BUSINESS NORTHUMBERLAND | Advance Northumberland | TFF

Final Review of Business Northumberland 2019–22 Project

ERDF Summative Assessment Review
by The Funding Forum Ltd
December 2022

NORTHERN POWERHOUSE | HM Government

European Union
European Regional Development Fund

Business Northumberland 2019-2022 Project – Final Review

The Funding Forum Limited

December 2022

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Abbreviations

Advance	Advance Northumberland (Commercial) Ltd
BEIS	Department for Business, Energy and Industrial Strategy
BN19-22	Business Northumberland (2019-2022) Project (the Project)
CEPR	Centre for Economic Policy Research
CoR	Category of Region
ERDF	European Regional Development Fund
ESIF	European Structural & Investment Funds
DLUHC	Department for Levelling Up, Housing and Communities
FRIC	Flat Rate Indirect Costs
FTE	Full-time Equivalent Employees
GVA	Gross Value Added
HMRC	HM Revenue & Customs
MA	Managing Authority
MD	More Developed Category of Region
MHCLG	Ministry of Housing, Communities and Local Government
NCC	Northumberland County Council
NEEC	North East of England Chamber of Commerce
NELEP	North East Local Enterprise Partnership
NOT	North of Tyne Combined Authority
ONS	Office of National Statistics
PCR	Project Change Request
SEP	Strategic Economic Plan
SME	Small & Medium Sized Enterprises
Programme	European Regional Development Fund (ERDF) 2014-2020 Programme
PWC	Price Waterhouse Cooper
TFF	The Funding Forum Ltd
The Project	Business Northumberland 2019-2022 Project
Trans	Transitional Category of Region
VOX	General interest news site

Executive Summary

Project Context

The Business Northumberland 19-22 Project is a business support project with the aim of supporting SMEs through 2 strands: Digital Skills Programme (training workshops) and Growth Programme (1-2-1 coaching).

The Project was seeking to address Market Failures that left the region at a disadvantage in comparison to other areas of the country, in terms of GVA, employment, availability of high skilled workforce, connectivity with 49% of the population living in rural areas (versus 18.9% in England as a whole), low levels of businesses in key potential growth areas, such as Information & Communication, Finance & Insurance and Professional, Scientific & Technical; and the number of business closures exceeding the number of start-ups in a region that already had the lowest population and density of businesses in Great Britain.

The project had 2 objectives – to improve digital skills and promote the use of online technologies in SMEs; and to encourage and promote the resilience and growth of eligible SMEs based in the region.

With these objectives, the project was well aligned to the objectives of local, regional, and national priorities.

70% of beneficiary survey respondents were looking for support to improve digital skills and increase the use of technology, and 78% of survey respondents felt the support they had received on the programme had improved their resilience and growth e.g. by transforming, accelerating, and/or introducing them to the benefits of business planning and use of digital solutions, leading us to conclude that the delivery model was appropriate.

The economic and policy context changed drastically during the life of the Project, with the triple crises of Brexit, the Covid pandemic and latterly the Energy Crisis, all having significant consequences on the business community, leaving them unsure about international trade, stock availability and the potential loss of subsidies as a result of Brexit; a forced closure or serious loss of trade, as a result of the Covid pandemic; and a heavy financial burden as a result of the substantial rise in energy costs and its consequential increase in stock prices and the cost of living, leaving many businesses focusing on survival and having little funds or inclination for increased growth and employment. However, the triple crises have focused a greater emphasis on resilience, recovery and remote working, all of which are subjects addressed by the Project.

The project team reacted quickly to the Covid pandemic, switching to virtual support, and introducing additional training topics to meet the demand for homeworking and virtual communication knowledge.

Now that pandemic restrictions have been lifted there is a visible shift towards hybrid working, increasing the continuing demand for digital training.

Our conclusion is that the context which forms the basis of the need for this project remains, with online connectivity now being considered to be far more important since the restrictions

of the pandemic lockdowns, and the rationale on which the project is based, is therefore strong and continues to be relevant.

Project Progress

The project was originally set up as a 3-year revenue project, running from 7th March 2019 to 31st March 2022 with a total project value of £1,383,764. The delivery duration was subsequently extended to 30th June 2023, and correspondingly the value was increased to £1,446,166.

The Project was launched on 1st July 2019. Two Project Change Requests (PCRs) were approved: the first in November 2019 to reprofile expenditure to more accurately reflect Project delivery following an early underspend due to initial resource issues. The second PCR was approved in November 2021, increasing total project value to £1,446,166 to cover additional costs and to extend the Project's delivery duration to June 2023. The Project's 12 hour assist (C1) output target was increased from 400 to 410 and the original new enterprise target of 57 was also increased to 66. At the same time the employment increase (C8) target was reduced from 135 to 100, to reflect the change in SME focus from growth to survival due to the combined impact of the Covid-19 pandemic.

The project is estimated to achieve 94% of its expenditure budget, forecasting a total expenditure of £1,355,385, primarily due to the enforced restrictions preventing a lot of activities from going ahead throughout the Project duration. The team responded quickly to adapt delivery methods, moving everything to deliver the support online, however this resulted in a hug reduction in spend, with no catering and venue costs, and reduced number of consultancy hours for online workshops rather than full day in-person events.

The Project is confident of achieving all output targets by the end of Q1 2023, and is predicting to exceed all output targets by the end of the Project. This is partly due to the speed in which the team revised the delivery model to online, but also the pandemic forced businesses to take their businesses online sooner than they otherwise might have.

At the time of this review (September 2022), the Project has only 8 P13 (3hr Information Diagnostic and Brokerage) outputs outstanding, and is now estimating to achieve 214 against a target of 207. Although the move form full day in person to 3hr online workshops made achieving C1/C4 12hr support targets more difficult, the relentless efforts of the Project team to innovate, introduce new topics, themed events and new services designed to push beneficiaries through the final stages means the Project has sufficient pipeline evidence to exceed this target forecasting 430 against a target of 410.

The C5 new enterprise target of 57 was based on experience from the previous BN16-19 Project. Having already achieve 64 at the time of this report, the Project is forecasting to reach 71 against a lifetime target of 66. The C8 employment increase target was reduced from 135 to 100 due to the pandemic forcing businesses to change their focus from growth to survival. Nevertheless, at the time of this report the Project was performing ahead of its profiled target for the same period, already achieving 87.8 FTEs (i.e. 0.243 FTE per SME), leaving only 12 to be evidenced in the final 6 months. Grossed up to reflect 414 beneficiaries suggests 101 FTEs will be created by the end of the Project. It should be noted however, that since

submitting the draft version of this report, the team have subsequently advised they have now achieved 110 FTEs, comfortably exceeding this contract target.

Although cross cutting themes are not a contractual target for this project, research highlighted that 57% of beneficiary primary contacts were female suggesting female participation has already happened organically.

Project Delivery and Management

Advance Northumberland (Commercial) Ltd are the accountable body for the project. The governance and management structures of the project were set up appropriately, feeding back to the Northumberland County Council, the North East LEP and North of Tyne Combined Authority. The project team was well resourced with very experienced staff.

Communication with the team was reported as excellent. The project's key strength was its flexibility, quickly adapting to online deliver during the pandemic when market demand was reassessed, and support adjusted to provide 1-2-1 follow-ups by trainers to assist beneficiaries implement new knowledge.

Demand for online training rose due to the pandemic lockdowns and social distancing restrictions, and engagement increased to almost 1000 on a project which targeted to assist only 400 businesses.

The Project has 3 fully funded geographically dispersed Advisers, who engage with eligible businesses of all sizes to sign them up onto the Project. In addition, 2 part-funded Advisers from Advance's Business Growth & Investment team were appointed to engage with medium-sized, high growth businesses, but they proved unnecessary and were removed from the programme. External providers delivered the Digital Skills and Business Growth programmes. The Digital Skills programme experienced some trainer resource issues during the pandemic which resulted in some courses being cancelled due to trainer unavailability. This led to the conclusion that future projects may benefit from a delivery framework rather than reliance on one provider to deliver all training workshops.

Business Growth Advisor resources also suffered, which for a period left only one Adviser to cover the whole region. Despite this, a comprehensive service was provided throughout. Respondents rated the knowledge and expertise of their Digital Trainers and Growth Advisers as good or excellent (92% and 97% respectively).

Ease of accessing all project activities was rated at least 76%, and the quality of support received was rated good or excellent by 89%. Very few project weaknesses were reported, other than the resource issues highlighted.

Suggestions for improvements included: feedback to be passed to delivery partners to enable tweaking of delivery; and more electronic use of documentation to reduce printing costs. Stakeholders suggested enhancing one-day events to bring in other support providers to assist businesses with increased demand following digital marketing successes.

Beneficiaries' suggestions included: follow-up sessions to reinforce new knowledge; opportunity to buy additional sessions with support providers, if needed; training sessions on

how to make videos for online marketing, dealing with foreign markets, and selling your business as a going concern.

Perception of the Project and its activities was compared to interim findings showing a marginal drop in ratings, though still high, with at least 76% of respondents rating the quality as good or excellent; and knowledge and expertise was considered good or excellent by at least 87%. On average, across the whole project, only 2% of respondents considered the support to have been less than adequate, whereas 89% rated it either good or excellent, 45% giving the highest rating of excellent.

Beneficiaries judged their increase in digital proficiency before and after support as 49%, with 23% rising from basic to intermediate level, 18% intermediate to advanced, 6% advanced to expert and 2% judging they had increased 2 levels from basic to advanced.

The project collects all cross-cutting information and is able to assess horizontal uptake, but as horizontal targets are not contractually required the focus of recruitment has remained on the beneficiary's business status as an SME.

Project Outcomes and Impacts

Businesses access the online diagnostic tool as part of the registration process, which explores the SME's specific areas of need, asking questions around digital maturity and growth plans. From this an action plan is produced which lists the required learning and workshops suggested for the business to attend. Businesses are then referred for 1-2-1 support from a Business Growth Adviser, for a more comprehensive diagnostic, SWOT analysis, and development of a growth plan which outlines their growth aspirations, goals and activity required to achieve these.

78% of beneficiary survey respondents reported an improvement in their digital skills as a direct result of the support they received. Applying this to the total 414 Project beneficiaries estimates the Project will have helped 323 businesses to increase their understanding and development of digital skills, demonstrating good progress towards developing beneficiaries' digital skills.

Beneficiary survey responses show that 75% reported at least one type of positive impact relating to an increased use of social media, website, digital and eCommerce platforms. Grossed up to reflect the full 414 beneficiaries estimates the Project will support 311 SMEs against this outcome.

Employment increases are demonstrated when the beneficiary forecasts the number of jobs they expect to increase as part of the registration process, which is compared to information collected once the coaching is completed. At the time of this review an additional 87.8FTEs had already been reported, an average 0.243 FTE per SME supported. Gross up to reflect 414 SMEs supported added to further beneficiary evidence estimates a realistic growth forecast of 110 FTEs. Beneficiary survey responses predict 90% of employment increases will take place following the end of the Project, increasing by an additional 492 after 2 years, and a further 498 between 2-5 years following support.

Similarly, although only 15% of the total anticipated turnover growth, averaging £5,390 per SME, has already been reported to date, this is estimated to increase to £16,272 in 2 years and ultimately to £34,950 in 5 years. Grossed up to 414 SME estimates the Project is likely to contribute £2,231,460 towards increased turnover by the Project end date, rising to £,6,736,608 in 2 years and further to £14,469,300 in 5 years' time.

Networking events are clearly incorporated into the marketing strategy, with the team introducing innovate ways of engaging businesses, adapting to changing needs, and introducing topical & themed events, plus collaborations with partner organisations to deliver large-scale networking events, clearly demonstrating they have successfully achieved the outcome to develop local networks.

Project Value for Money

178 responses were received from 808 beneficiaries surveyed (22% response rate), achieving a 95% confidence rate with a 6.5% margin of error. Results estimated in this report should therefore be considered within a +/- 6.5% range of accuracy.

Value for money impacts have been calculated based on these predictions, with impacts forecasted through the survey sample grossed up to reflect the full target population of 414 business assists to then calculate the net additional economic impacts.

Applying adjustments of deadweight, displacement, leakage, and net additional impacts conclude that the Project will have produced an estimated £2.8m net in GVA by the end of the Project, increasing to £15m after 2 years, and will result in the creation of 59 **net** additional FTE jobs, increasing to an estimated 323 after 2 years.

The value for money benchmark against the number of jobs the project creates has been estimated based on the project supporting 414 businesses (C1), and defraying a total £1,355,385, enabling £677,693 of ERDF to be claimed. The average cost per business supported is therefore estimated to be £1,637.

By the end of the programme, the original £686,705 ERDF budget aimed to support 400 businesses at an average cost of £1,717. At the time of this review, the Project is expecting to exceed the majority of its targets in relation to the number of businesses supported and will fall within 6% short of its expenditure budget, however it will exceed its value for money benchmark by £80 per SME supported, totalling £33,120, which represents very good value for money.

The Project is predicting to create approximately £2,802,598 net additional GVA by its end date, increasing to £15,337,852 after 2 years, and achieving 59 FTE net jobs by the end of delivery period, increasing to 323 after 2 years.

Based on the beneficiary survey responses, impacts already achieved and future forecasts, if the project achieves its forecast ERDF expenditure of £677,693, after applying deductions and multipliers each expected FTE job will have been created at a cost of £12,486, decreasing to £2,098 after 2 years. While £4.14 of GVA will have been created for the local economy for every £1 invested, increasing to £22.63 after 2 years.

Introduction

Overview

In October 2019, the Funding Forum Ltd (TFF) was commissioned by Advance Northumberland (Commercial) Ltd to undertake the Summative Assessment of their "Business Northumberland 19-22" Project (**the project**), to include an Interim Review and Final Evaluation Report. The Project is part funded via the European Regional Development Fund (ERDF) 2014 -2020 Programme (Priority Axis 3, Investment Priority 3c – Supporting the creation and the extension of advanced capacities for products, services, and development).

Purpose of the report

This report is the culmination of an interim review of the project, which reflected on delivery during the first year of the programme from its commencement in July 2019 until July 2020, evaluating progress made to date; and a final evaluation, considering recommendations made as part of the interim review and actual calculating the final value for money and return on investment of public funding spent.

Methodology

This final review draws upon a range of quantitative and qualitative evidence to understand the impact the programme has had on the local economy. It evaluates the progress achieved to-date against the key output targets and strategic aims of the project and objectively reviews the strengths and weaknesses of the services provided and their delivery, identifying opportunities for improvement for the remainder of the project.

In order to assess the delivery processes, target achievements and shortfalls, good practice and/or potential areas for improvement, we have undertaken a thorough review of relevant data and documentation and sought the views of a significant sample of stakeholders and beneficiaries who have engaged with the project. We have analysed the responses to the Business Northumberland 2019-22 beneficiary survey that was undertaken as part of this evaluation in October 2022. The survey generated 178 responses from 808 beneficiaries (a 22% response rate), achieving a 95% confidence rate with an 6.5% margin of error. The estimated results in this report should therefore be considered within a +/- 6.5% range of accuracy.

The review has also considered the programme management structure, providing a more qualitative analysis of the implementation of the project, assessing the quality and effectiveness of the management and processes, and has looked at how the Project has performed against its contractual targets and objectives to date, and the factors which explain this performance.

Approach and Framework

Figure 1.1 outlines the main components of our approach to the assessment.

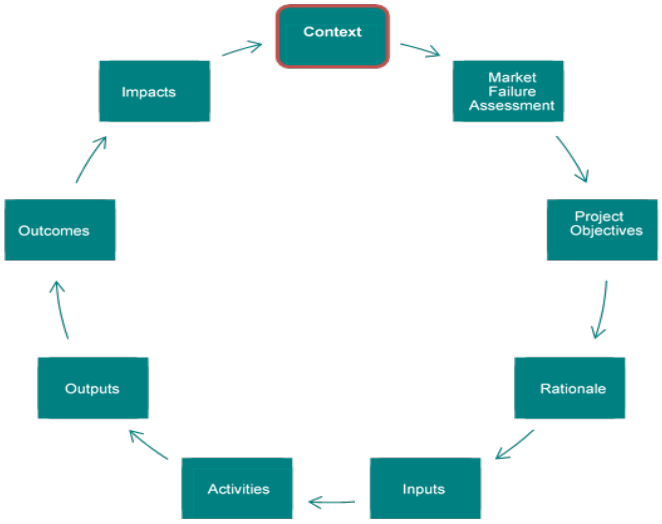
Figure 1.1 Approach to the Final Review

Source: The Funding Forum (TFF)

Figure 1.2 demonstrates the Summative Assessment logic model for the project development, delivery, and final evaluation Process.

The logic model involves understanding the context within which the Business Northumberland 2019-22 programme operates and the market failures it is designed to address. From this a set of project objectives were set, alongside a series of activities which clearly link to a set of outputs, outcomes, and impacts.

Figure 1.2 Summative Assessment Logic Model



Source: MHCLG – Summative Assessment Logic Model

The ERDF Programme 2014-2020 Summative Assessment Guidance defines Summative Assessments as follows:

> "*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".*

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.

The main research stages for this review were:

Contextual research: analysis of documents and datasets relating to the Project's design, development and operation. These include national and regional strategic economic development documents, the project business case, funding agreements, claims and monitoring data.

Consultations: members of the project management team, delivery team, external delivery partners, and other regional delivery organisations were interviewed to gather qualitative feedback and views of the project; our researchers also attended the Project's Steering Group meetings. The researchers would like to express thanks to the representatives from the following organisations who gave up their time to be provide feedback:

- Advance Northumberland Ltd
- Rural Design Centre Ltd
- Innovation Super Network
- The Allies Group
- Team Transmit
- Lara Mellor Training & Consultancy Ltd
- Accelerate Coaching
- Zenith People
- Causal Effect
- Marketing Skills Academy
- Newcastle University
- AScott Marketing
- Scott Digital Ltd
- NBSL
- DIT
- BIPC
- Sunderland Software City
- Dynamo NorthEast
- NE LEP

Business Survey: online surveys were carried out throughout the duration of the Project to determine the impact of the project on business beneficiaries, the quality of services and general perception of the project; and

Case Studies: more detailed discussions were held with a small number of beneficiaries in order to understand the impact on individual businesses and to gain more in-depth views of the Project. Case studies can be found attached as ***Appendix C***

The findings from this research have been used to inform conclusions and lessons learnt, and to make recommendations for the benefit of similar projects in the future.

Building on the findings of the interim review, this final evaluation looks at the overall impacts of the programme, value for money and additionality, drawing from the experience of businesses through beneficiary surveys to calculate the economic impact of the project, drawing in calculation for deadweight and displacement and what a 'normative' position might have been. This final evaluation also highlights key business case studies that have benefitted from the project, identifying the key 'change agents' of the programme.

Structure of this Report

This final evaluation and summative assessment report is structured in accordance with Appendix F of the European Union's ERDF Summative Assessment Guidance (ESIF-GN-1-034 Version 4, July 2020), as follows:

Introduction – this section provides information relating to the background of the Project and the approach and framework of the evaluation and final report.

Section 1 Project context – based around the project logic model, this section includes a critical analysis of the appropriateness of the project design. Examining whether the delivery model was adequately designed to address the project's objectives. Our analysis also considers the impact of changes to economic and policy since the Project's inception.

Section 2 Project progress – in this section we compare annual and lifetime performance against contractual targets (expenditure, activity, and outputs), explaining any variations with supporting reasons, as well as measuring the project's progress against horizontal principles.

Section 3 Project delivery and management – this section provides a more qualitative analysis of the implementation of the project, assessing the quality and effectiveness of the management and processes.

Section 4 Project outcomes and impact – identifying and calculating the progress the project has made towards outcomes and impacts set out in the Logic Model, in this section we analyse the gross and nett additional economic impacts, providing conclusions about the contribution the project has made to any ERDF programme result indicators relevant to the project.

Section 5 Project value for money – this section draws upon the impact analysis in section 4 and provides a clear analysis of the value for money the project has provided.

Section 6 Conclusions and lessons learnt – based on the analysis within the Summative Assessment report this section identifies the key strengths and weaknesses of the project and highlights specific lessons for the project delivery team; those designing and implementing similar future interventions; and policy makers.

Appendices – includes two project case studies, and the list of beneficiary survey respondents.

Section 1: Project context

Introduction

1.1 This section is based around the Project Logic Model and considers the economic and policy context in which the project was designed, the nature of the market failure, the project objectives and the rationale for the delivery approach. A copy of the original **Project Logic Model** can be found overleaf **(Figure 1.3)**.

1.2 Through a combination of desk research and interviews with key stakeholders we have considered the implications that changes to economic and policy context have had on the practical delivery of the project and the benefits which could be realised for beneficiaries and the local economy as a whole.

1.3 The following key questions were explored as part of our research:

- What was the Project seeking to do?
- Was there a strong rationale for the Project?
- What was the economic and policy context at the time the project was designed?
- Has the context changed during the Project delivery?
- What Market Failures was the Project seeking to address?
- Was the Project appropriately designed to achieve its objectives?
- Was the delivery model appropriate?

Figure 1.3 Project Logic Model: Investment Priority 3c – Supporting the creation and extension of advanced capacities for product, services and development

Project

Project Name:	**Business Northumberland 2019-2022**
Project Reference:	**25R18P02327**

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

Edit

Project activity will build on the successes of the Business Northumberland 16-19 programme, strengthening and developing the elements which delivered the greatest impact and ensuring the focus continues to enhance the competitiveness of Small and Medium sized enterprises, in line with the Northumberland Economic Strategy.

Northumberland is a large County with a diverse business population operating across both a large rural area and a distinct urban, industrial area. The Northumberland geography is significantly larger than the rest of the NE LEP areas, and although a key asset, particularly in terms of workforce, it offers a lower contribution to NE GVA at 9%.

The project allows localised project activity, in order to address identified gaps and discrepancies in performance in the Northumberland area, ultimately benefitting the wider NE LEP economy. Alongside this, it will also provide access to a digital programme of support accesible through the Business Northumberland website, thus enabling eligible SME's to access the support, regardless of where the operations are based, without

Market Failure Assessment

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The project will predominantly focus on supporting Northumberland based businesses as the rural makeup of the region means this is an area that is often not served by other business support projects. However, Business Northumberland 19-22 will welcome businesses based from across the NELEP region who can benefit from the project's activities. The market failure(s) across the NE LEP region, and Northumberland specifically, are detailed below;

The economic geography of Northumberland is categorised by the following:

• Northumberland is home to 316,000 people and covers an area of 5013 km², and 96.7% of this is classed as rural. 49% of the population live in rural areas compared to the North East (18.8%) and England (18.9%)

• The South East of the County has a very low business density, compared to other areas of North East LEP areas.

• There's clear evidence of a productivity and wealth gap between the rural and urban areas, with the average annual growth in GVA per capita between 1998 and 2016 at 3.2% for the North East LEP area as a whole compared to only 2.6% in Northumberland.

• The sectoral share of businesses shows relatively low levels in key

Project Objectives

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The objectives of the project are to:

1. Improve digital skills and promote the use of online technologies within SME's:
a. Improve the level of digital skills among eligible SME's.
b. Increase the use and application of online technologies in business by eligible SME's.
c. Increase the number of SME's using online media, applications and technology in business

2. Encourage and promote the resilience and growth of eligible SME's based in Northumberland, and the wider NELEP area:
a. Increase the number of eligible SME's demonstrating resilience and growth.

Rationale

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The project will offer two main programmes of support:

- Digital Skills Programme - To improve business resilience, eligible SME's will have access to a programme of workshops and events developed to improve online/digital skills and capability and to encourage business sustainability through increasing productivity online.

- Growth Programme - To encourage SME growth, eligible SME's will have access to professional support through coaching and mentorship aligned to the business function of the eligible SME and their growth aspirations.

These two programmes have been developed using the most successful areas of the Business Northumberland 16-19 project. The

Inputs

What	Value
ERDF Revenue	£691,881
Public Match (Advance Northumberland)	£691,881

Activities

What
Dedicated 1:1 business support provided by a BGA / BGIM / Coach
Digitally focused workshops and events delivered 1:Many
Regular networking events building local relationships and supply chain
Delegation of businesses supported to attend National Exhibition
Provision of online courses

Outputs

What	Value
P13 - Enterprises receiving information, diagnostic and	204
C1 - Number of enterprises receiving support	400
C4 - Number of enterprises receiving non-financial support	400
C5 - Number of new enterprises supported	57
C8 - Employment increase in supported enterprises	135

Outcomes

ID	Intended Outcome	How is it Measured?	Level	Baseline	Actual
1	Detailed review of business and subsequent plan of action	Intervention and Action Plan Record	Business	Collated during 121 with a	Progress towards and achievement
2	Increased understanding and development of Digital Skills	Feedback from digital workshops	Business	Collated during 121 with a	Attendance at Digitally
3	Increased use of social media, websites and e-commerce	Intervention and Action Plan Record	Business	Collated during 121 with a	Increased sales platforms
4	Increased levels of turnover and employment	Impact Evidence Form	Business	Collated at point of registration	Increase of 135 FTE from
5	Development of local networks	Attendance / Engagement with Networking Events	Project	Attendance at Business	Increased attendance at

Intended Impacts

What
Increase the level of GVA that Northumberland contributes to the NE GVA
Support the increase of productivity levels within SMEs across the NE
Deliver more and better jobs for the North East

Source: Business Northumberland Project documentation

About the Project

1.4 Business Northumberland 2019-22 is a business support programme aimed at eligible Small and Medium Enterprises (SMEs) based in Northumberland with some support offered across the wider North East Local Enterprise Partnership (NE LEP) area. The project followed and built on the success of the Business Northumberland 2016-19 project.

1.5 The project's focus was to support businesses with the ability and ambition to grow and create employment opportunities in the local economy, through two distinctive strands:

Digital Skills Programme – a programme of workshops and events designed to improve online/digital skills and capability.

Growth Programme – eligible SMEs had access to professional support through coaching and mentorship aligned to the business function of the eligible SME and their growth aspirations.

1.6 Businesses could also access 1-2-1 support from a Business Growth Adviser, who provide initial advice, register businesses on to the programme, perform a diagnostic and develop a bespoke package of activity. The Business Growth Advisers account manage the SMEs on the programme to ensure they achieve a minimum of 12 hours support.

1.7 The project also developed its own dedicated website, which is available to anyone at any time, offering online courses to eligible businesses with additional support and information through videos, how to guides, blogs, etc. Businesses could also register directly on the programme through the website, where they could access a diagnostic tool and develop a bespoke programme of support to access through the programme.

Economic & Policy Context

1.8 The Business Northumberland 2019-20 project was designed in 2018 to follow on from, and build on, the success of the Business Northumberland 2016-19 programme, strengthening and developing the elements which delivered the greatest impact and ensuring the focus continued to enhance the competitiveness of SMEs, in line with the Northumberland Economic Strategy.

1.9 The Advance Northumberland team streamlined the 2016-19 programme, scaling down the range of activities to eventually morph it into a primarily digital programme.

1.10 During the first 12 months covering the period of Project development and implementation, the Advance Northumberland team were aware of a number of emerging changes, e.g., the aims of the North Of Tyne devolution deal and the acceleration of the UK's plans to leave the EU, were all becoming more visible, as was NE LEP's formation of their Local Industrial Strategy.

1.11 During the interim review consultations, the team reported they were aware of the changing economic environment, though they felt the Project itself was unlikely to be

directly affected by these changes, but they were aware that future programmes and what the team could do moving forward, might to be impacted.

1.12 At the time of design, the project team had no foresight of the Covid-19 pandemic and the extensive restrictions it would bring across the nation, but when it did appear, the team's reaction was speedy and effective in optimising any opportunity to mitigate the full impact, enabling the project to not only continue providing much needed support to North East businesses during a difficult time, but to enhance the support provided as demand grew.

1.13 Since the pandemic restrictions have been lifted, enabling a return to face-to-face communication, demand for digital training has continued at a heightened level as businesses, having experienced the benefits of homeworking have where possible, moved into a more hybrid era of using both face-to-face and remote working equally.

Strategic Context

1.14 The project fits within the European Regional Development Fund (ERDF) 2014-2020 Programme Priority Axis 3, Investment Priority 3c, to support the creation and the extension of advanced capacities for products, services, and development, by increasing the growth capacity of SMEs in the region.

1.15 The Call Specification outlined a need for project activity to contribute to the 'provision of advice to develop models or higher quality products, processes or services' and specifically references:

- Advice to improve business processes and workforce development, and
- Provision of advice, consultancy support, mentoring, peer to peer support, and support for collaborative projects.

1.16 A key element of this project's activity is the provision of dedicated business support to encourage an increase in digital adoption, via the workshop programme, 1-2-1 mentoring and by providing inspirational content on the website. The Digital Skills Programme provides support to increase the take up and maximise the use of digital technologies to enhance business competitiveness and strengthen digital capacity in an increasingly digital marketplace.

1.17 This clearly aligns with the Borderlands Inclusive Growth Deal which suggests digital is a key area to improve resilience and business efficiencies across the region, and the NE LEP Strategic Economic Plan which highlights how the economy can be transformed through increased digital adoption and connectivity, identifying digital as one of the four key areas of strategic importance.

1.18 Northumberland has a diverse business population operating across a large county which covers a large rural geography as well as a distinct urban and industrial area. By providing a programme of digital support accessed through the Business Northumberland website, eligible SMEs can access support from the project regardless

of where their operations are based, making localised project activity available to a much wider reach.

Workshops and events designed to improve online/digital skills and capability

1.19 The Operational Programme identifies that technological and business infrastructure is a productivity driver required to enable SMEs, with the potential to grow, to do so. At the time of developing the programme, North East businesses were reportedly performing below the national average in terms of productivity[1]. There was also increasing publicity creating uncertainty pending the outcome of Brexit decisions.

1.20 The project intended to help respond to some of these concerns by accelerating digital transformation across local SMEs, which would result in the enhancement of productivity levels in supported businesses and would consequently contribute to the region's economic resilience.

12 hours of bespoke 1-2-1 coaching

1.21 In addition, the Growth Programme strand of the project also delivers against the local priority 'Business Growth and Resilience', where businesses (identified as ready to grow), receive a minimum of 12 hours bespoke 1-2-1 coaching to facilitate the development and implementation of their business growth strategies.

1.22 In summary, our research found that the project was well aligned to the objectives of local, regional, and national priorities. Furthermore, the natural progression to hybrid working following the pandemic lockdowns, demonstrates the continuing need for enhancing skills and use of digital technology in a post-pandemic economy. Our

[1] ONS, Regional gross value added (balanced), UK: 1998 to 2016, (December 2017).

conclusion is therefore that the *aims and objectives* of this Project are even more important and relevant now than at the outset.

Contextual Changes during the Project lifetime

1.23 In relation to the policy context, the UK has now left the EU with the transition period ending on 31st December 2020, part-way through the project delivery period. The impact of this on businesses has resulted in prolonged uncertainties affecting international trade, customs difficulties (particularly for rural businesses), fear of loss of agricultural subsidies and in many cases the need for diversification as businesses search for new opportunities that have arisen from the changing Trade environment.

1.24 In terms of the economical context, severe trading restrictions enforced across the country to curtail the spread of the Covid-19 virus, shut down most businesses for extensive periods of time, with the leisure and tourism industry suffering longer than most, leaving businesses needing to focus on survival, rather than growth.

1.25 This had the effect of significantly reducing the number of businesses who were in a position to invest in growth and employment, threatening the outputs achievable by the project.

1.26 On the other hand, the switch to homeworking during the pandemic lockdowns made the need for digitalisation essential if businesses wanted to continue trading. As a result, many business owners used the downtime constructively by increasing training in digitalisation, creating a greater demand for the training and coaching offered by the Project.

1.27 Since the lifting of restrictions, with many businesses having experienced the advantages of working remotely, many have introduced a hybrid working scheme to improve morale amongst staff or have reduced costs by moving to smaller premises in an effort to recover from the pandemic's financial damage. This again, has led to a continuing demand for knowledge of online trading and digitalisation of systems, leaving the training provided by the project still very much in demand.

1.28 Our research found that the Business Northumberland project team reacted quickly and effectively in response to this crisis, to enable them to continue delivering 1-2-1 support virtually, and when face-to-face activity was banned, they quickly switched to delivering

workshops and networking events online, in an effort to provide for the increasing demand for online training.

1.29 Since then, rising energy demands and shortages of supply resulting from the war in Ukraine, have caused energy prices to soar, tripling costs from what they were at the start of the project, and adding to the financial crisis businesses were already suffering as a result of the Covid pandemic.

1.30 Together, these crises have left businesses across the country, particularly those in the North East who were already at a disadvantage, with significant financial difficulties and therefore, less capital available to invest in business growth.

1.31 Businesses across the country are still concentrating on survival and recovery, rather than measurable growth, e.g., increased turnover and additional employment. As such, it has proven to be more difficult than anticipated for the project to achieve its aim of encouraging business growth and better jobs for the region.

Governance

1.32 Advance Northumberland (Commercial) Ltd. (Advance) are the accountable body for the Business Northumberland 2019-22 project. They are wholly owned by Northumberland County Council (NCC), and report to MHCLG (later renamed DLUHC) as the Managing Authority.

1.33 Advance is the Council's primary regeneration delivery vehicle and aims to contribute to the Strategic Plans of the North of Tyne Combined Authority (NTCA) and the North East Local Enterprise Partnership (NE LEP).

