innovate northamptonshire

Summative Assessment Report

European Union
European Regional Development Fund

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The University of Northampton

1.1 Project Name	Innovate Northamptonshire
1.2 Grant Recipient organisation	The University of Northampton
1.3 Project Unique Identifier	26R16P0084
1.4 LEP Area(s) Covered by the Project	Northamptonshire
1.5 Lead LEP Area (if applicable)	South East Midlands

Innovate Northamptonshire Delivery Partners

The partners

The Innovate Northamptonshire project was delivered by the University of Northampton, their delivery organisation Northampton Enterprise Social Enterprise CIC (NESE), and Northamptonshire Enterprise Partnership (NEP). The delivery partners were founders of the Northamptonshire Growth Hub (NGH)[1] which successfully delivered a diagnostic and brokerage service from November 2013 and was the main route to market for the Innovate Northamptonshire project.

University of Northampton (UN) led the project and **Northamptonshire Enterprise Partnership (NEP)[2]** were a delivery partner until their closure in September 2016.

[1] NGH operational closure was 31.12.18, merging with Velocity GH under SEMLEP

[2] NEP operational closure was September 2016

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Glossary of Acronyms

BIS	The Department for Business Innovation and Skills (now BEIS)
CRM	Customer Relationship Management
(D)CLG	Department for Communities and Local Government
GFA	Grant Funding Agreement
HEI	Higher Educational Institution
ING	Innovate Northamptonshire Grant
LEGI	Local Enterprise Growth Initiative
LEP	Local Enterprise Partnership
MHCLG	Ministry of Housing, Communities and Local Government
NEP	Northamptonshire Enterprise Partnership
NGH	Northamptonshire Growth Hub
PA3	Priority Axis 3
PCR	Project Change Request
SEMLEP	South East Midlands Local Enterprise Partnership
SEP	Strategic Economic Plan
SME	Small and medium-sized enterprise
UN	University of Northampton

Section 1: Project context

Project aims

The Innovate Northamptonshire (IN) project aimed to increase productivity, growth and competitiveness in Northamptonshire's SMEs by unlocking their potential through innovation. Focussing on key priority sectors for the county, the objective was to build an innovation culture, giving SMEs the knowledge, skills and support they needed to introduce new products, processes or services to their company or to the market. The project was designed to enhance links between Northamptonshire SMEs and experts in the UK's universities, and other sources of innovation and research expertise. This would address a historic serious under-performance in levels of innovation, investment in R&D, the adoption of ICT and patent applications.

IN offered a range of support, advice and funding to encourage participants to become more innovative in their operations. The four key sectors for focus were:

- High Performance Technology
- Agri-tech, including food and drink
- Creative and cultural
- Logistics

These sectors were designated as priority sectors for the county in Northamptonshire's Strategic Economic Plan and the ESIF Strategy and as such had a high potential for innovation. There is also a concentration of these businesses within the county and so we anticipated that a large cohort of participants would fall within these sectors.

The IN application stated that it would support 300 enterprises over the project lifetime. This would be achieved through a combination of events, workshops, advice and financial assistance dependent upon the need of each SME.

Economic and policy context at the time that the project was designed

The IN project was designed within a national context to meet the need to improve the competitiveness of SMEs by increasing the capacity and capability of SMEs and promoting entrepreneurship, and to strengthen the pipeline of high growth businesses across England.

Innovate Northamptonshire was linked to the smart specialisation strategy for England and aimed to take clear and tangible steps to implementing this approach within the county. A substantial amount of consultation was undertaken as part of the Strategic Economic Plan and European Structural Investment Fund Strategy, and this concluded that increasing innovation was vital to developing the Northamptonshire economy.

The area performed poorly against other areas in terms of innovation measures. The percentage share of employment within the knowledge economy and high and medium tech manufacturing stood below the national average of 22.5% at 17.7% in Northamptonshire. Between 2005 and 2010, the number of patent applications per million people in Northamptonshire was the lowest in the UK. However, there were some signs that this was changing and whilst applications in each region have fallen every year during this period, they improved in Northamptonshire in 2010.

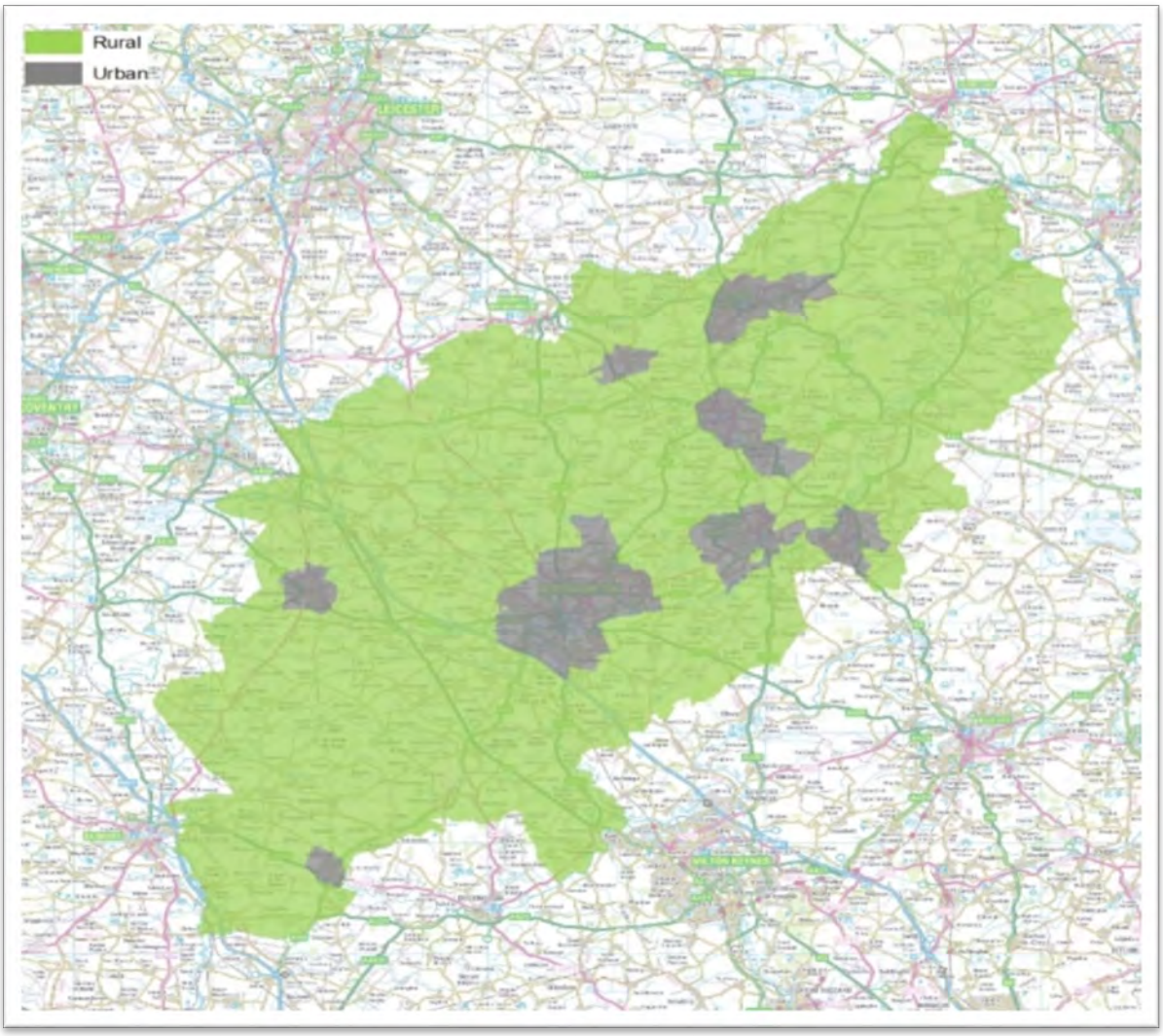

Diagram 1: Map of the rural and urban areas of Northamptonshire

Northamptonshire's economic landscape

Northamptonshire is a county which consists of eight urban areas[3], with over half the population classified as rural, managed by seven local authorities and a borough council. The county has a clear economic divide between the east and south. Corby in the east is the most economically deprived (ranked 49th Nationally), compared with the south which is ranked 321st nationally; little has changed since 1999.

The specific market failures that the project was seeking to address, and rationale for the project

The county was historically characterised by poor overall levels of innovation and ICT adoption, low levels of investment in R&D and a weak skills base for managing and leading change and innovation in our businesses. Innovate Northamptonshire sought to tackle each of these barriers.

The project built on previous offerings from NEP, such as INV-ENT and LOCATE, which provided business support and grant assistance to SMEs in the county. As part of the project development process, statistical data was also used to demonstrate a need and demand for the project. This included analysis of local employment, economic, and business data.

The INV-ENT programme, delivered in conjunction between NEP and NCC is a noteworthy example of how innovation support was previously delivered in the county. Specifically targeted to support ambitious SMEs to grow and transform their business, it sought to stimulate growth through development of new products, business diversification, up-skilling staff or recruiting new ones and enhancing digital presence and capabilities. The project had an overall value of £1.3 million. The most popular and well-subscribed element of INV-ENT was the provision of grants, which is why we ensured that a significant portion of the Innovate Northamptonshire budget was allocated to providing financial support to businesses.

For established businesses, research found that less than 50% of SMEs will seek out and take up external advice; although the same research showed that SMEs who did

[3] Northamptonshire LEP OAs by rural/ urban classification 2011, DEFRA: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/270850/Northamptonshire__LEP_simple_RU_split.jpg

use advice are more successful than those that do not use advice[4]. In 2013 Northamptonshire SMEs stated to the LEP and the University that they didn't know where to go for help and they expected that if they could find the help they needed it would be cost prohibitive. It was these findings that led to the partners setting up the Northamptonshire Growth Hub (NGH).

However, it is important to note that since 2015 the landscape for publicly funded support had greatly changed with the demise of 1-2-1 support and funding from NEP, the end of INV-ENT funding from NCC and the closure of the Enterprise4Corby project.

The Innovate Northamptonshire project was designed in close partnership with key organisations who were involved in enterprise stimulation and delivery to address the local barriers to business development. The project sought to have a real impact by overcoming the barriers to innovation within Northamptonshire. This project set out to ensure that SMEs were provided with "a single place to go" which could deliver or broker to meet the needs of any new or growing business. It was designed to encourage innovation and the development of new skills, whilst instilling SMEs with the confidence to apply for growth funding and to procure expert advice from the private sectors. Since its launch in November 2013, NGH had enabled over 1000 established SMEs to gain access to a comprehensive range of business support services, including business planning, skills training and funding opportunities.

