outputs.

1.21 As identified within Table 1.1, to date the programme has created a total of **276.24 full time equivalent positions** across the 643 businesses supported to date. This represents the equivalent of 0.43 jobs per business supported. Within the business survey a total of 59% of businesses agreed or agreed strongly that the CWBGP contributed to their business growth. This suggests **a net increase of 163 FTE** jobs can be directly attributed to the interventions of the project.

1.22 Based on the latest GVA per filled job figures for the Cheshire and Warrington LEP area (2020 data), each new job created would contribute £62,350 to local economic output per annum. This means the gross 276.24 jobs created would contribute £17.2m per annum to the sub-regional economy and the 163 net jobs created would contribute **£10.1m GVA per annum**[1].

1.23 Based on the programme budget investing an average of around £1.2m per annum, this would generate an annual net return on investment of £8.30 for every pound invested and £16.80 for every pound of ERDF invested.

Legacy and Lessons Learnt

1.24 In terms of lessons learnt, many of the key lessons focus on the complexities of the partnership approach to the project and the layering of EU structural funds within this process. Some of these lessons may not be relevant to future business support activity within Cheshire and Warrington due to the changing funding and policy environment.

[1] Regional gross value added (balanced) per head (2020) ONS

1.25 The project had pulled together a consortium of providers, but direct collaboration across the programme was relatively limited – although this did allow for flexibility in delivery by each partner. UEDU Ltd were credited with providing a strong role as accountable body and bringing together partners on a complex project.

1.26 Capacity has been a major issue for delivery partners throughout the programme, both in terms of the input of academic staff where needed and high turnover of project staff. Whilst this cannot really be 'planned' into any future projects, it is a risk that needs careful management and the lack of a centralised programme meant capacity could not be realigned easily.

1.27 Although the models of delivery have varied, the emphasis on providing a quality and needed product for businesses has delivered the right outcomes for the programme. All partners supported a range of businesses outside of the scope of the ERDF 12 hour assist. Some were supported for far fewer hours and never claimed as outputs whilst some received significantly in excess of 12 hours of support – with some then also receiving grant investment. Activity for all the partners has focused on where the programme can add most value to businesses, rather than simply what is needed to deliver outputs.

1.28 As the programme progressed, delivery partners began to place a stronger emphasis on stimulating innovation in their delivery – with a focus on linking more businesses with Academic expertise, especially where there may be scope to work with 'sticky' businesses that would work with the institution longer term on further Academic/Industrial projects such as KTPs or Innovate UK projects. There was also an increasing drive for all sectors of society and the economy to pursue Net Zero approaches – and it is already becoming an increasing pressure on businesses.

1.29 The grant programme has been important to help a number of businesses, but administration has been complex and, with no contribution to the outputs of partners, inward referrals have not always had the support required. This is also partly due to capacity to support applicants. Any grant programmes for SMEs need to note that capacity to both support businesses with applications and to appraise and contract manage projects needed to be considered within resource planning.

2 Introduction and Project Background

2.1 Every European Regional Development Fund (ERDF) grant funding agreement places a requirement on recipients to undertake a Summative Assessment. Universities Economic Development Unit Ltd (UEDU Ltd) on behalf of partners within the project, have commissioned this Summative Assessment to:

- Identify whether the programme is likely to achieve its outputs, outcomes and impacts in comparison to those projected in the ERDF application.
- Assess feedback from beneficiaries on project processes and quality of offer
- Understand how the project met market need and added value to the business support offer in Cheshire and Warrington
- A counterfactual impact assessment of the project
- Case studies of supported businesses
- Assess the likely value for money of the project
- Identify key lessons from the experiences of the project in supporting business start up and growth across Cheshire and Warrington

2.2 The Summative Assessment process draws from a previously completed Summative Assessment Plan and Logic Model, developed early in the project cycle and explained further within the Methodology section. It also draws from an Interim Summative Assessment of the project, completed in December 2021 and a Formative Assessment completed by Manchester Metropolitan University in November 2022.

2.3 The Summative Assessment has been co-ordinated by S4W Ltd, drawing on a range of performance, contextual and impact data, interviews with key project staff and stakeholders and a range of beneficiary surveys undertaken by Manchester Metropolitan University between February 2021 and November 2022.

2.4 The Cheshire and Warrington Business Growth Project has operated across 3 phases, an initial project between 1st November 2015 and the end of December 2018, an extension between January 2019 and the end of December 2021 and a final extension to 30th September 2023. This Summative Assessment focusses on the period between January 2019 and the end of May 2023 (the 2nd /3rd phases of the project), but also draws on the experiences of the first phase.

About the Cheshire and Warrington Business Growth Programme

2.5 The Cheshire and Warrington Business Growth Programme (CWBGP) was an initial response to a 2015 call for projects for the European Regional Development Fund (ERDF) Priority Axis 3a[2] (Promoting entrepreneurship) and 3d[3] (supporting the capacity of SMEs). The project was developed to provide a package of bespoke support to small and medium sized businesses at pre and post start-up phases to develop and implement growth strategies.

[2] Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators.
[3] Supporting the capacity of SMEs to grow in regional, national and international markets and to engage in innovation processes

2.6 The original project was a partnership between the University of Chester, Manchester Metropolitan University, Reaseheath College, South Cheshire College, Warrington Collegiate and Cheshire East Council as delivery partners – with UEDU Ltd[4] undertaking the central claim, technical and compliance functions and the accountable body for the project and the ERDF investment.

Universities Economic Development Unit (UEDU) Ltd www.uedu.ac.uk

Established in March 2012, Universities Economic Development Unit Ltd supports and facilitates collective activity, engagement and representation for Higher Education Institutions (HEIs) in the North West and beyond including historically a heavy- focus in relation to European Structural Fund issues. Based in Manchester with a team of five staff, the company is a wholly-owned subsidiary of the University of Chester who provide host services to the Unit.

In addition to managing European-funded projects, UEDU also undertakes a range of activities linked to the wider economic development agenda as it relates to partner Universities including providing technical, audit and compliance advice to HE stakeholders as well as representational, networking and lobbying activities.

2.7 The original CWBGP, beginning in November 2015, was awarded £2,700,611 of ERDF investment against a total project cost of £5,401,222 over a 3-year period running to the end of December 2018[5]. In reality however, the project did not begin full delivery until June 2016.

2.8 Cheshire and Warrington is a 'More Developed' area, whereby average Gross Domestic Product per capita is over 90% of the EU27 average. This means ERDF can invest up to 50% of a total project cost. The original matched funding package came directly from project partners.

2.9 The project partners offered a range of pre and post business start-up advice, workshops and support to businesses and entrepreneurs within the Cheshire and Warrington Local Enterprise Partnership area.

2.10 Each individual partner had their own offer to businesses and have largely operated as an independent project within the broader programme – often marketed, albeit under a common brand, to businesses at the level of each partner rather than as a strategic programme. UEDU Ltd and other delivery partners have worked closely with the Cheshire and Warrington Growth Hub to attract referrals and to ensure the project is embedded in the local business support landscape. UEDU Ltd have operated the project website with its own enquiry generation mechanism, as well as receiving direct enquiries and referrals from the Growth Hub, which were then re-distributed to delivery partners depending on SME need and partner availability/capacity.

[4] Then known as North-West Universities European Unit Ltd at the time of the bid submission

[5] The original activity end date was 30/12/2018, with a Financial Completion Date of 28/02/2019 and a Practical Completion Date of 31/03/2019

2.11 UEDU Ltd have dealt with all contract, compliance and amalgamated claim returns to DLUHC, providing technical advice to partners and audit functions. Outside of these central functions, individual partners were responsible for their own SME recruitment and eligibility checks; programme delivery and monitoring reports to the UEDU team.

2.12 The University of Chester have offered a range of SME support. Businesses initially receive a business diagnostic, undertaken by their Business Development Manager, to understand their needs and how activity can be tailored to meet their needs. There are then several options available to businesses, including a range of Start-Up and Innovation/Growth bootcamps of 2-3 days duration, a number of thematic full and half day workshops and a range of topical masterclasses. In addition every business engaged on the programme also receives some 1-2-1 support and mentoring from a Business Development Manager.

2.13 The offer of the University also includes access to a range of sector specific facilities and input from specialist technical and academic staff form across the Universities Cheshire campuses.

2.14 Manchester Metropolitan University (MMU) initially aimed their provision at high growth sectors, with delivery focussed from the University's Crewe Campus (which closed in 2019), but ultimately did not exclude any business that met the eligibility criteria of the programme. The programme has been delivered largely by an in-house team located in the Business School.

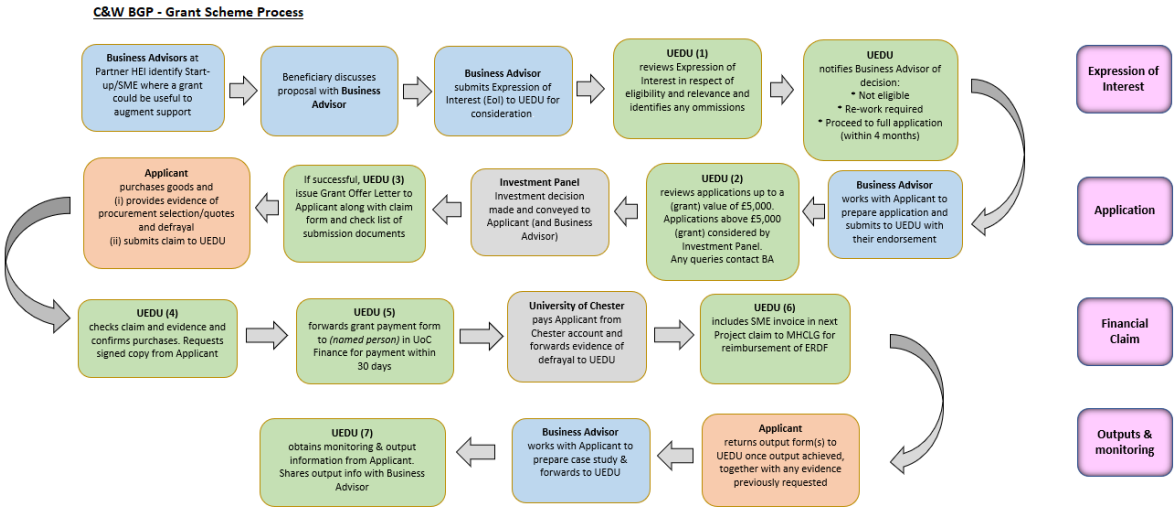
2.15 MMU have delivered 'Bootcamp' provision in cohorts of businesses, featuring of one-to-many workshops and masterclasses. This is partly to manage resources effectively and partly to generate a peer-to-peer approach by keeping the same group of businesses together on their journey through the programme.

2.16 Support for new starts provided a range of start-up advice, finance advice, coaching and mentoring, and business incubation over three days of support. The Growth programme for established businesses focusses on supporting businesses to overcome the barriers and challenges that restrict their growth. Support, again within cohort model, includes workshops and some mentoring over a 3-month period, with a commitment to one session per week.

2.17 Reaseheath College have largely offered a range of one-to-one support to businesses primarily within the land-based, food and drink and Agri-Tech sectors. The College recruited a Business Development Manager to support businesses in areas including Business Planning, Start-up advice, Marketing and Access to Funding.

2.18 A grant scheme was added to the programme from January 2020, which allowed for businesses to apply a grant for projects with a total value of up to £15,000, with a 50% grant contribution towards the project costs. The grant scheme was not openly advertised to avoid attracting businesses which were only looking for grant investment. Instead relevant businesses that needed some additional investment to grow or develop a new product were invited to submit an expression of interest. The grant scheme was administered by UEDU Ltd based on the model identified below.

Diagram 2.1 CWBGP Grant processes



Source: CWBGP

2.19 The onset of COVID-19 meant the programme had to change the way it delivered its services, which much provision moving online. Since the ending of pandemic restrictions delivery by all partners has been on a more blended model.