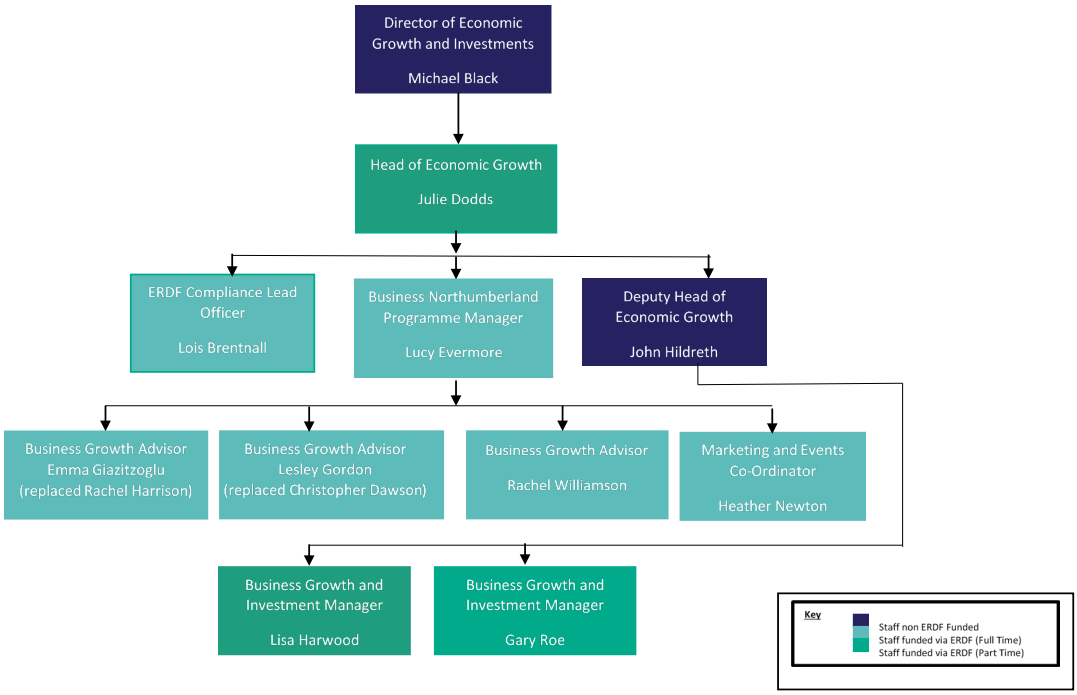
1.34 With regard to the project, Advance are responsible for due diligence; project assessment; financial viability assessment and compliance with state aid; contract management; performance management and financial management of the Programme including preparation and submission of claims to DLUHC. However, the day-to-day management of these duties are delegated to the Programme Manager.

Management and Delivery Team Structure

1.35 **Figure 1.5** below shows how the Business Northumberland project management team was set up to sit within Advance.

1.36 This also demonstrates how the fully-funded Business Northumberland delivery team integrate with part-funded Advance staff and are supported by the Advance management structure.

Figure 1.5 Original Project Management Team Structure



Source: Business Northumberland Operational Structure Chart

Management Roles and responsibilities

1.37 The Project is directed by its senior management team, led by the Director of Economic Growth and Investments and overseen on a daily basis by the Head of Economic Growth (HEG), who feeds progress information back to NCC on a monthly basis for presentation to NTCA and NE LEP.

1.38 The Programme Manager reports directly to the Head of Economic Growth. She is responsible for the overall management of the project, including the submission of financial claims; ensuring robust financial management systems are in place; and promotion and performance of the project. She attends NE LEP's provider network group and steering group meetings representing Business Northumberland (BN). She regularly networks around the region to maintain awareness of other activities available and speaks at events to champion the programme.

1.39 A dedicated ERDF Compliance Lead Officer with significant ERDF experience was brought in at the beginning this project. She also reported directly to the Head of Economic Growth and was responsible for ensuring the compliance of all internal support and administrative responsibilities. In the early stages of the BN Project, the ERDF Compliance Lead Officer stepped in as Programme Manager to cover a period of maternity leave.

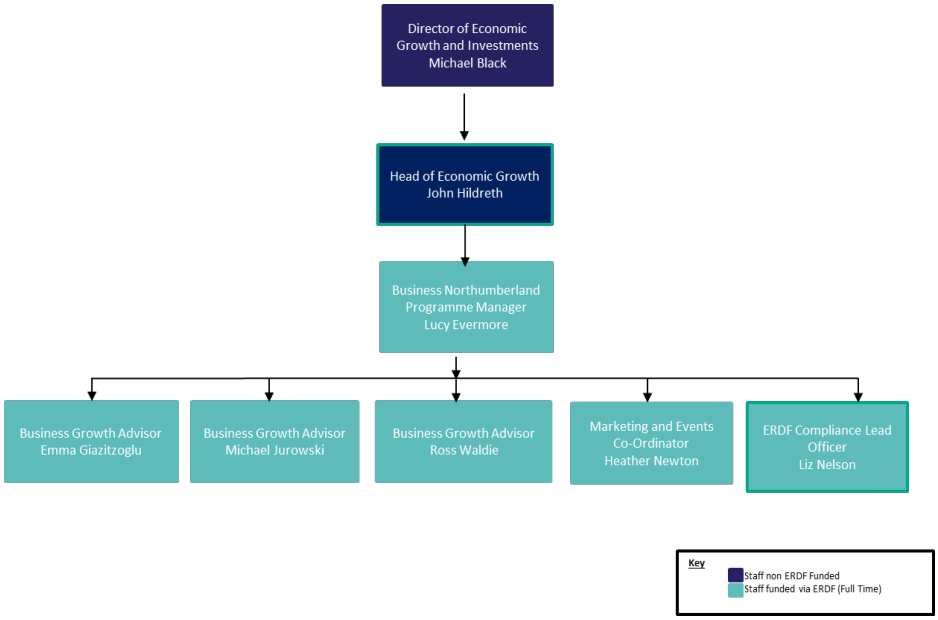
1.40 The original team structure also included a Deputy Head of Economic Growth who managed Advance's High Growth Team. The High Growth Team account managed the

high growth SAM-listed businesses in the region and were time-sheeted into the BN Project to support any ERDF eligible medium-sized businesses.

1.41 All other team members, including the Business Growth Adviser and the Marketing and Events Coordinator, report to the Programme Manager.

1.42 **Figure 1.6** below shows the revised Project team organogram, following the departure of the original Head of Economic Growth, ERDF Compliance Lead Officer, and the two Business Growth and Investment Managers. The Business Northumberland team was restructured with the Deputy taking over as Head of Economic Growth and the rest of the team, including the replacement ERDF Compliance Lead Officer, all reporting directly into the Programme Manager.

Figure 1.6 Business Northumberland Project Team Organogram



Source: Business Northumberland Project Revised Operational Structure Chart

Delivery team roles and responsibilities

1.43 The Project has three full-time Business Growth Advisers (Advisers) who are responsible for promotional networking, engaging potential beneficiaries and completing initial diagnoses to determine eligibility and identify appropriate support for the beneficiary. These Advisers account manage the beneficiaries and also offer 1-2-1 advice in their areas of experience/knowledge.

1.44 All other programme support is delivered by independent companies procured into the project to provide their services, including:

- Digital Allies (later renamed The Allies Group) – providing online and classroom workshops and digital training courses on Social Media, Websites, SEO and

Digital Marketing. During lockdown, 1-2-1 support with a trainer was introduced for businesses under 12 hours to help consolidate learning from the workshops;

- Lara Mellor Training & Consultancy Ltd – providing online and classroom workshops and training courses on Microsoft Applications; and
- Transmit Consulting - who manage a team of Independent Growth Coaches and Consultants providing support through the Business Growth Programme.
- Scott Digital – brought in during the final year of the programme delivery to provide digital reviews and additional 1-2-1 support to businesses who had received some support but not yet completed the full 12 hours required to count as an output.

1.45 The Project was overseen by a very experienced Project team and delivered using tried and tested methods, with lessons learned from previous projects. The achievements made by this Project during extremely challenging crises has proven that the delivery model was appropriate to meet the aims of the Project.

Contracted Project Targets and Project Change Requests (PCR)

1.46 **Figure 1.7** below the Project's original targets and the revised contracted targets following the final approved PCR.

Figure 1.7 Lifetime Contracted Project Targets

Indicator	Targets	
	Original	Final PCR approved
Revenue Expenditure (£m)	£1,383,764	£1,446,166.39
C1: Number of Enterprises receiving support	400	410
C4: Number of enterprises receiving non-financial support	400	410
C5: Number of new enterprises supported	57	66
C8: Employment increase in supported enterprises	135	100
P13: Number of Enterprises receiving information, diagnostic and brokerage support	204	207

Source: BN19-22 contract documentation

1.47 Our research found that at the time of setting the project targets, there was good rationale, based on experience from the Business Northumberland 2016-19 project, and subsequent performance throughout the programme duration showed those targets were realistic and achievable.

1.48 The team responded swiftly to the unforeseen and unprecedented Covid-19 pandemic lockdowns by switching all training courses from face-to-face to digital. However, their ban on in-person contact had the potential to significantly impact the project's ability to achieve the 12 hour support as efficiently as initially planned, as the original full day face-to-face training had to be replaced with multiple 2-3 hour online sessions. The project

was further threatened by the inability of Business Growth Advisers to meet clients in person, and having to swap to phone and online meetings. To ensure the Project did not suffer, the Programme Manager took steps to closely manage its progress throughout the unexpected crisis.

1.49 Along with some initial underspend (detailed in section 2 of this report), a Project Change Request (PCR) was subsequently submitted and approved to provide a more realistic profile of forecast expenditure and output delivery. The lifetime targets themselves were not adjusted, but the timing of achieving the outputs was amended to reflect a more realistic profile.

1.50 Despite, and possibly because of, the pandemic the project was very popular as working online became essential to keep businesses trading during the lockdowns, which meant that digital and trading online training courses were heavily in demand, so in the final year of delivery, another PCR was approved to extend the project delivery period from December 2022 to June 2023.

1.51 The lifetime expenditure was increased to reflect the cost of extending the delivery period, and, with the exception of C8s (employment increase in support enterprises), most of the output targets were increased to align with the higher expenditure and longer duration.

1.52 The C8 lifetime target was reduced from 135 to 100 to reflect difficulties beyond the control of this programme, that were experienced by the beneficiaries following the Covid-19 pandemic lockdowns and more recent energy and cost of living crisis, making them reluctant to invest in growing their teams in times of financial uncertainty.

Market Failures and Rationale

1.53 At the time of the Project's design the Market Failures and Rationale were specified in the Project's Logic Model, as follows:

1.54 Business Northumberland 19-22 was planned to focus on Northumberland businesses to address this but also welcome businesses from across the NE LEP region who could benefit from the project's activities.

1.55 The market failure(s) across the NE LEP region, and Northumberland specifically, were detailed as;

- At the time of design, Northumberland was home to 316,000 people across an area of 5013 km², and 96.7% of this was, and still is, classed as rural. 49% of the population lived in rural areas compared to the North East (18.8%) and England (18.9%)
- The rural makeup of the region meant this was an area that was often underserved by business support projects.

- There was a productivity and wealth gap between the rural and urban areas, with the average annual growth in GVA per capita between 1998 and 2016 at 3.2% for the North East LEP area as a whole, compared to only 2.6% in Northumberland.
- The sectoral share of businesses showed relatively low levels in key potential growth areas, particularly in Information & Communication, Finance & Insurance and Professional, Scientific & Technical.
- In 2017, the number of closures exceeded the number of start-ups in Northumberland for the first time since 2012.
- The business density of both the rural area and the south eastern part of the County was low compared to fairly similar areas, such as Eden Valley and Doncaster respectively, and

1.56 An independent study on the Northumberland economy, carried out by Northumberland County Council in December 2017 concluded that:

- GVA (Gross Value Added) was much lower in Northumberland and the wider NE LEP area in comparison with the national average;
- GVA per head stood at £15,951 within Northumberland specifically, £18,927 across the NE LEP and £26,159 for England (workplace based GVA 2015);
- Unemployment at 5.3% was higher than the national level;
- 1.8% of working age residents claimed Job Seekers Allowance which was lower than the NE LEP rate of 2.1% and the England figure of 1.9% (June 17); and
- The employment rate in Northumberland was 70.6%, 4% lower than the national rate of 74.6%.

1.57 The study also concluded that the number of business closures exceeded start-ups for the first time since 2012, making business sustainability a key priority for the region. Particularly when future threats and uncertainty such as Brexit and its impacts were taken into account.

1.58 There was clear information related to market failure in that SME's in Northumberland and the wider NE LEP region did not have sufficient resources, knowhow or capabilities to research and understand how digital connectivity could be applied to business practice in order to benefit operations and drive growth. In addition, a business mapping study was carried out by New Skills Consulting, demonstrating that 23% of small businesses did not have basic digital skills. Improving digital skills, expertise and application of technology could enable businesses to improve key processes, product design, and sales and marketing skills. The Business Northumberland 19-22 project would support improvement in these areas.

1.59 In Northumberland there were several programmes available that supported businesses in rural areas, namely the Rural Growth Network, EAFRD and LEADER. However, they tended to provide access to grant funding with no animation service and, at that time, all programmes were closed to new applications.

1.60 Generally, the business support agencies tended to favour provision in the urban core, as the figures of growth suggested earlier, they were more likely to get results from businesses based in the urban core and a lot of the agencies were based in the urban core. This project would continue to promote inclusive growth and ensure support services were available to eligible SMEs in some of the more remote areas of the LEP region and in some of the harder to reach places.

1.61 The Project supports the aims of the North East Growth Hub by featuring as both an available support programme for eligible businesses and as a way of referring eligible SMEs into other services provided and hosted by the North East Growth Hub.

1.62 As part of the Summative Assessment of the 2016-19 project, interviews were carried out with a number of external stakeholders who were asked how the business support landscape would differ in the absence of Business Northumberland, their responses included;

"If Business Northumberland didn't exist then the business community would be missing out on a lot of direct 1:1 support"

"There would be a massive gap if they were to go because businesses are always in need of financial or mentoring support."

"If you took that out the mix and didn't replace it with something similar you would see a lot of companies really struggle or fail. That community, that network, needs face to face support and practical help to keep it doing in the right direction."

1.63 Without the Business Northumberland Project reliance would be on regional and national providers to deliver business support within Northumberland and the wider NE LEP area. It was felt this would have left a huge gap in provision, and levels of support and growth would be drastically reduced for NE LEP based business.

1.64 By providing an improved methodology to deliver a proven service that reached into the hard-to-reach areas, providing the support needed to improve digital adoption in rural Northumberland, the rationale for the Project was strong.

Project Objective and Design

1.65 Developed on the back of the Business Northumberland 16-19 project, making use of the most successful elements, based upon the lessons learned and demand experienced throughout delivery, the Project was planned to be delivered in venues across the NE LEP region with a strong focus on supporting Northumberland and the rural hinterland, to improve accessibility and promote an inclusive service for Northumberland based eligible SME's.

1.66 It was recognised that, in particular, there was scope for opportunities for tourism businesses (a key sector in the region). Embedding digital skills and resilience in the

business base would enable SMEs to promote themselves to a wide audience through global connectivity. Hence, the programme was designed with a specific focus on growth through the improvement of digital skills, rather than trying to be all things to all businesses.

1.67 The **primary objectives** of the project were:

- to improve digital skills and promote the use of online technologies within SMEs with a focus on improving the level of digital skills among eligible SMEs, increasing the use and application of online technologies in business, and increasing the number of SMEs using online media, applications and technology in business; and
- to encourage and promote the resilience and growth of eligible SMEs based in Northumberland, and the wider NE LEP area by increasing the number of eligible SMEs demonstrating resilience and growth and by safeguarding and increasing employment in supported businesses.

1.68 The project was designed to achieve these objectives through two main strands of support:

1) **Digital Skills Programme**.
2) **Growth Programme**

Objective 1 – Digital Skills Programme

1.69 Available to all eligible SMEs in the Northumberland and wider NELEP region, the aim of this objective was to improve digital skills and promote the use of online technologies within SME's by:

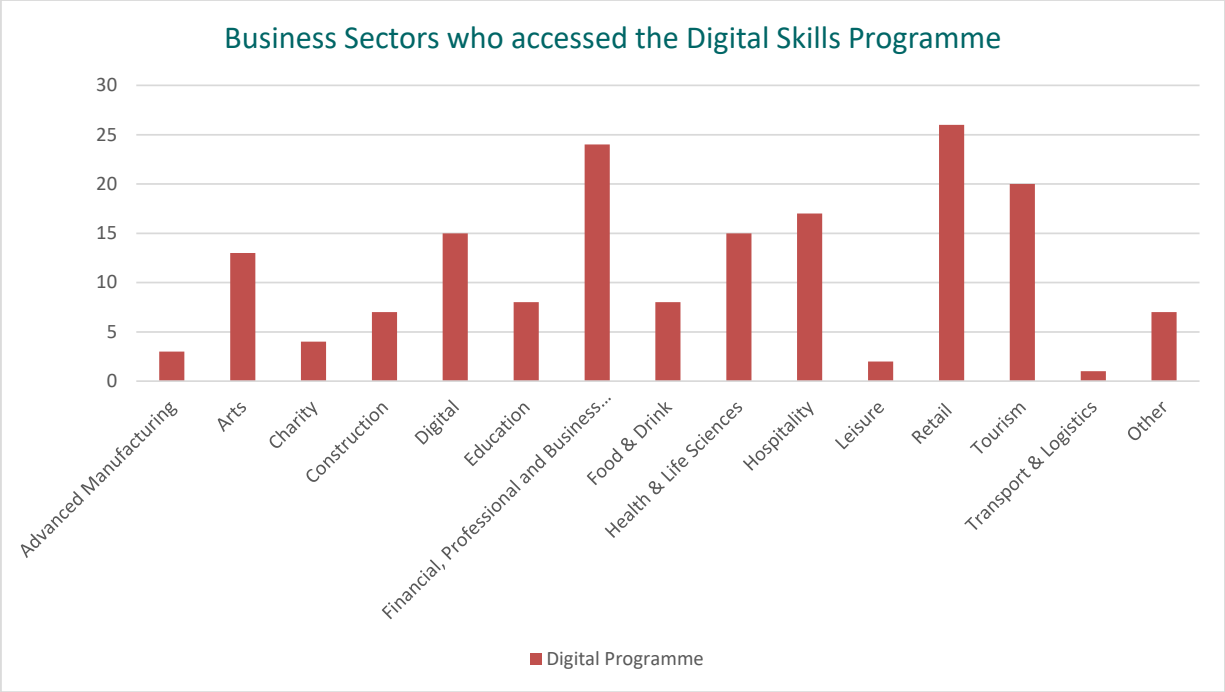
- Improving the level of digital skills among eligible SME's;
- Increasing the use and application of online technologies in business by eligible SME's; and
- Increasing the number of SME's using online media, applications and technology in business

Through a programme of activities delivering support via 1-2-1 Business Growth Advisers, Networking Events, Online Courses, a National Exhibition and Digitally Focused Workshops covering Social Media, Website Design, Search Engine Optimisation, Digital Marketing and Microsoft Office.

1.70 This strand of the project was designed to encourage sustainability and improve business resilience by increasing productivity online.

1.71 We asked beneficiaries which business sector they traded in. 170 respondents had accessed the Digital Skills Programme. **Figure 1.8** below shows the highest number of businesses who that programme were from the retail sector and the growth programme saw most businesses from the digital and health & life sciences sectors.

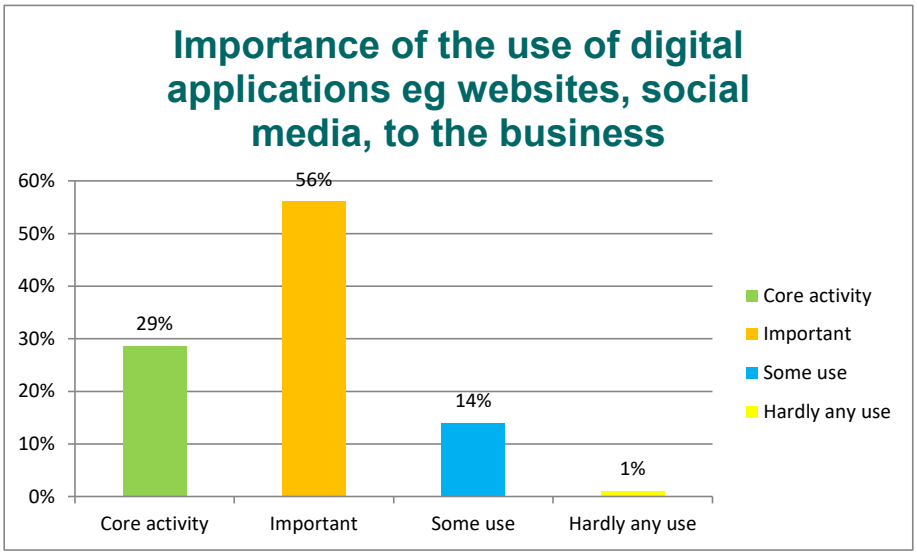
Figure 1.8 Business Sectors broken down by support programme accessed



Source: BN beneficiary survey October 2022 (n=170)

1.72 We also asked the beneficiaries how important the use of digital applications, such as websites and social media, were to their businesses. All 178 respondents answered the question. **Figure 1.9** below illustrates that 85% of them stating that digital applications were either important or a core activity of their business.

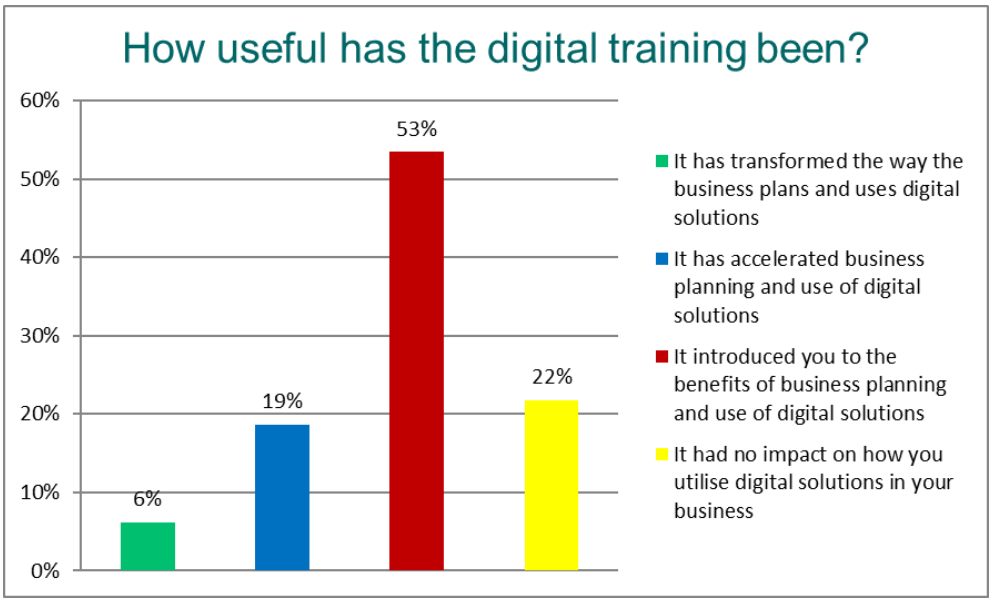
Figure 1.9 Importance of the use of digital applications



Source: BN beneficiary survey October 2022 (n=178)

1.73 To determine if the project had achieved this objective, we asked beneficiaries how useful they thought the digital training had been to their business. **Figure 1.10** below illustrates that 68% of participants found the digital training useful.

Figure 1.10 Usefulness of the digital training



Source: BN Beneficiary Survey October 2022 (n=161)

1.74 Responses from the beneficiary survey supported the achievement of this objective, with comments such as:

Objective 2 – Growth Programme

1.75 The Growth Programme was a strand of support available to eligible businesses in the Northumberland and wider NELEP region, for SMEs with a minimum of 5 existing FTEs and looking to grow by a minimum of a further 2 FTEs.

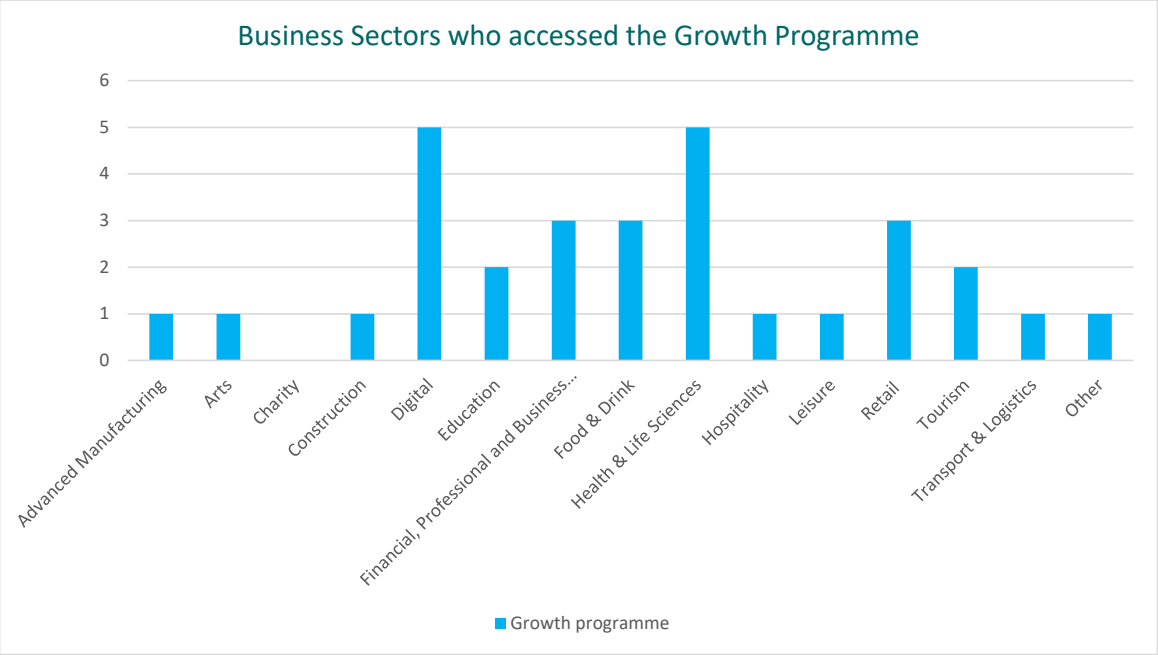
1.76 Due to businesses needing to recover from the pandemic, coupled with nervousness around growth plans given the uncertainty of the economic and political landscape, the original criteria for businesses to access the growth programme had to be adapted slightly to accept SMEs with a minimum of 2 existing FTEs and looking to grow by a minimum of a further 2 FTEs over the lifetime of the Project.

1.77 The aim of objective 2 was to encourage SME growth, through accessing professional support from coaches and mentors aligned to the business function of the eligible SME and their growth aspirations by providing intensive support via 1-2-1s with a Business Growth Adviser who will develop tailored business support action plans clearly detailing their ambitions and anticipated outcomes, this strand of the project was designed to encourage business growth.

1.78 The project provided a tailored level of support to meet the specific needs of the enterprise and address the Market Failures by increasing the number of eligible SMEs demonstrating resilience and growth; and by safeguarding and increasing employment.

1.79 We asked beneficiaries who access the growth programme which sectors they traded in. **Figure 1.11** below shows that survey respondents the highest number of businesses accessing the growth programme came from the Digital and Health & Life Sciences sectors.

Figure 1.11 Business sectors who accessed the Growth Programme



Source: BN Beneficiary Survey October 2022 (n=30)

1.80 The project was designed to deliver these objectives on a demand-led basis enabling localised project activity. Support to encourage an increase in digital adoption was a key element of activity and was provided for by the workshop programme, 1:1 mentoring and through inspirational content on the website.

1.81 The project planned to contribute to the overall business support provision across the NE LEP area by working collaboratively with active business support providers across the region. By supporting the aims of the NE Growth Hub, the project would feature as both an available support programme and as a way of referring eligible SME's into other services provided and hosted by the North East Growth Hub.

1.82 Through use of its workshop and mentoring programmes, Business Northumberland was designed unlock growth potential, strengthen business resilience, promote sustainability and increase levels of digital skill and digital application in SMEs across the region and in doing so would contribute to the wider, longer term objectives of the ERDF Operational Programme; the NE Strategic Economic Plan; NE ESIF Strategy and Northumberland's own Economic Strategy 2015-2025 "

Digital technology sector accounted for 5.3% of GVA in the North East, compared to 7.6% nationally[2]

1.83 A government report published in September 2021[2], stated that in terms of GVA, the digital technology sector was worth £148bn to the UK economy (7.6%) but also stated that same sector in the North East (Northumberland, Tyne and Wear, Tees Valley and Durham) accounted for only 5.3% of the regions £54bn GVA and has a relatively weak economic growth rate of 1.8%. Although this may be low in comparison to digital sector growth in rest of the UK, it is higher than the North East's economic growth rate as a whole, meaning that although the sector still has a lot of catching up to do with the rest of the country, it is increasing its share of output towards the economy in the North East, making it a vitally important sector in this region.

"30% of skill-shortage vacancies involve a lack of basic digital skills"[2]

1.84 In July 2022 the Government published its new UK Digital Strategy for 2022-2025, which explains that the Government's approach to supporting and strengthening the digital

[2] UK Digital Strategy for 2022-2025

economy, will potentially grow the sector's annual GVA by £41.5bn by 2025 and create 678,000 jobs. The report goes on to explain that digital skills are needed to participate fully in modern society and that 30% of skill-shortage vacancies involve a lack of basic digital skills.

"Digital skills are needed to participate fully in modern society"[2]

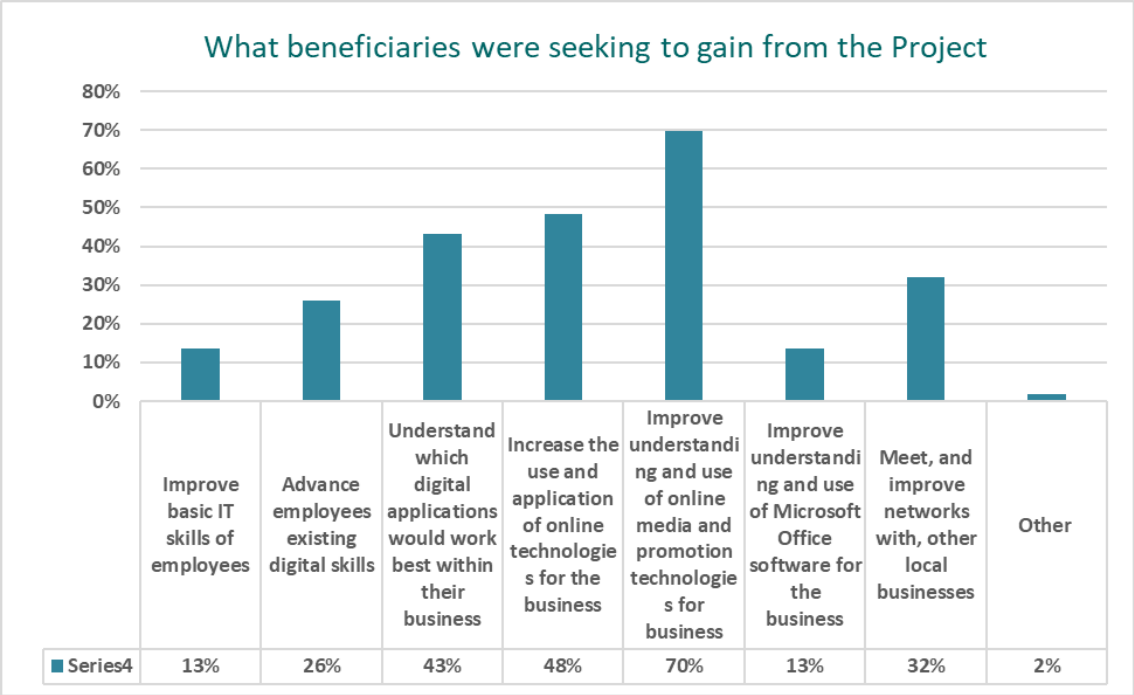
1.85 Reskilling the existing workforce is crucial, particularly given the Government's continuing development of its "One Login for Government" policy, increasing the need for digital capability in businesses to enable them to function properly, e.g., Making Tax Digital. Business Northumberland 2019-22 fills this gap by focusing 1-2-1 coaching and tailored support targeting SMEs at varying levels of capability, meaning participants can learn from entry level to advanced level, from where will be able to take advantage of the investment the Government will be making in digitisation.

1.86 To test whether the Project was meeting its objectives, our beneficiary survey asked participants the following questions:

1.87 We first asked what they were seeking to gain from the Project.

1.88 All 178 respondents answered this question, **Figure 1.12** below details the results, showing that 70% of beneficiaries were seeking help to improve their understanding and use of online media and promotion technologies for business.