Project design and delivery model

The theory behind the design of the IN project was that businesses or individuals could contact NGH as a "one-stop shop", where they could quickly and easily access innovation support which was relevant to their needs. The delivery model combined 121 advice from experienced advisers, combined with a variety of workshops on relevant subjects and grant funding.

The IN delivery process is explained below, and the original delivery model can be found in Appendix 2.

[4] Centre for Enterprise and Economic Development Research (CEEDR), Middlesex University London: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/32250/11-1288-research-barriers-to-use-of-business-support.pdf

Diagram 2: Innovate Northamptonshire delivery process

Awareness raising and Enquiry

Northamptonshire Enterprise Partnership (NEP) originally provided marketing support for the project. They had previously worked closely with Northamptonshire's four priority sectors (logistics, food and drink, high performance technology, and creative and cultural). This changed after NEPs closure in September 2016, when they withdrew from the project. The marketing function was taken over by UN during year 1 of the project and a key role was created within the University to maintain the function of providing updates across the four priority sectors - this will be discussed further in section 3. The enquiry stage was a straightforward process whereby NGH captured the client's details on our Customer Relationship Management (CRM) system, checked their eligibility, agreed and signed the project Terms and Conditions, and referred the client to an Innovation adviser.

Implementation and delivery model

The project design enabled each SME to receive the most relevant and useful support available to meet their specific needs. This support was both non-financial and financial assistance.

The experience in generating the awareness campaign, devising diagnostic tools and providing knowledgeable support through the staff at NGH/UN is evident. At the submission of the IN application, since its inception in 2013 the Northamptonshire Growth Hub had received over 1000 enquiries from established businesses who were proactively seeking specialist business advice. In December 2018 the total number of active enquires stood at 6154 of which the IN project had received 473 enquiries.

The project was successfully designed and delivered business support provision through a co-ordinated programme of activities across the county. Through SME engagement the project brought economic growth to the beneficiaries and also to the local economy which included increases in employment.

IN project objectives	Achieved
To create a cohort of SMEs who are both ready and able to use innovation to create growth	✓
To support SMEs by providing grants/vouchers to enable them to implement innovation plans.	✓

To encourage and develop innovation and collaboration across the county, with a particular focus on priority sectors.	✓
To address market information failures and gaps in business support provision identified in local BSSP report	✓
To remove barriers to innovation and catalyse growth	✓
To create a cohort of SMEs who are both ready and able to use innovation to create growth	✓

Setting realistic and achievable targets for the project

At the time of writing the project application the targets for the project were felt to be realistic and achievable, as they were based on historical demand data from both NGH and NEP. The table below summarises the yearly project outputs for Innovate Northamptonshire from the original application. The second table shows the outputs revised in the Project Change Request (PCR) which was first submitted in November 2017 but not finally approved until February 2019, just before project closure.

Indicator	2016	2017	2018	2019	Total
C1	80	160	105	5	350
C2	25	140	50	5	220
C4	20	50	55	5	130
C6	£285,000	£570,000	£570,000	0	£1,425,000
C26	25	60	35	0	120
C28	0	8	15	3	26
C29	0	80	60	0	140

Table 1: Application summary

Indicator	2017	2018	2019 (Q1)	Total
C1	4	56	15	75
C2	2	33	0	33
C4	0	27	15	42
C6	£3,558.00	£551,991.00	£207,000.00	£762,549
C26	0	0	0	0
C28	0	0	0	0
C29	0	0	0	0

Table 2: Post PCR changes summary

Whilst the project progress will be discussed in more detail during section 2, there were changes which occurred during the project lifecycle which could not have been predicted by the project and grants team in terms of their impact upon outputs.

Changes in context during project delivery and associated pressures

The context changed considerably as the project was delivered, both regionally and at a local level. Northamptonshire Enterprise Partnership (NEP) ceased operationally by September 2016[5] and merged with SEMLEP; at the instruction of BEIS Northamptonshire Growth Hub subsequently merged with Velocity Growth Hub[6] under SEMLEP in January 2019.

Reduction in innovation activity:

A survey of 2,370 businesses undertaken by SEMLEP (Summer 2017) highlighted that while businesses were still looking to innovate there was a dip in activity which was likely to result in the lack of take up for the project. The key findings include:

[5] NEP and SEMLEP merge to form one Local Enterprise Partnership, SEMLEP: https://www.semlep.com/news/2016/nep-and-semlep-merge-to-form-one-local-enterprise-partnership/

[6] Velocity Growth Hub to merge with Northamptonshire Growth Hub in a move to help boost business growth, SEMLEP: https://www.velocitygrowthhub.com/velocity-growth-hub-merge-northamptonshire-growth-hub-move-help-boost-business-growth/

- Over a fifth of businesses (22%) reported that they had introduced new products, services, patents or processes in the previous 12 months. This was lower than innovation levels seen in previous years.

- Innovation was much more common among larger businesses, particularly in the case of innovation that had happened over the last 12 months. Larger businesses were also more likely to say that they expected to innovate in the coming 12 months.

- 8% of businesses had links with colleges or universities for research and development purposes, lower than the levels seen in 2015 (12%). This was far more common in businesses with 100 or more staff than in smaller businesses.

It is evident from the 2017 survey results and also views from stakeholders that innovation levels are falling in our geography.

Brexit:

Prior to the signing of the Grant Funding Agreement the UK voted to leave the EU by referendum in June 2016 and subsequently Brexit has had a huge impact on the political and economic landscape within the UK.

This uncertainty was subsequently reflected in how business used their own capital in financing projects, even with the support of a grant. Many businesses and individuals became risk averse, reluctant to implement changes in the face of a constantly shifting political and economic environment. Innovation was therefore perceived as a relatively high-risk exercise.

Within Northamptonshire 86% of businesses (January 2019) stated that Brexit remains a huge concern and that without concise information about it is still unknown how this will affect their business; on an operational and at board level[7].

Changes at the University:

The University of Northampton relocated to Northampton town centre by the River Nene in August 2018. A £330 million campus which aims to rejuvenate the town centre, it provides greater opportunity for students to gain work placements and to establish stronger relationships with current, new and pre start businesses. With the move and

[7] Quarterly Economic Survey (QES) of 2019, The Northamptonshire Chamber: https://www.northants-chamber.co.uk/cdn/uploads/QES_Q1_2019_Northamptonshire_Report_1.pdf

the NGH merging into SEMLEP in January 2019 this was seen as an opportunity for a new university department to emerge, and consequently the Business Support Team now supports new businesses across the county.

Partners:

During the project lifetime there were unforeseen changes to the delivery partners, the most notable being the closure of NEP in September 2016, as the overlapping LEPS merged into a single entity - SEMLEP. This necessitated the immediate withdrawal of NEP from the project.

Contract Management :

During the project lifecycle there were multiple changes of MHCLG Contract Manager. There were a handful of visits to discuss project progress but no structured ongoing communication. Our Project Change Request was submitted in November 2017 but not approved until February 2019 when the project was scheduled to conclude. This was not in keeping with the time taken to approve PCRs for other projects across the region, eg Velocity's PCR was submitted in June 2018 and approved in September 2018.

<u>Resulting pressures on project delivery</u>

The referendum affected the administration of many government-led processes and the Grant Funding Agreement for the Innovate Northamptonshire project was delayed until late August 2016, despite the approval letter having been issued in late May 2016.

Following the closure of NEP, some staff who were previously employed by NEP transferred to UN (moving into the Key Sector Manager and Project Manager roles). No operational delivery could be undertaken by NEP and so the decision was taken by UN to absorb the risk and implement direct delivery across all project functions. We also took the decision not to recruit a second Innovation Adviser due to the lack of businesses engaging with the project.

Further resourcing pressures occurred as the project progressed. These included:

- Internal staff changes for NGH/UN in June 2018 – the UN Projects and Grants Manager left in mid-June 2018 and was not permanently replaced. The Head of Enterprise was seconded to SEMLEP in April 2017 and focused much of their attention on the Velocity project which was underperforming at that time.
- Resource changes were not only seen within the IN team but the instruction of multiple new Contract Managers within MHCLG made transitions lengthier as they

had to understand the project and its changes. This is discussed more in Section 3: Project delivery and management

- An A217 Audit was requested for Innovate Northamptonshire in July to September 2018 (managed by the project team at NGH/UN) and discussed at our MHCLG quarterly meeting (21.09.18).[8]

Performance against project targets

Outputs	Profile	Actual
C1	75	79
C2	33	33
C4	42	46
C6	£762,549	£613,550.30

We believe that in the face of a challenging economic and political climate, the project has performed well against its (PCR) targets in terms of enterprises supported (C1), grants (c2) and non –financial support (C4). Additionally, we achieved 9 new businesses created (C5), which were not originally profiled, and 37 new job outcomes (C8). New products and processes were created, but these were significantly lower than our original profiles due to the increased aversion to risk already described, therefore the targets were reduced in the PCR to reflect this.

[8] Progress Report 01/07/18 – 30/09/18, NGH

Section 2: Project progress

Financial spend

We had originally planned to commence project delivery on March 1st 2016, but due to the delay in starting the project (GFA was not signed until 30th August 2016) we were unable to meet our expenditure and output targets as agreed and profiled in the Grant Funding Agreement. We re-profiled both for 2017 but at that time were advised that we could not re-profile beyond 2017 therefore the targets for the end of the year remained unachievable.

The above resulted in a Project Change Request (PCR) being submitted in November 2017, which was not approved until February 2019 – just before project closure. The original Project Change Request (PCR) was submitted to DCLG in November 2017. In February 2018 UN was advised that the PCR could not be considered. This decision was made on the basis that the reduction in ERDF grant by £127k (10.7%) was not comparable with the reduction in the project's expenditure of £1.5m (42.5%). This resulted in an increase in the ERDF intervention rate (from 32% to 41%) which would have a negative impact on the project's value for money.

Therefore, we undertook a full review of project costs in order to bring the ERDF intervention rate more in line with the original contract. As a consequence, changes were made to the University's contribution to the project, i.e. salaries and workshops delivery remain unchanged at 50% ERDF/ 50% UN. However, for marketing activity (including proposals around changes to the forums, telemarketing campaign and running an event) and legal costs to check state aid in relation to grant awards these changed to become funded 100% by UN.

There were discussions with MHCLG that the flat rate was not included in the original contract. Therefore, it was agreed and included in the original PCR that we could include the flat rate from Q1 2018. The figure without the flat rate is £222,240.01 and the FRIC is £27,624.27.