2.20 The project State Aid methodology is based around the provision of De Minimis aid, which allows Small and Medium Businesses to receive under €200,000 of state aid over three consecutive fiscal years.

Project Outputs

2.21 Table 2.1 overleaf shows the contracted outputs for the Cheshire and Warrington Business Growth Programme, covering the three phases of the project. Outputs were cumulative across the project and, at the level of the ERDF claim, disaggregated across the Priority Axis 3a (Promoting entrepreneurship) and 3d (supporting the capacity of SMEs). The context behind the changes in outputs is covered later in the Chapter under Project Change Requests.

Table 2.1 Original CWBGP Contracted ERDF Outputs

Programme Outputs	Original Funding Agreement	Phase 2 Extension	Phase 3 Extension
C1 Number of enterprises receiving support[6]	283	508	625
C2 Number of Enterprises receiving grants[7]	n/a	56*	84
C4 Number of enterprises receiving non-financial support[8]	283	508	625
C5 Number of new enterprises supported[9]	134	183	216
C6 Private investment matching public support to enterprises (grants)[10]	n/a	£123,500*	£195,500
C8 Employment increase in supported enterprises[11]	247	207	257
C28 No of enterprises supported to introduce new to market products[12]	6	11	14
C29 No of enterprises supported to introduce new to the firm products[13]	126	26	37
P11 Number of potential entrepreneurs assisted to be enterprise ready[14]	125	232	296

* Added in the October 2019 Project Change Request

Project Change Requests and Extensions

2.22 UEDU Ltd submitted a first Project Change Request (PCR) in early 2017, which was approved on 13th February 2017. The PCR formally removed Cheshire East Council from the project as a partner and changed the matched funding profile. The PCR also included Chester Innovations Ltd as a partner (part of the University of Chester as some of the staff salaries claimed were employed by Chester Innovations Ltd and not the University). No changes were made to either the project budget or the overall outputs.

[6] The ERDF project has provided evidence of either 2 days (12 hours) active consultancy support or Grant or Loan/Risk Finance Investment of at least £1,000 (ERDF Output Guidance – p11)
[7] The business has received financial support from the ERDF programme of at least £1,000 (ERDF Output Guidance – p16)
[8] Support claimed through hours the business is supported to a minimum of 12 hours, verified by a senior member of staff in the enterprise assisted. (ERDF Output Guidance – p21)
[9] A business supported with 12 hours/£1,000 that has been registered at Companies House/HMRC for less than 12 months before assistance is provided or is locating in the England programme area for the first time. (ERDF Output Guidance – p23)
[10] The sum of private contributions to the supported project (£) where the project includes support that constitutes state aid, including support to parts of the project not eligible for ERDF. (ERDF Output Guidance – p27)
[11] Jobs created following an intervention with an enterprise that result in an increase in the overall number of staff employed in that enterprise. Measured as a new, permanent, paid, full-time equivalent (FTE) jobs created. (ERDF Output Guidance – p29)
[12] Support for an enterprise to introduce a new product, process or service. A product is new to the market if there is nothing else available on a market that offers the same functionality, or the design or technology is fundamentally different from existing products. (ERDF Output Guidance – p32)
[13] A product is new to the firm if it offers new functionality, or the technology is fundamentally different from the technology of already produced products. Products can be tangible or intangible (including services). (ERDF Output Guidance – p34)
[14] Assistance for Individuals aged 16 and over currently in employment, unemployed or economically inactive. Assistance will involve 12 hours of direct interaction in one-to-one/groups in the form of coaching, mentoring and workshops. (ERDF Output Guidance – p40)

2.23 A second PCR was initially submitted in spring 2018, refined during the summer and confirmed by a Deed of Variation on 22nd November 2018. The PCR added the Skills and Growth Company Ltd as a delivery partner and also reduced the total project costs from £5,401,222 to £3,724,060 - with the project completion date remaining the end of December 2018. The PCR also reduced some of the project's outputs as shown below.

Table 2.2 Outputs related to the CWBGP Grant Scheme

Programme Outputs	Original Funding Agreement	22nd November Deed of Variation
C5 Number of new enterprises supported	134	114
C8 Employment increase in supported enterprises	247	198

2.24 A third PCR was submitted and formally approved in December 2018. The PCR allowed for the extension of the project (into a second phase) through to 31st December 2021, carrying forward some of the phase one underspend. The PCR increased the overall project budget to £7,701,692. The Skills and Growth Company Ltd were removed as a partner for the extension of the project, as Cheshire East Council reviewed their operations and South Cheshire College and Warrington Collegiate were no longer listed as active delivery partners in the second phase as a result of the FE Review and potential College mergers. The project outputs were changed as reflected in Table 2.1 overleaf.

2.25 A fourth PCR was developed in April 2018 with a final version submitted on 22nd October 2019, which was approved on 18th November 2019. The PCR wished to reduce the overall project budget from £7,701,692m to £7,177,286m – although this element of the PCR was rejected by MHCLG as the project was at this stage separately seeking an extension application into 2023 (together with additional ERDF and outputs) and it was by then anticipated that any underspend would be rolled forward and absorbed into the separately progressing "Phase 3" stage application in assessment.

2.26 This PCR also included the introduction of a small grant scheme of £247,000 for projects between £1k and 15k. The grant fund was to be made up of £49,400 capital and £74,100 revenue contributions from ERDF and a further £123,500 of private sector contributions. The grant scheme was designed to be a selective offer to help accelerate growth ready businesses that had been through the programme and needed some financial help to implement their growth plans.

2.27 A total of 56 grants were forecast to be made over the project's delivery. The project outputs were subsequently changed to incorporate the grant fund as identified in Table 2.1 overleaf. No other outputs were changed.

2.28 A final Project Change Request was submitted in March 2020 taking forward the then Phase 3 application intended to extend the project's Practical Completion Date to the end of June 2023 and the Financial Completion Date to the end of September 2023. This was finally approved on 10th November 2020. The PCR changed the outputs for the programme as shown in Table 2.1, including further extension of the grant scheme. The overall project budget was also increased to £9,320,174 - with an ERDF contribution of £4,660,087.

Project Governance and Management

2.29 As identified within the Project Change Requests, since the Full Application was approved, the range of active partners across the different phases of the project has changed. The project's Governance and Management processes have been critical to manage these transitions and delivery phases.

2.30 The project from inception has been overseen by a Strategic ('Project') Board, which is drawn from senior representatives from the project's partners and originally featured input from Cheshire and Warrington's five Chambers of Commerce and the Federation of Small Businesses. The Strategic Board has been responsible for the strategic direction of the project and the allocation of resources. The Board has met on a predominately quarterly basis over the duration of the project but has had resonance in supporting the transitions as project extensions were secured.

2.31 Below the Board sits a Project Co-ordination Group ('Operational Team meetings'), made up of practitioners from each of the project partners. The Project Co-ordination Group has met quarterly over the duration of the project and is more focussed on some of the operational and communication issues between partners.

2.32 Governance meetings were initially undertaken on a face-to-face basis, but since the onset of COVID-19 restrictions in March 2020, all meetings moved online and have remained so ever since. This change of meeting format has been largely welcomed as the issue of disproportionate travel-time staff were taking out for face-to-face meetings was considered excessive given the dispersed location of staff.

2.33 Day-to-day project management and ERDF operational decision making has been undertaken by the team at UEDU Ltd. The Project Management team has been led by the Director, with a team of three staff working on and funded by the ERDF project. As at July 2021, this included a 0.6 FTE 'Contract Officer' and two Full Time Senior Officers.

2.34 UEDU Ltd have been responsible for co-ordinating finance and output monitoring, managing the project's CRM system, centrally-received enquiry referrals, website maintenance and central marketing materials, overseeing compliance, processing ERDF claims, administration and dealing with the Managing Authority. UEDU Ltd had not been involved in any other direct delivery of support to SMEs until the creation of the grant scheme, whereupon it took-up the administration and liaison with grant applicants through appraisal, contracting and claim/monitoring stages.

2.35 On an operational level, each of the partners identified how they would develop and deliver their provision based around their own skills, capacity and expertise. From the ERDF funding package, each partner had their own allocations, delivery team, consisting of a range of full time and time sheeted Business Development and specialist Academic and administrative support staff.

2.36 Individual partners have been working to a Service Level Agreement (SLA), refreshed as and when required, between themselves and UEDU Ltd. The SLA highlighted resources, milestones, matched funding contributions and disaggregated output targets. Individual partners were largely responsible for their own referrals, delivery and monitoring. Alongside the Service Level Agreement was an initially Project Handbook but this has since been superseded due to the number of guidance note changes by the UK Managing Authority and supplement by guidance and working notes.

2.37 Each partner had to retain their own documentation and hard copy evidence for their delivery on the project in accordance with their organisational protocols; copies provided to UEDU to hold centrally for audit purposes; managing their own claims to form part of the wider ERDF claims and to input all project activity into the shared CRM system.

2.38 As the EU Structural and Investment Funds programme comes to an end, UEDU Ltd will cease trading and responsibility for any legacy activity and future ERDF compliance checks will fall to the University of Chester as the accountable body.

3 Strategic Contexts

3.1 The Cheshire and Warrington Business Growth Programme has operated for over six years, during which time the operational context and national and local economic policy has changed significantly.

3.2 The project has operated in the aftermath of the vote to leave the European Union and then BREXIT, which has been the focus and policy driver for regional policy in the UK for over 40 years. It has also operated during the COVID-19 pandemic and then subsequently through the energy and cost of living crisis.

3.3 The last three years have had a significant impact on SMEs across the UK and in Cheshire and Warrington. Many businesses have had to adapt their business model to survive during COVID-19 and then subsequently have had to deal with rising input costs and inflation, labour shortages and in many cases depressed demand due to the cost of living crisis.

3.4 Many businesses are operating with impaired balance sheets, lower productivity, difficulties in securing skilled staff and increased costs including energy. The pandemic and changes to the labour market have altered the balance between employment and self-employment with working from home and flexible working now increasingly common in many sectors.

3.5 The Cheshire and Warrington Business Growth Programme has had to navigate these issues with the businesses the programme supported.

3.6 As highlighted below, the national and local policy environment that the programme had to navigate also changed consistently over the duration of the project.

UK Industrial Strategy

3.7 When the CWBGP was launched in 2017, regional policy was shaped by the UK Industrial Strategy White Paper, published in November 2017[15]. The White Paper set out the then long-term plan to boost the productivity and earning power of people throughout the UK, which remains a key economic issue to this day. The White paper highlighted the importance of the ability to innovate – to develop new ideas and deploy them.

3.8 The industrial strategy identified the need to develop interventions that are effective in improving the productivity and growth of small and medium sized businesses, including addressing the nations 'long tail' of unproductive small businesses. This type of businesses form the core of businesses that the CWBGP is working with.

> "*The Bank of England estimates that if UK firms could move along the productivity distribution into the next quartile, then this would boost aggregate UK productivity by 13%, equating to a boost to UK GDP by around £270bn in today's prices.*"[16]

[15] Industrial Strategy: Building a Britain fit for the future (2017), Department for Business, Energy & Industrial Strategy
[16] Business Productivity Review (2019) Department for Business, Energy & Industrial Strategy

3.9 The Business Productivity Review of 2019 also highlighted the challenge of keeping employment high whilst improving productivity across all businesses. The review re-affirmed the importance of high quality, locally available business support, obtained from trusted sources that they can return to for advice on an ongoing basis rather than short, one-off interventions. The underpinning research for the review shows that "businesses seeking external advice are more likely to increase turnover, whereas businesses that have unmet demand for advice are more likely to experience a fall in turnover[17]."

Levelling Up White Paper

3.10 Changing priorities mean much of the Business Productivity Programme has been delivered during a change in the regional growth agenda, with EU investment and policy no longer the main driver for local action. The ***Levelling Up*** agenda sets out the vision for overcoming a range of geographical imbalances and inequalities across the UK, set out in the White Paper of February 2022. The plan aspires to ensure that socio-economic opportunity is spread across all corners of the country.