Figure 1.12 What beneficiaries were seeking to gain from the Project

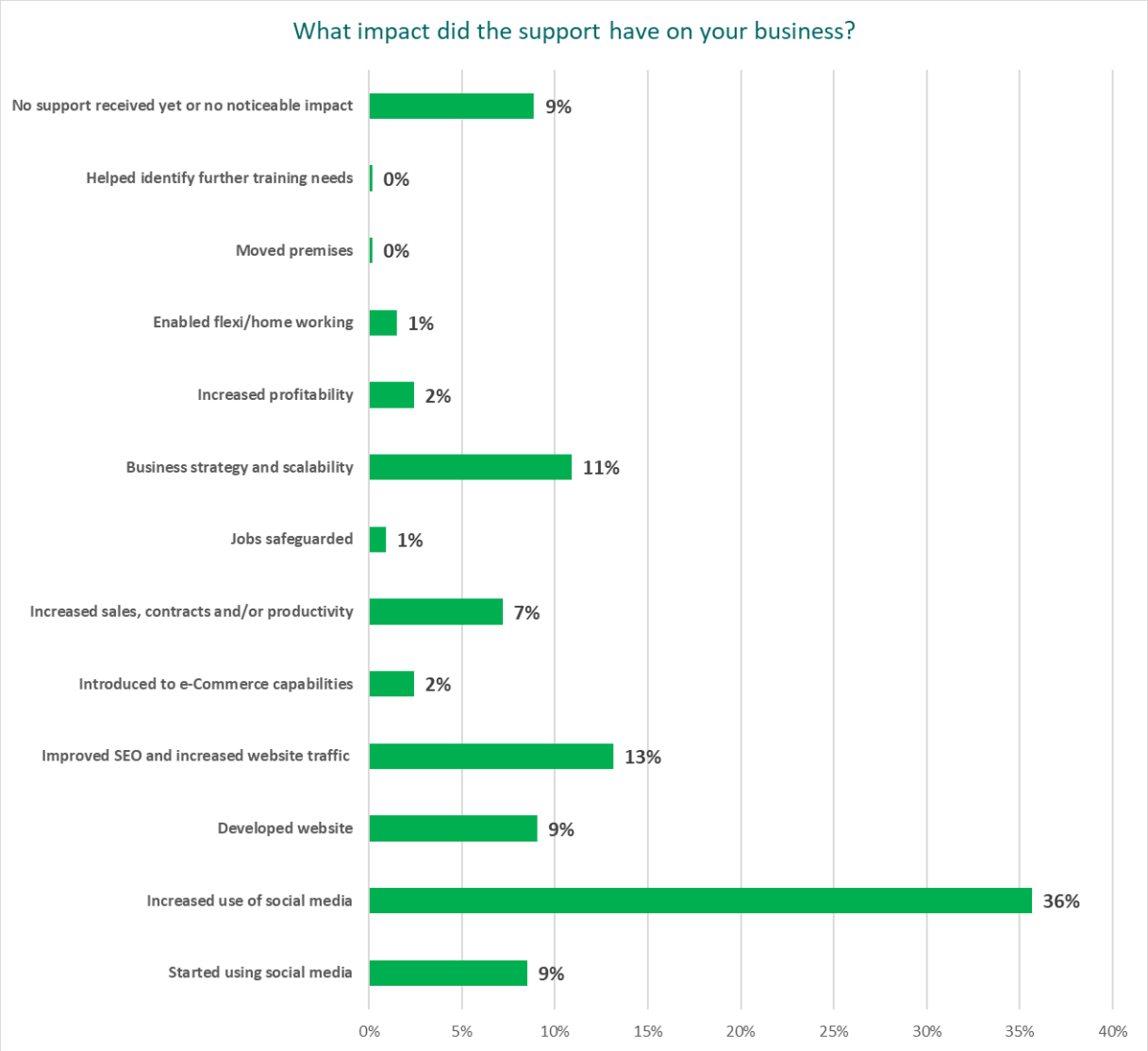


Source: BN19-22 survey, October 2022 (n=178)

1.89 We then asked the beneficiaries what impact the support had on their businesses.

1.90 All 178 respondents answered this question, too. **Figure 1.13** below shows that by far the most impact the project had on beneficiaries was in their use of Social Media, 36% of beneficiaries benefitted by increasing their use of Social Media details the results. 13% increased their use of SEO and increased website traffic, and 11% gained business strategy and scalability skills.

Figure 1.13 What impact the support had on the beneficiaries' businesses



Source: BN19-22 beneficiary survey, October 2022 (n=178)

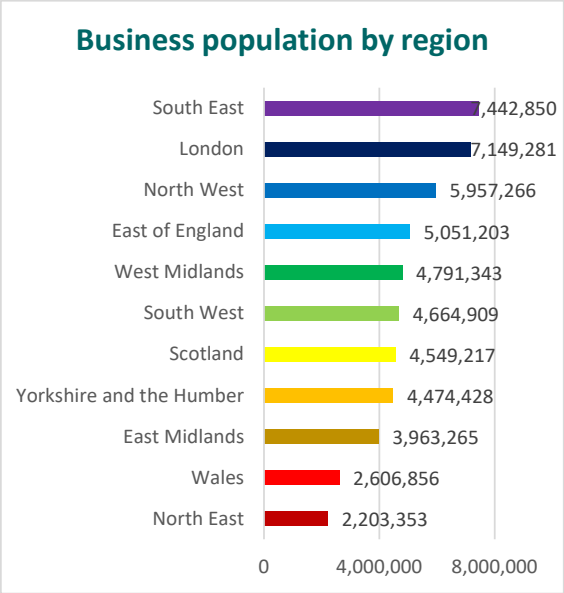
1.91 It is clear from figures 1.8 and 1.9 above that the project has improved digital skills, increased the use of technology and increased the number of SMEs using social media.

1.92 It is also safe to presume that by gaining business strategy and scalability skills beneficiaries are likely to improve their business resilience and achieve growth and an increase in employment.

1.93 Hence, the project was design appropriately to meet its objectives and address the market failures.

1.94 More recent statistics published by the ONS and BEIS illustrate examples of barriers to regional growth in the North East.

Figure 1.14 Number of Businesses in England by region



Source: BEIS Business population estimates 2022

Figure 1.15 Business density map, England, 2022

Source: BEIS Business population estimates 2022

Figure 1.14 above drawn from statistics published in October 2022 by BEIS, which illustrate that with a total business population of 2,203,353 across the whole North East, the region has the lowest number of businesses in Great Britain.

Figure 1.15 above shows the UK's Business Density Map, published in October 2022, which shows the North East has the lowest business density of

1.95 With the lowest population of businesses, and the lowest density of businesses per 10,000 adults, the North East is relying on growth and productivity in the existing population, while encouraging the start-up and development of new businesses to support the economic community.

1.96 As the Government implements more and more of its "One Login for Government" policy", e.g. Making Tax Digital, businesses need to be digitally savvy to survive in the modern world. Delivering a programme of support designed to drive growth and productivity by embedding digital skills and resilience in the business, the Project enables participating beneficiaries to operate more effectively and compete on a global scale.

1.97 With the help of post-Covid government support, and existing business support services in the area, both NE LEP and the NTCA have invested heavily in rebuilding the business communities of the North East region.

1.98 From the latest ONS regional GDP growth figures, released in October 2022 and shown in **Figure 1.16** below, we can see that as of the end of Q1 2022, the North East was making the strongest recovery, quarter on quarter, in terms of GDP, increasing by 1.2% in comparison to the average GB growth at 0.7%.

Figure 1.16 NE growth versus GB GDP growth – Q1 2022

Source: ONS GDP Quarterly growth October 2022

1.99 By exceeding its contractual targets to drive growth and productivity in the region over the past 3 years and by extending the support it is providing to maximise the positive benefits being experienced, it is safe to conclude that the Business Northumberland 2019-22 Project has been instrumental in the regions continuing recovery.

1.100 There was clear information related to market failure in that, in the main, SMEs in Northumberland did not have sufficient resources to research and fully understand how digital connectivity could be applied to their business practices, in order to benefit. In addition, a business mapping study carried out by New Skills Consulting, demonstrated that 23% of small businesses didn't even have basic digital skills. Improving these could enable businesses to improve key processes, product design, and sales and marketing skills. The Business Northumberland 19-22 project was supporting improvement in these areas.

1.101 The restrictions imposed by the Government in response to the Coronavirus pandemic created an additional market failure with the use of online technologies becoming an urgent necessity to enable most businesses to continue to trade, with employees working from home where trade could continue online. Now that restrictions have been lifted hybrid working is becoming more popular with employees needing digital skills to enable them to work remotely when needed. Digital capability has now become a basic skill required by the majority of employees to be able to compete in the jobs market.

1.102 Our conclusion is that the context which forms the basis of the need for this project remains, with online connectivity now being considered to be far more important since the restrictions of the pandemic lockdowns, and the rationale on which the project is based, is therefore strong and continues to be relevant.

Key Finding 1: BN 19-22 is a business support project with the aim of supporting SMEs through 2 strands: Digital Skills Programme (training workshops) and Growth Programme (1-2-1 coaching).

Key Finding 2: Research found that the project was well aligned to the objectives of local, regional, and national priorities.

Key Finding 3: The project was seeking to address Market Failures that left the region at a disadvantage in comparison to other areas of the country, in terms of GVA, employment, availability of high skilled, working force, connectivity with 49% of the population living in rural areas (v 18.9% in England as a whole), low levels of businesses in key potential growth areas, such as Information & Communication, Finance & Insurance and Professional, Scientific & Technical; and the number of business closures exceeding the number of start-ups in a region that already had the lowest population and density of businesses.

Key Finding 4: 70% of beneficiary survey respondents were looking for specific support listed in the description 'to improve digital skills and increase the use of technology' suggesting the project was designed appropriately to meet its first objective, via the Digital Skills Programme strand; and 53% of survey respondents felt the training they had received on the programme had introduced them to the benefits of business planning and use of digital solutions, leading us to conclude that the delivery model was appropriate.

Key Finding 5: The economic and policy context changed drastically during the life of the Project, with Brexit, the Covid pandemic and the Energy Crisis all having significant consequences on the business community, leaving them unsure about international trade, stock availability and the potential loss of subsidies as a result of Brexit; a forced closure for many businesses and a serious loss of trade, as a result of the Covid pandemic; and a heavy financial burden as a result of the substantial rise in energy costs and its consequential increase in the cost of stock and the cost of living, leaving many businesses focusing on survival and having little funds or inclination for increased growth and employment.

Key Finding 6. As a result of the triple crises, there has been a greater emphasis on resilience, recovery, and remote working, all of which are subjects addressed by the project.

Key Finding 7: The project team reacted quickly to the Covid pandemic, switching to virtual support, and introducing additional training topics to meet the demand for homeworking and virtual communication.

Key Finding 8: Now that pandemic restrictions have been lifted there is a visible shift towards hybrid working, increasing the continuing demand for digital training.

Key Finding 9: In Q1 2022, despite the North East having the lowest population and density of businesses in Great Britain, GDP in the region increased at a higher rate than anywhere else in Great Britain, meaning its business community is performing well.

Key Finding 10: Our conclusion is that the context which forms the basis of the need for this project remains, with online connectivity now being considered to be far more important since the restrictions of the pandemic lockdowns, and the rationale on which the project is based, is therefore strong and continues to be relevant.

Section 2: Project Progress

Original Project

2.1 This section reports on Spend and Output performance against the Project's contractual targets.

2.2 The project was originally set up as a 3-year revenue project, running from 7th March 2019 to 31st March 2022 (subsequently extended). The original project value totalled £1,383,764, comprising £691,882 ERDF and £691,882 public match funding.

Project Change Requests (PCR)s

2.3 The Project has undergone 2 Project Change Requests (PCRs) as follows:

2.4 **PCR 1** - submitted in November 2019, reduced the total value of the project slightly by £11,722 to £1,372,042, within the permitted 1% adjustment to be classed as no change to the budget. Output targets remain unchanged. The purpose of the PCR was to reprofile expenditure to reflect the previously unforeseeable changes more accurately to staffing within the Project Team, and the outcome of the procurement processes.

2.5 Although not formal PCRs, the following two changes were approved by the Managing Authority (via email):

2.5.1 May 2020 – underspend from Covid was used to created a budget line for 1-2-1 support from trainers

2.5.2 June 2022 – further underspend was utilised for the digital diagnostic and subsequent change to the Growth programme definition.

2.6 **PCR 2 –** following approval of an extension of the programme to continue delivering until **June 2023**, a PCR was submitted to MHCLG in November 2021 to seek approval of up to date spend and output profiles, as well as some additional ERDF funding to ensure the programme could continue to deliver at full capacity until the programme end date. Final revised total Project value was £1,446.166, comprising £723,083 ERDF and £723,083 public match funding.

Primary output targets were to support 400 SMEs, of which 57 were new enterprises, with the objective of creating 135 new jobs. These targets were subsequently increased to 410 SMEs, of which 66 were new enterprises, with the objective of creating 100 new jobs.

Project Implementation

2.7 To achieve this the project uses the following 2 strands of support (further described in Section 1 above):

- Strand 1 – Digital Skills Programme
- Strand 2 – Growth Programme

2.8 The Project was launched on 1st July 2019 and despite initial resource issues had a strong start, primarily due to a speedy mobilisation which included the team hosting three launch events during the first quarter, each attended by around 30 businesses (reflecting the strength of the Business Northumberland brand).

2.9 Following the outbreak of Covid-19 delivery methods had to be adapted in order to continue delivery, detailed in section 4 of this report. The expenditure budget was subsequently increased in November 2021 to £1,446,166 to cover the costs relating to the project extension to June 2023 to enable the achievement of contracted targets.

Project Performance

2.10 **Figure 2.1** set outs the relevant expenditure and output indicators specific to this project, showing the RAG rated performance in relation to output targets at the time of this review, to 30th September 2022, and the projected performance at Project closure:

Figure 2.1 ERDF Summative Assessment Table F1: Spend and Output Table

Indicator	Targets		Performance at Time of Review (actuals to Q2 2022)		Projected Performance at Project Closure		Overall Assessment
	Original	Adjusted (if relevant)	No.	% of Target	No	% of Target	
Capital Expenditure (£m)	£0	£0	£0	£0	£0	0%	
Revenue Expenditure (£m)	£1,383,764	£1,446,166.39	£1,084,788.01	75%	£1,355,385	94%	
C1: Number of Enterprises receiving support	400	410	357	87%	414	101%	
C4: Number of enterprises receiving non-financial support	400	410	357	87%	414	101%	
C5: Number of new enterprises supported	57	66	65	98%	69	105%	
C8: Employment increase in supported enterprises	135	100	78.8	79%	110	110%	
P13: Number of Enterprises receiving information, diagnostic and brokerage support	204	207	179	87%	209	101%	

Source: GFA, PCRs and claim submissions to September 2022

Key	
	less than 85%
	between 85% and 95%
	Greater than 95%

2.11 This project does not involve any Capital expenditure.

2.12 At the time of this review the Project was slightly underperforming in against its profiled expenditure target to end September 2022 (at 95%). Information provided suggests expenditure performance is likely to continue at a similar rate, with its total project expenditure predicted to achieve 94% against its lifetime target.

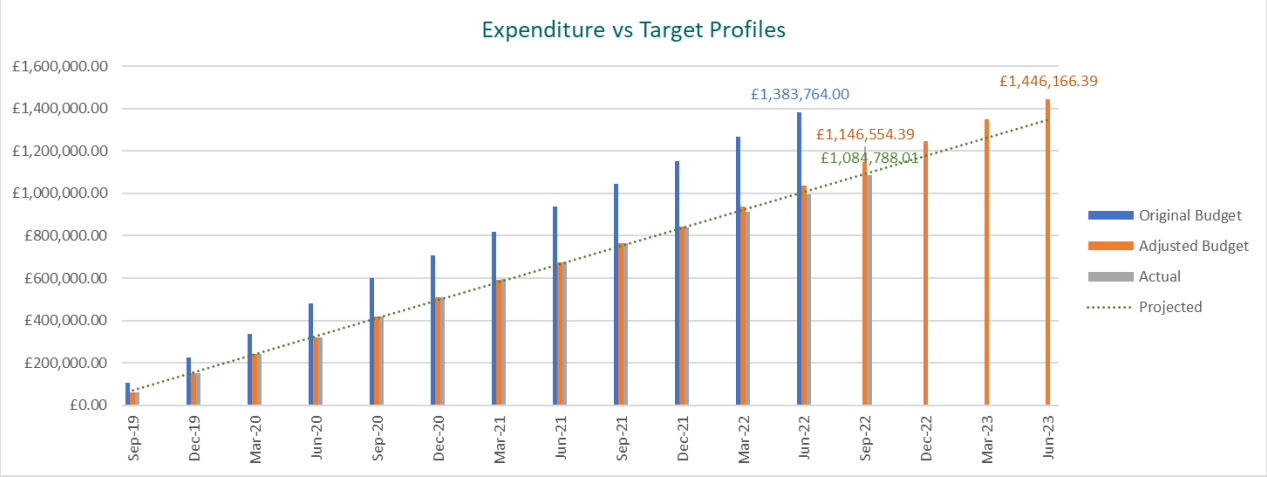
2.13 In relation to outputs, at the time of this review the Project is performing exceptionally well and is expecting to achieve most of its lifetime output targets by the end of Q1 2023, predicting to ultimately achieve or exceed all of its contracted output targets by the end of the Project duration.

2.14 This final review has considered how the Project has performed in relation to each individual contractual indicator, first considering performance against Expenditure budget, followed by a review of performance against each Output indicator.

Expenditure Performance

2.15 **Figure 2.2** below shows how the Project has performed across the Project duration to 30th September 22 against both its original and reprofiled expenditure targets.

Figure 2.2 Performance vs original and final expenditure profiles



Source: GFA, PCRs and claim submissions to September 2022

Factors which explain this performance

2.16 The rationale for these projections was provided by the BN19-22 Project team in October 2022 and is based on a mixture of experience of the Project's annual performance and current pipeline information available.

2.17 Suggested factors explaining the Project's annual performance from its inception in 2019 to date are as follows:

2.18 2019: There was an early underspend in the first 6 months of the Project delivery in relation to salaries and consultancy spend.

2.19 The salary underspend primarily related to resource issues, a gap in spend during the recruitment of new staff and a lower than forecast contribution from part-time staff, though this was expected to increase as the programme progressed.

2.20 In consultancy underspend was due to (1) invoices not yet received from the supplier appointed to deliver the Growth Programme, (2) a delay in procuring Trainers to deliver all five subjects, and (3) actual costs relating to the web portal were procured at a lower cost than expected.

2.21 A PCR submitted in November 2019 was approved to reprofile expenditure to more accurately reflect Project delivery, taking into account the early underspend.

2.22 2020: The unforeseen outbreak of the Covid-19 pandemic early in 2020 resulted in further underspend due to the enforced restrictions preventing a lot of activities from going ahead. The team responded quickly in adapting delivery methods to online in order to continue delivery, however this resulted in a huge reduction in spend.

2.23 Workshop delivery moved to online only which resulted in no catering and venue costs. Although the Growth Programme coaching activity had picked up, this remained slower than expected due to many businesses in this area having furloughed their staff, or they were too busy to commit time to coaching. This also impacted the hours required for part time staff, further contributing to the salary underspend.

2.24 2021: The underspend that continued throughout 2021 was a direct impact from the Covid-19 pandemic, primarily due to cost savings with the change in delivery methods and some activity was not able to go ahead due to the restrictions.

2.25 The Project also experienced salary underspend due to challenges faced filling two Business Growth Adviser vacancies following internal staff movement and promotions, which coincided with some new programmes launched across the North East when several organisations were competing for similar local available talent.

2.26 Following the approval of an extension of the programme to June 2023, a PCR was submitted in November 2021 seeking approval of up to date spend and output profiles, as well as some additional ERDF funding to ensure the programme can continue to deliver at full capacity until the new programme end date.

2.27 2022: The Project experienced salary underspend in the first two quarters of 2022 due to further Business Growth Adviser resource availability.

2.28 At the end of Q3 (the time of this report) the Project was also showing underspend against its Consultancy budget profile. Some of this underspend relates to a reduction in workshop delivery during Q1 due to a change in trainers through the Allies Group, however most of the underspend related to activity that had taken place, but the invoices not received in time so defrayal will now show in Q4.

2.29 **Figure 2.3** below shows the Project's RAG rated performance against its Revenue expenditure targets at the time of the final review, based on claims submitted to 30th September 2022, broken down into budget categories.

Figure 2.3 Expenditure vs Budget Category Targets at 30th Sep 2022

Category	*Original Contractual Targets*		Revised Contractual Targets		Actual Expenditure as at September 2022		Predicted Performance at Contract Closure	
	Lifetime	*September 2022*	Lifetime	September 2022	Actual Claimed	% of Target	Lifetime Forecast	% of Target
Salaries	*£789,480*	*£789,480*	£886,172.77	£708,059.77	£695,154.73	98%	£878,155	99%
FRIC	*£118,421*	*£118,421*	£132,927.15	£106,209.15	£103,833.34	98%	£130,833	98%
Marketing	*£43,000*	*£43,000*	£40,020.48	£35,020.48	£28,887.54	82%	£32,888	82%
Consultancy	*£309,144*	*£309,144*	£333,356.66	£256,075.66	£225,265.14	88%	£273,265	82%
Professional Fees	*£14,338*	*£14,338*	£14,451.00	£14,451.00	£7,222.50	50%	£14,819	103%
Other Revenue	*£109,381*	*£109,381*	£39,238.33	£26,738.33	£24,424.76	91%	£25,425	65%
TOTAL BUDGET	***£1,383,764***	***£1,383,764***	**£1,446,166.39**	**£1,146,554.39**	**£1,084,788.01**	**95%**	**£1,355,385**	**94%**

Source: GFA, PCRs, claim submissions to Q3 2022 - ERDF Summative Assessment Table F1: Standard Table Format

2.30 Salaries and Flat Rate Indirect Costs - Performance in these categories are both within 2% of profiled target.

2.31 Marketing - Although performance against this budget category shows a red flag for achieving only 82% of target, reviewed in relation to the wider context this target spend is relatively low. A lot of additional marketing activity has taken place in preparation for a large event scheduled for October 2022, the costs of which will be defrayed in Q4, meaning the actual underspend at the time of this review is not a concern, with a maximum predicted underspend of c.£7k having little impact on the overall Project expenditure.

2.32 Consultancy - Showing an amber flag (88% against contract target at the end of September 2022), work commenced during September to introduce the Digital 121 and diagnostic will be invoiced in Q4, pulling back some of the underspend, however many businesses are continuing to prefer online support so the costs in relation to the return of face-to-face activity has not increased as expected, resulting in a predicted underspend of c.£60k (82%) against this budget category lifetime target.

2.33 Professional Fees - Also showing a red flag achieving only 50% at the time of this review, however this was due to the postponement of the summative assessment in line with the project extension, which will now be defrayed in Q4 2022, bringing this spend back in line with contracted target.

2.34 Other Revenue - Finally, the amber flag showing against Other Revenue is due to the lower cost in relation to delivering activity online. As the Project is not experiencing the expected level of face-to-face activities returning, the lifetime performance is expecting to fall short by just under £14k (65%).

2.35 At the end of September 2022, the Project's overall expenditure was 95% against its profiled target for the same period. With the unexpected preference of most businesses to continue accessing online support rather than face-to-face, costs are continuing to be less than forecast meaning this level of expenditure performance is now expected to

continue, with the Project predicting to achieve 94% of its lifetime overall expenditure target.

Output Performance

2.36 At the time of this review the Project team are confident of achieving all output targets by the end of Q1 2023 and are predicting to go on to exceed all output targets by the end of the Project duration.

2.37 The main activity of this Project was to support businesses to take their business online through the provision of face-to-face workshops, and to grow businesses online through the Growth Programme which consisted of a programme of 1-2-1 support.

2.38 During the consultation process, our researchers were informed that the original output targets were based on there being a smooth transition of activities to follow-on from the previous Business Northumberland 2016-19 project, however a lengthy delay in the approval of the 2019-22 project, meant an initial period of time was needed to ramp the project up from scratch, appoint new staff and undertake procurements which had not been planned in the original profile.

2.39 Nevertheless, the project had a very strong start, with a much higher than anticipated level of registrations to the programme in the first quarter of delivery.

2.40 Issues that impacted the performance throughout the duration included Business Growth Adviser resource issues and the Covid-19 pandemic restrictions, which forced the Project team to revise the way they could continue to provide support, resulting in a speedy, but very successful move to a fully online delivery model.

2.41 The Covid-19 pandemic also forced a lot of businesses to look to take their business online sooner than they would have, with many that would not traditionally trade online having no other option to enable them to continue trading.

2.42 It is therefore not surprising that the Project's revised delivery model has proved very successful, now predicting to exceed all its contracted output targets - all but one of which ("C8" increase in number of employees) were also subsequently increased in line with the approved extension.

2.43 Although many businesses were keen to continue (and in most cases speed up) their plans to start/increase their online activities due to the Covid-19 pandemic, it quickly became clear that many businesses focus changed to survival rather than growth, meaning the original forecast for businesses to take on additional staff was no longer realistic. With some businesses originally forecasting growth having closed altogether and others predicting a much lower number than originally forecast. As a result, the C8 target was reduced in the final PCR from 135 to 100, which the Project is also now predicting to exceed.

2.44 **Figure 2.4** below sets out the relevant indicators specific to this Project, showing actual performance in relation to profiled output targets as of 30th September 2022, and projected performance against its contracted lifetime output targets:

Figure 2.4 Performance against Targets as at 30th September 2022

Output Indicator	*Original Output Targets*		Revised Output Targets		Actual Performance at September 2022		Forecast Lifetime Performance	
	Lifetime	*Sep 2022*	Lifetime	Sep 2022	Actual Claimed	% of Target	Predicted at Project Close	% of Target
P13: No of Enterprises receiving IDB	*204*	*204*	207	177	179	101%	214	103%
C1: No of Enterprises Receiving Support	*400*	*400*	410	355	357	101%	414	101%
C4: Enterprising receiving non-financial support	*400*	*400*	410	355	357	101%	414	101%
C5: New enterprises supported	*57*	*57*	66	61	65	107%	71	108%
C8: Employment increase in supported enterprises	*135*	*135*	100	72	87.8	122%	110	110%

Source: AN claim submissions and Progress Report up to September 2022

Key	
	less than 85%
	between 85% and 95%
	Greater than 95%

2.45 Performance at the end of September 2022 demonstrates the accuracy of information reported as part of the interim review, when the delivery team expressed confidence that the lifetime targets were ultimately achievable, with the only concern being the increase in employment target (C8), which was subsequently reduced from 135 to 100.

2.46 At the time of this report, additional information relating to ongoing actual output performance, following submission of the Q3 2022 claim, leads us to predict that all output targets are likely to be achieved by the end of Q1 2023, and subsequently exceeded by the end of the Project.

2.47 Performance against each of these output indicators and lifetime forecast potential has been analysed as follows:

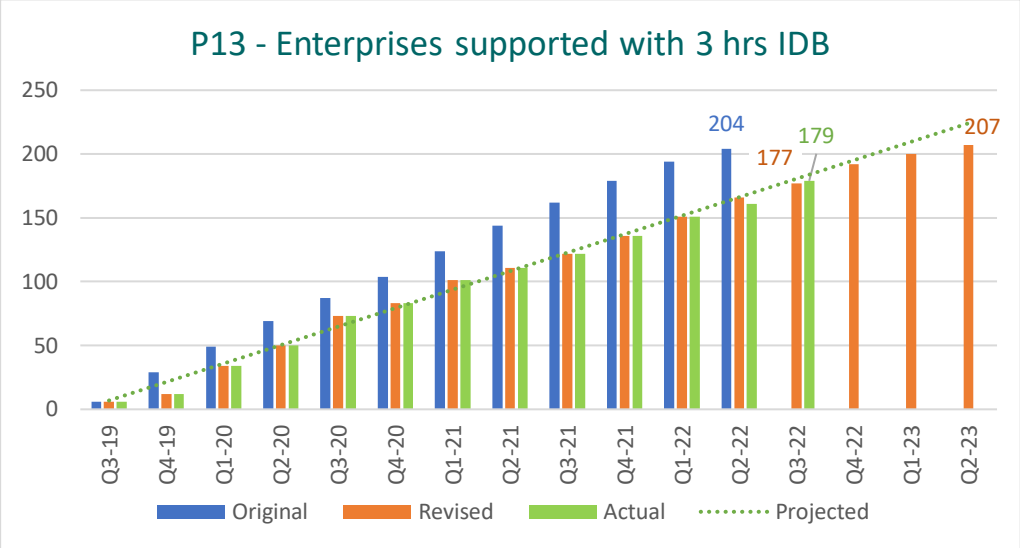
ER/P/O/13 Enterprises receiving information, diagnostic and brokerage support

2.48 After a difficult start due to the early departure of one Business Growth Adviser and several further resource fluctuations throughout its duration, the Project continued to perform slightly ahead of profiled target, having collected sufficient evidence of providing the full combination of information, diagnostic and brokerage support over a minimum of three hours, to claim 179 P13 outputs against a profiled contract target, at September 2022, of 177 (101%).

2.49 At the time of writing up this report the Project had already collected evidence to support a further 20 outputs bringing its actual total 199. With only 8 more P13s required in the final 6 months of the Project to achieve target, the team is confidently estimating to exceed this target achieving 214 against its lifetime target of 207 (103%).

2.50 **Figure 2.5** below shows the Project's actual quarterly P13 performance to date against its original contract profile and PCR revised profile, with a trend line which shows the Project is on target to exceed its lifetime target:

Figure 2.5 P13 Actual vs Original and Revised Targets Profile Performance



Source: GFA, PCR and quarterly ERDF claims

ER/C/O/01 Enterprises receiving support

2.51 On 30th September 2022 the Project had supported 357 businesses with the full 12 hours of support, against a profiled target of 355 (101%).

2.52 As described throughout this report, the Project experienced several unforeseen incidents which made this output more difficult to achieve, most notably the imposed restrictions due to the Covid-19 pandemic, which resulted in the cancellation of all face-to-face activity such as 1-2-1s, workshops, and all other non-essential gatherings, as well as issues associated with the fluctuation in availability of Business Growth Adviser resources.

2.53 Although the team responded quickly by pulling together a contingency plan, which was approved by the Managing Authority to enable them to deliver a fully online programme within 2 days, this resulted in the ability to achieve outputs at a must slower pace, with workshops being reduced to 3 hours, and Advisers no longer able to engage new clients through regional networking.

2.54 Our research found that the relentless efforts of the Project team to innovate, constantly introducing new workshop topics to keep beneficiaries interested, hosting specific themed weeks (e.g. a full week of Google themed workshops every day over a week), large scale events (such as Digital Retox), and introducing new services (such as the Digital Diagnostic service) designed to target businesses who had not completed the full 12 hours to push them through the final stages, meant that at the time of writing up this

report (Dec 2022) the Project already had sufficient evidence to report 379 C1s against its lifetime target of 410.

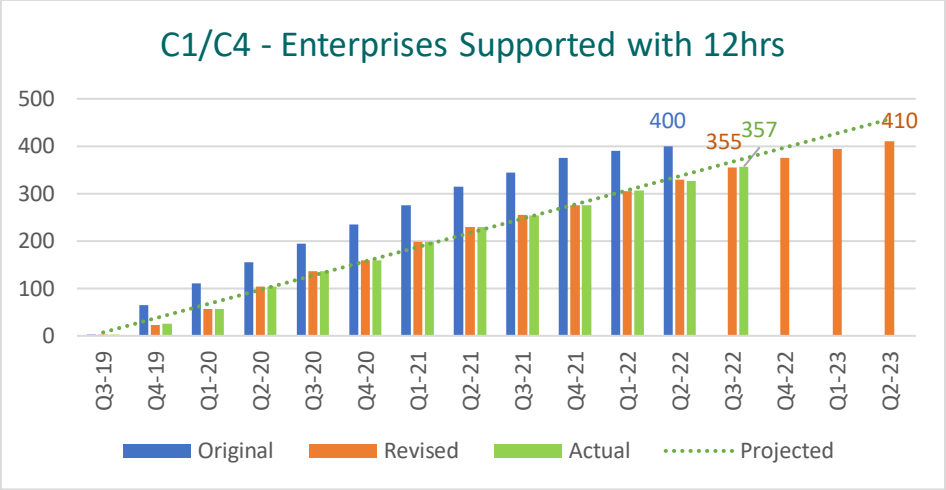
2.55 Based on pipeline activities planned the Project is now predicting to exceed this output, achieving 414 against its lifetime target of 410 (101%).

ER/C/O/04 Enterprises receiving non-financial support

2.56 The C4 output target is a subset of the C1 indicator, which can be achieved by providing eligible businesses with either 12 hours of support or a minimum of £1000 grant funding (or a combination of both). As this project does not include a grant element, all the C1 outputs will be achieved through providing 12 hours of support. The C4 output performance for this project therefore simply replicates the C1 output performance described paragraphs 2.51 to 2.55 above.

2.57 **Figure 2.6** below shows the Project's actual quarterly C1/C4 performance to date against its original contract profile and PCR revised profile, with a trend line which shows the Project is on target to exceed its lifetime target:

Figure 2.6 Actual vs Original and Revised C1/C4 Targets Performance



Source: GFA, PCR and quarterly ERDF claims

ER/C/O/05 New Enterprises Supported

2.58 New enterprises supported are those that have been trading for less than 12 months at the time of signing up for support from the Project.