Most companies we meet are not currently innovating. They are looking to grow their business in a more traditional way, either by purchasing new equipment or by looking at other areas of the market. We did receive some interest from larger companies for a few of our workshops but as they were not eligible we did not include that in the project figures.

Revenue and Capital expenditure

Description	Contracted	Achieved by end of project
Revenue Expenditure	£913,129	£742,964
Capital Expenditure	£790,167	£726,964

Performance of the revenue and capital expenditure was as expected and the shortfall and consolidation (of the capital post) was continually discussed with the MHCLG Contract Manager. The revenue (Salaries and non-staff, i.e. marketing) element of the project delivered what it expected, a balanced expenditure during the lifetime of the project. The details behind the small revenue underspend are as follows:

Staff costs (UN)

There was a change in Project Manager in Q3 2018, which reduced from 1 FTE to 0.4FTE and a slight difference in salary. The Operations Manager spent less time than anticipated on the project due to additional commitments connected with the operational changes in readiness for the merger of the Growth Hubs. There was a delay of a few months in recruiting an Innovation Adviser with the correct skillset at the start of the project and therefore this resulted in an underspend. The original plan was to employ 2 Innovation Advisers – however due to lack of demand only one was required. The Events and CRM Manager left in Q4 2018, replaced by a capable member of staff who was employed through Unitemps, therefore unclaimable through ERDF rules.

Flat Rate Indirect Costs

During the application process there were no costs submitted for overheads. This was discussed with Contract Managers who agreed that these should be claimed. However, the reduced staff costs over the project lifetime meant that some of the anticipated overheads were also not claimed. See comments above for details.

Marketing:

Room hire

We used our own premises for the majority of the delivery and therefore costs were reduced as ERDF does not permit internal cross charge claims. It is also important to note that by doing this we achieved a horizontal priority by creating a positive impact of the environment; whereby our staff did not drive to external premises. The

innovation centre in particular has 42 office units used by local businesses in a like-minded business environment.

Grants award against expenditure

Below is a summary of the grant awards. A large part of the grant expenditure was interrelated to the project's position with regard to the Outputs which will be discussed later.

	Number beneficiaries awarded	Grant Funding Agreement	% achieved
Innovate Northamptonshire Grants	33	33	100

Table 3: Grants achieved verses the PCR target

As discussed above companies were not innovating, even achieving the grant target the project did not achieve the desired expenditure, this was down to a variety of reasons, firstly grant beneficiaries were constantly renegotiating their costs or finding new suppliers, which led to a £81,000 reduction against our base target. Equally successful applicants withdrew and good applicants on paper were unsuccessful through the grants panel process. This demonstrated the project's rigorous governance and delivery processes, but highlighted how unstable the grant process was and to achieve the expenditure was not straight forward as it initially appeared.

In terms of the balance between the revenue and capital pot for expenditure, this was comparable to each other, only £85,000 difference to Capital over Revenue. The quarterly claim process allowed the delivery partners to pay the ERDF fund back as quickly as possible. Although this did put pressure on the cash flow of the University.

Outputs

It is important to note that the delay in the PCR did have a significant impact on the project, as with a 15 months' delay in approval we were forced to implement the proposed project changes at risk to ensure that we met the targets. A breakdown below is what the project expects to achieve against the performance.

(C1) Number of enterprises receiving support (75 target vs 79 actual)

The original GFA figure was adjusted considerably (78%) due to the changes in the delivery model, NEP ceasing to exist and the volatile macro environment; although we did achieve more C1s than we expected in our revised figures.

(C2) Number of enterprises receiving grants (33 target vs 33 actual)

The original GFA figure for grants was reduced by 52%, the GFA figure consisted of grants and vouchers (70 and 150 respectively). When it became apparent that there was no demand for vouchers (as businesses had already identified their chosen suppliers before application for financial assistance), the vouchers were withdrawn and the funding transferred into grants. However, the new overall C2 of 33 grants was achieved accordingly.

(C4) Enterprises receiving non-financial support (42 target vs 46 actual)

We had increased interest in our workshops specifically on innovation support and therefore this target became achievable with the work of our advisor and grant team as we achieved 4 more C4s than expected.

(C6) Private investment matching public support to enterprises (grants) (£762,549.00 vs £613,550.30)

Again with the above changes the original GFA target was reduced, we did not achieve this target. The £148,998.70 underspend (PCR 11.09.18) was due to beneficiaries saving £81,000 by finding cheaper suppliers or renegotiating with the original evidence they submitted pre award, in additional to which two beneficiaries withdrew due to the cancellation of their own projects (£ 26,500 - November 2018). We also had a relatively high percentage of unsuccessful applicants; these were good applications on paper, but were declined through the scrutiny of the grants panel (£41,500).

Targets not listed in the PCR but achieved

C5: New enterprises supported

As the number of C1s has reduced this output was reduced to zero in the PCR. We have continued to engage with this target and achieved 9 C5s by the close of the project.

(C8) Employment increase in supported enterprises

This was not a consideration in the original grant application as the view was taken if a company is innovating there could have been an expectation that jobs would reduce as an efficiency gain. However, the project has captured 37 job creations as a result of the grants.

C28: Enterprise supported – new product to market

As mentioned earlier the impact of Brexit has been significant; businesses became reluctant to invest in new products or processes without the certainty of success. In addition to this some grant recipients utilised their funding to purchase equipment in order to evolve new products, but this can be a lengthy process and so the new product was not developed within the timescale of the project, particularly for those who received grants in the later stages. This also applies to C29. Currently 5 new products have been noted from companies.

C29: Enterprise supported – new product to firm

See comments above.

Final spend and output performance review

The project scaled down its activities and started at risk due to the delays in obtaining our Funding Agreement (at the end of August 2016), which saw less delivery staff in the initial months. The availability of grants for SMEs and procured elements was reduced as there would have been a risk on the project's cash flow[9]. Our scaled down start also resulted in fewer Outputs than expected.

Despite the challenges which arose during the delivery of the project, we do expect that the project will achieve what it set out to do. We have encountered the challenges of financial changes to the project, and very lengthy delays to decisions which could have negatively affected the project, yet still provided many SMEs with grant funding which has enabled them to grow and develop their business. Project participants have generally found the project to be a worthwhile and beneficial experience, and have been positive in their feedback regarding the project and the overall service delivery.

[9] Progress Report 01/03/16 – 30/09/16, NGH

Indicator	Targets		Performance at Time of Evaluation Q4 2018		Projected Performance at Project Closure		Overall Assessment
	Original	Adjusted (PCR 2018)	No.	% of Target	No.	% of Target	
Capital Expenditure (£m)	£1,164,000	£790,167	£672,428	85%	£726,964	92%	
Revenue Expenditure (£m)	£2,507,633	£913,129	£658,034	72%	£742,742	81%	
C1: Number of Enterprises Receiving Support	350	75	74	99%	78	104%	
C2: Number of enterprises receiving grants	220 (70 were only grants)	33	32	97%	33	100%	
C4: Enterprises receiving non-financial support	130	42	42	100%	46	110%	
C6: Private investment matching public support	£1,425,000	£762,549.00	£585,035.51	76%	£613,550.30	80%	

Not listed in the PCR targets but achieved							
C5: New enterprises supported	0	0	0	0	9	9%	
C8: Employment increases	0	0	0	0	37	37%	
C28: Enterprise supported – new product to market	28	0	0	0	5	5%	
C29: Enterprise supported – new product to firm	140	0	0	0	5	5%	

Table 4: Spend and Output Performance

Section 3: Project delivery and management

Management of the project - procurement, selection procedures, governance and management structures

Governance and management structures

At the outset of the project there was a well-defined and organised management structure to deliver the project processes and operational delivery, see below the original structure submitted in the application and the revised more focused structure after the changes to the project construction and the departure of NEP.