3.11 The Levelling Up White Paper makes a clear link between productivity and economic growth and creating high quality jobs and driving up living standards in some of the economies of the South West, North and Midlands.

3.12 Alongside the launch of the White Paper, proposals for the UK Shared Prosperity Fund (UKSPF) have also been developed through to implementation. The £2.6bn fund is the replacement fund for European Structural and Investment Funds and a key driver for post BREXIT regional growth policy. The vision for the fund is based around the following objectives:

- Boost productivity, pay, jobs and living standards, especially in those places where they are lagging.
- Spread opportunities and improve public services, especially in those places where they are weakest.
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost.
- Empower local leaders and communities, especially in those places lacking local agency

3.13 The fund has an overarching objective of building pride in place and increasing life chances, covering three Investment Priorities, Community and Place, Supporting Local Business and People and Skills. These priorities are then linked to the 'missions' contained within the Levelling Up White Paper. Cheshire East has been awarded £13.1m through the UKSPF programme between the financial years of 2022/23 through to 2024/25, Cheshire West and Chester £12.6m and Warrington £7.4m.

[17] Business Productivity Review (2019) Department for Business, Energy & Industrial Strategy, p25

3.14 Alongside the allocations of UKSPF, Rural areas receive an additional Rural England Prosperity Fund top up (from DEFRA) which is in the form of a capital only grant. The combined allocations for the Cheshire and Warrington area totals £1.8m.

3.15 Each Local Authority has developed their own UKSPF Investment Plan and will invest in business start up and grow activity on a predominately Local Authority geography as opposed to a LEP area geography. This disaggregation of funds has meant it will ultimately not be possible for partners, either collectively or individually, to carry forward a programme on a similar scale of geography to the Cheshire and Warrington Business Growth programme so there is no successor programme planned. It is also disappointing that to-date none of the three Local Authorities in the Cheshire & Warrington area have responded to conversation offers or sought discussions with CWBGP partners about activities, successes/challenges nor data to inform business support provision under UKSPF.

Sub Regional Context – Cheshire and Warrington Strategic Economic Plan

3.16 Under the auspices of the Cheshire and Warrington Local Enterprise Partnership, the Strategic Economic Plan (SEP) was refreshed in 2017, placing a stronger emphasis on productivity and sustainable growth than its predecessor, which was more focussed on increasing employment after the economic downturn and securing resources for key projects.

3.17 In the strategy, ensuring a range of business support products and projects, co-ordinated by the Growth Hub, are available to both established and new start businesses is a key priority for the SEP. The emphasis on support for businesses should be geared towards improving productivity to drive their long-term growth, with a central aim of being 20% more productive per resident than the UK average.

3.18 The themes of the Strategic Economic Plan also form the platform for developing the Cheshire and Warrington Local Industrial Strategy, which has been the subject of a detailed evidence base. Improving productivity within both businesses and the workforce, in line with the national strategy, are key priorities within the current summary document.

European Structural and Investment Funds Strategy (ESIF)

3.19 The Cheshire and Warrington EU Structural and Investment Funds Strategy 2014-2020 (ESIF) was produced in 2013 and amended in 2016. The strategy underpins the investment priorities and processes for EU Structural Funds in the LEP area. European Regional Development Fund (ERDF) in Cheshire and Warrington is worth over £60m and makes up 55% of the areas EU Structural Funds programme allocation. The investment programme supports the EU and local ambitions for smart, sustainable, inclusive growth.

3.20 The strategy evidence base notes that Cheshire and Warrington have more businesses per head than the UK average and maintains high business start-up rates. The role for ERDF investment will be to support businesses to achieve their growth

aspirations, which is especially poignant to micro businesses and mid-market SMEs. In turn, this should ensure that Cheshire and Warrington retain its economic competitive advantage and GVA per capita increases.

3.21 Priority Axis 3, under which the CWBGS was funded, identified the need to support businesses and entrepreneurs to overcome barriers to growth and to exploit current and future opportunities to start-up, grow and prosper. Investment under this priority aimed to provide high quality business support to over 3,500 businesses.

Building a Better Future Together: Supporting Recovery in Cheshire and Warrington

3.22 Published in 2021, the Cheshire and Warrington Economic Recovery Plan focusses on how to make Cheshire and Warrington "…the healthiest, most sustainable, inclusive, and growing economy in the country."

3.23 Actions within the plan are based around these set of outcomes and the Plan is particularly keen to help businesses move out of the stabilisation and recovery phase into growth (reflecting that the nature and shape of economic recovery is likely to be very changeable).

3.24 With regards to supporting growing and start-up businesses, the Plan aims to "Support…business to start up, scale up and successfully adapt to change, enhancing our reputation as an exporting powerhouse and inward investment magnet; and targeting our key growth sectors[18]."

3.25 There is an acknowledgement that more work needs to be undertaken on identifying and supporting high potential start-up businesses and providing them with enhanced mentoring and support to help them to 'scale-up' – which may be a clear focus for the CWBGP. A clear emphasis is on peer-to-peer support, which forms a major component of some elements of the project.

3.26 A further theme running through the Recovery Plan is the need for local partners to work closely with the Universities active within the sub-region to ensure businesses have access to higher skills, research and innovation support and specialist support in key science orientated sectors and in policy areas such as Net Zero.

Market Failure Context

3.27 ERDF projects are designed to overcome local economic market failures. Within the project's full application and initial Logic Model a number of localised market failures were identified that the project planned to try and overcome.

3.28 The first of these is that the business support to SMEs is frequently fragmented – so the project aimed to develop a streamlined offer to pre-starts and SMEs, providing a comprehensive offer where possible within the confines of the project. A particular area where this was poignant was the offer to Social Enterprises

[18] Building a Better Future Together: Supporting Recovery in Cheshire and Warrington (2021) Cheshire and Warrington LEP, p6

3.29 There are a number of economic challenges that the project has identified it will assist with. Firstly, it has been identified that productivity is slipping – especially in a number of key sectors and GVA per employee is currently significantly lower in SMEs than in the region's larger companies.

3.30 One of the factors behind this is an overall lack of local innovation facilities, which the engagement of two Universities and a specialist FE college working with a broad range of SMEs should help to alleviate. It has also been identified that local businesses have a high perception of risk in developing new products and diversifying into new markets.

3.31 Overcoming these market failures has been a key aspect of the project across all phases – although as the project has progressed, some of the challenges businesses have faced in light of the COVID-19 pandemic and the aftermath of the war in Ukraine, sometimes there have been a different set of emphases for the project.

4 Methodology and Summative Assessment Context

"…Summative Assessments are intended to provide insights into project performance to enhance their implementation, reliable evidence of their efficiency, effectiveness and value for money, as well as insights into what and why interventions work (or not) and lessons for the future."[19]

4.1 This Summative Assessment report is the accumulation of an ongoing process that began early in the project delivery cycle of the first phase of project to understand the impacts and lessons learnt from the Cheshire and Warrington Business Growth Programme. The process has drawn heavily from the ERDF Summative Assessment Guidance, assessing the following key components:

- The continued relevance and consistency of the project;
- The progress of the project against contractual targets;
- The experience of delivering and managing the project;
- The economic impact attributable to the project; and
- The cost-effectiveness of the project and hence its value for money.

4.2 The Summative Assessment process is based around three phases, which are shown below.

Diagram 4.1 Summative Assessment Phases

Stage 1 - Summative Assessment planning including the completion of a logic model and the summative assessment plan using templates provided by the managing authority. This process has been completed.

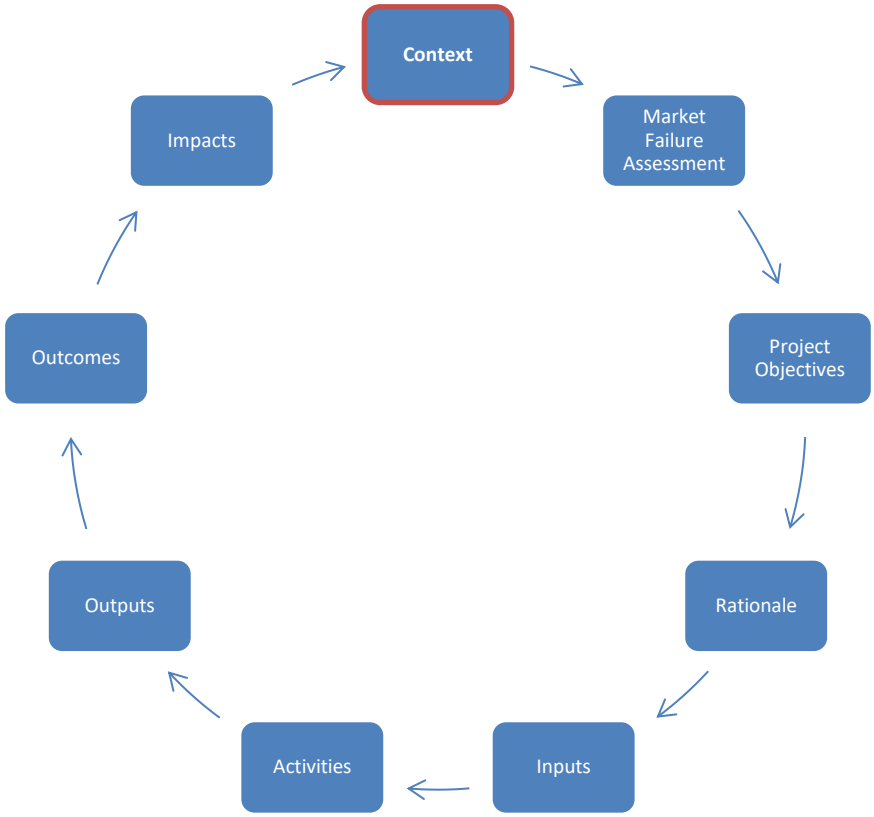
Stage 2 – Data collection and reporting on the ERDF programme's monitoring requirements and to support the final Summative Assessment. This process will be ongoing until the practical completion date.

Stage 3 - The completion of the Summative Assessment report and its summary template provided by the managing authority.

[19] Summative Assessment Guidance (July 2020) MHCLG page 3

4.3 The Summative Assessment process draws from an underpinning logic model, which encourages projects to consider in project design, delivery and implementation how activity within the project can be measured and what type of outcomes and impacts the project will deliver.

Diagram 4.2 Summative Assessment Logic Model



Source: MHCLG – Summative Assessment Logic Model

4.4 Diagram 4.2 above identifies the 'theory of change' driven logic model for the project development, delivery and Summative Assessment process. The Logic Model involves understanding the context within which CWBGP will operate and the market failure(s) it will try and address. From these contexts, a set of objectives have been set for the Summative Assessment to identify how planning and implementation are clearly linked to achieving a set of outputs, outcomes and impacts.

4.5 The logic model is a key mechanism for ensuring learning and feedback is constantly incorporated into the delivery of the programme, how it effectively engages and supports beneficiaries, the quality of services it delivers and how it measures impact. This final Summative Assessment draws from the experiences of the six years of delivery of the project and identifies key lessons learnt for future business support activity across Cheshire and Warrington's sub-geographies.

4.6 The logic model for CWBGP centred around drawing together a co-ordinated package of business support for SMEs in Cheshire and Warrington, including support for pre-start, early stage and growing and established businesses. The project also aimed to tackle the productivity challenge in Cheshire and Warrington. The area has been seeing a slow relative decline in productivity measures, with many sectors performing poorly against the national average and GVA per hour worked and local SME's productivity lagging larger companies.

4.7 In order to understand the relationship between the market failure the project is seeking to address and the design and interventions of the project, this Summative Assessment will draw upon a range of quantitative and qualitative evidence. This evidence includes:

- Key project documentation
- Meetings with key project staff at UEDU and project delivery partners
- ERDF Performance Management and Claims Data
- Management information from the project
- A review of a range of feedback and survey data undertaken by Manchester Metropolitan University.

4.8 The Summative Assessment also considers the project's management and partnership structures, highlighting key learning points and making recommendations for actions over the remainder of the project.