2.59 The original lifetime total target of 57 x C5 outputs forecast was based on experience from the Business Northumberland 2016-19 project achieving an average of 5 (five) x C5 output per quarter. This was subsequently increased to 66 in line with the Project extension.

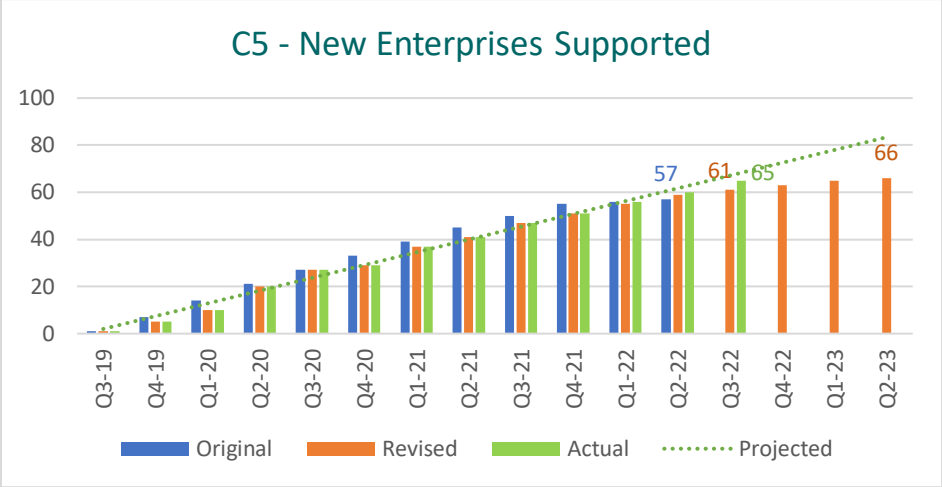
2.60 As eligibility to access the more focused and tailored support through the Growth Programme element of the Business Northumberland 2019-22 project, businesses are required to already employ a minimum of five FTE, which means that all the C5 outputs are expected to flow from the main Digital Skills Programme element of delivery.

2.61 Our research found that following the interim review, where the Project was forecasting to fall short of its lifetime C5 output target, the team responded by updating their engagement strategy to increase efforts to target new businesses, which included signing up to receive a monthly report from a data company that details all new business registrations in Northumberland for the Business Growth Advisers to target, and undertaking manual searches on Instagram for suggested new profiles, and posting regularly in small business Facebook groups to find new businesses..

2.62 At the end of September 2022, the Project was exceeding its profiled target of 61, having already reported 65 outputs (108%) and based on the current business pipeline, it is now predicting to reach at least 71 against its lifetime C5 output target of 66 (108%).

2.63 **Figure 2.7** below shows how the Project has performed in relation to its quarterly target profiles, comparing actual performance with both the original and revised contract profiles. Applying a trendline to the graph shows the Project does have the potential to exceed this contract even further than the 71 that the team are currently predicting.

Figure 2.7 Actual vs Original and Revised C5 Target Performance



Source: GFA, PCR and quarterly ERDF claims

ER/C/O/08 Employment Increase in supported enterprises

2.64 Reporting against this target requires the Project to compare the number of employees for each beneficiary after receiving support, against the number of employees they reported prior to accessing the programme.

2.65 The nature of the support is that there is usually a time lag between accessing the support and implementing the identified activities/changes, before any increase in sales are realised, only after which a business would embark on recruiting new staff which in itself takes time. This impact is therefore normally profiled to commence reporting outputs c.6 months after completion of the support provided.

2.66 The original target of 135 x C8 outputs was based on an increase in employment resulting from the focused and tailored support delivered through the 1-2-1 coaching and mentoring of the Growth Programme element of delivery, which specifically targets 90

businesses looking to grow their business by an average of 1.5 FTE additional employees (per SME) over the lifetime of the project. This original calculation was based on actual experience from the Business Northumberland 2016-19.

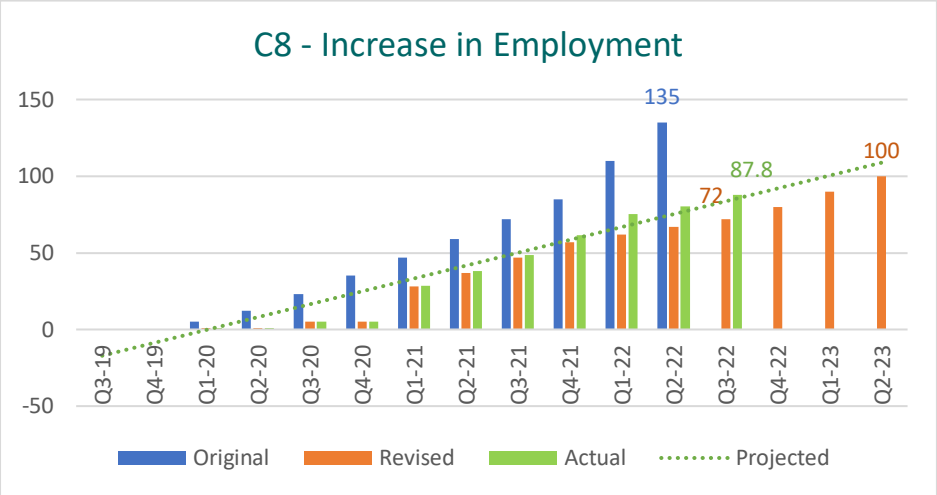
2.67 These outputs are projected to be delivered through the Growth Programme. At the time of the interim review, beneficiaries were forecasting an average growth of 3.2 FTEs per SME, however as referenced in 2.40 above, the restrictions imposed on face-to-face activities due to the Covid-19 pandemic forced businesses changed their focus from growth to survival. More recently the Ukraine war and subsequent fuel and cost of living crisis has meant that businesses continue to be reluctant to take on additional staff. As such, this target was reduced from 135 to 100 in the PCR.

2.68 Activity undertaken to maximise the potential to achieve this target has included the Business Growth Advisers revisiting businesses that have actively engaged with the Growth Programme over the past year. Although evidence of jobs created has been collected from several businesses, the number was lower than originally forecast due to the businesses not being able to grow as originally intended before the pandemic.

2.69 Nevertheless, the number of jobs claimed at the end of September 2022 was 87.8 FTEs, ahead of profiled target of 72 FTEs for the same period, leaving only an additional 12.2 FTEs to be evidence by the end of the Project to achieve the revised lifetime target of 100 FTEs. Based on 361 SMEs receiving 12 hours of support from the wider programme already reporting average growth of 0.243 FTEs per SME, grossed up to reflect the full 414 SMEs the Project is predicting to support, initially suggests an estimated employment growth forecast of 101 FTEs.

2.70 **Figure 2.8** below shows how the Project has performed in relation to its quarterly target profiles, comparing actual performance with both the original and revised contract profiles. Again, applying a trendline to the graph shows the Project does have the potential to exceed this target even further than predicted based on survey responses.

Figure 2.8 Actual vs Original and Revised C8 Target Performance



Source: GFA, PCR and quarterly ERDF claims

2.71 Subsequently, following the submission of the draft version of this report, the Project team have advised they have now already exceeded the C8 target, having achieved 110 FTE gross new jobs.

Equality and diversity

2.72 Advance Northumberland has appropriate Equal Opportunities and Equality and Diversity policies in place to ensure that equal opportunities and diversity are taken into account in their core business, which the Project team advised have been applied in the delivery of this project both in the management of and recruitment of any employees / providers, also ensuring that the beneficiaries supported are not be discriminated by sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

2.73 The Project has promoted to both men and women, using photography created during delivery of the Business Northumberland 2016-2019 which illustrates real businesses accessing support ensuring that promotion of the project appeals to both genders.

2.74 The Project team have also proactively targeted remote areas of the county holding regular networking events to raise awareness and ensure that those in deprived areas are not excluded from opportunities and access to services. Regular networking events continue to be delivered in Morpeth, Hexham, Alnwick, Wooler, Berwick, Cramlington, with the more recent introduction of Ashington and Ponteland.

2.75 It is noted that the Project does not have a contractual requirement to specifically target beneficiaries to address the EU's cross-cutting themes, and as such the focus of their recruitment has remained on the beneficiary's business status as an SME. However, to measure female participation in the Project we researched the primary contacts leading the application to register for support. At the time of this review, 57% of the primary contacts were female, meaning special measures were not required to be taken to attract female participation as it has already happened organically.

Key Finding 11 : Originally a 3-year revenue project, running from 7th March 2019 to 31st March 2022 with total project value of £1,383,764, comprising £691,882 ERDF and £691,882 public match funding match.

Key Finding 12: Through 2 PCRs the Project was extended to June 2023, and the total value was increased to £1,466,166. All output targets were increased in line with the extension with the exception of C8 (increase in employment) which was reduced from 135 to 100 to reflect the change in focus of businesses from growth to survival.

Key Finding 13: Project expenditure was impacted primarily due to the Covid-19 restrictions which saw all activity move to online, with a corresponding reduction in costs for venues and catering, and reduction in travel costs and part time resource requirements during the period when no face-to-face activity was permitted.

Key Finding 14: At the end of September 2022 the project was performing well, predicting to achieve 94% of its lifetime expenditure target, with the small underspend primarily due to reduced costs relating to the imposed changes to online delivery caused by the Covid-19 pandemic.

Key Finding 15: Following a strong start to the Project, the Covid-19 pandemic forced the team to move quickly to a fully online delivery model, which proved very successful, with the Project predicting to achieve or exceed all output targets.

Key Finding 16: Following the interim review, the team took action to address any potential underperformance, such as revising their engagement strategy to proactively target new businesses and introducing themed campaigns and new services such as the Digital Diagnostic to support businesses through the full 12 hours of support.

Key Finding 17: Horizontal targets are not a contract requirement for this Project hence the focus has remained on the beneficiary's business status as an SME, however research shows that 57% of the beneficiaries' primary contacts are female, meaning female participation has happened organically with a requirement for special measures.

Section 3: Project Delivery and Management

3.1 This section of the report provides a more qualitative analysis of the implementation of the Programme regarding the management and delivery arrangements. In particular, it focuses on marketing and promotion, the application process, contract and partnership management, appraisal procedures, monitoring performance and governance arrangements

3.2 It has been informed by consultations with the delivery partners and the management team, through beneficiary surveys (see Appendix B) and feedback from case study businesses (see Appendix C).

3.3 The consultations gathered information in relation to what has worked well and what has worked less well, with a view to informing the further progress of the Project and provide an insight into the types of support required by businesses in the region.

Management and Governance

3.4 The programme management team were all involved in the previous Business Northumberland 2016-19 programme, and between them have a wealth of experience in developing, delivering, and managing programmes, which was apparent and complimented throughout our research consultations with delivery partners, with comments such as

> "*the team are experienced and pragmatic, and not embarrassed to share issues or ask for advice from outside their own organisation, they have the situation nailed-on*".

3.5 Using their experience from managing the previous Business Northumberland 2016-19 programme, the delivery model for the new project was adapted to work more autonomously and was more clearly defined in what it was doing, i.e., providing digital training support, and having a separate growth programme.

3.6 The evaluation team were procured at the start of the Project and were provided with copies of the claim and progress reports as they were submitted throughout the life of the Project. In addition, the evaluators were invited to all steering group meetings to ensure they were fully appraised of the strengths and weaknesses of the Project. As a result, we have witnessed that the Project has been regularly and thoroughly managed.

3.7 The Programme Manager is very open and informative with everyone linked to the Project, she is very quick to respond to any queries and deals with issues as soon as they arrive. She has been instrumental in and overseen the changes made to the Project to enable it to continue delivery throughout the Covid-19 pandemic and more so, adapted delivery to cater for the increased demand caused by lockdown. She has worked closely with the rest of the Advance team to enable this problem to work in partnership with other Covid response and recovery projects, which resulted in engagement on this project to increase to just short of 1000 beneficiaries, which is exceptional for a Project whose target was to support 400 enterprises.

3.8 Communication with the management team has without exception been reported as excellent, whether it be from the rest of the team, the deliver partners, stakeholders, and beneficiaries alike. Comments such as the following were common:

"Communication in the team is excellent. [the Programme Manager] is a great manager. Everything is very transparent. She celebrates successes. She motivates when we need to be pushing ahead. During pandemic we had concerns about collecting jobs, as people weren't recruiting – as a team we kept our ears to the ground, if [project team] spotted that one of my businesses had recruited, she'd screenshot it and send it to us so we could follow it up"

3.9 The general views taken from our research consultations was that the team were very experienced, open, and approachable.

"We have excellent communications with the Business Northumberland team - if there's a problem we hear about it, if there's a success we hear about it - open communication with [the Programme Manager]"

"Very communicative - sending registers - giving advanced notification of stuff – on other contracts we never hear until the day itself but here they all work closely together".

3.10 Difficulties were handled as they arose, such as the Adviser resource shortages which were dealt with seamlessly without beneficiaries, in the main, being aware, illustrating the professionalism and dedication across the team.

3.11 The governance and management structure of the Project was set up appropriately, as outlined in section 1 of this report. The Programme Manger reports to the Head of Economic Growth who monitors the Project at steering group level by receiving copies of the meeting slides, whilst allowing the Programme Manager to work autonomously. He is only consulted if there is a problem that needs dealing with.

3.12 The Programme Manager has a weekly management team meeting with Advance's Economic Growth Department to discuss performance and progress reports etc. She has also been appointed as Chair of the North East LEP's Provider Network Steering Group, which aims to improve best practice, provide opportunities, and contribute to strategic planning. This is a very useful appointment that can benefit the Project as in this position [the Programme Manager] can be instrumental in regional policy, e.g., the group became an important mechanism during the Covid pandemic, contributing to the regional response plan as well as addressing challenges within business support delivery and compliance as a result of covid restrictions. It also shared and addressed real time concerns from the business community during a worrying time.

3.13 A monthly Performance Clinic is held by Northumberland County Council and Advance Northumberland, during which Business Northumberland's Head of Economic Growth updates members on the performance of the Project. This information is then fed back to NE LEP and the NTCA by the Leader and Deputy Leader of Northumbria County Council.

3.14 At a strategic level, the Head of Economic Growth maintains a good relationship with NE LEP, NTCA and the Local Area Network Group (LAN), ensuring they are fully aware of any business support movements at NTCA level and ensuring the project continues to be beneficial to them.

3.15 As Chair of the NE LEP Provider Network Steering Group, the Programme Manager regularly meets with partners and other support providers in the region to discuss progress and has an opportunity to discuss possible solutions to issues, if necessary.

Delivery team roles and responsibilities

3.16 The Project has three full-time Business Growth Advisers (Advisers) who are responsible for promotional networking, engaging potential beneficiaries and completing initial diagnoses to determine eligibility and identify appropriate support for the beneficiary. These ADVISERs account-manage the beneficiaries and also offer 1-2-1 advice in their areas of experience/knowledge. They are geographically dispersed across the region, so they are able to react more efficiently and effectively to local needs and priorities, both in relation to SMEs and in terms of partnership working and providing support in more rural and harder-to-reach business communities.

3.17 The Project was initially set up with the additional support of two part-time Business Growth and Investment Managers (BGIMs) who specialised as SAM-business account managers and worked primarily for Advance Northumberland. The Project anticipated the BGIMs giving approximately 20% of their time to support high growth medium-sized businesses eligible for project support. However, their involvement was lower than anticipated at the start and failed to increase as the project progressed. In addition, some part time staff reported that the amount of time required to record their participation in the programme is out of sync with the amount of time spent delivering the programme.

3.18 There were some issues with staff turnover in relation to the Adviser's, with 1 leaving and being replaced at the very start of the programme. Another one had a long period of sickness absence before eventually leaving permanently, at the same time, another one secured a career-move out of the team, meaning there were two vacancies to be filled in the period March to May 2020, leaving the one remaining Adviser to cover a very wide geographical area alone until the leavers were replaced. Fortunately, being part of a wider Economic Development team within Advance meant that during this time, the two part-funded BGIM's were able to step up and support the project in an account-management capacity.

3.19 When asked if the loss of Advisers at the same time, albeit temporarily, had an adverse effect on the Project, comments received included the following:

"There will have been an impact though I didn't see it"

"Considering there has [at that time] only been 2 Advisers covering the whole of Northumberland, they seem to be everywhere, and are clearly doing an incredibly good job of reaching out".

3.20 Two of the external delivery team members were beneficiaries of the project prior to working with the delivery teams. One commented:

> *"One Adviser was doing all the support on her own when I used the service. She was hugely helpful, even though I was a bit further away I was not impacted at all".*

3.21 Such comments are evidence of the exceptional dedication of the Advisers' working during periods with limited resource and the efficient management of the programme during that time.

3.22 The low use of BGIMs created an underspend on their salary budget. The type of businesses they supported were primarily high growth or manufacturing businesses, most of whom were either non-operational or too busy during the Covid pandemic and they had no need for BGIM support. The Programme Manager was closely monitoring the salary underspend and after taking audit recommendations into account, it was decided to restructure the Adviser support provision without the BGIM service, as the full-time Advisers could support those businesses themselves. The BGIM salary costs were then reallocated to contribute towards an extension of the lifetime of the programme and the BGIM support was removed from the Project.

3.23 The interim report had revealed concern of a disparity between business-growth support in the north and south of the region and recommended action to increase marketing to target business coaching in the northern region, to ensure the harder-to-reach, more rural businesses were equally exposed to the full spectrum of support available through the Project. The Programme Manager responded quickly and decisively and after considering possible solutions went further than just increasing focus on marketing and employed an Adviser with a more extensive client base in the northern part of the county. As a result, engagement for business growth support by beneficiaries from the northern region increased.

3.24 Taking all of the above into account, we conclude that the Project is being managed very well.

Programme delivery

3.25 The Project was designed to provide two separate 'strands of support', which were delivered by external providers, appointed through a formal procurement process.

3.26 The Digital Skills Programme delivery was split into 5 Lots:

Lot 1 (Microsoft training) was delivered by specialist trainer Lara Mellor Training, who provided online and classroom workshops and training courses on Microsoft Applications; and

Lots 2 to 5 (Social Media, Websites, SEO and Digital Marketing) delivered by The Allies Group who provided online and classroom workshops and digital training courses on Social Media, Websites, SEO and Digital Marketing, plus 1-2-1 support from trainers.

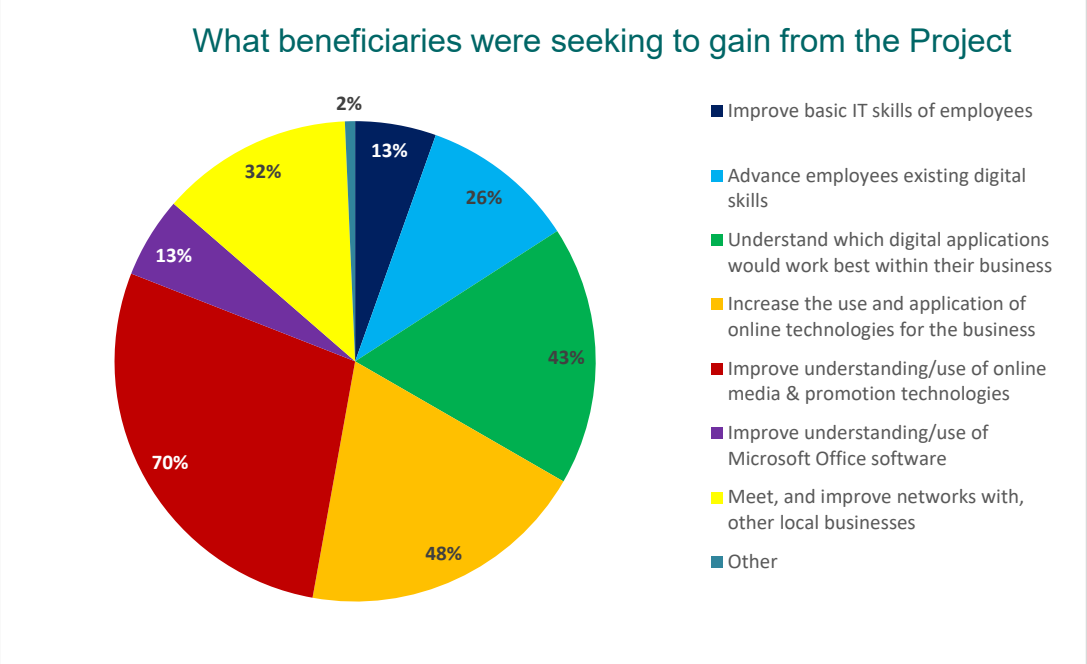
3.27 The Growth Programme delivery has been undertaken by Team Transmit, who provided specialist coaches, mentors, and advisers to provide intensive 1-2-1 support to SMEs who met the growth criteria.

3.28 In addition, Scott Digital was brought in during the final year of delivery to provide digital reviews and additional 1-2-1 support to businesses who had received some support but not yet completed the full 12 hours required to count as an output.

3.29 During our consultation research, views were expressed that having one organisation delivering 4 of the 5 Digital Skills Training Programmes worked better than the previous BN16-19 programme, when it was suggested that multiple trainers didn't know enough about each other's subjects to cross reference, thereby missing opportunities to provide more hours of support to SMEs and sometimes resulting in conflicting views.

3.30 We considered if the delivery partners were able to deliver the support to a high standard by firstly asking what the beneficiaries were looking for from the Project. **Figure 3.1** below shows that the majority of beneficiaries (70%) were looking to improve their understanding and use of online media and promotion technologies for business.

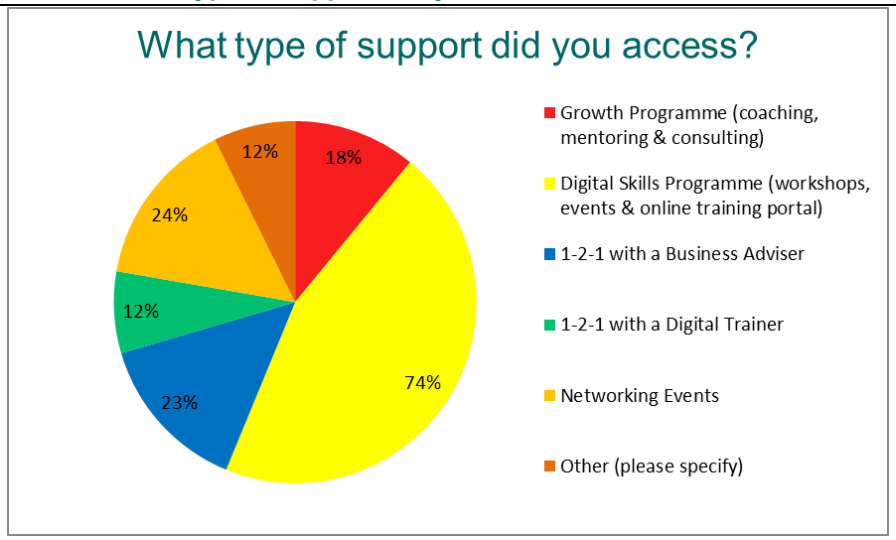
Figure 3.1 What were you seeking to gain from the Project



Source: BN beneficiary survey October 2022 (n=178)

3.31 Next, we asked what kind of support they received. **Figure 3.2** below illustrates that the majority (74%) of beneficiaries accessed the digital skills programme of support.

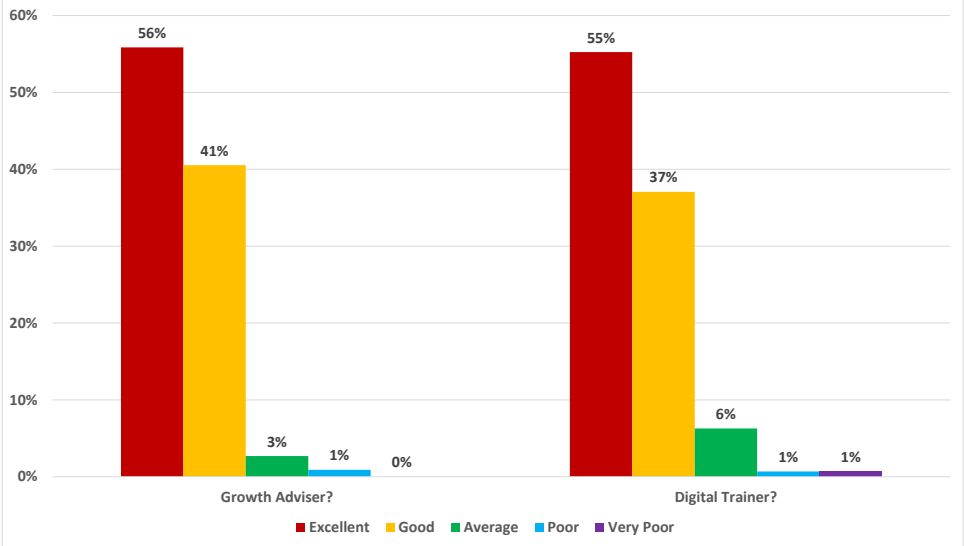
Figure 3.2 What type of support did you access.



Source: BN beneficiary survey October 2022 (n=168)

3.32 We also asked respondents to rate the knowledge and expertise of their Growth Advisors or Digital Trainers. **Figure 3.3** below shows that 97% of respondents thought their Growth Adviser was Good or Excellent, and 92% of respondents thought their Digital Trainer was either Good or Excellent. Only 3% overall considered their support to be poor or very poor.

Figure 3.3 Rating the knowledge and expertise of your support providers



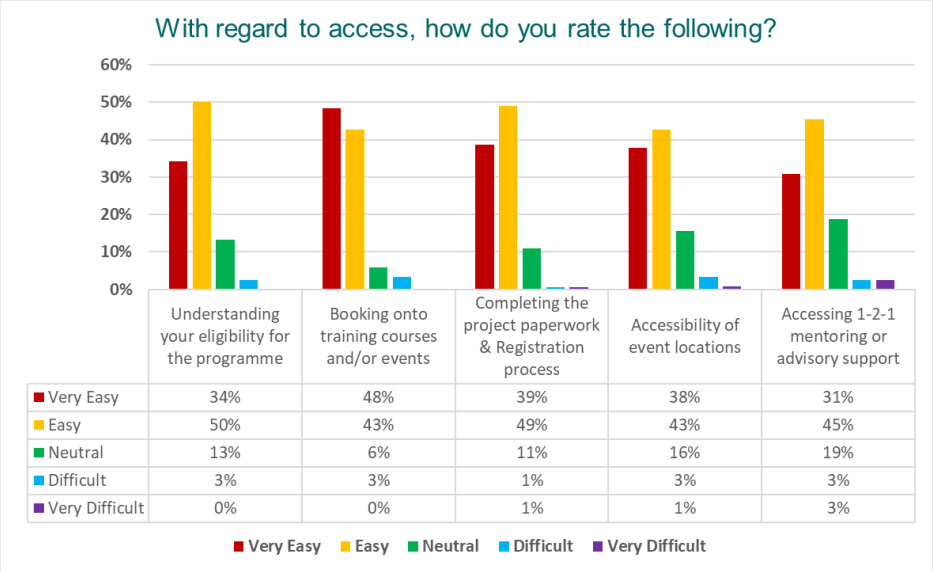
Source: BN beneficiary survey October 2022 (n=171)

3.33 We then asked the beneficiaries how they rated access to Project, by asking:

- About their understanding of their eligibility for the programme,
- How easy they found booking onto the training courses and/or events,
- How easy they found completing the project paperwork and the registration process,
- How easy they found accessibility of event locations/venues, and
- How easy they found it to access 1-2-1 mentoring or advisory support.

3.34 **Figure 3.4** below shows the results. Of the respondents who answered these questions, 91% found booking onto the training courses and events to have been easy or very easy, whereas 6% found accessing 1-2-1 mentoring and advisory support to be difficult or very difficult.

Figure 3.4 Rating access to support

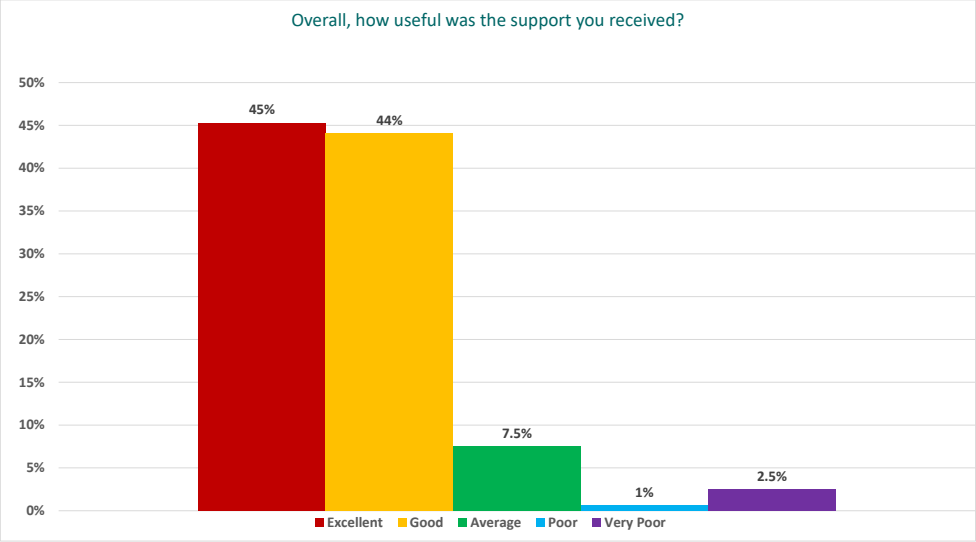


	Understanding your eligibility for the programme	Booking onto training courses and/or events	Completing the project paperwork & Registration process	Accessibility of event locations	Accessing 1-2-1 mentoring or advisory support
Very Easy	34%	48%	39%	38%	31%
Easy	50%	43%	49%	43%	45%
Neutral	13%	6%	11%	16%	19%
Difficult	3%	3%	1%	3%	3%
Very Difficult	0%	0%	1%	1%	3%

Source: BN beneficiary survey October 2022 (n=169)

3.35 Finally, we asked beneficiaries what their overall opinion was of the support they had received. **Figure 3.5** below illustrates that 99% of respondents who answered this question considered the overall usefulness of the support they had received, to have Excellent or Good, with the higher 45% rating is as excellent, and only 3.5% thinking it was poor or very poor.

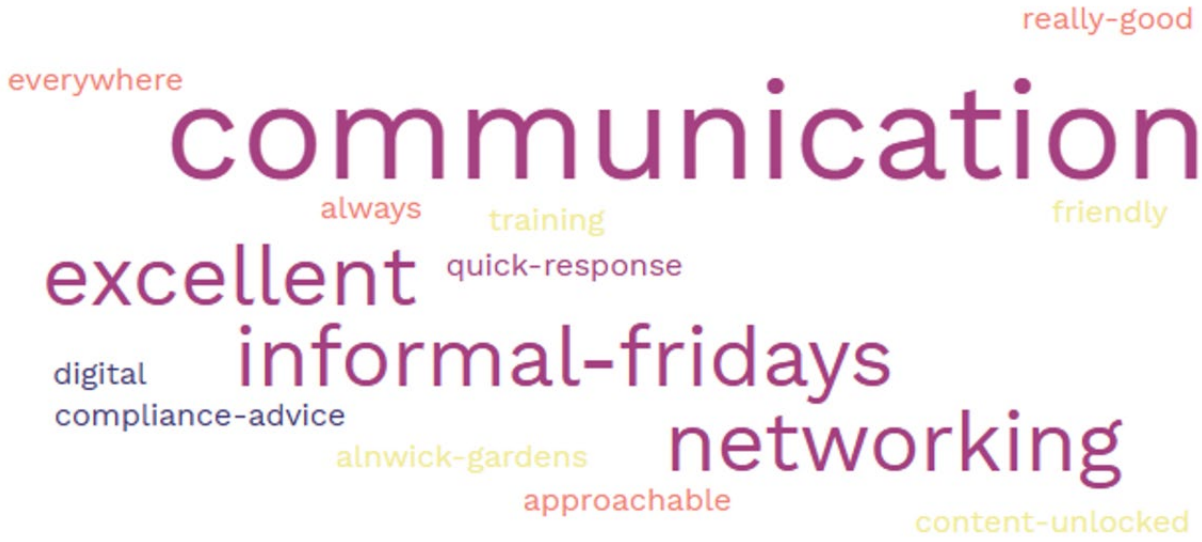
Figure 3.5 Rating the quality of the support received



Source: BN beneficiary survey October 2022 (n=171)

3.36 The beneficiary responses given above all clearly indicate that they considered the quality of the support delivered by the Project to have been a high standard.

3.37 As explained above the Project team have been running projects providing this type of support in the region for many years and are well experience and well known in the area. Over time, they have honed a very successful support experience with many strengths and few weaknesses.



3.38 When conducting consultations with the delivery partners and wider stakeholders we asked what they thought were the strengths of the Project. The following are some of their replies:

"Communication. The team is very quick to respond and have been great with compliance advice".

"Events, like Alnwick Gardens Event, it was very productive."

"Informal Fridays"

"The team's networking ability. The team are fantastic, they are always out and about, they're really good at what they do"

"Content Unlocked, bringing lots of people together"

"The Business Northumberland team are so friendly & approachable, which really helps. Internal communication with them is excellent"

"The digital training has been really useful, excellent standard".