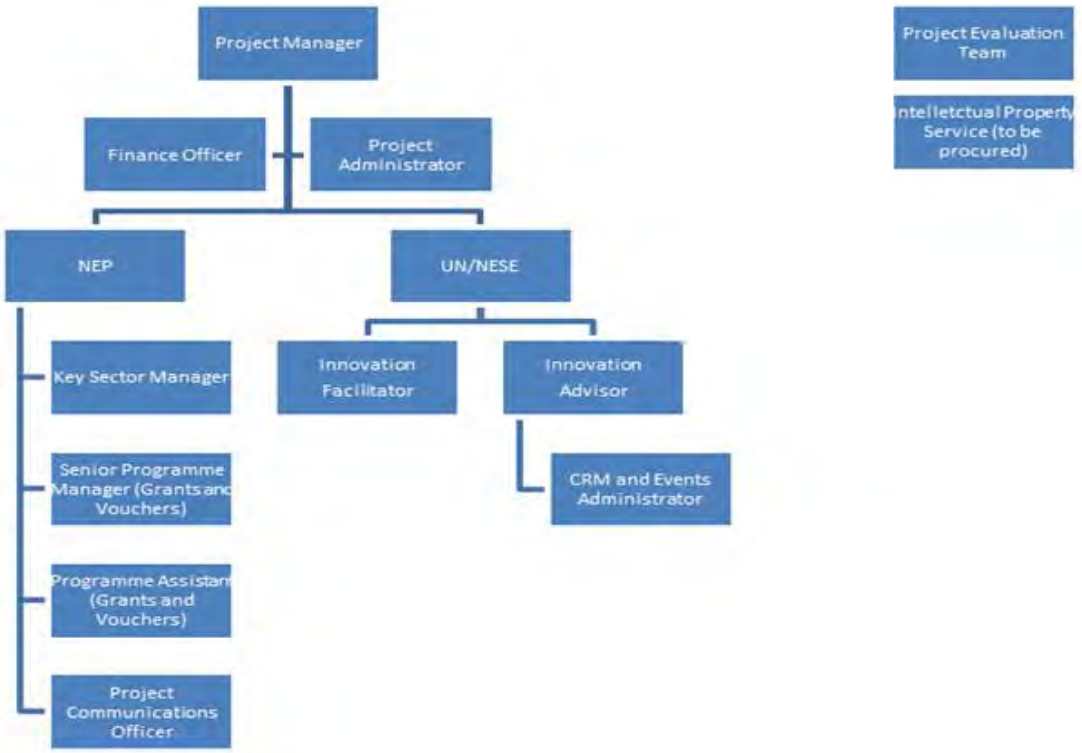

Diagram 3: Project structure August 2016

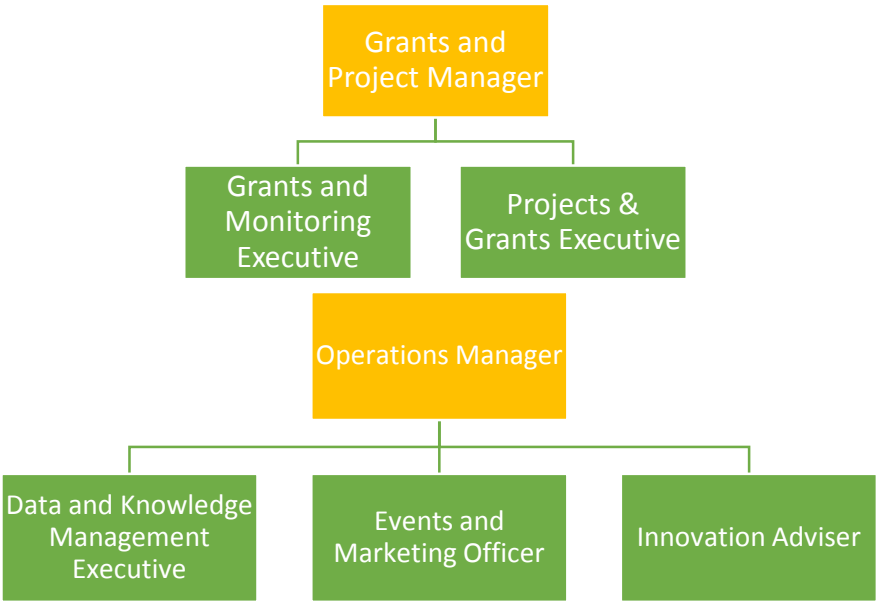

Diagram 4: Updated structure October 2016

Changes in delivery: Northamptonshire Enterprise Partnership merged with the South East Midlands LEP therefore ongoing marketing activity was managed by UN and this did not cause any issues. The Events & CRM Administrator based at NGH was recruited and started part-time in February 2017 moving to full time from May 2017. They left the University in November 2018 but were not replaced due to the forthcoming operational delivery closure of the project.

Panel membership

- Membership of Grants Panel – this comprised 11 members from external organisations with a high level of business expertise and experience. Coming from sectors such as grocery supermarket, legal, financial services, banking, engineering/innovation, business consultancy and social enterprise, they each signed a Terms of Reference document and received a project overview. Typically, each grant panel consisted of 3 external members alongside 2 project team members.
    - For governance we used external contacts alongside the project team to interview grant applicants where the applications typically were over £10k. Note that the project team would sieve the applications received prior to the panel, comparable to an interview application process.

14 physical grant panels took place from May 2017 to September 2018 which were a mix of grant applications from two different projects (BSG/MGIG and Innovate).

Throughout the project we continued to be proactive within the project team, marketing and through our business advisers and the quarterly claim reports are a testimony to this.

We had effective systems in place to ensure that a concrete process was in place to ensure all grant applicants knew the deadline for submission of their final claim (30th November 2018). This enabled us to submit our claims in a concise and timely manner.

Our business advisers proactively engaged with the SMEs to ensure that outputs were achieved and expenditure targets met.

Procurement and selection procedures

Robust procurement processes already existed within both partners and were effectively adhered to throughout the project. Selection processes already existed in both organisations and were followed throughout the project according to each partner's policies.

Name of supplier	Description of works, supplies or services provided under the contract	Process used to select supplier	How was the contract advertised?
Highbury Ltd	8th May 2017	Specialist delivery of 12 x 1/2 day Intellectual Property workshops	Open Tender

Table 5: Sample of procured items for Innovate Northamptonshire

Workshop Delivery

Following an in-depth diagnostic SMEs were referred for either tailored 1-2-1 support to develop innovation growth plans and/ or workshops. These included:

- All About Crowdfunding
- Breakthrough Ideas
- Building Brands
- Creating a B2B Marketing Strategy
- Creating a Culture of Innovation
- Creative Thinking

- Customer Experience
- Franchising and IP for Business Growth
- Fuelling Success Through Innovation
- Innovation in Products, Process and Supply
- Investment for Innovation
- Managing Intellectual Property Within Your Business

Northamptonshire Growth Hub held drop-in sessions in eight locations across the county where the business advisers were available to talk through how grants from £2,000 to £20,000 could support activities leading to the development of new products, processes or services. Businesses were able to drop in at any point during the sessions to discuss their ideas and ascertain whether this type of grant funding was right for them. See the next page for some feedback regarding the workshops.

Delivering the project intended activities to a high standard

Despite the challenges already described we do feel that the project activities have been delivered to a high standard, namely:

- Grants were successfully awarded and funds distributed to 33 beneficiaries, enabling new innovative product development and increased turnover across the county
- We delivered 28 Workshops across 12 different subject areas to 348 participants, averaging 15 people per workshop and with an average customer satisfaction rating of 97% at Good or Excellent
- We provided tailored 1-2-1 support to develop innovation growth plans to 79 individuals, achieving 104% target
- Project activities continued with minimum disruption to services despite extremely protracted delays in the PCR approval

We removed some activities which were originally part of the logic model as they had been removed within the PCR:

- Support in sourcing academic expertise for collaboration
- Voucher funding for collaboration with research institutions

Could the delivery of the project have been improved in any way?

There are always learnings from the delivery of any project. Our findings are that the following areas could have been more effective:

- Grants – we should have established a defined schedule for the frequency of grant application calls and associated review panels, however this was made difficult by the delayed PCR which impacted upon the delivery of some grants. This also meant that our communications regarding grants availability was subject to change and became sporadic.
- Consistency of MHCLG Contract Managers – there were five different Contract Managers during the project lifespan, making relationship building a challenge and resulting in delays.
- New MHCLG Contract Managers should have an in-depth knowledge of the project within a reasonable timescale (handover between contract managers has often been ineffective)
- Regular timetabled meetings with MHCLG
- Delays in approval of PCR – this seems to vary considerably by project. Whilst we appreciate that some adjustments needed to be made to the content of the

document, 15 months does appear to be an unprecedented delay in comparison to other projects within the SEMLEP area.

- ERDF updates – changes to guidance could be publicised more by MHCLG, requesting an acknowledgment of changes from the grant recipient.

Engaging with and selection of the right beneficiaries

The project did engage with the correct beneficiaries but the delays in starting the project meant that we did not have as much time to market the project as had been previously anticipated. Equally the delay in PCR did not allow the project to advertise the open call for business grants. However, when marketed the engagement was positive. Also every networking event organized by NGH was taken as an opportunity to promote the projects, upcoming workshops and the grants available.

Having a clear branded approach to engagement and market penetration is important. Below is the IN logo which was designed for the project and all material used had a uniform approach to ensure market penetration and engagement.

Traditional media

A broad range of marketing activity was undertaken throughout the lifecycle of the project. The project continued to use different channels to reach potential customers; which included traditional media channels such as business newspapers, journals and magazines featuring paid adverts, a number of press releases covering case studies,

latest project updates were shared with local media. A number of these were picked up by BBC Radio Northampton (Q2 2018) including the case study on GFC Diagnostics who were awarded an Innovate Northamptonshire grant. A Corby Radio advert (April/May/June – 5 times a day within East Northamptonshire that targeted 80,000 people). Listen to it here.

Grants radio advert May 2018

In addition to more traditional methods of marketing we were keen to reach the more economically deprived areas of the county. To address this, we implemented a well-received bus back advertising marketing campaign. This successfully achieved reach and engagement over a three-month period in areas such as Corby and Wellingborough.

Wider publicity - the project was also promoted through SEMLEP's Driving innovation, productivity-led growth and business competitiveness brochure[10].

Social media and online presence

Digital marketing fundamentally kept the message the same as the traditional media. Topics highlighted from Twitter included growth, business and workshops, see more key words below.

Diagram 5: Facebook example promoting one of the drop in sessions

[10] Driving innovation, productivity-led growth and business competitiveness through the European Regional Development Fund, SEMLEP: https://www.semlep.com/modules/downloads/download.php?file_name=1127

The @NorthantsGH handle which was used for the project had over 2,455 followers on Twitter, which demonstrates a positive engagement with our IN and former NGH community. To provide some comparison @VelocityGrowthHub (before it closed) had 2,500 followers and @SEMLEPGrowthHub had 2,645 (as of January 2019), yet these covered a much larger geography. We achieved 1,398 likes on UNBizTeam Facebook page (formerly Northants Growth Hub), comparable to Velocity Growth Hub page of 350 likes[36]. SEMLEP does not have a Facebook page.

	@NorthantsGH	@SEMLEPGrowthHub
Tweets with @mentions	11 / 100	44 / 100
Tweets with links	91 / 100	73 / 100
Tweets with media	13 / 100	0 / 100

The analysis above (foller.me) draws a comparison between the @NorthantsGH and @SEMLEPGrowthHub (note: @VelocityGrowthHub had closed its account down), with SEMLEP being a much larger network. The findings show that our account was used for more than a simple text and mention formula - the project utilised the platform more interactively with links and other media such as YouTube, for a grant beneficiary, Cambridge Weight Plan.

Cambridge weight plan contacted NGH because they wanted to introduce a new type of products, mini bites often called “grazing products” aimed at “food on the go” consumers. They needed funds to purchase and install a food packaging machine as they had already completed the development phase of the product itself. They received a grant from Innovate Northamptonshire and now the new packing line is operational with a range of new products on the market and already proving to be very successful, huge demand and orders reported by the company.

Engagement summary

Twitter	✓	Print	✓
Facebook	✓	Blogs	✓
Case studies	✓		

Perception of project activities by stakeholders and beneficiaries in terms of the quality of activities / delivery

The stakeholders have embraced what the project can do in terms of appreciating its activities to support growing SMEs to innovate. With regard to the beneficiaries involved, the project received a mixture of positive and negative feedback.

Beneficiaries

The case studies on the project website highlight how the beneficiaries have seen the support provided by the IN project.