4.9 The methodology has centred upon evaluating the following key issues:

- How the project performed against its key milestones
- How the project performed against its contracted outputs and outcomes
- How the project supported the ERDF Horizontal Themes
- Qualitative perceptions of the project, its performance, governance and management and its contribution to sub-regional economic development
- Counter-factual Impact Assessment
- Additionality and Value for Money
- Key lessons learned and best practice

4.10 The methodology has worked within the parameters of the General Data Protection Regulation (GDPR), recognising the study will require a direct business survey and case studies and interrogation of the management information systems of project partners. The research has been undertaken drawing on the GDPR principles of:

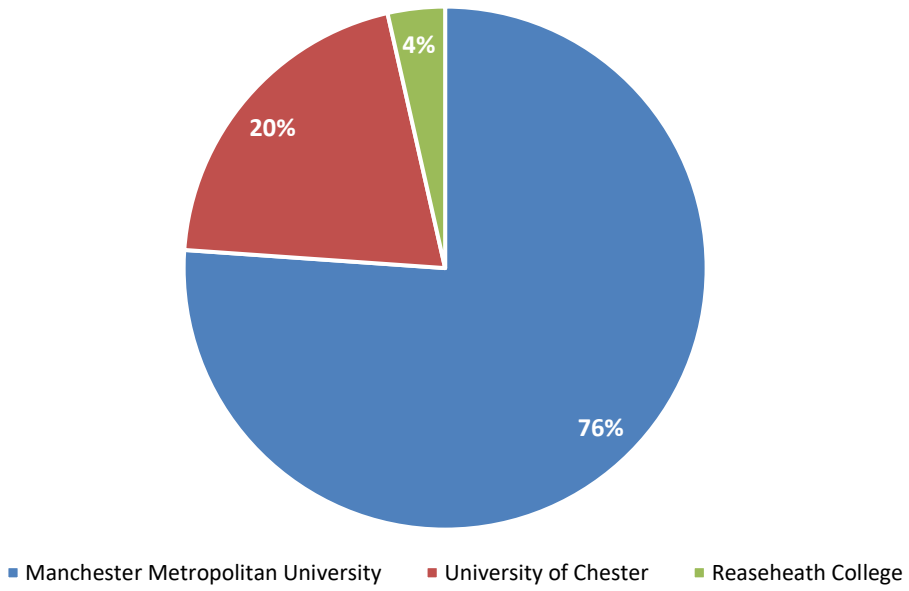
- Processing data in a lawful, fair and transparent manner
- Data is collected for a specific, explicit and legitimate purpose
- Is accurate and up-to-date
- Is processed in a manner that ensures security of the personal data
- Is based on consent of the data subject

Business Engagement

4.11 The final Summative Assessment utilises the survey work undertaken by Manchester Metropolitan University (MMU). A first (baseline) survey was undertaken at the point businesses joined the programme and a second survey is a post-completion survey undertaken when businesses had completed their support with the respective organisation. Overall MMU received 85 responses from individual businesses across the baseline survey between February 2021 and November 2022 and 28 responses to the post-completion survey.

4.12 As with the interim Summative Assessment, there is a bias towards businesses that have been supported by MMU within the findings of the survey. A total of 73% of respondents to the Baseline Survey were supported by MMU, 25% from the University of Chester and 2% from Reaseheath College. Of the post-completion survey 86% were supported by MMU, 7% from the University of Chester and 7% from Reaseheath College. The total split of responses across the two surveys is shown in Chart 4.1 below:

Chart 4.1 Survey respondents based on institution that supported them



Source: CWBGP Baseline and Post Completion Surveys (February 2021 – November 2022)

4.13 Some of the questions covered within the two surveys included:

- Status of business/respondent
- Age, Location and Structure of Business
- Number of jobs and turnover
- Institution providing support
- Baseline/post completion levels of confidence/skills in key business attributes
- Marketing/referral sources
- Any grant awards received
- Quality of support received
- Qualitative views on the support received and likely future requirements

4.14 Within the baseline survey, 81% of respondents were already running a business and 19% were entrepreneurs looking to start a business. Within the post-completion 86% of respondents were running a business and 14% were still entrepreneurs looking to start a business.

Impact Calculations

4.15 One the key elements of the Summative Assessment process is to understand the range of economic impacts of the ERDF investment on the local economy. The impacts at the interim stage will be calculated based on a) the current jobs performance of the programme as of December 2022 and b) the final performance for projected jobs through to the Practical Completion Date of June 2023.

4.16 In order to assess the likely net economic impacts of the programme, the Summative Assessment will undertake a self-reporting counterfactual impact assessment – drawing on the experiences of SMEs that have received investment through the programme and the impact it had on their growth and job creation (utilising the Post Completion Business Survey). It incorporates in assessment of deadweight based on the average survey responses in the project's post-completion survey.

4.17 No calculation for substitution has been included as the programme has reported most businesses that they have engaged have not previously received business support so are unlikely to engage in CWBGP at the expense of other support programmes.

5 Performance Review

Financial Performance

5.1 The Cheshire and Warrington Business Growth Programme has been operational since November 2015 and had cumulatively spent £8,231,278 to the end of December 2022 (Claim 31). This represented a total defrayal of 88.3% of the available budget of £9,320,174 with two final quarters remaining.

5.2 UEDU spending estimates for the remainder of the programme suggest a final expenditure on the CWBGP of £8,624,128. This figure may be subject to some small positive or negative change, but this is unlikely to be significant. This means overall the project is likely to defray 92.5% of its budget.

5.3 At the time of completing the interim Summative Assessment in June 2021 (Claim 24), the project had defrayed just over £6m. Since this point, the project has defrayed expenditure at an average of around £320,000 per quarter, compared to around £250,000 per quarter at the point of the Summative Assessment.

5.4 The interim Summative Assessment predicted final expenditure to be around £8.8m, close to the final expenditure. Over the entire delivery period the project has had to overcome a number of challenges to commit and spend its budget. This has included changing delivery partners, raising matched funding in a challenging fiscal environment for partners and high rates of staff turnover across all partners. COVID-19 has also reduced expenditure on venue hire/face-to-face delivery.

Project Outputs

Table 5.1 Project Performance Measures

Project Outputs	Current Target	Achieved Claim 31a	Projected Performance	% of projected
C1 Number of enterprises receiving support	625	643	643	103%
C2 Number of Enterprises receiving grants	84	21	23	27.4%
C4 Number of enterprises receiving non-financial support	625	643	643	103%
C5 Number of new enterprises supported	216	191	191	88.4%
C6 Private investment matching public support to enterprises (grants)	£195,500	£78,019	£78,960	40.4%
C8 Employment increase in supported enterprises	257	276.24	276.24	107.5%
C28 No of enterprises supported to introduce new to the market products	14	26	26	185.7%
C29 No of enterprises supported to introduce new to the firm products	37	24	24	64.9%
P11 Number of potential entrepreneurs assisted to be enterprise ready	296	272	272	91.9%

Source: CWBGP ERDF Claims, Funding Agreement and Funding Agreement Variations

5.5 Since the interim Summative Assessment the programme has made considerable headway to meeting its operational targets. The project already exceeded its C1 (number of enterprises supported) target and stands at 103% of the contracted targets, has hit 92% of its P11 (potential entrepreneurs supported) target and 88% of its C5 (new enterprise) targets.

5.6 There are still a number of areas at this point where the project remains behind profile. This includes investment through the grant fund, which at this point was at 25% of its target of grant awards – although a significant improvement on the performance at interim Summative Assessment of 5%. Matched funding from businesses stands at 40% of target – demonstrating higher than average grants being awarded in the early stages of the scheme.

5.7 The grant fund is a stand-alone financial element of the programme (matched funding only goes towards the ERDF contribution of the grant and does not support wider costs within the programme) and the fund does not contribute to C1 outputs as businesses are already on the programme. Any additional grants awarded will therefore not count as additional businesses supported.

5.8 UEDU Ltd and partners have invested significant effort to bring forward businesses that can be supported by the grant scheme – which was not openly advertised to businesses. Grant based outputs are claimed when the business has completed their project – so there may be a small number of some outstanding C8/C28/C29 outputs to be claimed.

5.9 As of late 2022 UEDU Ltd had received a total of 73 expressions of interest, or which 49 proceeded to submit a full application. This has resulted in a total of 23 grants being awarded totalling £78,959 of grant investment, with an average grant award of £3,433.There was a high fall off rate, mainly due to not meeting eligibility criteria. The applications that were progressed were ultimately for relatively small amounts as the businesses that applied for a grant were often not in a position to match fund larger projects.

5.10 The Programme Board were keen that the grant scheme is reserved for businesses near the end or part-way through their support and that the grant is only utilised where it adds value – which is part of the reason that investment has been below forecast.

5.11 In terms of more 'impact' orientated outputs, there is more of a mixed performance. The programme has already significantly exceeded its C28 output, supporting businesses to introduce new to the business products and services. Conversely the project has only met 65% of its target to support businesses introduce new to the market products and services. Many of these outputs have been captured late in the programme, with follow up evidence required from supported businesses.

5.12 In terms of supporting businesses to generate new employment, this is the area of the programme that was deemed as the highest risk of not meeting the tolerance levels within its targets. As of March 2023 the project had supported the creation of 276.24 additional jobs, already exceeding its target by 7%. This represents an average of 0.43 jobs per each business supported by the programme.

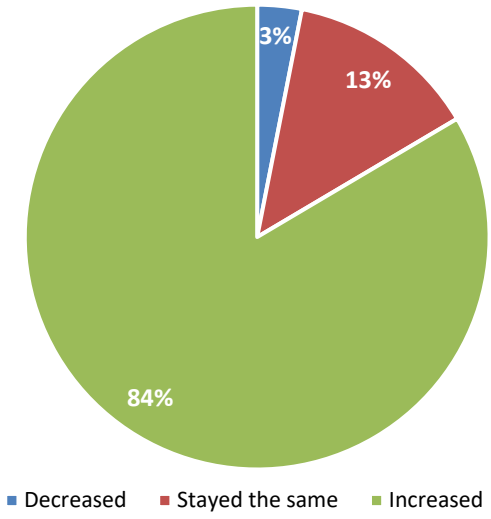
5.13 Although not specifically designed to stimulate jobs, the grant scheme will likely make some contribution to supporting businesses develop new to firm/market products and services and those looking to increase employment levels and there are a number of outputs in these fields still to be claimed. Grant schemes on other ERDF projects have been proven to be particularly effective towards these outcomes.

5.14 At the point of completing the Summative Assessment there remains a final quarter of delivery to claim. Whilst there may be some additional outputs claimed by the delivery partners, anecdotally these are not likely to be significant and will not materially change the final performance of the programme.

6 Additional Business Impacts

6.1 From the post-completion surveys undertaken by Manchester Metropolitan University, a number of additional business impacts have been identified. Firstly businesses were asked about whether their turnover had increased, decrease or stayed the same.