3.39 We also considered the weaknesses that the final review has highlighted.

3.40 In general, very few weaknesses were reported with the Programme overall. Areas highlighted that could benefit for improvement in future projects include:

3.41 Website builds – feedback suggested the quality of the websites that were built with/by businesses during workshop support sometimes fell short in relation to quality, with some

website templates used not being adequately updated, leaving information in from other businesses, links to the wrong companies' social media, etc.

3.42 Use of feedback statistics – some delivery partners suggested that feedback and impact information received from beneficiaries could be better utilised with more analysis and making feedback statistics readily available to relevant deliverers to enable them to tweak their delivery to better suit their clients.

3.43 The paperwork – partner feedback suggested if more could be done electronically it would be better as the requirement to provide evidence with a physical paper trail had resulted in higher costs for delivery partners than they had anticipated, e.g., the extra costs for paper and printer inks for the quantity of paper evidence required hadn't been built into their tender price.

3.44 Business Adviser resources – the Project experienced some issues with staff turnover, with one leaving early in the project, another leaving after a period of long-term sick, and another securing a career development opportunity within Advance. At times, this left the team with only 1 Adviser to cover the whole of the Northumberland region.

3.45 Part time staff – in the earlier stages of the Project the team had the benefit of additional support from 2 part-funded Advisers from Advance's Business Growth & Investment team, who looked after eligible medium-sized, high growth, SAM businesses. However, some part time staff reported that the amount of time required to record their participation in the programme is out of sync with the amount of time spent delivering the programme. The project team also highlighted that there had been a consistent underspend on part time salaries – most of the work done by the part time Advisers were with businesses that were impacted by the pandemic. This did not improve as expected and it was concluded that the administrative costs of claiming them outweighed the value of their inclusion, so a decision was made to remove the part time resource completely from the project.

3.46 Trainer resources – the project also experienced issues with subcontractor resources which resulted in feedback that suggested the quality of the training provision was lower, with some courses being cancelled due to a lack of available Trainers.

3.47 We asked what could be improved and some useful ideas were put forward by stakeholders, delivery partners and beneficiaries, including:

Follow-up session for completed workshops to allow you to reinforce the initial training and iron out any misconceptions, as well of course as building on the learnt strategies further.

If they could make their one-day events bigger and bring in other support providers who can help the businesses when their digital improvements create more demand

The different coaches could work closer, as a team, rather than individually. It would be beneficial if we knew what the others specialisms were.

An introductory course on making good video content for social media

3.48 Finally, we asked the beneficiaries if they had any suggestions for additional types of support and/or training topics the programme could offer. We had a really good response, 96 respondents gave their views, which can be summarised as follows:

3.48.1 Online trading skills …

- Training on visual promotion tools – Stories, Reels, You Tube – how to make good content for them, basic editing and uploading to the platforms,
- Graphics programmes to enhance adverts to have more impact,
- PR & Press Releases,
- Online retail sales - which online market places – pros and cons of different platforms (Facebook shop, Instagram shop, google shop, Amazon, Etsy, eBay, Folksy)
- After setting set up social media accounts and website, how to make sales, and develop upon other avenues of revenue,
- Help on social media self-discipline
- Something that you can bundle up into a set course is making a step change into wholesale.
- What RRP prices do you have, what discounts retailers expect
- How to create a look book,
- How to design an online catalogue then changing into flip book,
- How to design online order form
- How to make contact with possible interested wholesales through online CRM management programme such as asana / HubSpot
- How to design a sales funnel.

3.48.2 General business training:

- Basic accounting using common accounts packages, i.e. Sage & QuickBooks
- Dealing with foreign markets
- Health & Safety and HR – looking after staff etc
- Motivation, well-being and resilience (mental health)
- Post-Covid business development, using lessons learnt in pandemic
- Business support groups – Peer-led or ways for networking groups to boost each other's business

- How to package and sell your business - the best way to advertise, best time of year to sell, any suggestions for maximising the sale price, and non-disclosure/ confidentiality agreements etc

3.48.3 Support improvements:

- Fully funded small grants for purchasing equipment/software
- Key worker to keep who tracks our progress and suggest next course
- Refresher training
- Make it easier to see what courses are available and how to access them
- Video recording of training course, so it can be referred to later, to help understanding and implementation of what has been learned
- Opportunity to access or buy additional sessions, if needed.

3.49 The majority of respondents' comments implied the support already provided was very comprehensive and needed no enhancement but of those who did make suggestions, there were some very positive and useful tips for the team to benefit from when planning future projects.

3.50 The Project concentrated on digital skills due to a low level of these skills in the region. The lockdowns imposed during the Covid-19 pandemic created a greater need for businesses to have an online presence and to work remotely using online business tools, so demand for these skills increased. The Project team quickly adapted the method and content of support being delivered so the project could not only continue, but also deal with increased demand. Training was adapted so it could be delivered online. Courses that had previously been full day, face-to-face courses were split into 2- to 3-hour online sessions that could be delivered directly to the beneficiary in their home. An additional 1-2-1 support was introduced following online training sessions, to assist beneficiaries with implementing their new skills and ensuring they were working on a practical footing. Content was also changed to include topics that were relevant and in demand, including online meeting platforms etc.

3.51 The Government also provided Covid response monies to local councils to provide additional support for their communities. Advance were instrumental in shaping the support for Northumberland and that allowed them to supplement the support they were already providing by enabling the provision of tangible assets to help businesses improve their online presence. This project gave enterprises the skills needed, then the Covid response programme gave them the assets they needed, to put their newfound knowledge into practise. As a result, the BN project benefitted from referrals going between the different support services.

3.52 Advance Northumberland then commissioned a digital skills baseline study, which identified really low digital skill levels. As the pandemic was preventing face to face events from taking place and wasn't incurring the costs of hosting such events, there was an accumulating underspend, which the Project team were able to divert to provide workshops of varying skill-levels in addition to providing more intensive support to individual businesses, as necessary. 'Scott Digital' was procured to deliver Digital Reviews to identify business' needs.

3.53 It is acknowledged that the Project has suffered some resource issues, firstly within their own Adviser team, as discussed earlier, but also with the digital skills delivery partner, The Allies Group (TAG).

3.54 Most of TAG's support was provided by a few key members of their delivery team until they each left the company and moved on to other ventures. The Covid pandemic had made recruitment difficult so TAG backfilled the vacancies with existing technical staff to provide cover until the trainers could be replaced. Although the temporary trainers were very knowledgeable, actual training is a different skill set and feedback from delegates was not as positive as it had previously been. In addition, due to the pandemic, like many businesses at that time, sick leave increased leaving insufficient trainers to deliver all booked training courses, resulting in some late cancellations of courses. The problem was resolved by TAG who sought to bring in experienced external training resources as and when needed.

3.55 There were two trains of thought in respect of this resource issue. On the one hand, the delivery partner indicated that they would have benefitted from being more aware of the Project's targets to ensure they had a more realistic expectation of the number of courses that would be required to fulfil the contract and also that the regular checks and changes that needed to be made to their online courses due to the Covid lockdown created a much higher workload than they had anticipated and left them with insufficient resource to provide the trainers required.

3.56 On the other hand, even taking into account the earlier comment that it seemed better having one provider instead of the multiple providers that were available on the previous BN16-19 Project, the Project team concluded that the issue highlighted the need for a Training Provider Framework to ensure too much responsibility does not lie on the shoulders of just one provider.

3.57 Both of these views appear to be well-founded, and both have highlighted issues that need to be taken into consideration in the design and delivery of any future Projects.

3.58 In our opinion, the Covid pandemic exacerbated the problem, creating difficulties with recruitment of vacant positions and with increased sickness levels, which left both the Project team and TAG with a shortage of resources at times, which were indicative of the unprecedented difficulties caused by the pandemic.

Customer Journey

3.59 The customer's journey generally began with the SME registering for support through the BN website, which hosts a sophisticated registration and diagnostic system that can be accessed remotely. The system has the capability of registering SME interest, assessing eligibility, and providing a diagnostic to understand the ambition and interests of the SME. The website also hosts various online materials, across several topics to help increase business capacity and overcome barriers to success.

3.60 Once due diligence was completed and eligibility established, an Adviser would contact the business to discuss their needs and collect some baseline data, including digital skill level. The diagnostic could then be completed either online or in person with an Adviser.

3.61 The diagnostic question path differed depending on the initial needs and eligibility of the SME, to ultimately assist in determining the best package of support for their requirements.

3.62 Businesses then continued to receive their primary support through the project by making use of one or both projects' overarching strands of support, which are:

Strand 1 - Digital Skills Programme – beneficiaries were able to take as many training courses as needed, subject to availability. During the Covid pandemic, this was supplemented with post-course 1-2-1 support to help the beneficiary implement their new skills.

Strand 2 - Growth Programme – beneficiaries were limited to 12 hours of support through this programme, inclusive of 1-2-1 business advice and growth coaching and any training or workshops undertaken.

3.63 Once registered on the Business Northumberland programme, all eligible businesses had access to a range of additional support, e.g.

- online learning and information resources,
- networking events and workshops
- 1-2-1 business adviser support

3.64 Alternatively, where a business had a specific need that could not be serviced by the programme the SME could be referred into a more appropriate source of support e.g., the NE Growth Hub or the North of Tyne Rural Business Growth Service.

3.65 Likewise, businesses could be referred into the BN programme through a variety of Referral Channels (see **Figure 3.6** overleaf), including:

- Business Growth Advisers;
- Business Growth and Investment Managers;
- Referrals from North East Growth Hub;
- Regionally focused Enterprise Support Agencies;
- Marketing and Events Campaign;
- Partner programmes, such as RDCIP, NBSL etc
- Self-sourcing support

Figure 3.6 SME Customer Journey

Referral Channels

- Business Growth Advisors
- Regionally focused Enterprise Support Agencies
- Marketing & Events Campaign.
- Referral from North East Growth Hub
- Business Growth and Investment Managers

SME registration, diagnostic and identification of support

SMEs register for support through the Business Northumberland website. Access to the site is restricted until all eligibility and state aid checks have been completed by a Business Growth Adviser. The BGA will take this opportunity to contact the SME to discuss their needs and establish a baseline of their digital skills. A diagnostic and resulting action plan will then be completed either in person or online through the website. This will direct the user to the relevant level of support though the project.

Programme Delivery

1. Digital Skills Programme – Open to all eligible SMEs	**2. Growth Programme** – Open to eligible SMEs with a minimum of 5 FTE looking to increase by a minimum of a further 2 FTE
121 support from a Business Growth Adviser	121 support from a Business Growth Adviser to identify suitability for coaching
Access to a range of digitally focused workshops and masterclasses taking place across Northumberland over a half (3 hours) or full (6 hours) day	Access to a range of digitally focused workshops and masterclasses taking place across Northumberland over a half (3 hours) or full (6 hours) day
	Provision of 12 hours of 121 coaching

Outputs

P13	204		
C1	310	C1	90
C4	310	C4	90
C5	57		
		C8	135

Additional Support available to all eligible SMEs:

- Referral to external support providers
- Online eLearning Resources
- Online Facebook Group / Community
- Online Blogs
- Regional Networking Events
- Monthly Newsletter
- Funded Exhibition Space at a National Exhibition

Source: Advance - Full Application Appendix 2 12 Jun 2019

Marketing and Publicity

3.66 Promotion of the Programme is carried out by the project's marketing team, which comprises the Marketing & Events Coordinator, the Programme Manager, the Compliance Officer and 3 full-time Advisers, and also at a local area level by the County Council, private sector business support agencies active in the area, the universities, the LEP Growth Hub, and the NTCA.

3.67 The Programme Manager sets quarterly marketing budgets, which the Marketing Coordinator uses to design the Marketing Plan and any specific campaigns. The Marketing Plan is signed off by the Programme Manager and any concerns regarding publicity requirements are clarified by the Compliance Officer. Monitoring of the ongoing plan is met by weekly marketing meetings and regular steering group meetings. The Compliance Officer keeps the marketing team up to date with any publicity legislation changes and the team are confident that they have robust procedures in place to prevent any risk of publicity breaches.

3.68 The Marketing Coordinator is considered by the delivery team to be very good at what she does, and the quality of marketing is perceived to be good. A marketing activity plan and forecasts are maintained, and the team work as closely to it as possible, though the Marketing Coordinator commented that a lot of her work is quite reactive.

Branding & Publicity

3.69 Branding and Publicity rules are important in European Funding. The regular meetings and close contact between the Marketing Manager and the Compliance Officer mean that the latest updates are disseminated quickly, and the compliance officer is readily at hand for advice, if needed. Records of all marketing and publicity activity, including flyers, pull-up banners, high growth brochures, e-marketing, press releases and standard notes to editors, are kept in a dedicated marketing file.

Marketing

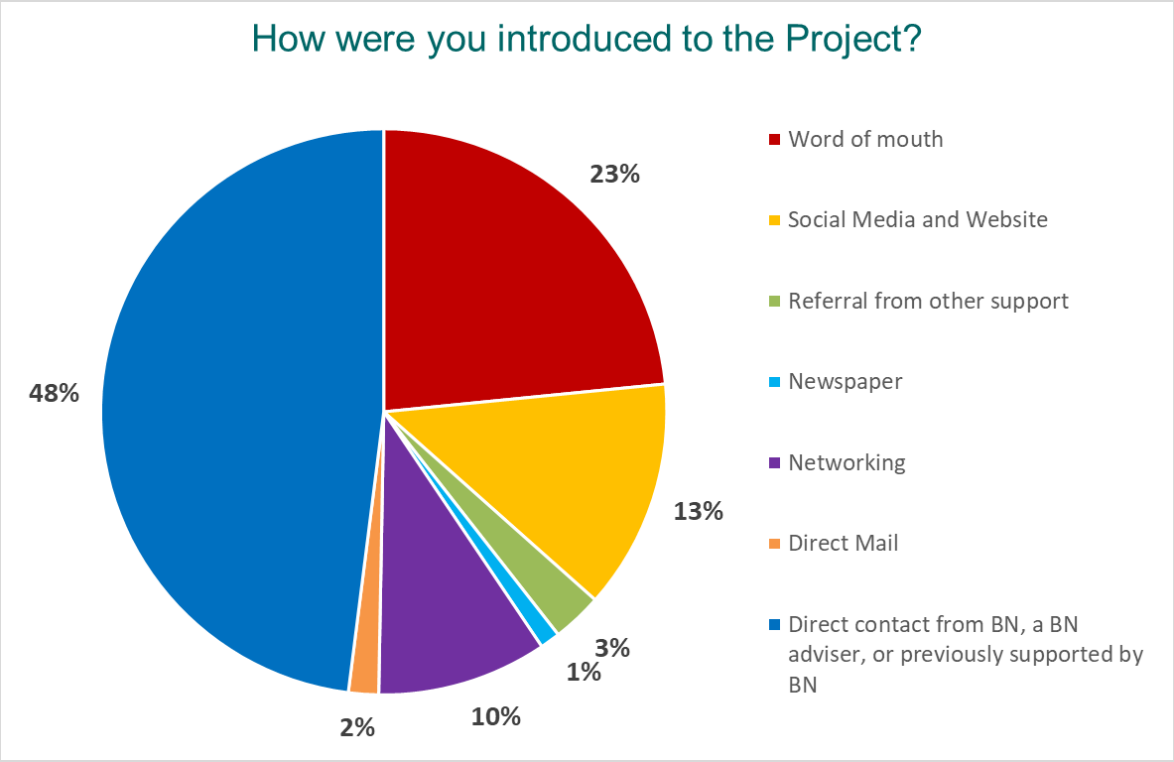
3.70 A range of mechanisms are used to market the Programme and the support available to potential beneficiaries (see annexe B). These included the use of:

- promotional material – such as leaflets and videos,
- direct online marketing using existing business databases and newly registered business lists,
- word of mouth – via business account managers working in business support,
- social media – Instagram has become more active, websites,
- traditional marketing in newspapers, Council, radio, BDaily
- attendance at business events, and
- through collaboration with partner organisations, such as NBSL

3.71 It is recognised that the Project has a good social media presence, in particular with the build-up of their Instagram presence. The Advisers manage to reach all areas of a very large county. All delivery staff, whether internal or external, are involved in project marketing to some degree, via social media, speaking at networking events, contacting existing or former clients, or holding Tennant+ drop-in clinics within business centres. The team also receive direct contact from potential beneficiaries enquiring about any support available in the area.

3.72 As **Figure 3.7** below shows, analysis of our survey results showed that only 3% of respondents engaged with the programme after learning about it through the traditional promotional methods in direct mail shots or newspapers; 13% resulted from referrals from other organisations or from networking events; 23% responded to word of mouth recommendations and 13% from social media contact but by far the most successful methods of communication was from direct contact from BN or an Adviser, which brought in 48% of respondents.

Figure 3.7 Which method of communication was most successful



Source: Advance Beneficiary Survey – October 2022 (n=175)

3.73 The interim review reported that the Project team considered social media and networking to be the most effective of marketing tools, however our final review beneficiary survey shows that the highest proportion, 48%, of respondents were introduced to the Project by direct contact from the Project team or by an Adviser.

Horizontal Themes

3.74 It is noted that the Project does not specifically target beneficiaries to address the EU's cross-cutting themes, so the focus of their recruitment remains on the beneficiary's business status as an SME. However, the team do collect information as part of the registration process to assess the Project's horizontal uptake, if necessary.

3.75 To measure female participation in the Project we researched the primary contacts leading the application to register for support. At the time of this review, 57% of the primary contacts were female, which confirms that special measures were not required to be taken to attract female participation as it has already happened organically

Perceptions of the Project

Beneficiary Feedback

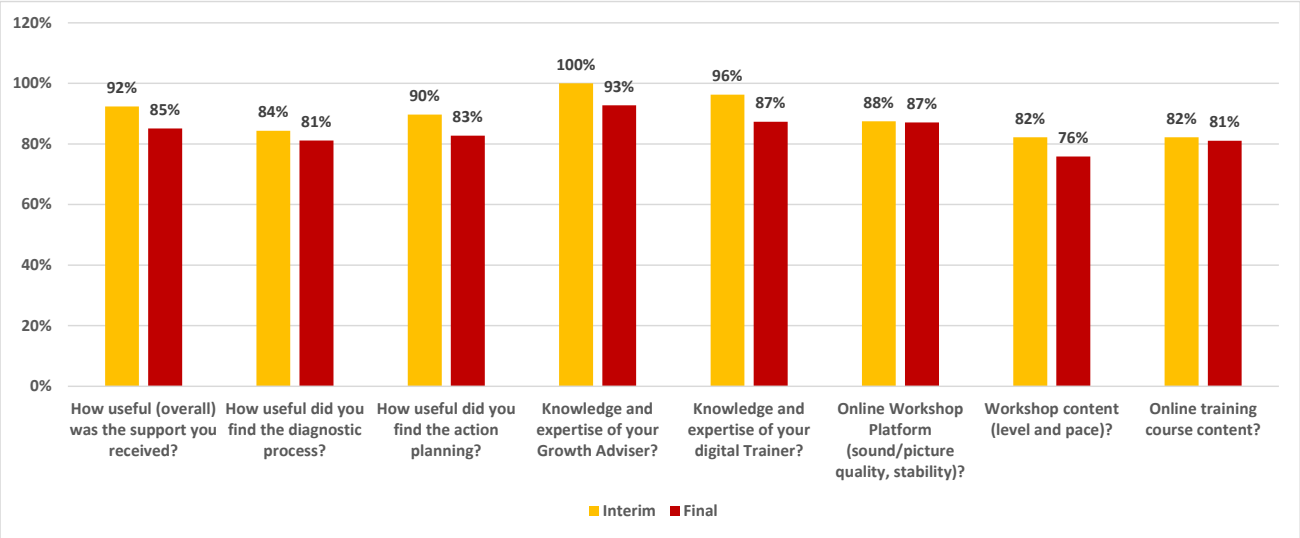
3.76 In addition to the consultations with the management team and the main delivery partners, a survey was carried out with beneficiary businesses who had participated in the programme, to gather feedback on the management and administration of the Programme. We contacted 808 companies and gathered feedback from 178 via an online survey backed up by telephone calls.

3.77 As shown in **Figure 3.8** below, overall satisfaction levels with regard to the various stages of the application and approval process were compared between respondents of the interim review and respondents of the final review. The results show there was a margin reduction in the perception of quality of support in the latter half of the Project, with the greatest drop being seen in the 'knowledge and expertise of the digital trainer', which dropped by 9% whereas perception of the 'online workshop platform' and 'online training course content' remained relatively unchanged, dropping by only 1% each.

3.78 Knowledge and expertise of the Growth Advisers remained the most highly rated in both the Interim and Final surveys, albeit suffering a 7% drop from 100% to 93% towards the end of the Project, and whilst the 'level and pace of the workshop content' proved to be the least impressive to survey respondents, it should be noted that with 76% of attendees rating it either good or excellent, it still received a very good response.

3.79 We asked the beneficiaries how they rated the support overall and calculated that across the whole project, 89% of respondents gave very positive responses, of which 45% giving the highest rating of excellent.

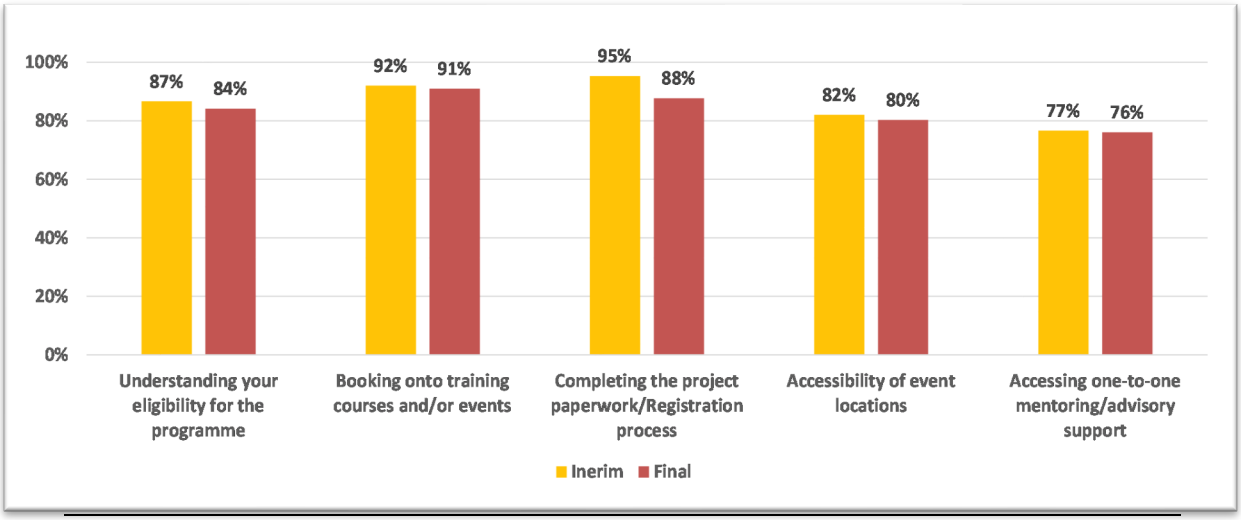
Figure 3.8 Comparison of quality perception between Interim and Final Surveys by beneficiaries who rated the service as good or excellent



Source: AN Beneficiary Survey June 2020 (Interim – n=97) & October 2022 (Final – n=171)

3.80 We also compared the beneficiaries' opinions of the application process between the Interim and Final reviews. **Figure 3.9** below shows the percentage of respondents who rated their support as Good or Excellent. With the exception of 'completing the project paperwork/registration process' which reduced by 7%, rating of the remaining application processes was fairly consistent (very marginally drop of only 1% or 2%). Again, the perception overall was very good with all processes being in excess of 76% rated as good or excellent.

Figure 3.9 Comparison of application process rating between Interim and Final by beneficiaries who rated their support as Good or Excellent

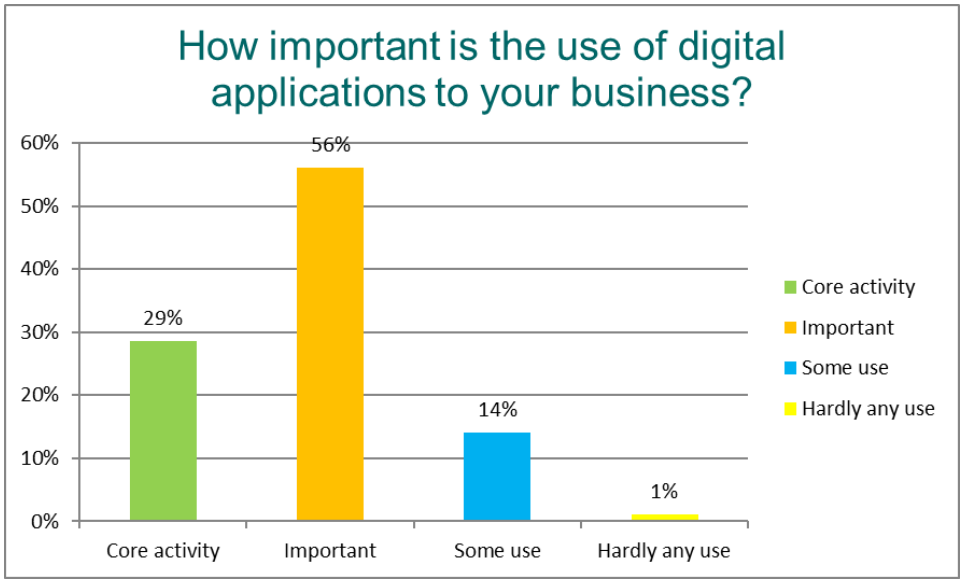


Source: AN Beneficiary Survey June 2020 (Interim – n=95) and October 2022 (Final – n=168)

3.81 At the interim review the registration process, although rated highest of all application processes involved in the customer journey, was considered to be too slow at times. The report recommended reassessing the process but beneficiary feedback at the final review shows that the percentage of registration process ratings as good or excellent, has not responded but has fallen more than any other application process in the latter half of the project delivery.

3.82 As **Figure 3.10** below shows, of the 178 beneficiaries responding to the survey, 56% of them confirmed that digital applications (e.g. websites, social media) are important to their businesses, for 29% they are the core of the business itself,14% of considered digital applications to be of some use to their businesses and only 1% felt that they were no use to them at all.

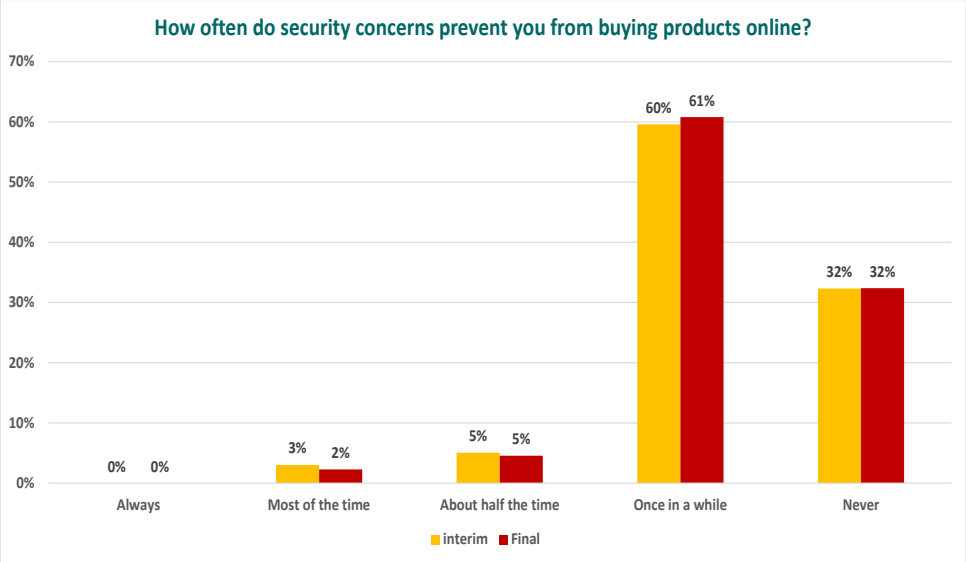
Figure 3.10 Importance of digital applications to beneficiaries' businesses



Source: AN Beneficiary Survey – October 2022 (n=178)

3.83 Online activity and remote communication became essential during the Covid pandemic lockdowns and people generally became more adept and comfortable using the internet. We compared the beneficiaries' concerns about online security to those recorded at the interim review to determine if people were any more relaxed about security now. We asked beneficiaries how often security concerns prevented them from buying product online. **Figure 3.11** below shows that, surprisingly, the results were virtually the same with just a 1% increase in confidence recorded in the 'once in a while' category, increasing the confidence to 93% of respondents were mostly confident about online security.

Figure 3.11 Comparison of online security confidence between Interim and Final

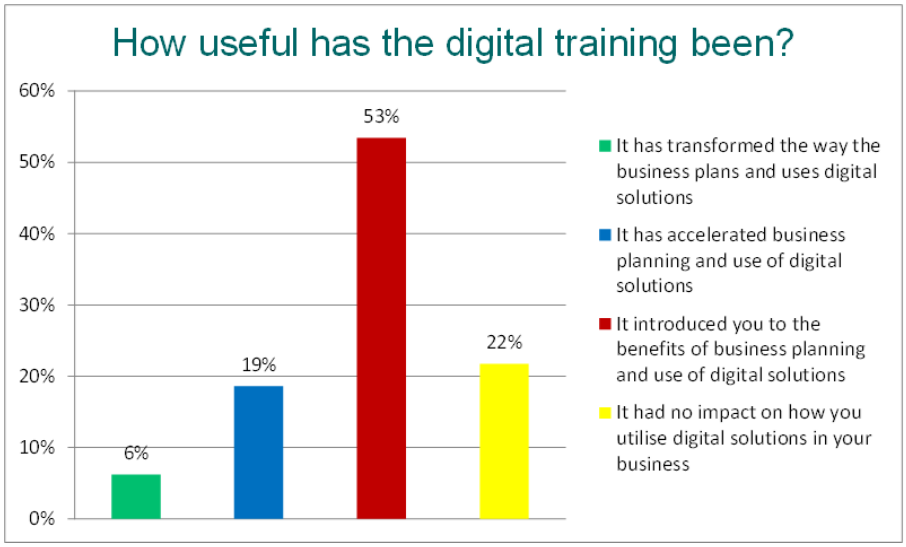


Source: AN Beneficiary Survey June 2020 (Interim – n=99) and October 2022 (Final – n=176)

3.84 As 70% of survey respondents were seeking online media and promotions training and 74% accessed the Digital Skills Programme, we checked how useful they felt the training had been to them.

3.85 **Figure 3.12** below shows that 1 in 4 of those who received this support (25%) consider it to have accelerated, or even transformed, the way their business plans and uses digital solutions, and it introduced 53% of supported respondents to the benefits of business planning and use of digital solutions.

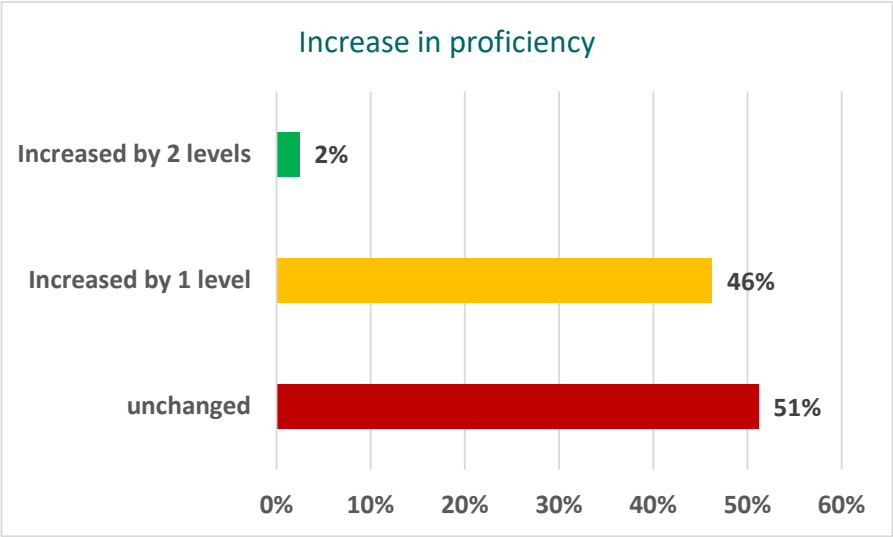
Figure 3.12 Usefulness of digital training



Source: BN Beneficiary Survey – October2022 (n=173)

3.86 **Figure 3.13** below illustrates the increase in online proficiency attained by respondents who accessed digital training.

Figure 3.13 Increase in Online Proficiency



Source: AN Beneficiary Survey – October 2022 (n=173)

Strong brand and reputation

3.87 The Project was launched on 1st July 2019 and despite initial resource issues had a strong start, primarily due to a speedy mobilisation which included the team hosting three launch events during the first quarter, each attended by around 30 businesses (reflecting the strength of the Business Northumberland brand).

3.88 Without exception all regional partners were complimentary of the team, confirming that the Advance was well known as the main council delivery arm in the region, and there was a general consensus that what they do fits well in the business support landscape, as they don't deliver grant programmes directly themselves they work well with other deliverers in the region, namely NBSL, DIT, RTC and UMI, acting as a gateway to other support services.

3.89 Stakeholders reported that "over the past 2 years I'd say they have reached the point of brand awareness that people just go to them. they are so well known in the region now there's not much need for general publicity. They are imbedded part of the Northumberland infrastructure, well known with intermediaries, accountants, DIT etc who also refer businesses in."