> *“The funding will enable us to expedite the development process and commercialisation of laboratory kits which will generate increased profit margins and enable further employment opportunities.”*[11]

Dr Corrine Austin, director of Austin Davis Biologics Ltd

[11] What is innovation and how grants can help your business growth, Business times: https://www.business-times.co.uk/articles/news/what-is-innovation-and-how-grants-can-help-your-business-growth

"The growth of antibiotic resistance is of huge concern globally. The danger is one of the greatest that humanity has faced in recent times. In a drug-resistant world, many aspects of modern medicine would simply become impossible. This project will demonstrate that the GFC Diagnostics company is capable of working on much more complex antibiotic resistant bacteria and the outcome from the project will help towards development of other products."[12]

Bruce Savage, CEO of GFC Diagnostics

"The grant funding supported us to develop and register the trade mark for our electric shield, which will build up our product portfolio and support the scalability of the business."[13]

Phil Robson, Director of Advanced K9 Solutions

"The grant funding will enable us to undertake a vital piece of research which will drive the company towards a more automated and efficient manufacturing route and subsequently support the scalability of the business."[14]

Chris Walker, CEO of Diamond Hard Surfaces

Stakeholders

"Innovation is a vital tool for today's businesses if they want to become sustainable and grow in this rapidly changing world…Innovate Northamptonshire project is all about encouraging businesses to explore different ways of working, generating new ideas and ultimately developing new products."[15]

Aurel Nastase, Innovation Adviser

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[12] Medical diagnostics company awarded £9,000 grant to support new product, Business times: https://www.allthingsbusiness.co.uk/medicaldiagnostics

[13] K9 Solutions receives a £3,500 Innovate Northamptonshire grant, unbizteam: http://www.unbizteam.com/case-studies/k9-solutions-receives-a-3500-innovate-northamptonshire-grant/

[14] Innovate Northamptonshire: Diamond Hard Surfaces Ltd, unbizteam: http://www.unbizteam.com/case-studies/innovate-northamptonshire-diamond-hard-surfaces-ltd/

[15] Innovate Northamptonshire: Diamond Hard Surfaces Ltd, unbizteam: http://www.unbizteam.com/case-studies/innovate-northamptonshire-diamond-hard-surfaces-ltd/

> *"It's a competitive market out there and it's vital that businesses stay ahead of the game. One way of doing that is by exploring new ideas, whether that's developing a new product or doing things in a different way. This grant funding is available because we recognise that businesses need that extra bit of support to lessen the risk and encourage confidence in their ideas."*[16]

Cathy Martin, Project and Grants Manager at Northamptonshire Growth Hub

In conclusion there was a mixture of positive and negative perception from stakeholders and beneficiaries:

Positive:

- Beneficiaries liked the fact that grants enabled growth within their business
- Many project participants felt that they had benefitted from the workshops

Negative:

- The beneficiaries often complained about the amount of paperwork which was required at all stages of the project, most specifically in relation to the grants process. They perceived that this level of bureaucracy led to delays in receiving their funds.
- Grant beneficiaries were often frustrated at the retrospective element of grants

[16] Northamptonshire SMEs are invited to apply for grants of up to £20,000 to stimulate their business growth, Northants Chamber: https://www.northants-chamber.co.uk/news/northamptonshire-smes-are-invited-to-apply-for-grants-of-up-to-20000-to-stimulate-their-business-growth

Using the horizontal principles to shape delivery

As far as possible the project as incorporated the horizontal principles through workshop content delivery, marketing materials, supporting underrepresented groups and encouraged participants from BME backgrounds.

Integration of horizontal principles	**High standard**
Minimised energy consumption, e.g. car sharing and communication options including telephone, Skype and email	✓
Reduced the number of workshops required by using on-line webinars wherever possible	✓
Asked all individuals and businesses engaged with the project to consider the environmental impact their business may have and to mitigate any identified negative impacts. This will ensure that the sustainable development agenda is embedded in business growth plans and operations	✓
Encouraged partners and suppliers to develop environmental best practice	✓
Encouraged businesses to access local procurement opportunities and procure locally for their own contracts	✓
Proactively strive for out women-owned businesses and ensure that the services are responsive to the needs of these groups	✓
An assembled project team which actively supports the Policy and the application of gender equality in the project.	✓
Tailored marketing material to meet the language and culture contexts of the communities in which we work and using images with which participants can identify, so as to ensure representation from minority groups	✓
Proactively reached out to under-represented groups such as ethnic minorities and women	✓
Reached out in communities such as Corby and Kettering where self -employment levels are lower than the county average	✓
A project team that understood and actively supports the Policy and our commitment within this project to actively counter discrimination	✓
Positive actions to encourage participants from BME backgrounds	✓

Section 4: Project outcomes and impact

Progress towards achieving the outcome and impacts against logic model

	Outcomes				**Intended Impacts**	
1	Increased turnover and profitability	✓		**1**	Development of an innovation culture within businesses	✓
2	Increase in awareness of support through NGH/IN	✓		**2**	Growth of businesses through innovation	✓
3	Improved skills within SMEs	✓		**3**	Economic growth of the county	✓
4	Private sector investment into new projects	✓		**4**	Creation of new products	✓
5	Increase in collaborations	✓				

At the beneficiary level the outcomes of the project have been successful, there has been an increased awareness of the programme

Outcomes

At the beneficiary level the outcomes of the project have been successful, there has been an increased awareness of the project. There has been reported through the workshop attendance and grant awards a better understanding of marketing their business, which includes the more specific aspect of website development and in particular the businesses' improved skills within social media presence resulted in positive feedback from clients. Finally, business growth/competitive advantage was the most interesting result due to the variety of business sectors and the areas of growth especially in the use of the grant, these included:

- Develop own fabrics in house which no other business currently does and has given the company an advantage over its competitors in the marketplace
- Improved efficiency and a service that no other company delivers currently

- Make available to SMEs technology that previously was not offered and made an offer that was affordable, accessible and easier to send letter communications
- No.1 business in Europe – indoor skate park and on the back of the grant secured 2 years' sponsorship for £120,000
- A new UK stakeholder engagement software product where previously monopolised by US companies such as SurveyMonkey
- New software in the cash and carry sector that has never been available before in the industry.

Attributing the changes in relevant impact and outcome indicators to project activities

In relation to the support received from the Growth Hub prior to IN, workshops and the helpline support were the largest areas of engagement, accounting for nearly 53% of the support reported by respondents. However, a number of organisations (15%) had not previously engaged with the Growth Hub, demonstrating that IN acted as a means to facilitate deeper engagement by the Growth Hub in the local business ecosystem.

Equally, only 16% of respondents had previously received funding from the Growth Hub, again demonstrating that IN was therefore able to disseminate grant funding into previously untapped areas of the business community.

We received several positive comments from grant recipients regarding the impact of the project upon their businesses:

> *"New low sugar lines up to the end of our financial year August 2018-July 2019 will generate an increase in revenue of £180,000. 2020 would see this increase to an additional revenue of £288,000"*
>
> Classic Cuisine, Northampton

> *"Since soft launch 4 weeks ago revenue has increased by £20k"*
>
> CM Frost Auto parts

> *"Without any further customer additions, we are expecting £500k sales in a full year"*
>
> Creation Reprographics

"Maxims have (gained) 3 new warehouse clients and one cross-dock client comprising an (additional) annual revenue of £290,000 / annum"

Maxim Logistics Group Limited

Adviser support and workshops were found to be useful in terms of upskilling SMEs: 29% of IN beneficiaries received 121 adviser support. With regards to rating these in-person visits, 51.7% of the participants rated their business adviser as "excellent", whilst 20.7% rated the advisers as "good".

This was summarised by the comments from a business who received a grant in addition to their support: "*having been within the military and police service for nearly 28 years I had no experience in running a business so it was reassuring to speak to someone who had business experience and was able to give an unbiased opinion and practical advice*" (University of Northampton, 2019b).

The gross and net additional economic, social and environmental benefits of the project (where relevant and applicable to project activities)

A number of businesses (15%) had not previously engaged with the Growth Hub, demonstrating that IN acted as a means to facilitate deeper engagement by the Growth Hub in the local business ecosystem. Equally, only 16% of respondents had previously received funding from the Growth Hub, again demonstrating that IN was therefore able to disseminate grant funding into previously untapped areas of the business community.

Data was also captured from the beneficiaries in relation to impact on the turnover and staffing of their businesses from the IN project. The evaluation data reveals a 7% increase in turnover amongst businesses, albeit this drops to 3% if only businesses who stated that IN had directly impacted on their turnover are included.

However, when the information from all grant beneficiaries is considered those businesses who stated that IN had a direct impact (9 businesses) realised an increase in turnover of £1.6m, an average of £180,000 per business.

The total turnover of all grant recipients increased from £72.8m to £74.4m across the project lifetime.

The data also reveals an average increase in staffing for these nine business of 0.34 FTE. This represents modest impact, albeit impact generated over a relatively short period of time within a relatively low number of businesses.

As a result of involvement in the IN project, some of the businesses developed a new innovative product, which appeared to have a positive impact on their companies. In one instance this resulted in orders worth £500,000.

Table A.1 Standard Table Format: Gross and Net Additional Impact for Employment and Turnover (time period)

		Impact Area 1: Jobs created		
Impact Indicator: Employment Unit = FTEs		Measure	Adjustment	Comments
	Gross Impact	37		C8 - 37 jobs created
	Deadweight / reference case	0	0%	Based on job outcomes and grant monitoring forms
	Displacement /substitution	4	10%	Based on the fact that the county and surrounding areas are close to full employment
	Leakage	0	0%	Jobs created are all within county
	Net Additional	33		Taking all factors into consideration it can be assumed that the IN project has delivered 33 additional jobs within Northamptonshire
Impact Indicator: turnover Unit = £m	Gross	£74.4		**This is taken from the grant recipients only**
	Deadweight / reference case	£48.4	65%	35% of grant recipients directly attributed their increase to the IN project

	Displacement /substitution	£7.4	10%	Displacement is unlikely as grants were awarded in order to drive business growth
	Leakage	£7.4	10%	Businesses registered in Northamptonshire – assume 10%
	Net Additional	£11.2		

Can these benefits be quantified and attributed to the project in a statistically robust way?

The stated benefits were captured by the project evaluation and the statistical information is contained within that document. However, the information above is extracted from the grants monitoring forms and our CRM system information which links to accounts registered at Companies House.

The project contribution to the achievement of ERDF programme result indicators

Innovate Northamptonshire was funded under ERDF Priority Axis 1: Promoting Research and Innovation

Investment Priority 1b – Promoting business investment in research and innovation

- developing links and synergies between enterprises, research and development centres and the Higher Education sector, in particular promoting investment in product and service development, technology transfer, social innovation, ecoinnovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation
- supporting technological and applied research, pilot lines, early product validation actions, advance manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies.

The project can be seen to have contributed mostly towards the second of these result indicators, particularly in instances where grant funding has enabled organisations to bring new products to market through refining existing processes or in procuring more advanced technology to advance production capabilities.

Strategic Added Value that the project has created

We have captured details of strategic added value from grant recipients monitoring forms.

Most businesses stated that they gained competitive advantage as a result of the project activities.

There were many comments regarding enhanced employment opportunities and SME capacity generated across the county.