Chart 6.1 Changes in turnover reported in the Post Completion Survey (%)



Source: CWBGP Post Completion Survey 2021/22

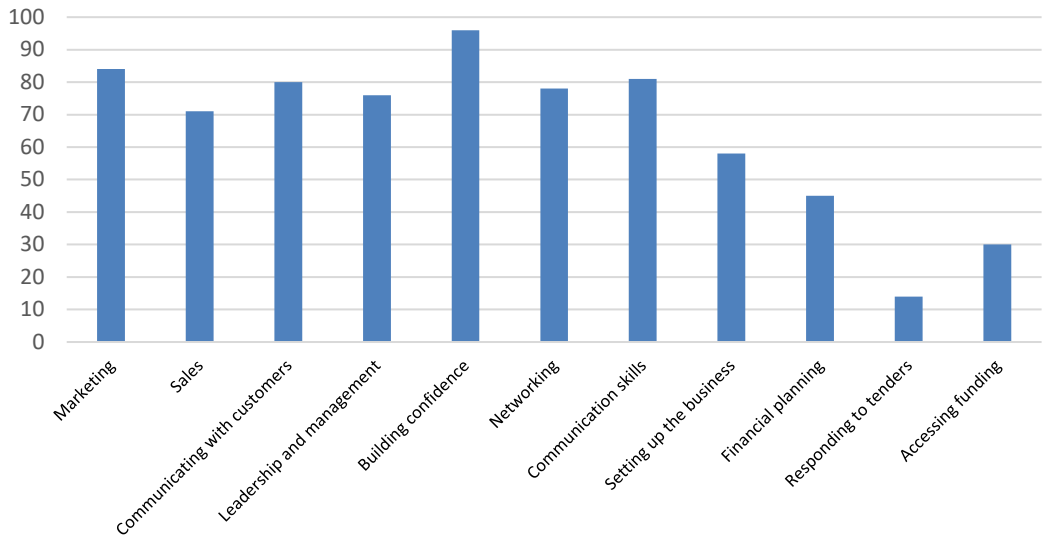
6.2 As shown in Chart 6.1 above, an impressive 84% of businesses stated they had subsequently increased their turnover, with only 3% of businesses reporting a decrease in turnover. The Formative Assessment completed by Manchester Metropolitan University does state that businesses were not asked to attribute any increases in turnover to the project, but as described in section 6.10, a total of 59% of businesses specifically stated the support from the programme helped with their business growth, which is a good proxy measure.

6.3 As part of the Post Completion Survey, businesses were asked which areas of business activity that the programme had had an impact on business skills and knowledge. This is demonstrated in Chart 6.2 overleaf.

6.4 As has also been demonstrated with the business case studies, the biggest area that businesses said had improved as a result of the support they received was confidence, with 96% of all businesses seeing a positive impact. This partly represents the relatively early stage of development that most of the businesses are operating at when joining the programme and also reflects the relatively general business support offer that the programme has been focussed on.

6.5 Other areas that businesses say the programme has helped to improve competencies include marketing (84%), communication skills and communicating with customers (81% and 80% respectively) and then sales (71%) which also demonstrates the tangible link between businesses receiving support and then increasing levels of turnover.

Chart 6.2 Improvement across a range of business competencies (%)

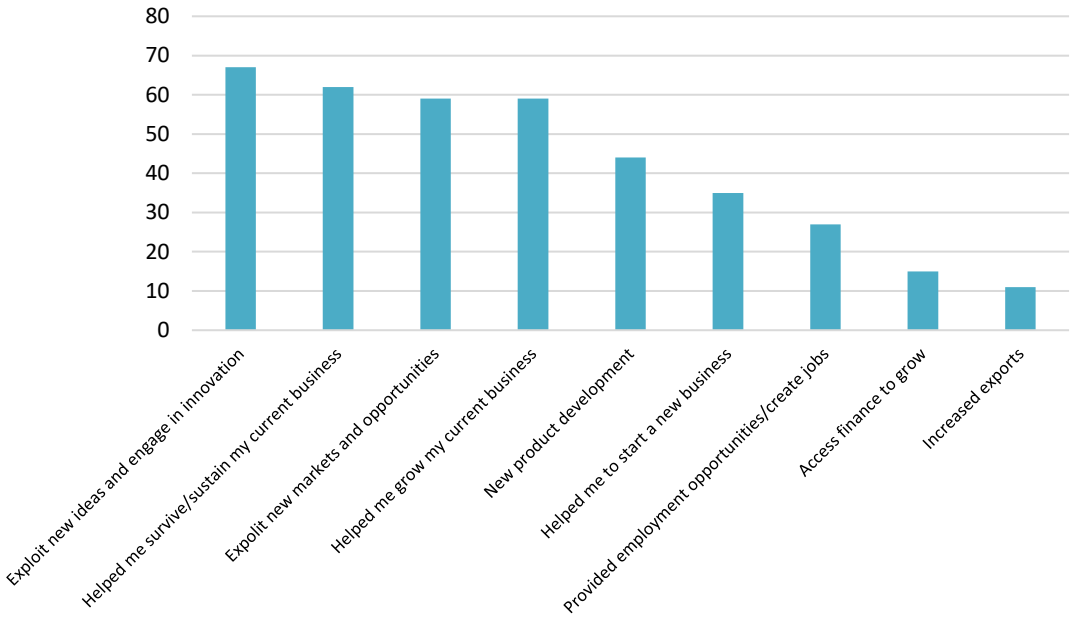


Source: CWBGP Post Completion Survey 2021/22

6.6 Businesses have also cited improvements in networking (78%) and, linked to increasing confidence is an improvement in leadership and management skills, cited by 76% of businesses. On more technical aspects, only 45% of businesses saw an improvement in financial planning, but this was not a central aspect of the programme, with 30% stating improved knowledge to be able to access funds and 14% responding to tenders and procurement opportunities.

6.7 Businesses were also asked to agree or disagree with a number of statements related to whether businesses felt the Cheshire and Warrington Business Growth programme had directly helped their business across certain areas of business growth – shown in Chart 6.3 below.

Chart 6.3 Businesses agreeing that CWBGP had an impact on business activity (%)



Source: CWBGP Post Completion Survey 2021/22

6.8 The area that businesses stated they most agreed with that the CWBGP had supported them with were exploiting new ideas and engaging in innovation, to which 67% of businesses agreed or strongly agreed the programme had directly supported this area of business growth.

6.9 A total of 62% of respondents agreed that the support from the programme had helped the business to survive, which considering the survey was distributed from early 2021, reflects the state of many businesses during the COVID-19 pandemic.

6.10 Other key areas include exploiting new markets and opportunities, to which 59% of businesses agreed or strongly agreed and helping to grow the business, to which also 59% agreed or strongly agreed. This latter figure provides a useful measure by which to develop the counterfactual impact assessment for the programme.

6.11 It is possible that the number of businesses that agreed that the programme had helped their business to grow could be an under-estimate. Firstly, some of the business that reported in 2021 that the programme had helped to sustain the business may have subsequently seen growth and secondly 35% of respondents agreed that the programme had helped them to start their business. It is possible that some businesses at an early start-up phase did not state the programme helped their business grow as it was too early to state this or the business was not yet trading.

6.12 A total of 44% of businesses agreed or strongly agreed that the programme had helped them to develop new products and services. The Formative Assessment, completed by Manchester Metropolitan University, stated that there had been a strong link between the offer of the University of Chester, linked to the wider offers of the NoWFOOD and Riverside Innovation Centres, which had made a positive contribution to businesses being able to develop and test new products.

6.13 The Cheshire and Warrington Business Growth Programme has also been successful in attracting businesses that have not previously engaged in business support onto the scheme. Based on information provided in the baseline survey, a total of 82% business stated they had not previously received any publicly funded business support, with only 14% stating that they had and a further 4% unsure.

6.14 The comments shown in the text box overleaf highlight areas and examples where businesses have particularly benefitted from the Cheshire and Warrington Business Growth Programme.

"I have learned new skills and found out where we could be outsourcing some of our work. Our plans have been delayed due to COVID, but I know I can still turn to CWBGP for support. The network of business we met has stayed in touch and are supportive of each other.", Cheshire East based business

"Our business has benefited from being given the tools, guidance and framework needed to rethink the products and services we offer; tap into new markets; and for me to fully step into my Director role and all it entails. I have a sense of community and massively improved confidence. We now operate on a global scale." Warrington based business

"(The input improved our)…clarity of offering and engagement with our core customer type has dramatically improved. Our marketing has reflected this, increasing our Return On Investment in terms of ads by over 300%. This immediately resulted in (securing) new and highly profitable customers." Cheshire West and Chester based business

"(The support)…helped me to work on a new market and start a second business with a colleague. Both are still in embryonic stages but progressing." Cheshire East based business

"Thank you for helping my grow my business and helping me grow my entrepreneurial mind set. This course has saved my business." Cheshire West and Chester based business

"I am so grateful to have had the opportunity to be on this course. Thank you." Cheshire West and Chester based business

"I am hugely grateful to…the advisers… who came into my life at a really pivotal time and who have continued to offer me their support and encouragement throughout the pandemic. I feel like I am a happier, more fulfilled and more optimistic business owner." Warrington based business

"I can't thank…the advisers…enough for their dedication, experience, openness, professionalism that is shown in every session of the course. They made our time enjoyable and provided a safe place for us to let down our guards and do some real learning!" Cheshire East based business

"…the advisers…have great enthusiasm and a desire to help the businesses they are working with. That translates to a boost of energy and confidence to succeed for each individual taking part in the program. This is on top of the tools they give you to help accomplish this." Cheshire East business

Wider Employment Impacts

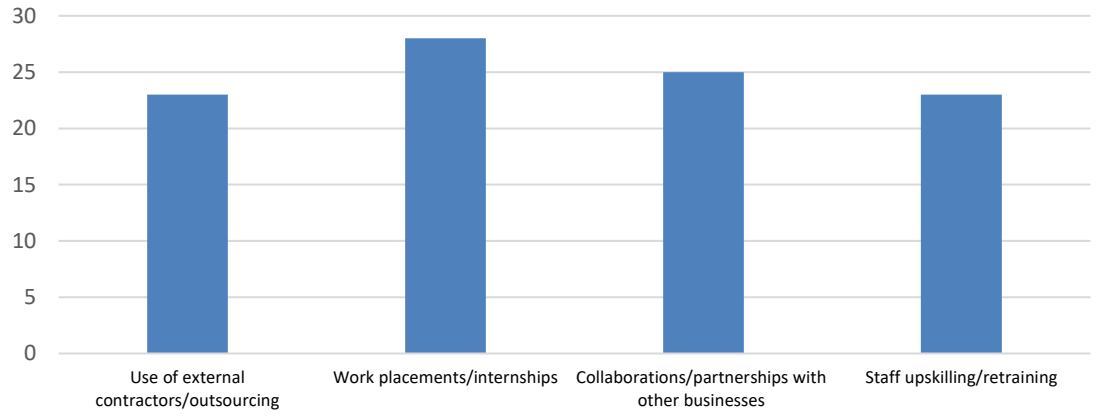
6.15 According to Claim 31, the Cheshire and Warrington Business Growth Programme has captured the creation of 276.24 new jobs from businesses in terms of ERDF outputs. However, in terms of the overall increase in 'employment' in supported enterprises, the actual impact when measured by wider criteria than the ERDF outputs is likely to be in excess of this. Other forms of employment include internships, work placements, temporary jobs, additional hours for existing staff and utilising freelancers.

6.16 The C8 job outputs reported as part of the CWBGP monitoring processes have occurred where businesses have stated they would create a job and have supplied the programme with sufficient evidence to report this job as a qualified output. The 'job' has to meet stringent ERDF criteria (as identified in section 2). Many additional 'employment opportunities' do not meet this criteria so are not claimed.

6.17 Many businesses create jobs after the initial intervention and after their final engagement on the project, some do not create sufficient evidence to report a job as an output, other businesses for a range of reasons never report job creation to the Programme Management Team.

6.18 As part of Post Completion survey, businesses were asked if they had undertaken a range of wider activity that would support the scaling up of the business that did not involve formal job creation. A total of 28% of businesses stated they had taken on work placements or internships, which is part of the offer of the wider Universities, providing opportunities to place students in businesses. A total of 25% of businesses undertook collaborations with other businesses whilst 23% used external contractors and 23% upskilled or retrained existing staff.

Chart 6.4 Non-employment based scaling up activities (%)



Source: CWBGP Post Completion Survey 2021/22

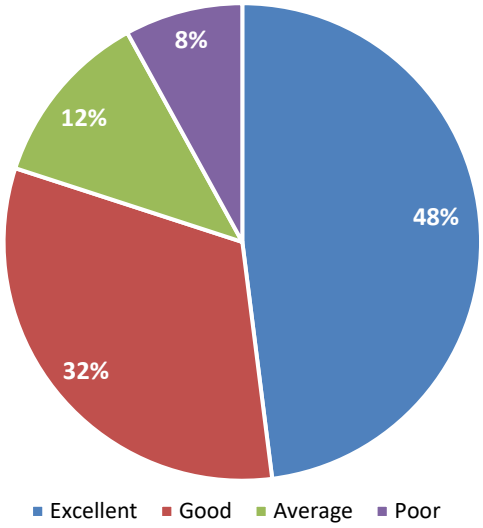
6.19 All of these activities will lead to employment opportunities within the business or supply chains, either immediately or further down the line that cannot be claimed for ERDF purposes. However, all these measures are demonstrations of growing businesses.