Key Finding 18: Advance Northumberland (Commercial) Ltd, are the accountable body for the Business Northumberland 2019-22 project, and are wholly owned by Northumberland County Council, reporting to DLUHC (formerly MHCLG) as the Managing Authority.

Key Finding 19: The governance and management structure of the Project was set up appropriately, feeding back to the Council's monthly performance clinic, and from there on to the NE LEP and the NOT CA. The Programme Manager has also been appointed as the Chair of the NE LEP's Providers Network Steering Group.

Key Finding 20: The Project team has been well resourced with experienced staff including a dedicated Programme Manager, Compliance Officer, and Marketing Coordinator, all fully integrated within and supported by the Advance management structure.

Key Finding 21: Communication with the management team has, without exception, been reported as excellent, whether it be from the rest of the team, the deliver partners, stakeholders or beneficiaries alike.

Key Finding 22: The key strength of the Project was its ability to adapt to the needs of the community, which was clearly evidenced during the Covid-19 pandemic lockdowns when the Project team very swiftly adapted the programme to enable it to be delivered online and to adjust its content to meet the changing needs of the business community, putting more emphasis on remote communication etc. Market demand was reassessed during this time and the support package was adjusted to provide 1-2-1 follow-ups to trainers to ensure the beneficiaries were successfully implementing what had been learned on the training courses.

Key Finding 23: Another strength was quoted by a beneficiary as: *"The team's networking ability. The team are fantastic, they are always out and about, they're really good at what they do*."

Key Finding 24: The Project has 3 fully funded geographically dispersed Advisers, who engage with eligible businesses of all sizes to sign them up onto the Project. In addition, 2 part-funded Advisers from Advance's Business Growth & Investment team were appointed to engage with medium-sized, high growth businesses, but they proved unnecessary and were removed from the programme. Some part time staff reported that the amount of time required to record their participation in the programme was out of sync with the amount of time spent delivering the programme.

Key Finding 25: External providers were procured to deliver digital training for the Digital Skills strand and coaching/mentoring for the Business Growth strand of the programme.

Key Finding 26: Issues with subcontractor resources caused delivery issues that resulted in some courses being cancelled due to a lack of available Trainers, leading to a conclusion that similar future projects would benefit from having a delivery framework to ensure availability of Training providers.

Key Finding 27: The Project has had some issues with staff turnover with one leaving early in the project, another leaving after a period of long-term sick, and another securing a career development opportunity within Advance. At times, this left the team with only 1 Adviser to cover the whole of the Northumberland region. Despite this, the Adviser team managed to provide a comprehensive support service throughout.

Key Finding 28: Perception of the support provided was compared between the interim and final surveys, showing a marginal drop in ratings, though still high with at least 76% rating the quality as good or excellent; and at least 87% rating the knowledge and expertise as good or excellent. On average, across the whole project, only 2% of respondents considered the support to have been less than adequate, whereas 89% gave a very positive response, 45% giving the highest rating of excellent.

Key Finding 29: Respondents rating how easy the programme was to access considered Booking onto courses and events to be the easiest process, with 91% finding the process easy or very easy but the whole feedback across all access processes was consistently high with the lowest rating being accessing 1-2-1 mentoring or advisory support at 76%.

Key Finding 30: Rating the quality of the support received, 89% considered the support to have been good or excellent and only 3.5% thinking it was poor or very poor.

Key Finding 31: In general, few weaknesses were reported with the main focus being on resource issues.

Key Finding 32: There were a number of suggestions for improvements that could be made, including: the delivery partners would welcome feedback received from beneficiaries so they could tweak their courses; accordingly, delivery partners would benefit from more electronic use of documentation as printing costs were higher than anticipated; and care should be taken by delivery partners when providing templates to ensure links are working correctly.

Key Finding 33: Some stakeholders suggested more collaboration with other support services in the area; and enhancing the one-day events to bring in other support providers who can help businesses with higher demand following digital improvements.

Key Finding 34: Some good proposals for future projects were suggested by beneficiaries, including: follow-up sessions to reinforce and iron out the application of new knowledge; video training to make best use of the online tools available; dealing with foreign markets; how to package up and sell your business as a going concern; and opportunity to buy additional sessions with the support providers.

Key Finding 35: Perception of the Project and its programme of activities was measured against the interim findings, and it was concluded that, although the rating had dropped marginally, they were still all highly rated with quality of content and support delivered being rated as good or excellent by between 79% and 87% of survey respondents; and knowledge and expertise of support providers being rated good or excellent by between 92% and 96% of respondents.

Key Finding 36: We compared the online security confidence of beneficiaries between the interim and final reviews and found them to be virtually unchanged, with just a 1% increase from 92% to 93% that beneficiaries never, or only once in a while, had security concerns preventing them from buying products online.

Key Finding 37: To sum up how effective the Project has been we asked beneficiaries to categorise their digital technology ability prior to, and after receiving support from the Project. 49% of respondents judged their online proficiency to have increased.

Key Finding 38: Advance have built up an excellent reputation with Stakeholders, with one quoting *"over the past 2 years I'd say they have reached the point of brand awareness that people just go to them. They are so well known in the region now there's not much need for general publicity."*

Section 4: Project Outcomes and Impact

4.1 In this section we analyse the progress the Project has made towards outcomes and impacts set out in the project logic model, providing an analysis of the gross and net additional economic impacts, and forecasting lifetime outturns. Concluding with an evaluation of the project's contribution towards the relevant ERDF programme results indicators.

4.2 **Figure 4.1** below highlights the project logic model **outcomes** and **intended impacts**:

Figure 4.1 Project Outcomes and Impacts

Project Outcomes	1. A detailed review of the business and subsequent plan of action
	2. An increased understanding and development of digital skills.
	3. Increased use of social media, websites and e-commerce platforms.
	4. Increased levels of turnover and employment.
	5. Development of local networks.
Intended Impacts	1. Increase in level of GVA that Northumberland contributes to the North East GVA.
	2. Support the increase of productivity levels within SMEs across the North East.
	3. Deliver more and better jobs for the North East.

Source: TFF – Business Northumberland Project Logic Model

Outcome 1 - A detailed review of the business and subsequent plan of action.

4.3 Actual progress of each beneficiary is measured on the Intervention and Action Plan Record by collecting baseline information collated during the 1-2-1 with a Business Growth Adviser and comparing this with the actual progress the business has made towards the goals set within their action plan.

4.4 By October 2022, 816 businesses had registered on the programme. As part of the registration process, businesses have access to an online diagnostic tool which explores the SME's specific areas of need by asking questions around digital maturity and future plans for growth. The answers determine the best solution for the business and directs them to specific packages of support. From this, an action plan is produced which lists the required learning and workshops suggested for the business to attend.

This activity could be made up of a mixture of eLearning, videos, and downloadable resources.

4.5 Businesses with growth potential are invited to access 1-2-1 support from the Business Growth Adviser, which includes a more comprehensive diagnostic and SWOT analysis of their business. These businesses also have the option to access support to develop a business growth plan/journey, which outlines the business growth aspirations, goals and activity required to achieve these, including for example, how many jobs they are hoping to create as a result of the support received. 1-2-1 interventions will generally involve a mixture of support from Business Growth Advisers and Growth Coaches.

4.6 At the time of writing this report, 46 beneficiaries had completed 12 hours of support, with a further 27 currently in the process of receiving more intensive 1-2-1 support. With a programme target of 90, this leaves a shortfall of only 17 to find in the final 3 quarters of delivery.

4.7 Following the relaxation of Covid-19 pandemic restrictions, the number of business referrals to the Growth Programme has gradually increased, with the most referrals (33) taking place in Q3 2022.

4.8 The Project is planning to stop referrals to the Growth Programme at the end of January 2023 to enable enough time for coaching to be completed and jobs collected before the end of the programme.

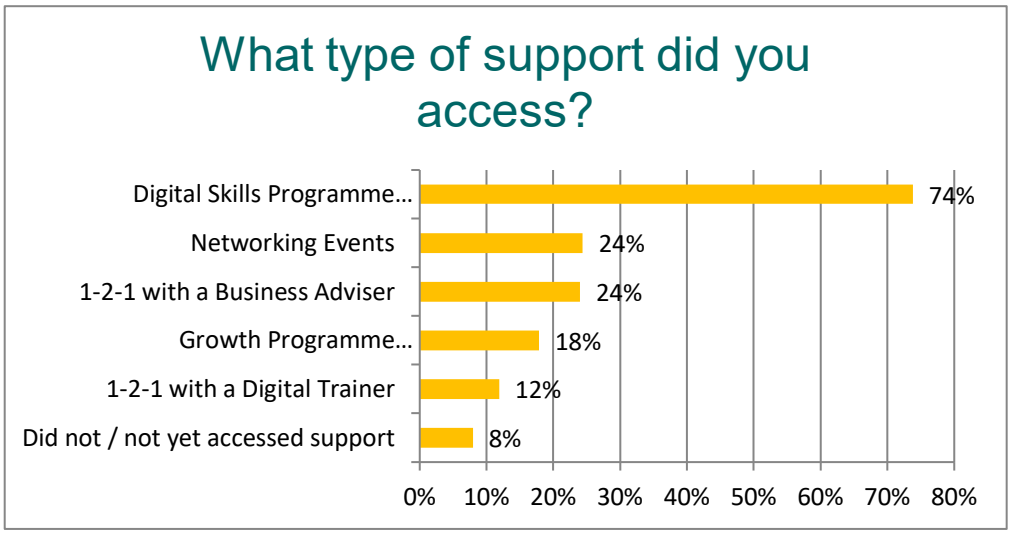
4.9 Our conclusion is that the online registration process with its incorporated diagnostic tool and action plan, which is supplemented for those going on to receive 1-2-1 support by a more comprehensive diagnostic, SWOT analysis and development of a growth plan for their business, adequately demonstrates how the Project has achieved Outcome 1.

Outcome 2 - An increased understanding and development of digital skills.

4.10 Beneficiaries have the opportunity to develop their skills by working through the various levels of the digitally focussed workshops (beginner, intermediate and advanced). This outcome is measured by the Business Growth Adviser recording the baseline information on the diagnostic and action plan during their initial 1-2-1 and comparing this to the information gathered via feedback following the workshops.

4.11 As shown in **Figure 4.2**, of the 168 survey respondents who answered the question "*what type of support did you access?*", 74% reported that they had accessed activities delivered through the Digital Skills Programme.

Figure 4.2 Types of Support Accessed



Source: TFF – Business Northumberland Beneficiary Surveys May 2020 and October 2022 (n=168)

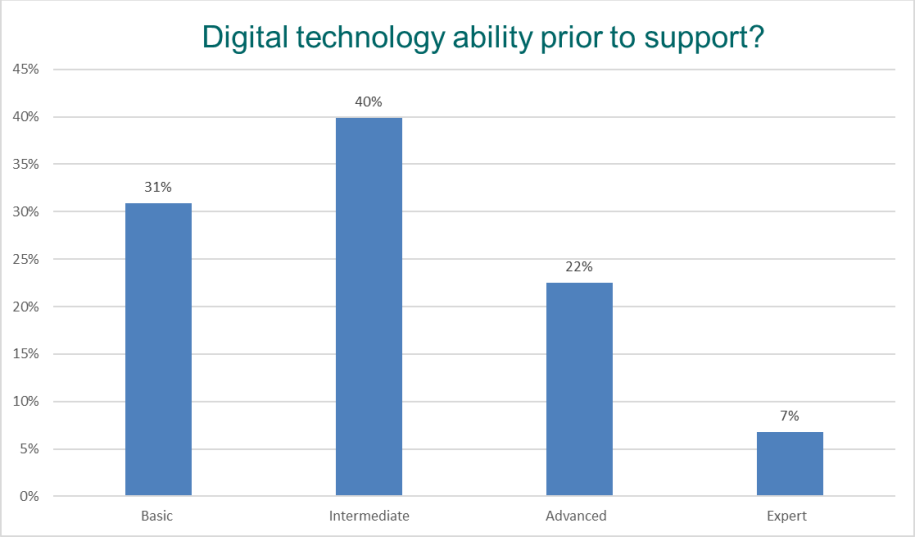
4.12 Of the 168 survey respondents that answered this question, 39% (66) reported that they had already accessed 2 or more types of support activity available through the programme.

4.13 To determine the Project's progress towards achieving this outcome, we asked beneficiaries to categorise their digital technology ability prior to support compared with their ability after receiving support from the programme. The categories were described as follows:

- **Basic** - uses the internet for basic functions such as email, maintaining website, general web searching and use, and having a social media profile)
- **Intermediate** – slightly more advanced use of the internet, including having a social media business page, communications, and some types of government transaction, e.g., submitting tax returns
- **Advanced** – more widespread use of the internet, use of social media advertising, use for staff training, delivering services and content, taking payments, selling goods and services, staff doing research and banking and financial transactions)
- **Expert** – adoption of the most advanced internet enabled technologies, particularly those which enable employees to work from home such as secure cloud access, shard screens and teleconferencing, website development & maintenance, maximising use of SEO.

4.14 **Figure 4.3** shows that the majority of survey respondents, 40% (71) categorised their digital technology ability as 'Intermediate' prior to accessing support, with 31% (55) rating themselves as 'basic' and 29% (52) considering their ability as Advanced or Expert.

Figure 4.3 Digital Technology Ability PRIOR to support

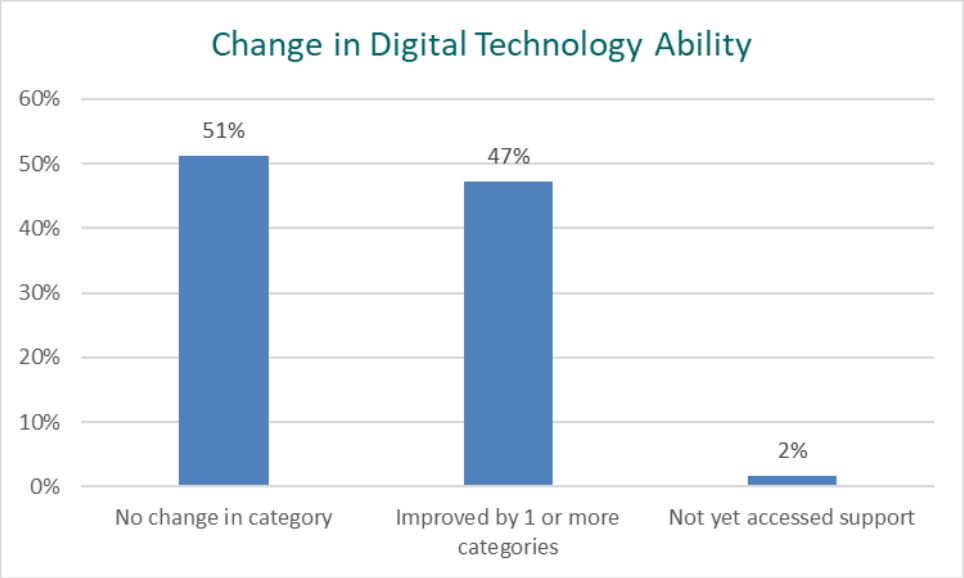


Source: BN19-22 Beneficiary Surveys May 2020 & October 2022 (n=178)

4.15 We were then able to analyse if/how the support had helped to increase beneficiaries' understanding and development of their digital skills by asking them to categorise their ability after accessing support.

4.16 **Figure 4.4** shows that 47% (84) of the survey respondents reported their digital technology ability level had improved by at least 1 category as a result of the support they had received. 51% (91) not reporting any movement in their overall digital technology ability level.

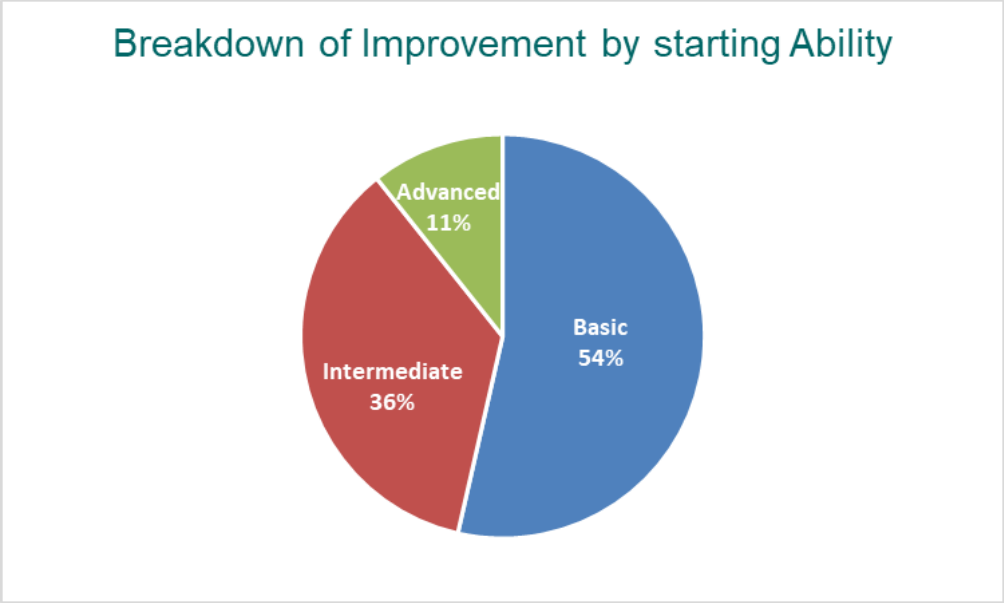
Figure 4.4 Reported improvement in Digital Technology Ability category



Source: BN19-22 Beneficiary Surveys May 2020 & October 2022 (n=178)

4.17 **Figure 4.5** shows a breakdown of the 84 beneficiaries who reported an improvement in how they would categorise their digital technology ability after receiving support. Unsurprisingly, the majority 54% were those who had started their journey with a basic ability, 36% reported they had moved from intermediate level, and 11% suggested their ability had improved from advanced to expert.

Figure 4.5 Reported change in category of digital technology ability



Source: TFF – Business Northumberland Beneficiary Surveys May 2020 & October 2022 (n=176)

4.18 Although 91 (51%) of the survey respondents did not rate their improvement sufficient to change categories, further analysis revealed that more than half of them (52) reported that the support they received has resulted in them investing more time or money in the use of digital technology, reporting other improvements such as:

4.19 Implementation of Social Media Profiles (20)

4.20 Increased use/effectiveness of Digital Marketing Tactics (15)

4.21 Increased commercial awareness (10)

4.22 Our analysis combines this information to show that 136 (78%) survey respondents have improved their digital skills from the support received. Applying this as an average (78%) to total expected Project population of 414, we can estimate that this Project is likely to help c.323 businesses to increase their understanding and development of digital skills.

4.23 Our findings therefore confirm that the project has made good progress towards the 'increased understanding and development of digital skills' outcome requirement.

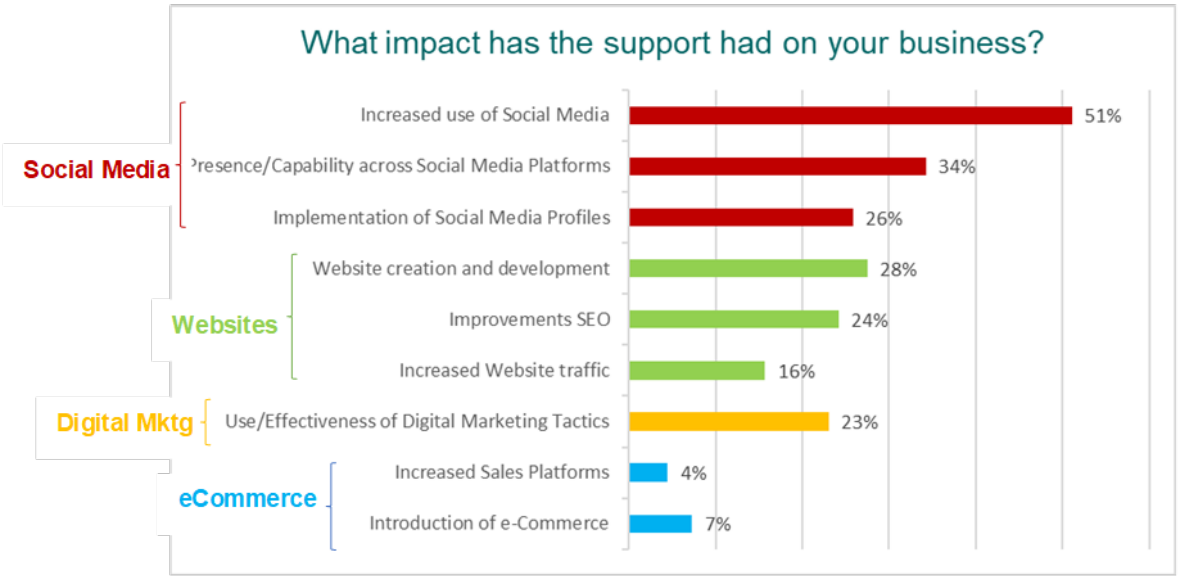
Outcome 3 - Increased use of social media, websites and e-commerce platforms.

4.24 Again, baseline information is collated during a 1-2-1 with a Business Growth Adviser and recorded on the businesses' action plan and online diagnostic tool. Progress against this outcome is measured by the number of businesses who actually report an increase in the use of their social media, websites and sales platforms.

4.25 75% (134) beneficiary survey respondents reported that they have already increased their use of social media, websites, and/or eCommerce Platforms as a direct result of the support they received. 53% (95) of survey respondents reported that the support had increased or improved more than one area of digital technology in their business.

4.26 A full breakdown of the types of digital improvements reported can be found in **Figure 4.6** below along with the proportion of survey respondents who confirmed increased activity against each. The findings of the final survey were comparative to the results of the interim survey, with very little fluctuation in any category, which suggests the impact of the support was consistent throughout the whole Project duration.

Figure 4.6 Increased use of Social Media, Websites & eCommerce

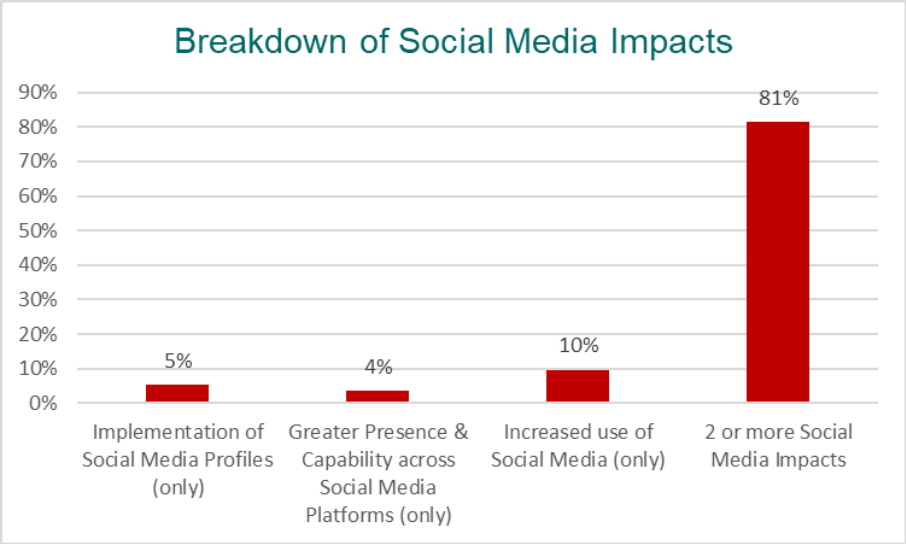


Source: TFF – Business Northumberland Beneficiary Survey May 2020 *& October 2022 (n=178)*

4.27 Consistent with the interim results, the support continues to have most impact in relation to Social Media activity improvements with 113 unique SMEs reporting improvements, which also corresponds with our findings that the social media focussed workshops have been most popular with attendees.

4.28 **Figure 4.7** below illustrates the breakdown of Social Media improvements reported by survey respondents, with 63% (113) of the 178 survey respondents who answered this question reporting an improvement in relation to their Social Media activity. Of these, 10% have increased their use of social media, 4% now have a greater presence and capability across social media platforms, 5% have implemented social media profiles, and with 81% reporting that they have implemented 2 or more of these impacts as a result of Project support. Compared to 65% at the interim review stage this suggests that many of the beneficiaries continued to implement what they had learned after completing the programme.

Figure 4.7 Survey Respondents who reported Social Media Impacts

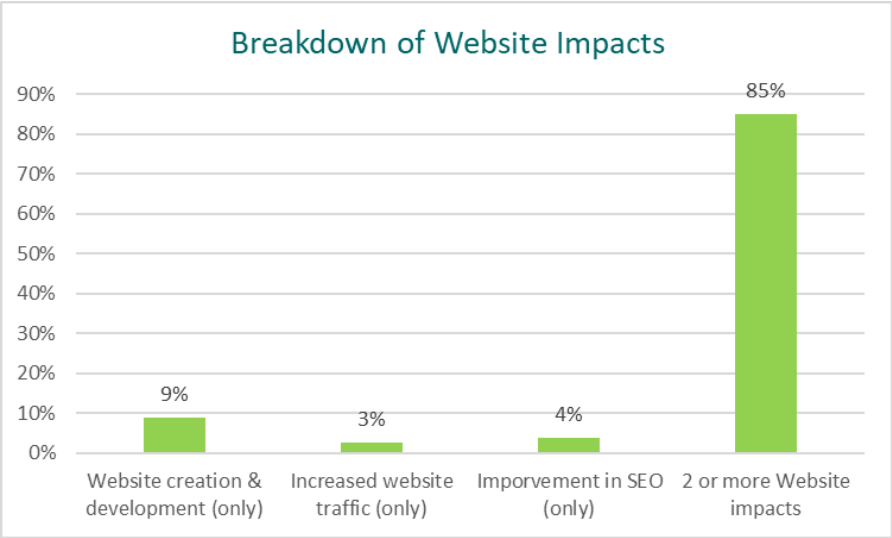


Source: TFF – Business Northumberland Beneficiary Survey May 2020 & October 2022 (n=113)

4.29 **Figure 4.8** shows the breakdown of impacts relating to websites, with 45% of the 178 survey respondents who answered this question reporting an improvement in relation to their website activity. Of these, 9% have learned how to create and/or develop their website, 4% have improved Search Engine Optimisation, 3% have seen an increase in website traffic, and a further 85% reported that they have benefitted from 2 or more website related impacts as a result of Project support.

4.30 Again, comparing this with the results of the interim survey suggests that beneficiaries have continued to implement what they have learned about website improvements following completion of their support.

Figure 4.8 Survey Respondents who reported Website Impacts



Source: TFF – Business Northumberland Beneficiary Survey May 2020 & October 2022 (n=80)

4.31 In addition to the social media and website impacts highlighted above, 41 survey respondents reported an increase in their use and effectiveness of Digital Marketing Tactics, and a further 18 have introduced eCommerce capabilities as a direct result of the support they received.

4.32 Using the average 75% of Project beneficiaries reporting at least one type of positive impact relating to an increased use of social media, website, digital and eCommerce platforms (see s.4.25 above), grossed-up to reflect the full 414 target beneficiaries, we can therefore estimate that the project is likely to support 311 SMEs against Outcome 3 - to increase their use of social media platforms, websites and e-commerce as a result of support from this project.

Outcome 4 - Increased levels of employment and turnover.

Employment

4.33 All the employment increase impacts in this Project were expected to come from beneficiaries of the Growth Programme. As part of the registration process, businesses forecast the number of jobs they are expecting to increase. Once the coaching is complete, the Business Growth Adviser (Adviser) visits the business and asks when they are expecting to recruit. Progress is then measured when evidence is collected and recorded on an Impact Evidence form.

4.34 The team are planning to stop recruiting to the Growth Programme at the end of January 2023, to enable enough time for coaching and job impact creations to be

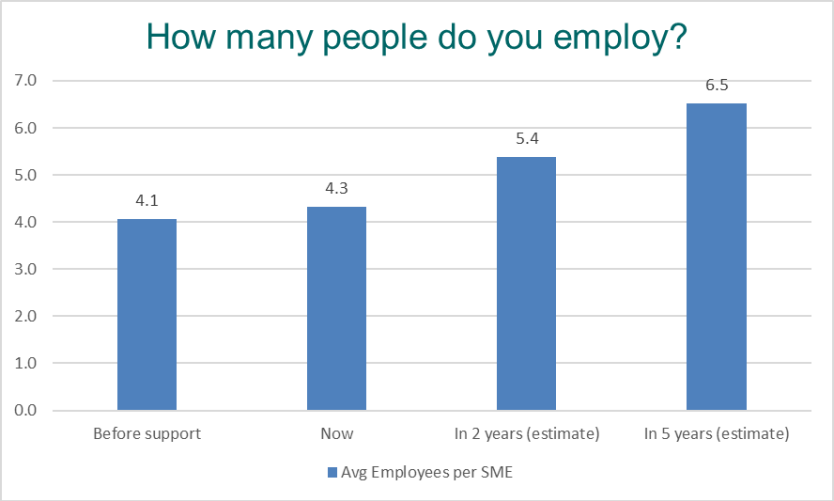
completed. At the time of this review 46 SMEs had completed their support through the Growth Programme, with a further 27 still working with an Adviser, leaving a shortfall of only 17 more needed to achieve its target of 90 by the end of the project. However, it should be noted this is not a contractual target, but the number thought to be required to achieve the original employment growth target of 135 FTEs.

4.35 Nevertheless, the most recent ERDF claim reports an employment growth increase of 87.8 FTEs had already been achieved, suggesting businesses accessing the Growth Programme have so far realised an employment growth of 1.9 FTE per SME (average).

4.36 To understand the progress the Project is making towards this outcome, we also asked beneficiaries questions relating to the number of people the employed both now and the numbers they are forecasting in 2- and 5-years' time. 163 survey respondents provided sufficient information in relation to employment questions for us to analyse robustly.

4.37 **Figure 4.9** below shows, based on those 163 respondents, the average number of employees per beneficiary prior to accessing this Project was 4.1 FTE, which survey respondents report has already risen to 4.3 FTE, and forecasting to rise further to 5.4 FTE after 2 years, and reaching 6.53 FTE after 5 years.

Figure 4.9 Average Number of Employees per Beneficiary business



Source: Beneficiary Surveys May 2020 & October 2022 (n=169)

4.38 Although the employment growth was expected to derive from the Growth Programme, it is clear that many more beneficiaries accessed a significant level of support, which has positively impacted their business, so we must presume that some of the employment growth has resulted from wider programme support.

4.39 At the time of this review the Project had supported 361 SMEs through 12 hours of support. We have therefore calculated the average employment growth per beneficiary (across the wider programme) is 0.243 FTE. Grossed up to reflect the full Project

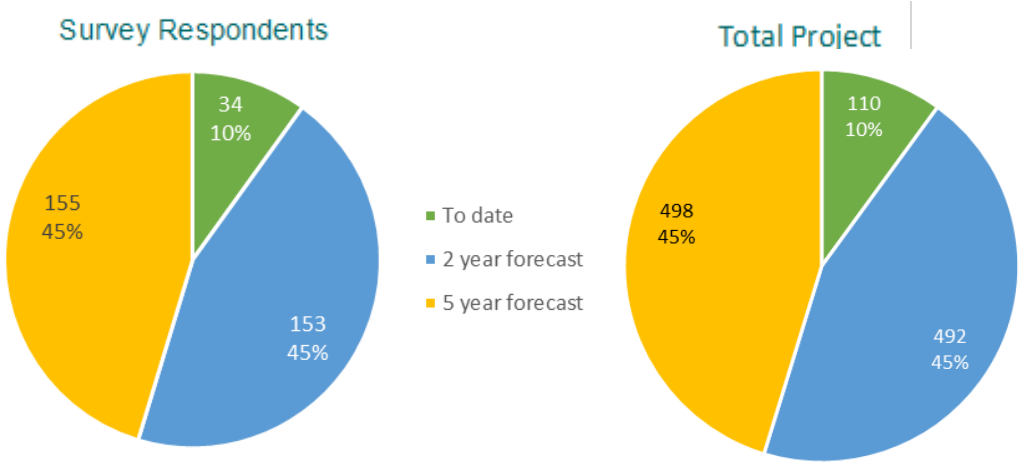
population of 414 SMEs estimates the Project will support employment growth of at least 101 FTEs by the end of the delivery period.

4.40 To further corroborate the accuracy of this estimate, when we asked Project beneficiaries about the employment growth they have already achieved, the 163 survey respondents who answered these questions reported that they had already increased their number of employees by 34 FTEs. Grossing this up to reflect the full business population the Project has supported (414) estimates an employment growth increase of 86 FTE, which is slightly less than the 87.8 FTEs the Project has already evidenced.

4.41 This suggests that the Project's predicted employment growth figure of at least 101 FTEs by the end of the delivery period was realistic and achievable. Since producing the draft version of this report, the Project team have reported they now have evidence to support claiming a total additional 110 FTEs by the end of the Project.

4.42 The nature of business growth support is that the financial impact is usually not seen until sometime after new business has been won. It is therefore not surprising that 90% of the employment growth predicted has not yet taken place. **Figure 4.10** below shows the number and percentage of jobs created already by survey respondents represents only 10% of their total predicted growth. With beneficiaries predicting to see a further 45% of the growth to take place within the next 2 years, and it is interesting to note that employment figures are expected to continue to grow for 5 years following support.