Some grant activity enabled the development of unique processing systems which were new to market (TotalSim), enabling businesses to reach their targets (one of which was connected to products being used in the 2020 Olympic Games.

There was a considerable focus on environmental impacts. These included improvements in waste reduction, increased use of sustainable materials, producing recyclable products which contribute to end users' CSR (Alternative Pallet Company), reduced plastic packaging (Tealab), electric vehicle production (Brahms Electric vehicles) and a solar powered boat unique within the UK (Mothership Marine).

Businesses noted the benefits of newly created automated systems and the resulting impact on workflow and forecasting productivity (20/30 Labs).Data management improvements reduced companies' carbon footprint as staff travel was eliminated (Boyall Graphics reported a carbon monoxide saving of 7.3 metric tons per year).

New partnerships were created between businesses within the county and the rest of the UK - In2Fab technology joined a partner programme with other UK manufacturers to develop emerging technologies within the electronics industry, working with the most advanced technology available.Tealabs formed a partnership with a property company and subsequently expanded to 14 sites UK-wide.

As a result of the project, potential new markets were identified, both within the UK and in countries such as Brazil and South Africa. (Boyall Graphics, Tealabs).

Products were launched which currently have no European competition (CM Frost Autoparts), driving the market perception of Northamptonshire as a place for the development of emerging technologies and innovative products. This was achieved through engagement with experts, where one business was enabled to produce restaurant quality desserts with reduced sugar (Classic Cuisine).

Businesses were supported to scale up, enabling them to improve efficiencies, achieving faster client response times and enhanced employment opportunities (Diamond Hard Surfaces).

Section 5: Project value for money

It has been challenging for us to draw comparisons against other similar projects due to the fact that our geography (Northamptonshire only) is smaller than other project areas, and also has been limited due to the lack of availability of performance data for projects which are currently running.

Other projects focused on innovation include:

ACTIS (focused on life sciences across the SEMLEP area), providing innovation support grants up to £20,000 at an average contribution of up to 30% for items such as:

- proof-of-concept/feasibility
- design and development
- prototyping (ergonomics/functionality/practicality/presentation/packaging)
- testing & evaluation
- Patent protection, regulatory and quality standards & accreditation
- Employment

There is no evaluation or performance data available for this project and as can be seen above its aims were more focused on design and prototyping within a specific market sector rather than collaboration with experts.

CityLabs is a place for SMEs to work with academic and industry leaders to develop concepts into prototypes for new products and services in the digital economy. Particularly focused on data driven and IoT developments, the CityLabs team offer a programme of Urban Business Lab and Tech Design & Prototype Evaluation for developing concepts and access to the MK Data Hub.

Again this project does not show any performance data and was focused on a very specific target group.

ICT escalator (delivering support to develop SME digital capacity to get maximum benefit from internet, using expert academics and grant funding of up to £3000 to help create innovative digital applications or improve marketing). Again no performance data is available.

Innovation Bridge is a £3.896 million economic development project, running until summer 2019, offering:

- free support to help business innovate and grow
- access to specialist university expertise and grants with University of Bedfordshire, Anglia Ruskin University and University of Suffolk
- a grant programme to support the implementation of a growth plan

The initial business review is followed up by the support of a university academic to develop an innovation action plan to support the growth of the business. Following the action plan, there is a grant programme (between £1,000 and £15,000) which can offer up to 30% of the costs of the implementation of elements of the plan.

No performance data is available for this project.

In summary, there were several similar projects running within the Northamptonshire geography during the IN project lifetime, although some of them were focused at specific groups. The impact of this was that some SMEs had the ability to choose elements of each project which best suited their needs, and so therefore participants were reluctant to commit to attending a series of workshops when they could choose the most appropriate offer for them by combining projects.

Those projects which worked with local universities such as Cranfield were able to maximise on the reputation of their innovation-focused academics, whereas our project enabled businesses to select their own solution.

Despite the challenges of drawing comparison with other projects, in terms of return on investment we have summarised the main measurements below:

- Total enterprises supported vs total project value: 79 businesses supported for a total project cost of £1,486,666 = £18,818.56 per output achieved. We were told by MHCLG at our meeting last September that some projects were averaging £27,000 per output and this is significantly less.
- Total jobs vs grant awards = cost per job is £11,616.15 (this could be considered to be a relatively high cost but not a focus output. Also it is worth noting that jobs within these businesses are more likely to be highly skilled or highly paid and so the cost could be considered reasonable).

- Total private match leveraged against total grant awards = £639,571.93 private match secured against the total grants value of £429,797.42 = 60% match with an average of £17,285.73 per grant. This is good value as we have been able to lever a higher level of investment against a standard expectation of 50% match.

Section 6: Conclusions and lessons learnt

The findings, overall, suggested that IN has been a successful project, which has supported the participants and had a positive impact on their businesses.

Strengths and Weaknesses of the project:

Strengths :

1. The service provided in Northamptonshire remained relevant and valuable throughout the life of the project
2. Delivering financial and non-financial support to businesses who needed it across the county:
   "I found the whole experience with our Northamptonshire Growth Hub very positive (compared to the days of 'Business Link') - there is a lot more effort to be communicative and helpful, and this has had a big impact on my actually putting the time in to apply for the funding and go through the process" (SP16)
3. Built upon previous initiatives, learnt from their successes and failures to enable SMEs to grow and innovate in a period of instability
4. Delivery model and activities were considered to be effective, including the experience of the advisers: *the Growth Hub advisors were helpful. When we look at the survey results, 44.8 % of the participants said that the support they got was "excellent."*
5. Procurement was effective, for example securing appropriate workshop presenters and marketing collateral: *All the workshops were led by extremely experienced and passionate individuals. I found the financing and marketing workshops particularly valuable (SP31).*
6. Adaptability of remaining project team within UN following the departure of the Projects and Grants Manager in June 2018
7. Grants were awarded to businesses who were able to utilise the money in a creative and productive way

Weaknesses – n.b. some of these were outside our control:

1. Challenge of recruiting staff capable of assimilating ERDF specialist knowledge
2. PCR delays - 15 months had a significant impact on delivery and on the achievement of outputs and financial expenditure
3. The timings between project bid application and delivery were more protracted than had been anticipated, resulting in a compressed delivery timeframe

4. Grants scheduling – the scheduling of the grants was adversely affected by the delays within the PCR and this in turn affected SMEs' ability to defray and claim within a timeframe which was sufficiently adequate to record meaningful outputs.
5. Multiple contract managers within MHCLG
6. Lack of regular structured progress meetings / discussions with MHCLG

Lessons learned:

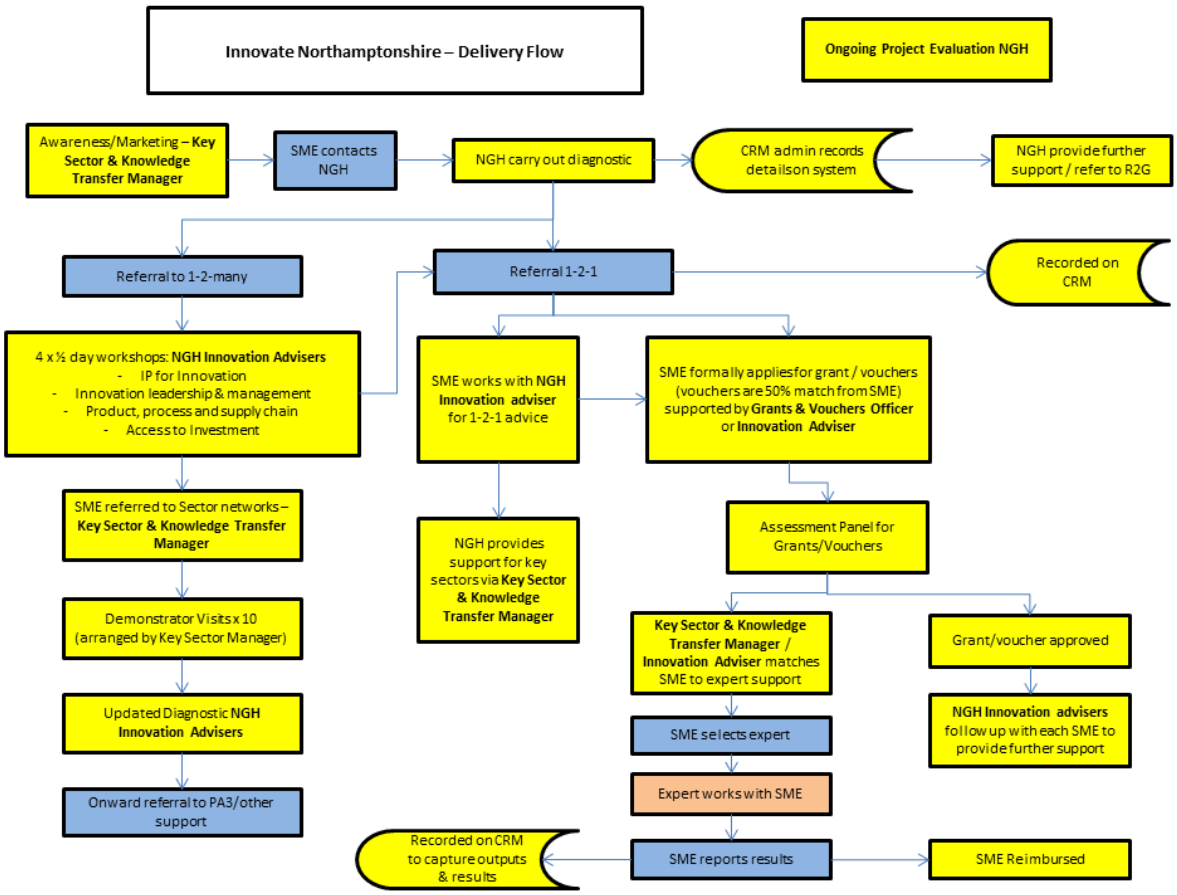
1. ERDF funding support needs to be developed further, practical/visual examples/webinars to support grant recipients is required.
2. Communication between ERDF applicants and sharing best practice would be useful
3. Grants management:
    a. Grants should be restricted to a set number at a set value to ensure expenditure and outputs are achieved
    b. Grants calls should be scheduled along with grant panels
4. Engagement; use historic data to plan marketing teaser campaigns
5. Timings from project bid application compared to the actual timeline was difficult to achieve due to the varying unknowns through the project life cycle (changes in staff, shifting of ERDF output definitions and delays in PCR)
6. A lot of focus should be placed on financial complexities, eg intervention rates
7. Ensure good project management systems are communicated so that the delivery team can understand the potential delays at start of project and plan accordingly
8. Paperwork required rather than electronic signatures:
9. *The governance and compliance regime is extraordinarily weighty for such a small grant. The time and effort required has far outweighed the benefit. For example, this is the only time since we started up that I have needed to return printed forms with 'wet' signature*s (SP22)

Conclusion:

The findings, overall, suggested that IN has been a successful project, which has supported the participants and had a positive impact on their businesses. There have been positive and negative aspects highlighted, with participants also sharing some of their challenges, which can be used to aid in targeting future improvements. The workshops were generally well received and the businesses who received the grant largely saw a positive impact.