7 Qualitative Review

Business Perspectives

7.1 As shown in Chart 7.1 below, business overall had a very positive view of the support they received from the Cheshire and Warrington Business Growth Programme (although most survey responses relate to businesses supported by Manchester Metropolitan University). Overall, 48% found the provision Excellent and a further 32% good. This represents a total of four out of five businesses finding the provision Excellent or Very Good, which further demonstrates the quality, relevance and flexibility of the offer of partners.

Chart 7.1 Business Views on the Quality of Support on offer from CWBGP



Source: CWBGP Post Completion Survey 2021/22

7.2 Drawing from the findings of the interim Summative Assessment, updated through the Formative Assessment, businesses provided a range of feedback on the grant scheme. Six businesses that completed the Post Completion business survey had participated in the grant scheme, four had received grants and two were in the process of applying for a grant. Of these businesses, three were very satisfied with the support they received in applying for a grant, one was satisfied and one was neither satisfied nor unsatisfied – so again views on the process were generally positive.

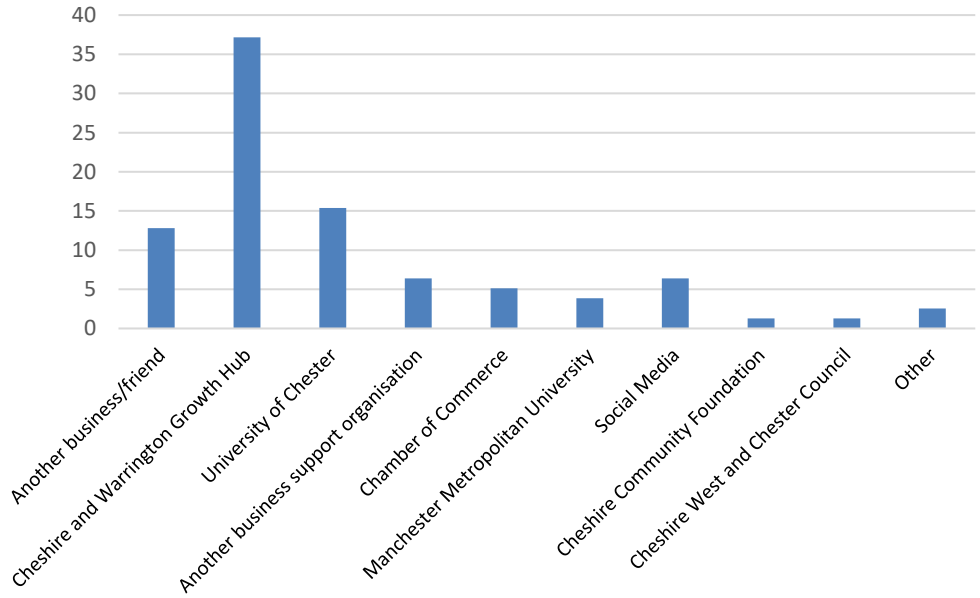
7.3 Businesses within the survey were also asked the reason why they had not accessed the grant fund, where they had not received investment. A clear majority (79%) had not heard there was a grant scheme associated with the programme. A further 11% stated they did not need a grant and only 5% stated they did not meet the criteria for the grant.

7.4 The Formative Evaluation, through survey responses and interviews, identified a difference between businesses that were supported by the University of Chester and Manchester Metropolitan University regarding the grant. Fewer businesses supported by MMU were aware of the grant scheme than the University of Chester.

7.5 Businesses were asked how they had first heard of the Cheshire and Warrington Business Growth Programme (shown in Chart 7.2 below). The most common source, identified by over 37% of all businesses, was the Cheshire and Warrington Growth Hub. The Growth Hub has clearly been a key partner for the programme and represents a relationship that has supported the delivery of outputs and outcomes for the programme. Feedback has been consistent across the duration of the programme that the CWBGP has been the most referred to programme by the Growth Hub.

7.6 The University of Chester was the next highest source of referrals, with 15% if all businesses engaging through the University followed by word of mouth from another business or individual – which is a partial reflection of how positively businesses viewed the programme.

Chart 7.2 Referral and Marketing Sources (%)



Source: CWBGP Post Completion Survey 2021/22

7.7 The other partners, who do not have the same physical presence across the Cheshire geography (especially since Manchester Metropolitan University withdrew from their Crewe campus) had fewer direct referrals. It is important to note that the survey is predominately based on responses from businesses supported by MMU and therefore the low level of direct referrals from the University shows the level of outreach that has taken place to engage businesses.

Partner Perspectives

7.8 The final Summative Assessment has included on interviews with project staff at UEDU Ltd, the University of Chester and Manchester Metropolitan University between March and May of 2023. The interviews have followed on from previous discussions as part of the interim Summative Assessment and also draw from some of the qualitative feedback provided as part of the Formative Assessment.

7.9 The interview questions covered, views on the management and governance of the programme, views on the quality of provision and impact on businesses, the potential legacy of the programme within both Cheshire and Warrington and on the delivery partners any key lessons learnt from the programme.

Governance and Management

7.10 Across the interviews there remained a consensus that UEDU Ltd had performed the Accountable Body role very effectively and had supported partners to comply with ERDF requirements and had worked to enable all partners to deliver their activity effectively. This was often a difficult task as they are the Accountable Body for a project with three institutions that are much larger organisations than themselves, with a higher staffing headcount.

7.11 Much of the focus of the governance process has been on performance and compliance rather than strategic added value, but as the programme is a relatively complex partnership and has largely been behind profile for the duration of its delivery cycle, this is largely to be expected. The federated delivery model also meant there were relatively few areas that either UEDU Ltd or the Project Board could effectively coordinate.

7.12 As a long term programme, the CWBGP has suffered from considerable personnel changes across all of the delivery partners, which has affected governance and continuity – but has also affected delivery and expenditure. There have been periods of time, sometimes significant, where Reaseheath College, Manchester Metropolitan University and the University of Chester have run with staff vacancies on the project.

7.13 It was stated that sometimes there had been constructive dialogue on levels of administration and bureaucracy on the project – to ensure that processes were kept as simple as possible for partners and businesses. As UEDU Ltd were not directly involved in delivery, it was felt important to ensure they understood the implications of any administrative decisions on businesses. Communications in this area was deemed to be both timely and effective.

7.14 All partners had, to some extent, found it a challenge to secure sufficient matched funding as their contribution to the project. This was partly due to budgetary issues, partly due to carrying high levels of vacancies at various points of delivery and partly due to competing demands on some of the time input of wider academics and staff across the organisations. There was frequently a backlog in claiming staff that were working on the project on a timesheet basis.

7.15 One of the main ongoing governance challenges for the CWBGP has been how to balance co-ordinating the delivery of a range of partners, whilst ensuring there is the semblance of a cohesive offer to local businesses. The programme has been the most referred to business support programme under the Cheshire and Warrington Growth Hub, but has had a number of entry points for businesses.

7.16 UEDU Ltd have received a number of centralised enquiries from businesses, both from the Growth Hub and via the project website – and have managed to effectively distribute these enquiries to the most relevant delivery partner. This has allowed the presentation of a cohesive programme when needed – but allowed individual partners to continue with their own bespoke offers.

7.17 Whilst there was some collaboration between partners, it was relatively limited and mainly related to cross referrals due to either capacity or another partner having a particular specialism that would suit a particular business. It was felt by all parties that more could have been done in this area.

"Partners often worked in parallel not necessarily in partnership"

7.18 There had been opportunities to jointly promote the programme, deliver joint workshops and bootcamps and plan and co-ordinate delivery more effectively that were not always taken. Again, this has partly been due to the high levels of staff turnover in individual partners and UEDU Ltd.

Approach

7.19 One of the key challenges that affected all the delivery partners right through the programme has been ensuring there has been sufficient input from academic staff to the programme and co-ordinating this process. This has, at times, been difficult to manage due to staff vacancies and working around a busy academic timetable. At certain points the programme has been predominately driven by the Business Development Managers, which was not the original intention.

7.20 During the COVID-19 pandemic all delivery moved online and subsequently has returned to a hybrid model, although with a significant face-to-face component. This has proven to be an effective approach for engaging SMEs that have relatively limited time and cannot always commit to the cost and travel needed for face-to-face activity.

7.21 Partners felt the programme had made the transition to online delivery during the pandemic well, especially as there were some businesses already engaged on bootcamps and on cohort delivery that needed to be accommodated. The offer had adapted to changing business needs - although invariably the lack of a major upfront grant offer did hamper the programme during this period as finance was the main business need.

7.22 One area of collaboration was the delivery partnership established with the Cheshire Community Foundation to deliver a programme to support ERDF-eligible Social Enterprises. The activity was developed jointly at the instigation of UEDU, MMU and the University of Chester to provide support relevant to social enterprises. The programme also helped the third sector to understand the work of the Universities and what opportunities this may open. The feedback on the programme was extremely positive.

7.23 Stakeholders agreed with the findings of the business survey, that the main area of benefit for businesses was within their levels of confidence in all aspects of running and growing a business – and that the benefits of this confidence was not always visible in the short time and sometimes hard to attribute to the project.

> "*We focussed on quality and business need and made sure 12 hours was an absolute minimum for those businesses that wanted it or needed it*"

7.24 There were a significant proportion of micro businesses on the programme and businesses at either a pre-start or early stage of their growth journey. Often they wanted affirmation from both advisors and their peers that they were 'doing it right' or at least not doing anything wrong.

7.25 All partners were keen to stress that a significant number of businesses received well in excess of the expected 12 hours of support through ERDF. All partners were focussed on quality and business need rather than merely ticking the right box and either provide the businesses less than they needed or was required to deliver a quality and relevant product.

7.26 The grant fund was noted as a particular challenge to administer, not least due to ERDF funding and compliance requirements, and whilst some businesses really benefitted from it, there were a significant number of applications that fell by the wayside and many were ineligible. Ultimately, the grant fund, whilst seen as a valuable tool, being centrally administered, did not add to the outputs of individual partners. The input required in terms of support to pull together a quality and relevant application for a business was often significant.

7.27 The applications that were progressed were ultimately for relatively small amounts compared to what was available as the businesses that applied for a grant were often not in a position to match fund larger projects. Fewer and smaller grants has undermined the ability of the fund to be a real driver of new products/services and to help the programme to generate additional jobs.

Legacy and Lessons Learnt

7.28 Both Universities have used the CWBGP, along with a range of other ERDF projects, to develop links between its research and innovation function, supporting both employability and industry focussed teaching and support a wider range of industry focussed projects.

7.29 The University of Chester have a long standing commitment to work with local SMEs across all of their campuses within Cheshire and Warrington, although have acknowledged without significant resources this activity will be considerably lower than could be afforded through the CWBGP. Similarly, Manchester Metropolitan University plan to continue working where they can across Cheshire and Warrington, despite the lack of a physical campus. The University currently has an active Help to Grow Management programme in operation across the area.

7.30 The experience of working on CWBGP has re-enforced that operationally, a cohort based model is the most effective way of engaging businesses for Manchester Metropolitan University and this is the model that will be used going forwards. Using a discrete delivery window helps to plan business engagement and academic and management resources as well as providing a clear support package for businesses. The project team have managed to keep the level of dropouts to a minimum by forward fixing dates as far as possible, ongoing communication with businesses and being flexible in the way the cohort approach is delivered. Working with an ongoing and consistent group of peers was also attractive to businesses – and may cohorts subsequently developed their own mini networks and Whatsapp groups.

7.31 Reaseheath College engaged with the programme to develop their offer to businesses and employers within their sectors of expertise such as land-based businesses, food sector businesses and sports. It was recognised that engaging with industry can create significant opportunities for the College, including developing Apprenticeship opportunities and ensuring more technical work experience opportunities are embedded into courses.