Figure 4.10 Predicted Employment Growth Forecast



Source: Beneficiary Surveys May 2020 & October 2022 (n=163)

4.43 Applying this to proportion of growth to what we now believe is a realistic prediction of at 110 FTE additional jobs by the end of the delivery period, we can estimate that the total employment growth of Project beneficiaries after 5 years is forecast to reach 1100 FTE, with 492 FTE being created within 2 years, and a further 498 FTE additional gross additional jobs expected to be created between 2-5 years following support.

Turnover

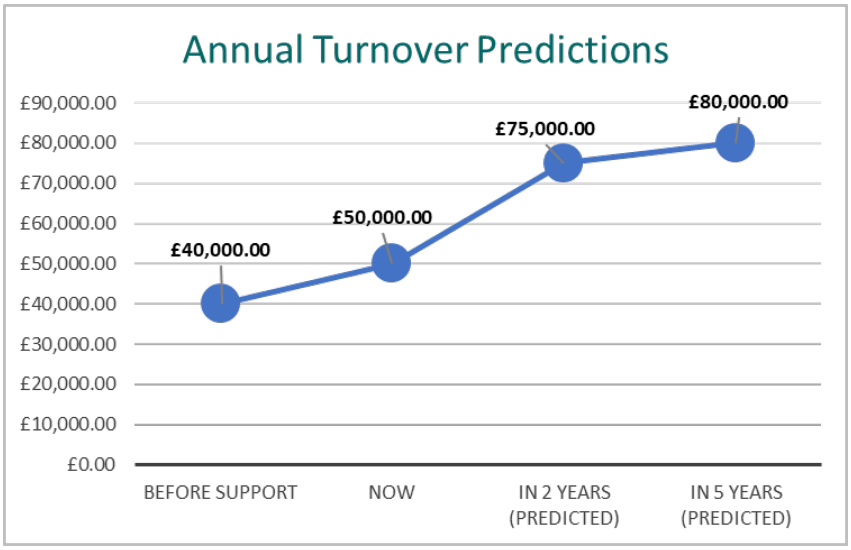
4.44 135 of the 178 survey respondents answered the questions relating to turnover. However, on closer scrutiny, 13 beneficiaries reported that their turnover had decreased during 2020 and 2021 due to prolonged periods of furlough and trading restrictions. We have therefore removed those from our analysis to ensure these exceptional circumstances do not adversely skew the true impact of the support this Project has had on the beneficiaries' turnover.

4.45 The turnover calculations are therefore based on the answers from 122 Project beneficiaries who provided information of turnover prior to and at the time of the survey, 109 beneficiaries who provided 2-year forecasts, and 105 who were able to provide a 5-year forecast.

4.46 Due to the huge variation in turnover levels of beneficiaries, we have used the median of survey respondent information to calculate the estimated average turnover and increases in business turnover.

4.47 **Figure 4.12** below shows the 'median' turnover of survey respondents before accessing support was £40,000, compared to £50,000 at the time of the survey. The chart also shows the average median turnover forecasts taking into account the survey respondents predicted growth after 2 and 5 years.

Figure 4.12 Survey respondents' median annual turnover forecasts

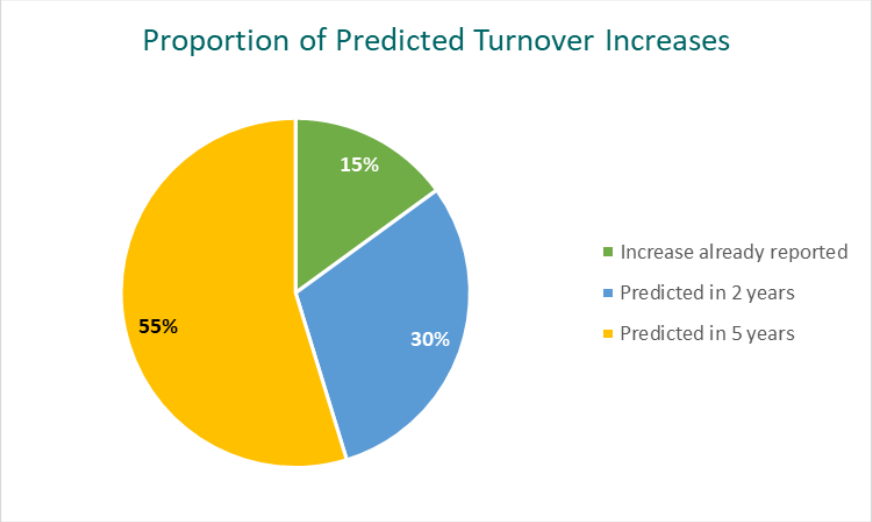


Source: Beneficiary surveys May 2020 and October 2022 (n-122)

4.48 Although these turnover levels appear to be low, this is to be expected considering 90% of survey respondents were micro businesses (i.e., less than 10 employees), with the majority (at least 52%) having 0-2 employees at the time they completed the survey.

4.49 Also unsurprisingly, **Figure 4.13** highlights that a considerable proportion (85%) of the value of turnover growth is anticipated turnover increases which have not yet occurred, with only 15% of the total value of turnover growth already reported by survey respondents as being achieved. A further 30% is expected to show within 2 years, with the final 55% of the total turnover growth forecasted to be realised between 2- and 5-years' time.

Figure 4.13 Proportion of actual turnover increases and future forecasts



Source: Beneficiary Surveys May 2020 and October 2022 (n=122)

4.50 When asked what percentage of turnover improvements could be directly attributed to the support received through this Project, survey respondents estimated an average 23% of their actual and projected turnover increases were attributable specifically to the support they received from this Project.

4.51 Analysis of the actual and predicted turnover figures provided by survey respondents estimates the average increase in turnover for each beneficiary is £5,390 to date, estimated to increase to £16,272 in 2 years, and ultimately to £34,950 in 5 years as a direct result of the support received.

4.52 Grossed up to reflect the full 414 Project beneficiaries, we can estimate that the Project is likely to contribute £2,231,460 towards increased beneficiary turnover by the Project end date, rising to £6,736,608 in 2 years, and further to £14,469,300 in 5 years' time.

Outcome 5 – Development of local networks.

4.53 Progress against this outcome is measured by the number and type of Business Northumberland hosted networking events being delivered, and increased attendance at these events demonstrates an increase in the number of businesses taking advantage of opportunities within their local networks.

4.54 As highlighted in the interim review, the Project team were very proactive as soon as the Project was launched in 2019, by continuing to host the two successful legacy networking events per month from the Business Northumberland 16-19 project, theses regular events have continued to take place throughout the whole Project duration, moving the networking events temporarily to virtual/online events to enable them to continue through the protracted period of pandemic lockdowns and social distancing restrictions:

Informal Friday - takes place on the third Friday of the month in Morpeth; and

#LoveHexham - takes place on the last Friday of the month in Hexham.

4.55 Additional networking events continued to be introduced throughout the Project duration, including:

Bedlington Quarterly – takes place quarterly in Bedlington

Northumberland Networking – a roadshow of networking events delivered monthly across multiple locations, including Berwick, Ashington, Wooler, and Ponteland, with new locations being added for 2023 to include Newcastle and Cramlington.

4.56 The team clearly incorporate networking events into their marketing strategy to help reach potential beneficiaries, using initiative to come up with innovate ways of engaging businesses, adapting to changing needs, and introducing topical & themed events, plus collaborations with partner organisations, such as North of Tyne Networking, to deliver large-scale networking events, clearly demonstrating they have successfully achieved this outcome.

Intended Impacts: (1) Increase in regional GVA, & (2) Increased productivity, measured in terms of GVA per employee

4.57 The overall economic impact of this Project will be increased productivity, measured in terms of GVA, by gathering the following key baseline data on turnover and employment increases from beneficiary businesses at registration, 1-2-1 diagnostic with a Business Growth Advisers, and then again on completion of support.

Net Additional Economic Impacts

4.58 In this assessment, the gross impacts from the Project claims were used to set out the base level change against which we have derived the final net additional economic impacts associated with the Project.

4.59 Where actual beneficiary data is limited, we have applied the potential net additional economic impacts based on the survey responses received through this final review.

4.60 Gross changes in performance have been converted into estimates of net additional impacts on the Northumberland and North of Tyne economy by making the following adjustments:

Deadweight

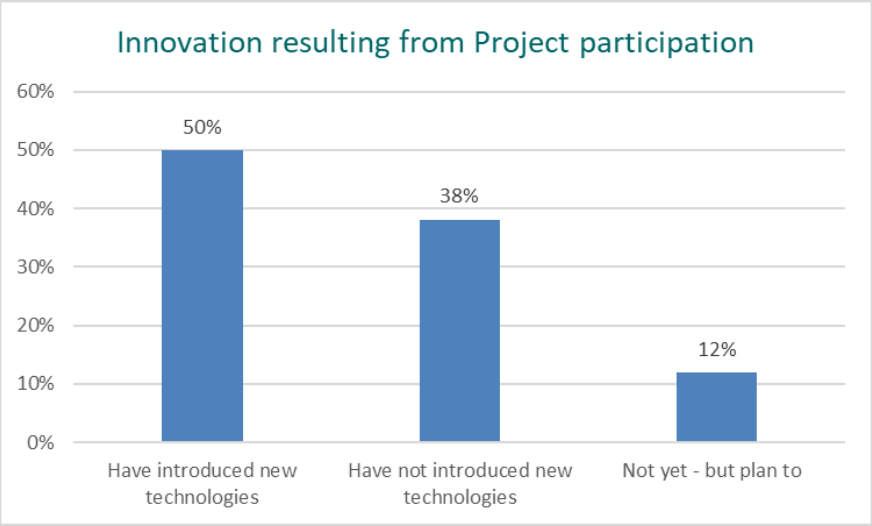
4.61 Deadweight is the number or proportion of outputs that would have happened anyway regardless of the intervention. The estimate of deadweight draws on businesses' assessment of two types of outcomes:

- The change in performance that is attributable directly to Project support, and
- What help they might have been able to receive if the support was not available.

4.62 We asked beneficiaries to estimate the percentage of increases (if any) do they think is attributable to the support they received from the Business Northumberland 19-22 Project. This revealed that businesses thought 21% of the jobs created, and 23% of the total increase in turnover could be *directly attributable to the support they had received*.

50% of beneficiary survey respondents reported that they had introduced new technologies *as a direct result of the support they had received*, with 12% saying they had not yet but plan to in the future. 38% have not introduced new technologies.

Figure 4.14 Have you introduced new technologies following support?

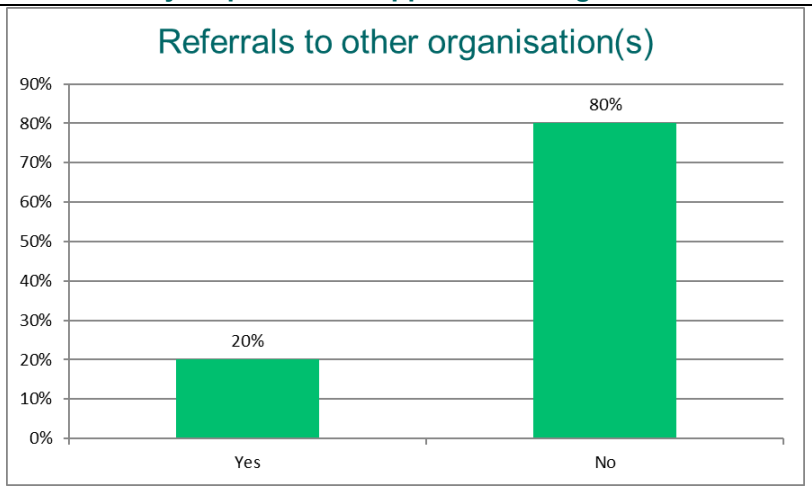


Source: Beneficiary surveys May 2020 & October 2021 (n=168)

4.63 66% of survey respondents claim to have invested more time or money in the use of digital technology since accessing support from the Project.

4.64 Businesses were also asked if they had been referred for support from other organisations that may have contributed towards their improvements. 20% of respondents accessed some form of support from other organisations.

Figure 4.15 Survey responses to support Deadweight factor



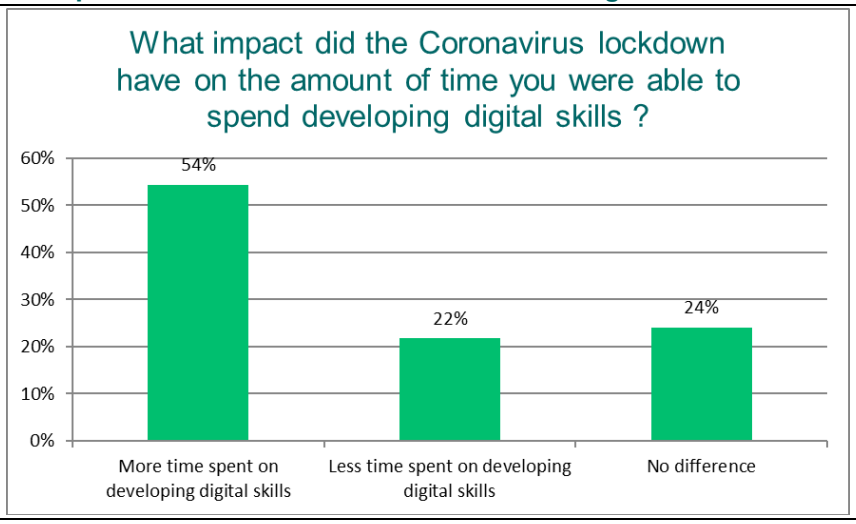
Source: Beneficiary Surveys May 2020 & October 2022 (n= 170)

4.65 As this Project was delivered throughout the Covid-19 pandemic lockdowns, feedback from beneficiaries and stakeholders highlight the almost overnight need for businesses to change the way they worked, moving online, working remotely, managing virtual teams, selling online, and the corresponding requirement to develop their digital skills.

4.66 Consequently, many additional support schemes became available during this unprecedented period, so we must also consider the potential that some beneficiaries of this Project are likely to have also accessed support from some of those alternative programmes.

4.67 We get an understanding of how many beneficiaries this may have impacted, our survey asked if the lockdowns had provided an opportunity for them to spend more time on developing their digital skills. **Figure 4.16** below shows that 54% of survey respondents spent more time on developing digital skills during this period.

Figure 4.16 Impact of lockdowns on time available for digital skills



Source: Beneficiary Surveys May 2020 & October 2022 (n=175)

4.68 Taking all the above data results into consideration results in a partial deadweight calculation of 45%, which is comparable with the regional level benchmarks of 50%[3] for generic business support projects. We have therefore applied our calculated deadweight of 45%.

Substitution

4.69 Substitution occurs when one business substitutes one activity for a similar one to take advantage of public sector assistance. Due to the nature of the support, it is assumed there will be no substitution effects. We have therefore reduced this figure to zero.

Displacement

4.70 Displacement accounts for business growth that may have occurred at the expense of competitors either elsewhere in the Northumberland and North of Tyne region or where firms substitute one type of labour for another to benefit from an intervention but do not increase employment or output. BEIS guidance suggests the median average displacement effects arising from public sector investments for skills development at the regional level is 19.5%[4] so the same has been applied for consistency with comparable reviews.

Leakage

4.71 Leakage is the number or proportion of outputs benefitting those outside the intervention area. The key question is 'who are the target beneficiaries and are the outputs/outcomes likely to benefit non-target beneficiaries at the expense of the target beneficiaries? And if so, by how much?'. Firstly, the eligibility triage process ensured that only businesses based within the Northumberland and North East LEP (exclusing Durham) geographical region could access support from this Project.

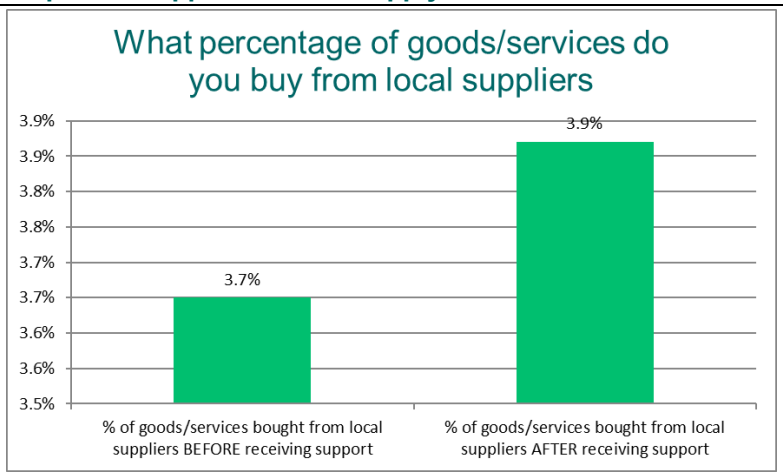
4.72 In relation to the target to increase in employment within the region, our survey asked beneficiaries specifically for the *number of FTE employees based in Northumberland and North of Tyne,* and more importantly, the percentage that can be attributed to the support received through this Project, therefore removing the element of leakage from the equation.

4.73 Finally, we considered whether the Project had any adverse impact on the local supply chain by asking beneficiaries if the support they received had any impact on what they buy from the region.

[3] BEIS Research to Improve the Assessment of Additionality
[4] BEIS Research to Improve the Assessment of Additionality

4.74 Overall, the change was minimal, with the percentage of goods/services purchased from suppliers based within the region increasing by 0.2%

Figure 4.17 Impact of support on local supply chains



Source: Beneficiary surveys May 2020 & October 2022 (n=168)

4.75 Leakage effect of this Project is therefore anticipated to be low. We have therefore applied 3%, which is in line with the figure recommended by BEIS for Business and Competitiveness activity at the regional level[5].

Multiplier Effects (Net Additional)

4.76 The net estimate of impact also needs to take account of the benefits gained by other businesses in Northumberland and the North of Tyne, such as those in the supply chains of supported companies and those benefiting from the increased expenditure of new and existing employees of businesses receiving support, and the subsequent implications of increased salaries and taxes returned.

4.77 BEIS research[6] suggests that the mean multiplier effect at a sub-regional level for business development and competitiveness interventions is 1.25.

Impacts in Survey Sample

4.78 In order to estimate the scale of impacts generated in terms of economic wealth for Northumberland and the North of Tyne, we have estimated the average GVA per filled job of £47,460 using the most current ONS data for the NTCA region[7].

[5] Research to improve the assessment of additionality. BEIS (Oct 2009)
[6] BEIS Research to Improve the Assessment of Additionality
[7] ONS: Sub-regional Productivity – economic enterprise regions (2020)

4.79 Based on employment increases reported in the survey sample 110 new jobs will be created, rising to 602 after 2 years, and forecasting to continue increasing to a total 1100 new jobs created up to 5 years following support.

4.80 The gross GVA is therefore calculated to be £5,220,600 at the end of the Project, increasing to £28.6m after 2 years, with a potential longer-term lifetime gross GVA of £52m after 5 years.

4.81 Although beneficiaries have forecasted potential long-term impacts for up to 5 years, due to the speed that technology develops and the potential for other investment decisions and economic changes, particularly considering the recent experience with Covid and significant amount of additional digital support that became available, we believe 5-year forecasts may be less reliable so have calculated the net impacts using the end of the Project duration and 2-year forecasts only.

4.82 **Figure 4.18** below shows how the various adjustments of impacts from gross to net lead to the "net additional impact" in the survey sample ratios[8], concluding that the Project will have produced an estimated £2.8m net in GVA by the end of the Project, increasing to £15m after 2 years, and will result in the creation of 59 net additional FTE jobs, increasing to an estimated 323 after 2 years.

Figure 4.18 Summary of Gross and Net Additional Impact forEmployment and GVA

		Project End Results June 2023		Expected after 2 years	
		Measure	Adjustment	Measure	Adjustment
Impact Indicator: Employment Unit = FTEs	Gross Impact	110	-	602	-
	Deadweight / reference case	61	45%	331	45%
	Displacement/ substitution	49	19.5%	267	19.5%
	Leakage	47	3%	259	3%
	Net Additional	59	1.25	323	1.25
Impact Indicator: GVA Unit = £	Gross Impact	£5,220,600	-	£28,570,920	-
	Deadweight / reference case	£2,871,330	45%	£15,714,006	45%
	Displacement/ substitution	£2,311,421	19.5%	£12,649,775	19.5%
	Leakage	£2,242,078	3%	£12,270,282	3%
	Net Additional	£2,802,598	1.25	£15,337,852	1.25

Source: Funding Forum Summative Assessment Evaluation December 2022

[8] ONS Annual Business Survey

Key Finding 39: Businesses access the online diagnostic tool as part of the registration process, which explores the SME's specific areas of need, asking questions around digital maturity and growth plans. From this an action plan is produced which lists the required learning and workshops suggested for the business to attend.

Key Finding 40: Businesses with growth potential are referred for 1-2-1 support from a Business Growth Adviser for a more comprehensive diagnostic, SWOT analysis, and development of a growth plan for their business which outlines the business growth aspirations, goals and activity required to achieve these.

Key Finding 41: 78% of beneficiary survey respondents reported an improvement in their digital skills as a direct result of the support they received. Applying this to the total 414 Project beneficiaries estimates the Project will have helped 323 businesses to increase their understanding and development of digital skills, demonstrating good progress towards this outcome.

Key Finding 42: Beneficiary survey responses show that 75% reported at least one type of positive impact relating to an increased use of social media, website, digital and eCommerce platforms. Grossed up to reflect the full 414 beneficiaries estimates the Project will support 311 SMEs against outcome 3 to increase use of social media, websites and e-commerce platforms.

Key Finding 43: Employment increases are demonstrated when the beneficiary forecasts the number of jobs they expect to increase as part of the registration process, which is compared to information collected once the coaching is completed.

Key Finding 44: At the time of this review an additional 87.8FTEs had already been reported, an average 0.243 FTE per SME supported. Gross up to reflect 414 SMEs supported estimates growth of 101 FTEs, with further evidence to suggest a total realistic employment growth prediction of 110 FTEs by the end of the Project.

Key Finding 45: Beneficiary survey responses predict 90% of employment increases will take place following the end of the Project, increasing by an additional 492 after 2 years, and a further 498 between 2-5 years following support.

Key Finding 46: 15% of the total anticipated turnover growth, averaging £5,390 per SME has already been reported to date, estimated to increase to £16,272 in 2 years and ultimately to £34,950 in 5 years. Grossed up to 414 SME estimates the Project is likely to contribute £2,231,460 towards increased turnover by the Project end date, rising to £6,736,608 in 2 years and further to £14,469,300 in 5 years' time.

Key Finding 47: Networking events are incorporated into the marketing strategy, with the team using initiative to come up with innovate ways of engaging businesses, adapting to changing needs, and introducing topical & themed events, plus collaborations with partner organisations to deliver large-scale networking events.

Key Finding 48: Applying adjustments of deadweight, displacement, substitution, leakage and net additional impacts conclude that the Project will have produced an estimated £2.8m net in GVA by the end of the Project, increasing to £15m after 2 years, and will result in the creation of 59 net additional FTE jobs, increasing to an estimated 323 after 2 years.

Section 5: Project Value for Money

5.1 In this section we calculate the value for money the Project has provided by drawing upon the evaluation of the impacts outlined in section 4, where we analysed the responses to the Business Northumberland beneficiary surveys and claim data up to 30th September 2022.

5.2 The survey sample represents 178 responses from 808 beneficiaries surveyed (a survey response rate of 22%), achieving a 95% confidence rate with a 6.5% margin of error. Our estimated results should therefore be considered within a +/- 6.5% range of accuracy. The full list of beneficiary survey respondents can be found at **Appendix B**.

5.3 As explained in more detail in sections 1, 2 and 4, the Project is forecasting a small underspend, estimated to achieve 94% of its expenditure budget, due to the enforced restrictions preventing a lot of activities from going ahead throughout the Project duration. The team responded quickly to adapt delivery methods, moving everything to deliver the support online, however this resulted in a huge reduction in spend, with no catering and venue costs, and reduced number of consultancy hours for online workshops rather than full day in-person events.

5.4 However, at the time of this final review, the Project is expecting to achieve all output targets by the end of Q1 2023, and is predicting to go on to exceed its contractual output targets by the end of the Project delivery period. Realistic forecasting suggests the lifetime performance is likely to achieve 214 P13 (3 hr IDB support) against a target of 204, 414 C1 (12 hr assist) against a target of 400, 71 C5 (new enterprises) against a target of 66, and 110 C8 (employment increases) against a target of 100.

5.5 Value for money impacts have therefore been calculated based on these prediction, with impacts forecasted through the survey sample grossed up to reflect the full target population of 414 business assists to then calculate the net additional economic impacts.

5.6 The value for money benchmark against the number of jobs the Project creates is therefore estimated based on the Project supporting 414 businesses (C1), and defraying a total £1,355,385, enabling £677,693 of ERDF to be claimed. The average cost per business supported is therefore estimated to be £1,637.

5.7 By the end of the programme, the original £686,705 ERDF budget aimed to support 400 businesses at an average cost of £1,717. At the time of this review, the Project is expecting to exceed the majority of its target in relation to the number of businesses supported and will fall within 6% short of its expenditure budget, however it will exceed its value for money benchmark by £80 per SME supported, totalling £33,120, which represents very good value for money.

5.8 As detailed in section 4 of this report, the Project is predicting to create approximately £2,802,598 net additional GVA by its end date, increasing to £15,337,852 after 2 years;

and achieving 59 FTE net jobs by the end of delivery period, increasing to 323 after 2 years.

5.9 Based on the beneficiary survey responses, impacts achieved and future forecasts, if the Project achieves its forecast ERDF expenditure of £677,693, after applying deductions and multipliers each expected FTE job will have been created at a cost of £11,486, decreasing to £2,098 after 2 years. While £4.14 of GVA will have been created for the local economy for every £1 invested, increasing to £22.63 after 2 years.

5.10 The total value for money of this Project is summarised in **Figure 5.1** below.

Figure 5.1 Summary of Total Economic Impact

	Project End	2023 to 2025	Total
Cumulative Turnover (increase)	£2,231,460	£4,505,148	£6,736,608
Net Additional GVA	£2,802,598	£12,535,254	£15,337,852
Net Additional Employment	59	264	323
Turnover generated per £1 ERDF invested	£3.29	£6.65	£9.94
GVA generated per £1 ERDF invested	£4.14	£18.50	£22.63

Source: BN19-22 Beneficiary Survey October 2022 and Project Documentation

Key Finding 49: The project will have supported 414 businesses (C1) and will defray a total of £1,355,385, enabling £677,693 of ERDF to be claimed, making the average cost per business supported has been £1,637. Given the number of businesses already in the pipeline at the time of this review, it would seem the project is on course to exceed its original value for money benchmark.

Section 6: Conclusions and Recommendations

Summary of strengths and weaknesses

5.11 Overall, the BN Programme has received very favourable feedback from stakeholders, including partner agencies and beneficiaries in receipt of support, in terms of the structure of the support available and the management and delivery arrangements implemented. A summary of the key strengths and weaknesses reported are presented below.

Project Strengths

5.12 Specific strengths of the BN19-22 Project are summarised below. The strengths highlighted in the interim report continue to be relevant in the final review, with some additions, specifically around actual lifetime performance.

5.12.1 Achievement of project objectives: the project has demonstrated a commitment and determination to achieve its objectives, introducing innovative solutions such as 'themed' events, and new services such as the digital review, to keep beneficiaries engaged through the full 12 hours of support**.** **I**n relation to its contracted ERDF output targets, there is clear evidence to suggest all output targets will be achieved by the end of Q1 2023, predicting to exceed all output targets by the end of Q2. The project has also demonstrated achievement of its 2 key objectives set out in the project logic model: to improve digital skills and promote the use of online technologies in SMEs; and to encourage and promote the resilience and growth of eligible SMEs based in the region, with 78% of beneficiary survey respondents reporting an improvement in their digital skills as a direct result of the support they received.

5.12.2 The Programme support: the Programme provided a strong portfolio of support which proved vital in light of the COVID-19 Pandemic Lockdown that suddenly changed the way the economy communicated and traded and given the threat to the solvency of businesses who were unexpectedly forced to close for an extended period. This included:

- The versatility of the programme and the Project team to be able to immediately adapt the programme to continue to run in unprecedented circumstances.
- The subject-matter of the training programmes on offer, which being digital, was hugely beneficial to the change to homeworking and digital networking.
- The 1-2-1 business advice that was adapted to be delivered online, to support businesses with resilience planning and guidance.
- The account managers (Advisers) that kept in touch with beneficiaries throughout lockdown to keep them motivated and on track

5.12.3 The team: as reported in the interim review, the management of the Programme has continued to be highly professional, with both delivery partners and beneficiaries commenting on:

- Great team spirit encouraged by a bubbly, efficient and capable team,
- Robust financial management, and flexible/responsive delivery,
- 'Great, solid, experienced team – flexible, responsive and adaptable',
- Dedicated business development advisers – that understood and listened to what their clients needed,
- Good continuity of experienced staff who have worked on similar business support programmes, and
- Excellent dissemination of important information, ensuring the delivery of the programme was fluid, compliant and current.

5.12.4 Partnership working: Without exception, all regional partners were complimentary of the team, with a general consensus that what they do fits well in the business support landscape, and they work extremely well with other deliverers in the region. They have good cross referral processes, working closely both at programme level and operationally. Partner feedback suggested the team were pragmatic and very easy to work with.

5.12.5 Online registration process technology: This project included the development of a sophisticated registration and diagnostic system that can be accessed remotely. The system has the capability of registering SME interest, assessing eligibility, and providing a diagnostic to understand the ambition and interests of the SME. The website also hosts various online materials, across several topics to help increase business capacity and overcome barriers to success.

5.12.6 Strong brand and reputation: The Project was launched on 1st July 2019 and despite initial resource issues had a strong start, primarily due to a speedy mobilisation which included the team hosting three launch events during the first quarter, each attended by around 30 businesses (reflecting the strength of the Business Northumberland brand). Stakeholders reported that "over the past 2 years I'd say they have reached the point of brand awareness that people just go to them. they are so well known in the region now there's not much need for general publicity. They are imbedded part of the Northumberland infrastructure, well known with intermediaries, accountants, DIT etc who also refer businesses in."

5.12.7 Communication: everyone interviewed commented on the friendliness, efficiency, and effectiveness of the management team. There were very high levels of satisfaction among businesses, particularly in relation to the speed with which issues were handled. Feedback included:

- Very clear guidelines and eligibility criteria,
- Clear governance arrangements with delegated responsibilities,

- Effective BN steering group – which also enabled partners to share learning and ideas; and
- Very efficient Salesforce system that enabled spreadsheet communication of pending applications and workload to delivery partners to enable them to prepare adequately in advance.

Weaknesses

5.13 In general, very few weaknesses were reported with the Programme overall. Areas highlighted that could benefit for improvement in future projects include:

5.13.1 The paperwork – partner feedback suggested if more could be done electronically it would be better as the requirement to provide evidence via a physical paper trail resulted in higher costs for delivery partners than they had anticipated.

5.13.2 Website builds – feedback suggested the quality of the websites that were built with/by businesses during workshop support sometimes fell short in relation to quality, with some website templates used not being adequately updated, leaving information in from other businesses, links to the wrong companies' social media, etc.

5.13.3 Use of feedback statistics – feedback and impact information received from beneficiaries could be better utilised with more analysis, and making feedback statistics readily available to relevant deliverers, to enable them to tweak their delivery to better suit their clients.

5.13.4 Business Adviser resources – the project experienced some issues with staff turnover, with one leaving early in the project, another leaving after a period of long-term sick, and another securing a career development opportunity within Advance. At times, this left the team with only 1 Adviser to cover the whole of the Northumberland region.

5.13.5 Part time staff – in the earlier stages of the project the team had the benefit of additional support from 2 part-funded Advisers from Advance's Business Growth & Investment team, who looked after eligible medium-sized, high growth, SAM businesses. However, some part time staff reported that the amount of time required to record their participation in the programme is out of sync with the amount of time spent delivering the programme. The project team also highlighted that there had been a consistent underspend on part time salaries – most of the work done by the part time Advisers were with businesses that were impacted by the pandemic. This did not improve as expected and it was concluded that the administrative costs of claiming them outweighed the value of their inclusion, so a decision was made to remove the part time resource completely from the project.

5.13.6 Trainer resources – the project also experienced issues with subcontractor resources which resulted in feedback that suggested the quality of the training provision was lower, with some courses being cancelled due to a lack of available Trainers.

Recommendations

5.13.7 The shortage of Trainers for the Digital Skills Programme highlighted a project vulnerability if too much reliance was placed on one delivery partner. As having numerous trainers in a previous programme proved to be too fragmented. To avoid this consideration should be given to the benefits of a delivery framework to ensure availability of Training providers.

5.13.8 Consider feasibility of digital audit trails for delivery partner evidence – to avoid additional costs (e.g. printing/inks) for a physical paper trail.

5.13.9 If physical paper audit trail required from delivery partners make this clear in procurement information so delivery partners incorporate additional costs into their tender.

Additionality

6.4 During our research beneficiaries also reported some additional impacts benefitting their businesses as a direct result of accessing the programme. Much of it remains unchanged from the interim review, with further instances being experienced in the latter part of the Project. Additional benefits included:

6.4.1 Confidence – increased confidence had a positive impact on the beneficiaries' businesses by making their networking skills more productive.

6.4.2 Export – one business interviewed confirmed that the increase in their portfolio of services resulting from the training they had received on the programme has led them to start exporting and produced sales that they would otherwise not have achieved.