Appendices

Appendix 1: Original Delivery Model



Appendix 2: Innovate process

Enquiry

- Incoming via IN inbox / phone / personal
- Add to Master Enquiries sheet — JE

Client Info form / Eligibility (Ts & Cs) doc

- Collect basic information by phone — JE
- Email Eligibility / Ts & Cs doc to SME (chase up if required) — JE

Signed Eligibility received

- entered onto CRM and update Master Enquiries sheet — JE
- refer SME to Innovation adviser — JE

Appendix 3: engagement and marketing examples

Are you ready to innovate?

The Innovate Northamptonshire project aims to promote research and innovation within small and medium sized enterprises across Northamptonshire and encourage collaboration with external specialists. Running until February 2019 the project offers a combination of workshops, one-to-one advice, demonstrator visits to exemplar organisations and the opportunity to apply for financial assistance to support the innovation needs of the business.

The workshops, which are free to attend, are due to commence in Autumn 2017 and are designed to provide businesses with the tools and techniques to support them on their innovation journey.

In addition, a series of demonstrator visits designed to encourage innovation and share best practice will be organised starting from Autumn 2017.

The visits confirmed so far will take place in the following locations:

- Warwick Manufacturing Group
- Pallite
- John Lewis, Milton Keynes

Image provided by KW Special Projects

Managing Intellectual Property in your Business
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Institute for Social Innovation and Impact

IN Evaluation Report

April 2019

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Institute for Social Innovation and Impact

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1. Executive Summary

1.1. Summary of Findings

IN targeted the below four outputs and five outcome areas, and the research has identified actual performance when set against these. Table 1.1 below outlines the original targets set, the adjusted targets agreed and actual performance against these[1]:

Table 1.1 – IN Targets, PCR Adjustments & Actual Performance			
Indicator	**Targets**		
	Original GFA	**Adjusted PCR Feb 2019***	**Performance at Time of Evaluation Quarter 4 2018**
C1: Number of Enterprises Receiving Support	350	75	74
C2: Number of enterprising receiving grants	220	33	32
C4: Number of enterprises receiving non-financial support	130	42	42
C5: New enterprises supported	45	0	0
C6: Private investment matching public support	£1,425,000.00	£726,529.00	£585,035.51
C26 Number of enterprises of enterprises cooperating with research entities	120	0	0
C28: Number of enterprises supported to introduce new product to market	26	0	0
C29: Number of enterprises supported to introduce new product to firm	140	0	0

NB. *PCR submitted November 2017

[1] The figures presented are correct as of December (Q4) 2018. The main bullet denotes the ERDF contracted target, and the sub-bullet-point represents IN performance. These figures differ in places to the evaluation data later in the report, as the evaluation utilised data from the wider IN database of enterprises, along with an additional, independent survey conducted by ISII.

- Outputs:
  - 75 enterprises receiving support **MOSTLY ACHIEVED**
    - 74 enterprises engaged with IN.
  - 33 enterprises receiving grants **MOSTLY ACHIEVED**
    - Grant applications were received from 52 enterprises, with 32 grants being awarded.
  - 42 enterprises receiving non-financial support **ACHIEVED**
    - Non-financial support was provided to the 304 enterprises that were not awarded grants, through workshops and online materials.
    - 42 enterprises have been directly supported through one-to-one support.
  - Private investment matching public funding (£726,529) **PARTIALLY ACHIEVED**
    - £585,035.51 was secured in private investment, equivalent to 80.5% of the output target.
- Outcomes:
  - Increased turnover and profitability **PARTIALLY ACHIEVED**
    - Turnover within enterprises increased by over 3% across the whole cohort and 7% for those organisations that directly identified IN as impacting their businesses positively.
    - No data for profitability is held so this cannot be ascertained.
  - Increased awareness of Growth Hub and IN support **ACHIEVED**
    - The high engagement with the IN project, has clearly raised awareness of the Growth Hub and IN.
  - Improved skills within start-ups and businesses **ACHIEVED**
    - The workshops, training and one-to-one support were viewed positively by business on the whole.
  - Private sector investment into new projects **ACHIEVED**
    - As above, nearly £600,000 has been invested from private sector organisations into grant projects.
  - Increase in collaborations **ACHIEVED**
    - The data identifies that networking and collaborations have increased through IN and that the Growth Hub has played a key role in this.

In addition, the other key findings to emerge were:

- The Growth Hub and IN were positive factors in assisting networking in the county.
- The project was also successful in engaging businesses that had either not worked with the Growth Hub before (15% of IN beneficiaries) and/or who had not received funding from the Growth Hub previously (84% of IN beneficiaries).
- Business also identified scaling-up, accessing grant funding and rising costs as significant future challenges in Northamptonshire. Brexit is not seen as a long-term problem, merely a short-term issue to be navigated.

- IN was an active promoter and supporter of equality and diversity in the county, assisting ventures with the introduction of equality and diversity policies, and ensuring that all IN events were accessible.
- The IN project was also successful in achieving its horizontal principles, particularly in relation to sustainable development, and environmental impact and was generally viewed by participants as well managed.

Nevertheless, there were also some negative areas to emerge from the evaluation data, namely:

- **Funding:** It was argued that businesses not being able to get the grant funding upfront hampered growth, by restricting cashflow for businesses as they had to commit their own funds first. Whilst this is an issue with ERDF funding criteria and the conditions laid out in the Grant Funding Agreements (GFA) there was a lack of awareness of this amongst businesses.
- **Innovation:** Too many companies were unaware of what constituted innovation and did not see themselves as innovative. This hampered engagement with the project and made it difficult to drive innovation. Further education in this area across the Northamptonshire business ecosystem is therefore required.

1.2. Recommendations

Based upon the findings outlined above, the following four recommendations are made for future IN grant-funding projects in Northamptonshire:

- **Upfront Funding:** Allow ventures to receive the grant funding upfront (either 100% or at least a proportion), to ease business cashflow problems and increase the attractiveness of the project to businesses. Where there will be a delay in the provision of funding, this should be clearly communicated to businesses to allow preparation and planning (provision of this through online guidance and the GFAs is clearly insufficient in getting the message across to businesses). Whilst this is an ERDF issue, the problems that this brings need to be acknowledged by funders, particularly as ERDF funding will not continue post Brexit.
- **Better Signposting:** The Growth Hub could look to be more proactive in disseminating funding and support opportunities to companies, including improving its use of social media.
- **Innovation Education:** Increased workshops and other means of educating businesses about innovation, in relation to what it is and what the benefits for companies are in being innovative (both internally and externally).
- **Data:** The data gathered as part of the IN monitoring did not capture key elements required to measure success against the Theory of Change. In future, data on profitability and partnerships/collaborations between ventures outside of the project should be captured.

2. Overview of the Project

The Innovate Northamptonshire (IN) project was delivered by the Northamptonshire Growth Hub (NGH) in partnership with Northamptonshire County Council (NCC)[2], although NCC subsequently withdrew from the project pre-launch. IN aimed to promote research and innovation amongst small and medium-sized enterprises across Northamptonshire. Running until March 2019, the project offered a combination of workshops, advice, demonstrator visits and financial assistance depending upon the innovation need of each SME. As an SME it could be difficult to know where to start and whom to go to for expert advice. IN aimed to provide SMEs with the support they needed and identified the growth potential of their business, developed an innovation action plan and sought the expert advice or financial assistance required to take their plan forward. The project aimed to support SMEs across the county with a focus on the four key sectors: high-performance technologies; agri-tech including food and drink; creative; cultural industries; and logistics.

The clients had access to ongoing adviser support for the duration of the project and specifically to support the development of an innovation plan. Workshops were delivered from Autumn 2017 until December 2018. The clients were expected to attend a minimum of three workshops before advancing to develop their Innovation Plan with their Business Adviser. These workshops covered the following topics: managing intellectual property in your business; investment for innovation; creating a culture of innovation; and innovation in products, processes and supply chain. IN was delivered by the Northamptonshire Growth Hub and the evaluation is based on a theory-driven approach, designed not just to find out whether there has been any positive or negative effect on a group, but also to seek to understand why and how an intervention works. The ERDF's logic model (see Figure 2.1 below and Appendix A) sets out in detail the anticipated links between the context, inputs, activities, outputs, outcomes and impacts over time. In addition, Appendix B provides an overview of the timeline of activities for IN, including changes and key outcomes in project delivery and targets.

[2] It should also be noted that NEP were also a partner in IN until they closed in September 2016.