7.32 As a smaller institution some of the staffing issues that have affected Reaseheath College have had much more of an operational impact than the two Universities and the College have found it difficult at times to fully engage with some of the wider management and administrative requirements of the CWBGP as a result.

7.33 As the programme progressed, delivery partners began to place a stronger emphasis on stimulating innovation in their delivery – with a focus on linking more businesses with Academic expertise, especially where there may be scope to work with 'sticky' businesses that would work with the institution longer term on further Academic/Industrial projects such as KTPs or Innovate UK projects. There was also an increasing drive for all sectors of society and the economy to pursue Net Zero approaches – and it is already becoming an increasing pressure on businesses.

7.34 There were a number of beneficial outcomes for delivery partners including some interest in undertaking an MBA and KTPs, a good number of work placements for students and some potential Continuing Professional Development opportunities. Some of the activity will also contribute towards both University's metrics with regards to the Knowledge Exchange Framework. However, the academic institutions were not always able to fully maximise the potential of these wider impacts due to high levels of staff turnover.

7.34 Business that got the most out of the programme were those that were able to use the programme to develop a relationship with the relevant institution and identify areas for future innovation and growth, rather than those that participated to secure a transaction exchange of knowledge.

7.35 The challenge for business support going forward, in an age of online support, social media and instantly available information on a range of topics - is to provide detailed and bespoke diagnostics and then to provide the expertise, knowledge and experiences that a business cannot just 'Google'. Most business support projects were struggling with this concept – especially as EU programmes that promoted face-to-face, 12 hours support packages are winding down and the methodology of 'what comes next' through UK Shared Prosperity Fund still does not have full clarity.

7.36 There is still a need for a programme such as this - although likely on individual Local Authority areas given the allocations of UK Shared Prosperity Fund. The CWBGP was designed to be a comprehensive programme of support for businesses across Cheshire and Warrington – and what comes next is likely to be more disparate.

7.37 There is a fear that Universities may largely retreat from supporting SMEs on the same scale in the future and reduce their levels of working together. Investment through EU programmes had provided sub-regional (and indeed national) Universities with the resources to seek out and engage SMEs, to develop a relevant offer and to make availability within academic and research timetables and resources to work with businesses that are not natural clients of universities. This all comes with a cost and ERDF has provided funds to make this happen

8 Business Case Studies

Case Study: Forest & Clay

www.forestandclay.co.uk

Malpas based Forest & Clay are a contemporary furniture and pottery design company utilising natural and sustainable materials.

The business has been supported in its early stage start up and growth by the University of Chester as part of the CWBGP. The business attended a four-week start-up bootcamp, a workshop on marketing and branding, followed one-to-one support and a small grant of £3,000.

Founder Dan Bethell stated "*I joined the CWBGP as I felt it would be a great insight to how businesses run and grow. It felt reassuring connecting to other start-up businesses locally who were asking the same questions*."

"*I found it especially useful speaking to business owners who had more experience in advertising and how to engage with their audience. I learnt a lot in the basics of target market, unique selling points, customer profiles and so on."*

The grant provided the business with additional machinery to increase the quality, efficiency and range of products the business could produce.

"*We're now offer bespoke fitted furniture, which includes 3D designing, manufacturing and installation of kitchens, wardrobes and large fitted cabinetry such as larder cupboards and audio-visual walls. We also offer a series of tableware, from small plates to large serving platters in a range of clays and glazes, and can provide bespoke tableware for wholesale orders to restaurants or interior designers who want something unique*."

Case Study: Stunii

www.stunii.com

STUNii is an app offering exclusive online gifts, food and drink offers and a host of key information tailored to students in individual cities. Stunni has a combined cross platform and social media network reach of over 22,000,000 users.

STUNii CEO Jordan Tew hit on the concept when he was studying entrepreneurship and business management at the University of Chester in 2017. He wanted to deliver insights about his home-town, Chester, to fellow students new to the city.

A further eight northern UK cities were added to the portfolio, notching up over 100,000 app downloads and over 400 high street partners including salons, nightclubs, restaurants and activity providers. A lucrative regional partnership contract was also signed with one of the country's largest providers of purpose-built student accommodation, Student Roost.

Jordan engaged with the CWBGP to help his team to learn new business skills. The team benefited from business workshops and one-to-one advice which has helped the concept move forward.

Jordan said, "*The Business Growth Programme has been incredibly*

instrumental in the continued successes we have achieved over the past 3 years. The unique insights and resources that we receive, are really pivotal to our decision-making processes that have led to our continued development."

Based in the University of Chester's Riverside Innovation Centre, the business now has a presence in over eight northern UK cities. By 2024 the brand is forecast to enter the American and Australian markets. Currently an industry-leading platform, STUNii is continuing to add new elements to its value proposition and is forging long-term partnerships.

Case Study: Write on Time

www.writeontime.co.uk

Michelle Ewen founded PR consultancy Write on Time Limited with her husband Christian, and together they help business owners to learn how to pitch to the press with confidence.

The main challenge Michelle faced before joining the programme was stepping into the role of being a company Director. Michelle said, "*I'd come from the corporate world and I still had that employee mentality. I really needed some energy and input to help me rethink what my business could look like and how it could be scalable*."

Michelle attended a range of workshops between 2019 and 2021. Michelle stated "*being part of the course and the programme gave me that sense of community that I was missing, and I didn't feel as alone anymore*."

In the early stages, Michelle struggled to see how her business could be scalable because early clients were taking up all her time.

"Having completed the programme, I've now worked with over 3, 000 business owners as far afield as Australia and Hong Kong and California, USA."

"Attending this programme has been truly transformational for my business. I feel now that I'm in control of my business. I've got a really clear vision and a mission that I'm pushing towards."

"What this programme has done really successfully, is helped me to actually enjoy being in business. I've really fallen in love with the sales and the marketing, the networking, and the product development side of it, and I really don't think I would have gotten there if I'd have just carried on working independently on my own without the really valuable advice that I've received."

Case Study: ollie & fred

www.ollieandfred.co.uk

Katherine Kershaw, founder of accessories brand ollie and fred, joined the CWBGP in 2019. Following a varied career spanning sectors from IT to advertising, Katherine Kershaw founded accessories brand ollie and fred in 2018.

"I am a sole trader so I do everything at ollie and fred, from making decisions on new designs and collections to packing products, to marketing and everything in between."

Katherine joined the programme as she had never run my own business before and, although I knew I could work out for myself, after many years at home as a full-time mum, my confidence was at an all-time low.

Katherine said, *"I wanted to meet other small business owners, commit to goals, and get back out into the working world again."*

"Towards the end of the course, I'd grown so much in confidence that I was making videos because I wanted to rather than it being part of a task.

"I also met a wonderful group of people that have been incredibly supportive and are still a large part of my business network."

Case Study: Bespark e-learning

www.besparkelearning.com

Founder and Director Carina Martins Nakama relocated to the UK from Brazil in 2016, wanting to establish her own business. Carina established Bespark as an e-learning business consultancy that helps companies develop a bespoke training platform from which to build and manage their own online courses. She initially worked part-time on the business.

When the pandemic hit in 2020, Carina decided that this was the time to dedicate herself fully to the business.

Previously, Carina had spent over 10 years working as a general manager in luxury hotels, but with an MBA in business management specialising in project management, training and process improvement, wanted to offer help to the business community.

Carina joined the CWBGP in 2021 through the University of Chester as she was looking for a scalable way to grow the business. Carina found she was taking in a variety of work and needed help to set out a sales strategy. She also wanted to share ideas and collaborate with others.

Carina received one-to-one support and found the sessions extremely valuable; she was offered a wide network of contacts and opportunities to collaborate, challenge and validate her ideas.

"When I first launched the business, I knew I wanted to work with something that helped people find more balance and efficiency with better leadership, processes, and training. "

The business has subsequently experienced around 50% growth and Carina expects this to increase with added sales and marketing input planned next year.

The business model has been re-examined to enable further expansion. A part-time contract worker and two regular contractors have been taken on to support increasing demand for the company's services.

Case Study: Greenlight Computers

www.besparkelearning.com

Formed in 2006, Greenlight Computers mission is to provide a single point of service for IT to their customers, from fixing computers to digital marketing and creating websites.

Greenlight Computer's Director, John Sewell, joined the CWBGP to see the business from a new perspective.

After 15 years of running the business it was time to take a step back and rethink the way they had always done things. John engaged with the CWBGP through Manchester Metropolitan University.

John stated, *"After 15 years in business you tend to do things as you have always done them. Every so often you need to be taken out of this rut and do something different. I joined to programme as I knew I needed to find the time to do things differently."*

"The things I have learned from the programme is to be honest with myself and ask the hard questions. The programme taught us not to search for the easy to pick fruit but to understand what is the true source of any business problems."

"The programme has had a substantial impact. I realised I spent too much time doing the minutiae of the business so we looked for recruits to take away the smaller jobs so I could be more strategic."

***Case Study*: Pennysmart**

www.pennysmart.org.uk

Pennysmart is a Community Interest Company helping those in financial crisis to stabilise their finances, deal with problem debt and improve their financial resilience.

Founder Jayne Bellis moved into the free advice sector over 25 years ago, becoming manager for a leading debt charity. Jayne launched Pennysmart as a social enterprise in March 2009.

Jayne joined the CWBGP in 2021 to develop a relationship with the University of Chester and access its wide-reaching resources. Jayne received personal advice from the structured programme through peer support, online training, access to experts and mentoring which she says has positively helped her business.

Since engaging with the CWBGP, Pennysmart has experienced 8.5% growth, but Jayne feels that more significantly, it has been able to support 24% more clients in financial crisis.

Since completing the BGP programme, Jayne has recruited three additional staff members and Pennysmart has won provisional pilot contracts with two social landlords, offering advice and casework services.

Pennymsart also won the Institute of Money Advisers 'Partnership of The Year 2022' for their long and successful collaboration with Clarion Housing Group.

9 Cross Cutting Themes

Sustainable Development

9.1 Much of the interventions of the Cheshire and Warrington Business Growth Programme have had either direct or indirect positive sustainability outcomes. Both Universities and Reaseheath College are active in supporting businesses with developing Low Carbon products and reducing their carbon footprint – with businesses where relevant being referred to this provision.

9.2 Sustainability formed a key component of delivery for all partners, including waste management, sustainable energy consumption and developing sustainable supply chains.

9.3 Businesses have been supported to deliver a broad range of sustainability outcomes including utilising sustainable materials in the production of goods and services, delivering environmental advice and services to businesses and producing low carbon energy. Examples include Positive Planet, which provides Carbon Neutral Certification to businesses and organisations and Blue Sky Bio, who provide green thermal energy solutions.

Equalities and Diversity

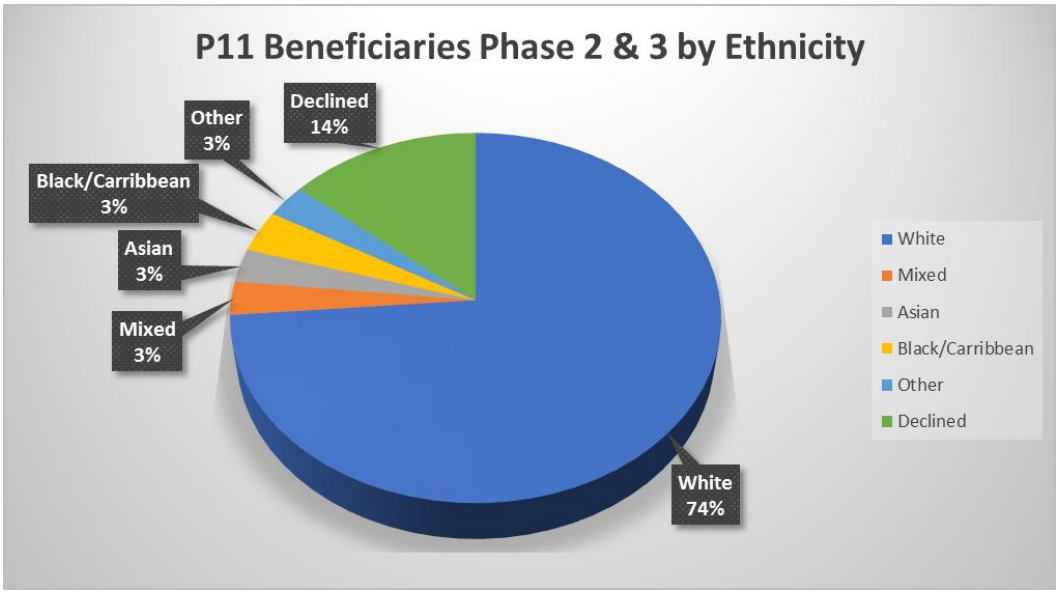
9.4 Within the Full Application, UEDU Ltd stated the programme would ensure no beneficiaries would be excluded on the basis of their protected characteristics and a range of needs will be considered during the design of the project and will be responsive and targeted towards under-represented communities and groups.