6.4.3 Opportunities – two beneficiaries of the programme have gone on to work as external deliverers of the programme itself, work they did not anticipate at the start of their customer journey.

6.4.4 Mental wellbeing of self and family – one business owner reported that the knowledge gained from participating in the project resulted in her feeling more confident about the future and secure in her business and as a consequence, after having previously suffered depression and anxiety from years of living with the threat of redundancy, she and her family's mental health had improved, and her depression had lifted.

6.4.5 Two interviewees reported increased sales resulting from new contacts made from networking opportunities that arose during their participation attending workshops.

6.4.6 Inspiring others to grow or start up a new business – a particular case study revealed that the personal and business improvements achieved by a director after taking part in the programme had inspired one colleague to go onto the growth programme to improve his business, and another colleague was inspired to start up her own business (despite being in Lockdown period).

6.4.7 We also asked beneficiaries if taking part in the programme had resulted in changes to their purchasing behaviour. A surprising 71% of respondents reported that they now buy more from local businesses than they had prior to taking part in the programme.

Lessons Learned

10.5 This section outlines lessons learned for consideration by three different audiences:

Lessons for Advance Northumberland

10.5.1 The shortage of Trainers for the Digital Skills Programme highlighted a project vulnerability if too much reliance was placed on one delivery partner. As having numerous trainers in a previous programme proved to be too fragmented, to avoid this consideration should be given to the benefits of a delivery framework to ensure availability of backup training providers.

10.5.2 Make feedback statistics and analysis (i.e., feedback and impact information received from beneficiaries) readily available to delivery partners, to enable them to tweak their delivery to better suit their clients.

10.5.3 Ensure an account management resource and processes are embedded into future projects to build longer term relationships with beneficiaries, keeping them engaged longer to maximise the impact of support.

Lessons for those designing and implementing similar interventions

10.5.4 Investigate the feasibility of including digital audit trails for delivery partner evidence – to avoid additional costs (e.g., printing/inks) in relation to a physical paper trail.

10.5.5 If physical paper audit trail is required from delivery partners to evidence activity and claims, make this clear in procurement information so delivery partners incorporate additional costs into their tender.

10.5.6 Incorporate innovative ideas into new project design (such as digital reviews introduced in this project) to keep beneficiaries engaged with useful top-up activities to get them through the full 12 hours of support.

10.5.7 Consider the benefits of including small capital grants into similar business support programmes to enable businesses to purchase small items to fully implement what they have learned, e.g., relating to new technologies, software, etc.

10.5.8 Consider automatically incorporating 'frameworks' into procurement of service providers so provide flexibility in response to resource issues such as those experienced with trainers on this programme.

Lessons for Policy Makers

10.5.9 Consider enabling sufficient flexibility in new programmes to ensure delivery organisations are able to react to changing needs of beneficiaries in response to

unforeseen changes in economic environments, e.g. flexibility moving between expenditure budgets, incorporating a mix of revenue and capital expenditure, etc.

10.5.10 Consider allowing digital audit trails to reduce requirement for paper evidence, which adds costs and time, to delivering programmes.

Appendix A - Key Findings

Key Finding 1: BN 19-22 is a business support project with the aim of supporting SMEs through 2 strands: Digital Skills Programme (training workshops) and Growth Programme (1-2-1 coaching).

Key Finding 2: Research found that the project was well aligned to the objectives of local, regional, and national priorities.

Key Finding 3: The project was seeking to address Market Failures that left the region at a disadvantage in comparison to other areas of the country, in terms of GVA, employment, availability of high skilled, working force, connectivity with 49% of the population living in rural areas (v 18.9% in England as a whole), low levels of businesses in key potential growth areas, such as Information & Communication, Finance & Insurance and Professional, Scientific & Technical; and the number of business closures exceeding the number of start-ups in a region that already had the lowest population and density of businesses.

Key Finding 4: 70% of beneficiary survey respondents were looking for specific support listed in the description 'to improve digital skills and increase the use of technology' suggesting the project was designed appropriately to meet its first objective, via the Digital Skills Programme strand; and 53% of survey respondents felt the training they had received on the programme had introduced them to the benefits of business planning and use of digital solutions, leading us to conclude that the delivery model was appropriate.

Key Finding 5: The economic and policy context changed drastically during the life of the Project, with Brexit, the Covid pandemic and the Energy Crisis all having significant consequences on the business community, leaving them unsure about international trade, stock availability and the potential loss of subsidies as a result of Brexit; a forced closure for many businesses and a serious loss of trade, as a result of the Covid pandemic; and a heavy financial burden as a result of the substantial rise in energy costs and its consequential increase in the cost of stock and the cost of living, leaving many businesses focusing on survival and having little funds or inclination for increased growth and employment.

Key Finding 6: As a result of the triple crises, there has been a greater emphasis on resilience, recovery, and remote working, all of which are subjects addressed by the project.

Key Finding 7: The project team reacted quickly to the Covid pandemic, switching to virtual support, and introducing additional training topics to meet the demand for homeworking and virtual communication.

Key Finding 8: Now that pandemic restrictions have been lifted there is a visible shift towards hybrid working, increasing the continuing demand for digital training.

Key Finding 9: In Q1 2022, despite the North East having the lowest population and density of businesses in Great Britain, GDP in the region increased at a higher rate than anywhere else in Great Britain, meaning its business community is performing well.

Key Finding 10: Our conclusion is that the context which forms the basis of the need for this project remains, with online connectivity now being considered to be far more important since the restrictions of the pandemic lockdowns, and the rationale on which the project is based, is therefore strong and continues to be relevant.

Key Finding 11 : Originally a 3-year revenue project, running from 7th March 2019 to 31st March 2022 with total project value of £1,383,764, comprising £691,882 ERDF and £691,882 public match funding match.

Key Finding 12: Through 2 PCRs the Project was extended to June 2023, and the total value was increased to £1,466,166. All outputs target were increased in line with the extension with the exception of C8 (increase in employment) which was reduced from 135 to 100 to reflect the change in focus of businesses from growth to survival.

Key Finding 13: Project expenditure was impacted primarily due to the Covid-19 restrictions which saw all activity move to online, with a corresponding reduction in costs for venues and catering, and reduction in travel costs and part time resource requirements during the period when no face-to-face activity was permitted.

Key Finding 14: At the end of September 2022 the project was performing well, predicting to achieve 94% of its lifetime expenditure target, with the small underspend primarily due to reduced costs relating to the imposed changes to online delivery caused by the Covid-19 pandemic.

Key Finding 15: Following a strong start to the Project, the Covid-19 pandemic forced the team to move quickly to a fully online delivery model, which proved very successful, with the Project predicting to achieve or exceed all output targets.

Key Finding 16: Following the interim review, the team took action to address any potential underperformance, such as revising their engagement strategy to proactively target new businesses and introducing themed campaigns and new services such as the Digital Diagnostic to support businesses through the full 12 hours of support.

Key Finding 17: Horizontal targets are not a contract requirement for this Project hence the focus has remained on the beneficiary's business status as an SME, however research shows that 57% of the beneficiaries' primary contacts are female, meaning female participation has happened organically with a requirement for special measures.

Key Finding 18: Advance Northumberland (Commercial) Ltd, are the accountable body for the Business Northumberland 2019-22 project, and are wholly owned by Northumberland County Council, reporting to DLUHC (formerly MHCLG) as the Managing Authority.

Key Finding 19: The governance and management structure of the Project was set up appropriately, feeding back to the Council's monthly performance clinic, and from there on to

the NE LEP and the NOT CA. The Programme Manager has also been appointed as the Chair of the NE LEP's Providers Network Steering Group.

Key Finding 20: The Project team has been well resourced with experienced staff including a dedicated Programme Manager, Compliance Officer, and Marketing Coordinator, all fully integrated within and supported by the Advance management structure.

Key Finding 21: Communication with the management team has, without exception, been reported as excellent, whether it be from the rest of the team, the deliver partners, stakeholders or beneficiaries alike.

Key Finding 22: The key strength of the Project was its ability to adapt to the needs of the community, which was clearly evidenced during the Covid-19 pandemic lockdowns when the Project team very swiftly adapted the programme to enable it to be delivered online and to adjust its content to meet the changing needs of the business community, putting more emphasis on remote communication etc. Market demand was reassessed during this time and the support package was adjusted to provide 1-2-1 follow-ups to trainers to ensure the beneficiaries were successfully implementing what had been learned on the training courses.

Key Finding 23: Another strength was quoted by a beneficiary as: *"The team's networking ability. The team are fantastic, they are always out and about, they're really good at what they do*."

Key Finding 24: The Project has 3 fully funded geographically dispersed Advisers, who engage with eligible businesses of all sizes to sign them up onto the Project. In addition, 2 part-funded Advisers from Advance's Business Growth & Investment team were appointed to engage with medium-sized, high growth businesses, but they proved unnecessary and were removed from the programme. Some part time staff reported that the amount of time required to record their participation in the programme was out of sync with the amount of time spent delivering the programme.

Key Finding 25: External providers were procured to deliver digital training for the Digital Skills strand and coaching/mentoring for the Business Growth strand of the programme.

Key Finding 26: Issues with subcontractor resources caused delivery issues that resulted in some courses being cancelled due to a lack of available Trainers, leading to a conclusion that similar future projects would benefit from having a delivery framework to ensure availability of Training providers.

Key Finding 27: The Project has had some issues with staff turnover with one leaving early in the project, another leaving after a period of long-term sick, and another securing a career development opportunity within Advance. At times, this left the team with only 1 Adviser to cover the whole of the Northumberland region. Despite this, the Adviser team managed to provide a comprehensive support service throughout.

Key Finding 28: Perception of the support provided was compared between the interim and final surveys, showing a marginal drop in ratings, though still high with at least 76% rating the quality as good or excellent; and at least 87% rating the knowledge and expertise as good or

excellent. On average, across the whole project, only 2% of respondents considered the support to have been less than adequate, whereas 89% gave a very positive response, 45% giving the highest rating of excellent.

Key Finding 29: Respondents rating how easy the programme was to access considered Booking onto courses and events to be the easiest process, with 91% finding the process easy or very easy but the whole feedback across all access processes was consistently high with the lowest rating being accessing 1-2-1 mentoring or advisory support at 76%.

Key Finding 30: Rating the quality of the support received, 89% considered the support to have been good or excellent and only 3.5% thinking it was poor or very poor.

Key Finding 31: In general, few weaknesses were reported with the main focus being on resource issues.

Key Finding 32: There were a number of suggestions for improvements that could be made, including: the delivery partners would welcome feedback received from beneficiaries so they could tweak their courses; accordingly, delivery partners would benefit from more electronic use of documentation as printing costs were higher than anticipated; and care should be taken by delivery partners when providing templates to ensure links are working correctly.

Key Finding 33: Some stakeholders suggested more collaboration with other support services in the area; and enhancing the one-day events to bring in other support providers who can help businesses with higher demand following digital improvements.

Key Finding 34: Some good proposals for future projects were suggested by beneficiaries, including: follow-up sessions to reinforce and iron out the application of new knowledge; video training to make best use of the online tools available; dealing with foreign markets; how to package up and sell your business as a going concern; and opportunity to buy additional sessions with the support providers.

Key Finding 35: Perception of the Project and its programme of activities was measured against the interim findings, and it was concluded that, although the rating had dropped marginally, they were still all highly rated with quality of content and support delivered being rated as good or excellent by between 79% and 87% of survey respondents; and knowledge and expertise of support providers being rated good or excellent by between 92% and 96% of respondents.

Key Finding 36: We compared the online security confidence of beneficiaries between the interim and final reviews and found them to be virtually unchanged, with just a 1% increase from 92% to 93% that beneficiaries never, or only once in a while, had security concerns preventing them from buying products online.

Key Finding 37: To sum up how effective the Project has been we asked beneficiaries to categorise their digital technology ability prior to, and after received support from the Project. 49% of respondents judged their online proficiency to have increased.

Key Finding 38: Advance's have built up an excellent reputation with Stakeholders, with one quoting *"over the past 2 years I'd say they have reached the point of brand awareness that*

people just go to them. they are so well known in the region now there's not much need for general publicity."

Key Finding 39: Businesses access the online diagnostic tool as part of the registration process, which explores the SME's specific areas of need, asking questions around digital maturity and growth plans. From this an action plan is produced which lists the required learning and workshops suggested for the business to attend.

Key Finding 40: Businesses with growth potential are referred for 1-2-1 support from a Business Growth Adviser for a more comprehensive diagnostic, SWOT analysis, and development of a growth plan for their business which outlines the business growth aspirations, goals and activity required to achieve these.

Key Finding 41: 78% of beneficiary survey respondents reported an improvement in their digital skills as a direct result of the support they received. Applying this to the total 414 Project beneficiaries estimates the Project will have helped 323 businesses to increase their understanding and development of digital skills, demonstrating good progress towards this outcome.

Key Finding 42: Beneficiary survey responses show that 75% reported at least one type of positive impact relating to an increased use of social media, website, digital and eCommerce platforms. Grossed up to reflect the full 414 beneficiaries estimates the Project will support 311 SMEs against outcome 3 to increase use of social media, websites and e-commerce platforms.

Key Finding 43: Employment increases are demonstrated when the beneficiary forecasts the number of jobs they expect to increase as part of the registration process, which is compared to information collected once the coaching is completed.

Key Finding 44: At the time of this review an additional 87.8FTEs had already been reported, an average 0.243 FTE per SME supported. Gross up to reflect 414 SMEs supported estimates growth of 101 FTEs, with further evidence to suggest a total realistic employment growth prediction of 110 FTEs by the end of the Project.

Key Finding 45: Beneficiary survey responses predict 90% of employment increases will take place following the end of the Project, increasing by an additional 492 after 2 years, and a further 498 between 2-5 years following support.

Key Finding 46: 15% of the total anticipated turnover growth, averaging £5,390 per SME has already been reported to date, estimated to increase to £16,272 in 2 years and ultimately to £34,950 in 5 years. Grossed up to 414 SME estimates the Project is likely to contribute £2,231,460 towards increased turnover by the Project end date, rising to £6,736,608 in 2 years and further to £14,469,300 in 5 years' time.

Key Finding 47: Networking events are incorporated into the marketing strategy, with the team using initiative to come up with innovate ways of engaging businesses, adapting to changing needs, and introducing topical & themed events, plus collaborations with partner organisations to deliver large-scale networking events.

Key Finding 48: Applying adjustments of deadweight, displacement, substitution, leakage and net additional impacts conclude that the Project will have produced an estimated £2.8m net in GVA by the end of the Project, increasing to £15m after 2 years, and will result in the creation of 59 net additional FTE jobs, increasing to an estimated 323 after 2 years.

Key Finding 49: The project will have supported 414 businesses (C1) and will defray a total of £1,355,385, enabling £677,693 of ERDF to be claimed, making the average cost per business supported has been £1,637. Given the number of businesses already in the pipeline at the time of this review, it would seem the project is on course to exceed its original value for money benchmark.

Appendix B - List of beneficiary survey respondents:

	Business name	Where is your business based?
1	A.D.T. Northumberland Limited	North Northumberland
2	Abrinor ltd t/a Amble Pin Cushion	East Northumberland
3	Accelerator Coaching ltd	North Northumberland
4	Advertise1	Gateshead
5	Aln House B&B	East Northumberland
6	Amy McDonough	North Northumberland
7	Angels and Twinkles	East Northumberland
8	AVS Cleans & Restores	East Northumberland
9	Bad Press Ink Ltd	South Northumberland
10	Beacon Hill Leisure	North Northumberland
11	Berwick Boat Trips	North Northumberland
12	Berwick Community Trust	North Northumberland
13	Beyond The Byre	South Northumberland
14	Bodhi Mama Ltd	West Northumberland
15	Border Links Ltd	North Northumberland
16	Brewers Cottage	West Northumberland
17	Brinkburn Partnership	South Northumberland
18	Buddies Pet Supplies	South Northumberland
19	Business Transformation Associates Ltd	South Northumberland
20	California Ocean Northumbria Ltd	North Northumberland
21	Captured in Pencil	South Northumberland
22	Cara House	North Northumberland
23	Carroll's Heritage Potatoes	North Northumberland
24	Carter-Smith Planning Consultants	East Northumberland
25	Cell Pack Solutions ltd	South Tyneside
26	Charles Luxford vocal coach	North Northumberland
27	Charlie Comms	Newcastle
28	Charlotte Thompson Art	South Northumberland
29	Cheviot Candle Co	North Northumberland
30	Cheviot Kitchen Islands	North Northumberland
31	Christopher Best Photography	South Tyneside
32	Coastal Walk Cottages	North Northumberland
33	Complete Business Supplies Ltd	North Northumberland
34	Confidence Care and Support Limited	South Northumberland
35	Create Intrigue	Gateshead
36	Creative Business Solutions	Newcastle

37	Creatively Conscious	North Northumberland
38	Cuthberts Cuts	North Northumberland
39	Deb Yoga	North Northumberland
40	Delivering Differently Ltd	South Northumberland
41	Deror	South Northumberland
42	Direct Pets Ltd	North Northumberland
43	Doonan Architects Ltd	West Northumberland
44	Duo Photo Ltd	Gateshead
45	DW Styling	North Tyneside
46	Elizabeth Evans Opticians	North Northumberland
47	Emily PA Pal	West Northumberland
48	Evolto (Formerly Creative Coding)	West Northumberland
49	Falon Nameplates Ltd	East Northumberland
50	Fine Fettle Fibres	North Northumberland
51	Fisk Consulting	East Northumberland
52	Footprint Learning & Development LTD	South Tyneside
53	Forget me not funeral service ltd.	South Northumberland
54	Frank Dixon Associates	South Northumberland
55	GH Primary Tutoring	North Northumberland
56	GLampods Northumberland	West Northumberland
57	Glendale Business Park Partnership	North Northumberland
58	Glendale Engineering Milfield Ltd	North Northumberland
59	Gnome of the Lord	East Northumberland
60	Go As You Please Funerals	South Northumberland
61	Greaves West & Ayre	North Northumberland
62	Haltwhistle Partnership	West Northumberland
63	Hancock Stoves and Flues	East Northumberland
64	Handy History	West Northumberland
65	Hapsis Innovation Ltd	West Northumberland
66	Helen Stephens	North Northumberland
67	Highlights PR	South Northumberland
68	Hill House Hideaway	West Northumberland
69	Hipica Art	South Northumberland
70	Holy Island Sea Salt	North Northumberland
71	Hoy Consultancy LTD	North Northumberland
72	Ian McAllister Marketing	North Northumberland
73	Icelandic Drinks	West Northumberland
74	Impact Change Solutions Ltd	South Northumberland
75	In Disguise Leisure Lines	South Northumberland
76	Infinitum Finance Ltd	North Northumberland

77	Ingram Cafe	North Northumberland
78	International Syalons (Newcastle) Ltd	North Tyneside
79	Iona Art Glass Ltd	North Northumberland
80	Ivall.uk	North Northumberland
81	Ivor Rackham Photography	North Northumberland
82	J & J Models	South Northumberland
83	JDA Holdings Ltd TA Clear Sky Lodge Park	North Tyneside
84	Jillates - Pilates with Jill	South Northumberland
85	Jo Scott Heritage Planning & Interpretation	North Northumberland
86	Joseph Hillier Studio	North Tyneside
87	Joss Guest Photography	East Northumberland
88	Kenilworth Hotel	Newcastle
89	Kielder Water and Forest Park Development Trust	West Northumberland
90	Kingsmere Finance Directors Ltd	Newcastle
91	Label Says Ltd	West Northumberland
92	Lara Mellor Training and Consultancy	East Northumberland
93	Liberty Lodge Crafts	South Northumberland
94	Little Harle Partnership	South Northumberland
95	LMTS Facilities Management	East Northumberland
96	Louise Bradley	Newcastle
97	Margaret Woodliff-Wright Millinery	North Northumberland
98	Marshalls Commercial Cleaning	North Northumberland
99	Meraki Chocolate Ltd	East Northumberland
100	Millfield Media	North Northumberland
101	Mind and Sole	North Northumberland
102	Mint Communications	North Tyneside
103	Mountain Skills Training Ltd	North Northumberland
104	Nature Mandala	North Northumberland
105	NEW Arrivals	West Northumberland
106	North East Guides	Gateshead
107	Northern Heritage Services Ltd	South Northumberland
108	Northern Space and Security Limited	North Northumberland
109	Northumberland Computer Support	East Northumberland
110	Northumberland Cottages Limited	North Northumberland
111	Northumbrian Pantry LTD	West Northumberland
112	Old Rectory Howick	East Northumberland
113	Orata	South Northumberland
114	Penny Pieces Ltd	South Northumberland
115	Pepperhill Associates	South Northumberland
116	Perennial Favourites ltd	East Northumberland

117	Phillippa Lee Glass Art	West Northumberland
118	Post Office House B&B	North Northumberland
119	QuayStones	North Northumberland
120	Rainbow yarns	North Northumberland
121	Ranters Chapel	West Northumberland
122	Recyke y'bike	Newcastle
123	Rennie Welch LLP (Berwick)	North Northumberland
124	Salto UK Ltd	West Northumberland
125	Salvus Community Safeguarding	South Northumberland
126	Sameena Bashey Consulting Ltd	Newcastle
127	Sandra Russell Productions Limited	South Northumberland
128	Scott Mitchell & Associates Veterinary Surgeons	West Northumberland
129	Scubapsyche	South Northumberland
130	Sea Drift	North Northumberland
131	Seahouses Hostel	North Northumberland
132	Sensory Treasures	North Tyneside
133	Sharper Than	West Northumberland
134	Sherwood Canine Behaviour & Training	West Northumberland
135	SK Packaging Ltd T/A Northumbrian Gifts	East Northumberland
136	Skeebles 3D Graphics and Web Design Limited	West Northumberland
137	Spuds Farm	East Northumberland
138	Star Duck Administration	South Northumberland
139	Steve Newman	North Northumberland
140	Superlush Cards	North Northumberland
141	Supplihub360	North Northumberland
142	Sycamore Cottage & Glamping Pods	West Northumberland
143	Synergy Compliance Ltd	Sunderland
144	Talking Works ltd	Gateshead
145	Tania Willis Design	North Northumberland
146	Teeny Tinys With Tina	East Northumberland
147	The 365 Key Ltd	South Northumberland
148	The Angel of Corbridge	South Northumberland
149	The Bare Essentials	North Northumberland
150	The Bodywork Centre LTD	West Northumberland
151	The Chocolate Gallery	North Northumberland
152	The Craft Cabin	South Northumberland
153	THE Eco Dog Design Company	Gateshead
154	The Fifth Point	South Northumberland
155	The Hextol Foundation	West Northumberland
156	THE Hytte	South Northumberland

157	The Old Parsonage Country House	North Northumberland
158	The Osprey Company	North Northumberland
159	The Pudding Parlour	West Northumberland
160	The Pure Candle Company	Newcastle
161	The Real Taste of Northumberland Ltd	North Northumberland
162	The Sponsor Hub Ltd	South Northumberland
163	The Stencil Library	West Northumberland
164	The Walls	North Northumberland
165	Till Fishing	North Northumberland
166	Tim Britton Media Ltd (Previously Alan Telford Med	West Northumberland
167	Tints N Tweaks	North Northumberland
168	Treasure My Ashes Ltd	South Northumberland
169	True North Safety Solutions	West Northumberland
170	Twelfth City Cyclery	West Northumberland
171	Tynedale Agricultural Society Ltd (Northumberland	West Northumberland
172	Up North Stays	North Northumberland
173	Westray Recruitment Consultants ltd	Gateshead
174	Wild With Consent	North Northumberland
175	Woodland Chase Glamping	East Northumberland
176	Wydon Farm B&B	West Northumberland
177	Zoe Parker Smissen	Newcastle
178	Anonymous	East Northumberland

Appendix C – Case Studies

Case Study 1:

Twelfth City Cyclery

Case Study 2:

Lara Mellor Training & Consultancy

Case Study 3:

Millfield Media Limited

Case Study 4:

Sensory Treasure Ltd

Case study 1

Twelfth City Cyclery

Twelfth City Cyclery opened their doors in January 2021 as a globally curious local enthusiastic bicycle shop which joined the Business Northumberland programme in the following summer. The Company was aware they needed business support and so they researched what was available and found out about the Business Northumberland Programme.

The various avenues of support and guidance provided through the programme helped Twelfth City Cyclery jump into the exponential learning curve of business in order to expedite success. Business Northumberland offered them a chance to grow in confidence despite having previously been working in isolation. *"Having us bring our heads out of the sand and reflect on where we are in respect to other businesses has been greatly beneficial"* explains Tom Hardy the owner of Twelfth City Cyclery, *"knowing that we are not the only ones invested in our success, provided an encouragement that we hadn't expected".*

Cycling in Newcastle and Northumberland is highly popular. As the infrastructure continues to develop so will the influx of tourists, encouraging a more diverse community of cyclists to join as their means of travel and commute. Tom went on to say, "*Twelfth City Cyclery aims to make cycling more accessible for all"*.

Knowing the importance of social media and how that can create business opportunities and a platform for legitimacy, when the company joined the Business Northumberland programme their main priority was to seek help and guidance to create a website to connect and foster relationships with potential clients.

"Business Northumberland gave us the confidence and belief that we can succeed. The team helped bolster a foundation and thanks to the relationship with Business Northumberland, we feel more valuable than we would have done otherwise." The company accessed a variety of support types which is what Tom say they *"found so valuable, especially when given the chance to learn in almost any way that suits us for that particular topic"*.

Tom embraced his failures; he explained how the company rose from the challenges of *"not having a formal business education"* and learned about the *"fail faster to accelerate success"* theory. The company worked in a transparent environment with their Business Northumberland Advisors ensuring a positive and lucrative ambition was met.

Tom expressed how *"regularly we are shown nuggets of truly beneficial knowledge and resources"* and how *"the entire team have presented themselves with a caring and invested tone that reflects the group brilliantly. The Allied Training Group's Steven Parker, and Scott Digital are assets for any business working with them"*.

The company started out with credit-card only funding but since joining the programme they have recently submitted their latest tax documents with approximately £40k turnover. They are also close to serving 1,000 clients, closing in on their goal to support the local cycling community.

Tom wants to express his thanks to Mike Jurowski, Ross Waldie, Lucy Evermore and The Business Northumberland team. Tom concluded *"I have no hesitation in recommending every SME to Business Northumberland. In fact, that is something I continue to do"*.

To find out more about Twelfth City Cyclery visit their website:
https://www.twelfthcitycyclery.com

Case Study 2

Lara Mellor Training and Consultancy

Lara Mellor Training and Consultancy delivers Microsoft training virtually across the country, as well as internationally and face to face for clients in the North East at their premises. They mainly work with companies with 10 to 500 employees, but Lara explains "being a trainer on the Business Northumberland programme has given me the opportunity to also work with micro businesses to give them support they require to move their business forward".

The company was new to the North East and struggled to find clients before joining the Business Northumberland programme as a beneficiary. Lara jumped at the opportunity to get paired with a business advisor when she read about it on the leaflet she received through her door. That's when she went on to attend many of the workshops on offer and "implemented many of the things learnt" says Lara. "I found that the sessions on LinkedIn, website design and blog writing were particularly beneficial for my training business" she explains "as well as the sessions on Facebook for the Holiday cottages I also run".

Despite the challenges of not having a client base in the North East, Lara, the Director of Lara Mellor Training and Consultancy enjoyed attending many of the networking events, where she met and spoke with other businesses about how she could help their staff become more productive with better Microsoft knowledge and learning about their business operations. The networking events were a huge benefit to Lara's business and helped build clientele, she went on to say,

"Many have become friends as well as business contacts".

From joining the first version of this programme (Business Northumberland 2016 – 2018) as a beneficiary in 2016, to then being brought back to deliver training sessions as a provider for this most current project (Business Northumberland 2019 – 2022), Lara Mellor Training and Consultancy delivers a range of Microsoft courses both face

to face and online. The topics of the training courses she delivers on behalf of the Business Northumberland programme include…

- Creating Excel dashboards,
- Improving PowerPoint Presentations,
- Using Word more efficiently,
- Making the most out of Microsoft 365 and Teams, and
- Taking the overwhelm out of Outlook.

Lara has been trading for over 20 years and now runs a successful training business. She often finds herself employing other trainers on an ad hoc basis to cover courses for her company with a lot of workflow coming in. *"I have a good stream of new clients through my social media posts and word of mouth"* she explains, *"I am still using the skills learnt from those first tentative steps joining the programme"*.

Lara shared the opportunity she happened to take up with others, saying *"I have always recommended others who needed to improve their digital skills to sign up for the programme, using myself as the perfect example"*, she went on to say *"I still love the lightbulb moment when something a delegate has been struggling with for ages suddenly makes sense, I don't think I will ever tire of that"*. Lara concluded with *"I think my enthusiasm for Microsoft products is infectious."* Demonstrating a clear passion of what she does.

To Find out more about Lara Mellor Training and consultancy visit their social media listed below.

Website: https://www.laramellortraining.co.uk/

LinkedIn: Lara Mellor - IT Training Consultant - Lara Mellor Training and Consultancy Ltd | LinkedIn

Facebook: Lara Mellor Training and Consultancy | Facebook

Case Study 3

Millfield Media Limited

Alnwick-based Millfield Media are a family run Print and Design Agency offering Graphic Design, Printing Services, Website Design & Website Hosting, they pride themselves on offering a 5* personal service from beginning to end which bring ideas to life, from inception to the printed product**.** Director Ray Baker started the company 7 years ago after serving more than 28 years in the printing industry. The fledgling print management company began very well, serving Ray's former clients from his previous printing press business. In 2016, co-director Nicola Gunn joined the company with the aim of adding extra services, in an effort to reach a wider market.

Nicola was first introduced to the training offered by BN's predecessor project, Business Northumberland 2016-19, by a Growth Adviser speaking at a networking event in 2016. After taking initial digital training courses delivered by the Project, she soon introduced graphic design for Facebook and Twitter as a new service offered by her company.

Describing herself as a visual learner, Nicola has made the most of the courses offered by BN and has continued to use them to increase her knowledge and expertise. Having recently completed more training in Social Media, Wordpress, SEO and Blog-Writing, she has now introduced further new skills into her company portfolio, which has led to the wide package of services they offer today.

Nicola is a glowing ambassador for the Business Northumberland 2019-22 Project, stating that it has transformed Millfield Media. She explained that *"as a result of Business Northumberland SEO training we have been able to get to the front page of Google and attracted new customers, it has increased my confidence for writing mail chimp newsletters, and enabled me to give virtual training to my own clients".* In fact, her newfound confidence has created a further additional benefit, after **inspiring a friend to set up her own business** during the COVID Lockdown period, thereby creating more jobs and further increasing trading turnover in the Northumberland region.

Nicola and Ray continue to serve their local SME community whilst branching out further afield, intentionally keeping their services affordable for small business owners, so they can maintain the 5* personal service they pride themselves on. Whilst most of their work comes from existing customers, Nicola has always been a great fan of the networking opportunities offered by BN and has found many **new customers and collaborated with numerous neighbouring companies, after meeting them at BN networking events**.

The benefits from the BN programme have not been restricted to trade in the local region. Nicola's recent SEO and Wordpress training has led to an expansion into Europe, where they now **export** their website services to customers based in the Costa Del Sol. Nicola always proudly recommends the Project to colleagues she meets in the course of her business. Many of them have followed her advice and gone on to benefit from the training courses themselves.

Case Study 4

Sensory Treasure Ltd

Sensory Treasures is a unique retail business based around the theory that sensory perception is key to learning.

The director, Carol Loyd, spent more than 25 years in education, during which time she learned the value and importance of sensory stimulation in the development of children, in particular those with disability or diagnosed on the autism spectrum.

3 years ago she decided to set up her own business selling bespoke sensory bags online. Since then her business has increased ten-fold with the support of Chris Dawson, a business growth adviser with Business Northumberland. Chris offered ideas of how she could develop her business and guided her through baby steps to slowly build it up. She began with a virtual course, which she admits she was unsure about at first, but she managed it. She finds the networking events great fun and very inspiring spending time with likeminded people. She found that the variety of venues and times offered her the opportunity to maximise her attendance.

Since taking part in the programme she has gained in confidence and now **inspires other business owners that she meets at networking events**, to keep going.

Prior to starting her business, she spent years under the threat of redundancy which cause depression and anxiety. Her newfound knowledge has given her **confidence** in the longevity and security of her business and by reducing her anxiety has had a **positive impact on the mental wellbeing** of herself and her family.

Carol has enjoyed input from other Advisers, too, and even Lucy, the Programme Manager, who's bubbly enthusiasm for the project has been infectious. After Chris was promoted away from the growth adviser role, Emma took over her support. Carol has only positive things to say about Emma, who has provided continuous updates and useful tips during the Coronavirus lockdown. Knowing someone is just at the end of the phone is invaluable and has kept her going throughout.

Carol's service is not limited to disabled children however, she recognised that her product is beneficial to anyone, adult or child who suffers from stress and is also a hugely effective aid for maintaining the long-term memories of elderly people with Alzheimers.

She has no doubt that she would not have achieved any of her success without the support of Business Northumberland, which she continues to enjoy. The future looks bright and her long-term plans include a retail unit and becoming an employer but for now she is happy to continue building her business with the support of Business Northumberland.