9.5 Equalities and diversity on the programme has largely followed each partner's policy in this field and the programme has possibly missed an opportunity to collect detailed data beyond the basic level monitoring information. Information was also gathered in relation to potential new entrepreneurs, (P11s), as the data was about an individual (not a company). The project periodically supplied DLUHC with the required data template uploads.

9.6 Across phases 2 and 3 of the project, in total 53% of all entrepreneurs that requested assistance to start a business were female, and over 5% stated they had some form of disability. Most participant were White (74%) as shown in Chart 9.1 overleaf, with a range of other ethnicities also taking part in the programme as shown in the chart. The percentage of ethnic minorities amongst the population of Cheshire and Warrington is approximately 8%.

9.7 The largest age cohorts of potential entrepreneurs engaging on the project were aged between 30 and 44, with this age group representing 52.3% of all participants that provided their age. Considering the delivery on the project was being led by organisations with core educational roles, only 5.5% of all participants were aged under 24 and only 15.6% were aged under 30.

Chart 9.1 Ethnicity of Pre-Start Entrepreneurs on the CWBGP



Source: CWBGP P11 Data Collection – Phases 2 and 3

9.8 The programme has worked particularly hard to promote female entrepreneurship through the activities of partners. The team have ensured there has been strong representation of female entrepreneurs and expertise as speakers at events and as case studies of success.

9.9 Within the context of coming out of the COVID-19 pandemic, support from the programme opened up significant opportunities for businesses to support hybrid and flexible working for their staff. This has been an important factor in both stimulating growth in employment in a tight labour market and encouraging more diversification in the labour market.

10 Net Counterfactual Impacts and Value for Money

10.1 As identified within section 5, the CWBGP, according to its ERDF outputs, has created a total of **276.24 full time equivalent positions** across the 643 businesses supported to date. This represents the equivalent of 0.43 jobs per business supported. It is worth noting that this number reflects those positions created that meet the stringent ERDF criteria and thresholds. It excludes for example vacancies created which, for operational flexibility and other reasons, SMEs have chosen to fill with self-employed individuals or contracted out functions rather than directly employ staff, (which has been a growing and reported trend not envisaged during the drafting of the UK ERDF Programme).

10.2 As identified in section 6.10, a total of 59% of businesses agreed or agreed strongly that the CWBGP contributed to their business growth, which will be used as a counterfactual measure, recognising that 41% of growth in employment would probably have happened anyway. This suggests **a net increase of 163 FTE** jobs can be directly attributed to the interventions of the project.

10.3 Based on the latest GVA per filled job figures for the Cheshire and Warrington LEP area (2020 data), each new job created would contribute £62,350 to local economic output per annum. This means the gross 276.24 jobs created would contribute £17.2m per annum to the sub-regional economy and the 163 net jobs created would contribute **£10.1m GVA per annum**[20].

10.4 Based on the programme budget investing an average of around £1.2m per annum, this would generate an annual net return on investment of £8.30 for every pound invested and £16.80 for every pound of ERDF invested.

Value for Money

10.5 Ensuring value for money for European Union Structural Funds investment is a key component of the current ESIF programme and of Summative Assessment guidance and it is important that ERDF unit costs are benchmarked and contextualised.

10.6 At the point of completion of the Summative Assessment stage, the CWBGP has supported 643 businesses by the end of March 2023, which is also forecast to be the final performance of the programme. The projected final budget is estimated to be £8,624,128, which suggests a unit cost of £13,412, a reduction since the interim Summative Assessment when the unit cost was over £16k. The anticipated unit cost of the extended project (625 businesses supported for a budget of £9,320,174) was forecast to be £14,912 – so the project has delivered for a lower unit cost.

[20] Regional gross value added (balanced) per head (2020) ONS

10.7 By the final claim, the CWBGP will have supported businesses to create a minimum of 276.24 gross jobs. Against the projected budget this would be a unit cost of £31,219. This is considerably lower than was reported at the interim Summative Assessment (around £47k) and the unit cost based on the overall programme budget and C8 outputs within the last submitted Project Change Request (£35,915).

10.8 Given the relatively high budget of the project and the low numbers of businesses developing new to the firm or new to the market products, it is not deemed that undertaking a value for money assessment against these outputs would be a fair reflection on the performance of the project in this field.

Benchmarked Costs

10.9 According to a benchmarking report by Regeneris on the anticipated unit costs per output across the 2014-20 ERDF programme, the median benchmark for jobs created across ERDF projects should be £26,000, with a mean cost per job created was £71,000 as a result of more capital intensive projects (although this was based on research undertaken in 2013).

10.10 The current and projected gross cost per job created by the CWBGP is slightly above the Regeneris recommended median cost, but below the mean unit cost. The project overall therefore offers good value for money, especially as the programme has had to deal with the impacts of COVID-19 and a very uncertain labour market in its aftermath.

10.11 With regards to businesses supported, the mean benchmark unit cost for a medium intensity business supported output is £34,000, with a median unit cost of £10,400. This suggests the cost of businesses supported output for the project is higher than the median benchmark (which was based on 2013 estimates) but lower than the mean and therefore offers good value for money.

11 Key Lessons Learnt and Conclusions

11.1 In terms of lessons learnt, many of the key lessons focus on the complexities of the partnership approach to the project and the layering of EU structural funds within this process. Some of these lessons may not be relevant to future business support activity within Cheshire and Warrington due to the changing funding and policy environment.

11.2 The project had pulled together a consortium of providers, but direct collaboration across the programme was relatively limited – although this did allow for flexibility in delivery by each partner. UEDU Ltd., were credited with providing a strong role as accountable body and bringing together partners on a complex project.

11.3 Capacity has been a major issue for delivery partners throughout the programme, both in terms of the input of academic staff where needed and high turnover of project staff. Whilst this cannot really be 'planned' into any future projects, it is a risk that needs careful management and the lack of a centralised programme meant capacity could not be realigned easily.

11.4 Although the models of delivery have varied, the emphasis on providing a quality and needed product for businesses has delivered the right outcomes for the programme. All partners supported a range of businesses outside of the scope of the ERDF 12 hour assist. Some were supported for far fewer hours and never claimed as outputs whilst some received significantly in excess of 12 hours of support – with some then also receiving grant investment. Activity for all the partners has focused on where the programme can add most value to businesses, rather than simply what is needed to deliver outputs.

11.5 The grant programme has been important to help a number of businesses, but administration has been complex and, with no contribution to the outputs of partners, inward referrals have not always had the support required. This is also partly due to capacity to support applicants. Any grant programmes for SMEs need to note that capacity to both support businesses with applications and to appraise and contract manage projects needed to be considered within resource planning.

Conclusions

11.6 The project is forecast to meet most of its outputs and the budget should be within an agreed tolerance range, although job creation has been hampered by the impacts of COVID-19 and its aftermath and may ultimately fall short of its target. This demonstrates the project's logic model was well designed and was able to respond to change over an extended period of delivery.

11.7 The programme has been particularly successful in support new and early stage businesses to improve their confidence in running and growing a business, which in turn has seen 84% of businesses report an increase in their turnover.

11.8 Businesses have provided positive feedback on the quality of offer, with over four out of five businesses rating the provision as good or excellent. Partners have also had positive feedback on the programme, which has allowed each institution to enhance their capacity to engage and support SMEs.

11.9 The completed counterfactual impact assessment suggested that of the 276.24 full time equivalent jobs created, of which 163 jobs would not have happened without the intervention of the project. The Summative Assessment has also demonstrated the wider impact the programme has had on employment, with a broad number of businesses increasing their use of sub-contractors, taking in work placements or collaborating with other businesses.

11.10 Drawing from the Logic Model and the objectives of the Grant Funding Agreement, the Summative Assessment has identified the outputs, outcomes and impacts of the programme and where and how the project design, delivery and implementation has enabled progress in these areas.

11.11 Overall the project is forecast to make a net contribution to the Cheshire and Warrington economy of £10.1m per annum. The programme has offered good value for money against benchmarks and has demonstrated a return on investment of £8.30 for every pound invested.

Appendix A – Logic Model

Project

Project Name:	**Marine Business Technology Centre**
Project Reference:	**16R16P01307**

Click on the arrows to navigate around the model. Tables can be edited directly in the model. To edit free text, click Edit under each title

Context

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Low employment in higher value/knowledge sectorsPoor innovation performance
Low expenditure on R&D
Lack of information about research opportunities
Need for more facilities for test and demonstration of new technologies in real-world conditions created at affordable cost

Market Failure Assessment

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Infrastructural failure – no one business can afford the equipment required to test and develop the technologies described in the bid.
Institutional failure – the immature legislative frameworks and regulations on in sea testing and autonomous marine vehicles create barriers to commercialisation for individual businesses.
Information asymmetry – businesses don't understand the opportunities for innovation.
Network Failure – businesses aren't aware of the partners with whom they could innovate

Project Objectives

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Create a support service that will promote and generate collaborations between businesses and universities as well as establish innovation facilities and test equipment.
• a coordinating Innovation Service for SMEs that provides intelligent brokerage to the specialist marine Knowledge Providers in the area,
• access to in-sea testing facilities
• new infrastructure that will include the Oceansgate development at South Yard in Devonport dockyard – the UK's first dedicated marine Enterprise Zone

Rationale

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The aim of the project business engagement approach is to ensure that business facing activity:
• is delivered efficiently by those most able to deliver for the project as a whole,
• is delivered fairly across all partners based on merit,
• encourages business need led collaborations,
• utilises an account management approach to simplify cross partner collaborations led and monitored by the Centre Director to keep project interactions as simple as possible for businesses

Inputs

What	Value
Total Project	4745217
ERDF	2591660
Match funding - PCC	1414001
Match funding - UoP	313180
Match funding - PML	189460
Match funding - UoE	106961
Match funding - MBA	109955
Match funding - Beneficiary SM	20000
Buildings	1313249
Equipment	844873
Proejct staff FTE	9.95

Activities

What
The Marine Business Technology Centre Project will be based at the UK's first marine enterprise zone, Oceansgate
Support to marine and supply chain businesses to collaborate with the knowledge base in Heart of SW LEP Area, and elsewhere
Establishing in-sea test facilities by co-ordinating and gap-filling in the existing assets around the region
• Provide a focus on • Sensors and Instrumentation, Applied Autonomy, Data processing and

Outputs

What	Value
C1: Enterprises receiving s	97
C4: Enterprises receiving r	26
C5: New enterprises suppo	5
C28: Enterprises supporte	5
C29: Enterprises supporte	10
C8: Employment increase	4
C25: Number of researche	3
C26: Enterprises cooperat	35
P2: Public or commercial b	647m2

Outcomes

ID	Intended Outcome	How is it Measured?	Level	Baseline	Actual
1	Increased GVA				
2	Establishment of long term relationships for SMEs with the partners, building their capacity for innovation and wor				
3					
4					
5					

Intended Impacts

What
MBTC will achieve increased business investment in innovation-related activi

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