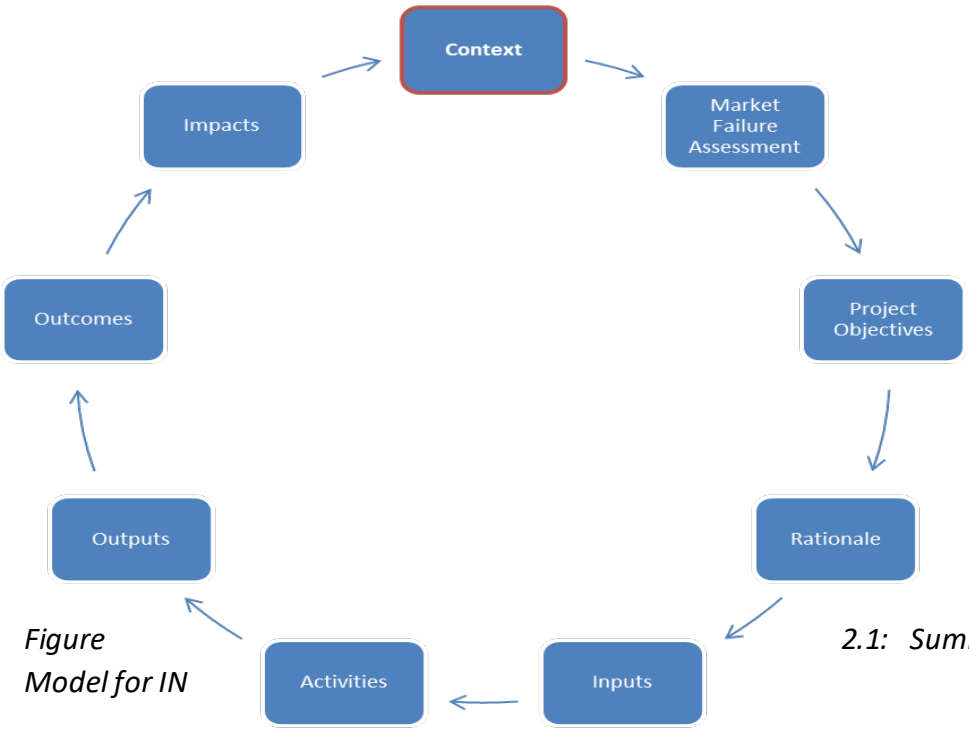

Figure 2.1: Summary of the Logic Model for IN

Northamptonshire: An Overview:

Northamptonshire is a county that measures 2,364 square kilometres in size and is split into seven districts: Kettering; Corby; Wellingborough; East Northamptonshire; Daventry; Northampton; and South Northamptonshire (ONS, June 2018) [3]. Traditionally, the County has been seen as relatively affluent, but this masks severe deprivation in some areas, and inequality between districts (Paterson-Young, Hazenberg and Brylka, 2017). The County has a population of 741,209 people and experiences a net positive population growth (births minus deaths) of 2,534 per annum (ONS, June 2018). The county also experiences a positive net international migration of 3,603 people per annum (ibid). The average age of the population is 41 years, which is slightly older than the UK average of 40 years. In relation to the deprivation outlined above, the County experiences problems in relation to child poverty, unemployment, homelessness, domestic violence and social isolation (Paterson-Young et al., 2017) [4]. Figure 2.2 below presents Northamptonshire and the seven districts.

[3] See https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland

[4] For further in-depth information on the deprivation issues in Northamptonshire, see: Paterson-Young, C., Hazenberg, R. & Brylka, A. (2017), *Hidden Needs: A report to Northamptonshire Community Foundation on the needs and deprivation in Northamptonshire,* Northamptonshire Community Foundation.

Figure 2.2 – The County of Northamptonshire. Image taken from: Wikimedia Commons.

3. Research Aims

The IN project aimed to promote research and innovation within the small and medium-sized enterprises by providing business support and finance. The University of Northampton is the evaluation partner for the project and the evaluation has been based upon the Theory of Change. The Theory of Change focuses on the stakeholders' attribution, achieved by *"evidencing the desired behavioural change, and tracing it to the various actions initiated by the intervention, rather than through the use of a counterfactual"* (ERDF, 2018). Therefore, by identifying IN's aims, we sought to find out how and to what extent these aims were achieved by the activities and interventions the project introduced to its clients. This was done in relation to the four outputs and five outcomes identified in the Theory of Change for IN, namely:

- Outputs:
  - 75 enterprises receiving support.
  - 33 enterprises receiving grants.
  - 42 enterprises receiving non-financial support.
  - Private investment matching public funding (£726,529).
- Outcomes:
  - Increased turnover and profitability.
  - Increased awareness of Growth Hub and IN support.
  - Improved skills within start-ups and businesses.
  - Private sector investment into new projects
  - Increase in collaborations.

The evaluation employs a range of qualitative and quantitative methods including interviews (conducted in person or over the phone); demographic data captured through the IN support provision, and an online survey designed to elicit beneficiary perceptions of the efficacy of the project.

The semi-structured interviews that were held with stakeholders (i.e. Growth Hub advisers, the Project management team and the businesses supported) and the online survey conducted with the businesses, provides a comprehensive picture on IN's impact and efficacy. By employing both secondary and primary data, and seeking to triangulate between the findings of these different approaches, the evaluation aims to understand if the IN project met its aims. The report seeks to align with the ERDF evaluation guidance outlined below in Figure 3.1.

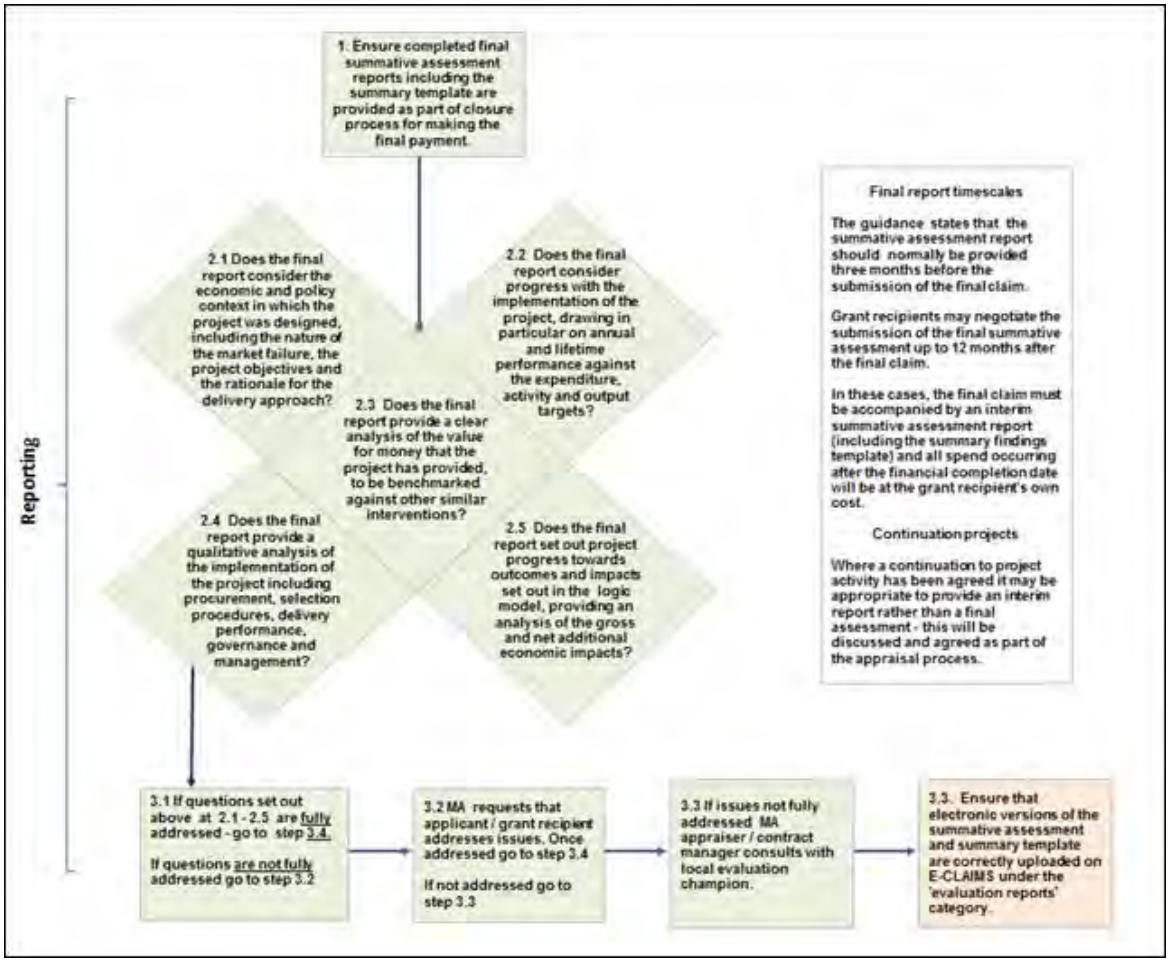

Figure 3.1 – ERDF Evaluation Guidance

4. Methodology

4.1. Overview

The research evaluation was conducted employing a mixed-methods approach. Quantitative and qualitative data were collected and analysed. Qualitative data was collected through interviews and surveys. Individual interviews were conducted with a range of stakeholders such as business advisers, project management team and the businesses/clients who engaged with the project. The aim of these interviews was to assess the outcomes and the impact of the IN project as well as triangulating the findings from the qualitative and quantitative data. Quantitative data was collected through the online survey.

4.2. Qualitative Data Collection

10 individuals were interviewed (conducted face-to-face or via telephone) for this research. All interviews were recorded and transcribed for analysis. Apart from the interviews, an online survey was designed and launched to collect data from businesses engaged with the IN project to collect both qualitative and quantitative data.

4.2.1. Online Survey

An online survey was created to collect data from the businesses in Northamptonshire who contacted the Growth Hub and engaged with the IN Project. The survey was sent to 356 businesses and there was a 16.6% return rate (n=59) in this survey. The survey collected both quantitative and qualitative data. The participants who agreed to be contacted were also asked to have follow-up interviews with the research team. The survey questions were designed to understand the businesses' views on the IN project and to provide them with the opportunity to reflect on their experience with the help they received during the application process.

4.2.2. Interviews

There were three different interview groups and a different interview protocol was designed for each group. The first group consisted of business advisers (n=2) who worked on the IN project and supported businesses who applied for a grant. The second group was the project management team (n=5) who worked on the project. The last group was the businesses who took part in the survey. These interview participants were selected in-line with the survey results. As previously mentioned, the participants who agreed to be contacted from the surveys were targeted and asked to be interviewed. As a result, three businesses responded and were interviewed. The interviews allowed researchers to triangulate the data from the survey.

4.3. Qualitative Data Analysis

The interviews were analysed using a thematic analysis approach. Thematic analysis is a common process used in qualitative research that identifies patterns or themes within qualitative data (Maguire and Delahunt, 2017). With the thematic analysis, the researcher gets familiar with the data, generate initial codes, and defines themes (Braun and Clark, 2006). The interview data were analysed according to these thematic analysis steps. The qualitative

data from the survey was also coded, analysed, and reported within relevant themes. To ensure confidentiality and anonymity the participants from the businesses are given labels; survey participants are labelled as 'SP' and interview participants are labelled as 'IP'. For the advisers and project management team, the only data collection tool utilised was semi-structured interviews; therefore, they were labelled separately. Advisers are labelled as AD, and the project management team are labelled as PM.

4.4. Quantitative Data Collection

The analysis of the IN statistical data was based upon both the data gathered during the delivery of the project from applications and engagement with the Growth Hub (n = 356), and data gathered from an end of project survey designed to assess the efficacy and impact of IN. In relation to the former, the data gathered related to organisational demographics, including: the gender of the entrepreneur; turnover; staffing levels; and grants awarded. In addition, the post-code of the business was also captured, to allow the research team to then map out the areas that organisations were operating in, with relation to social disadvantage (as defined by the Index of Multiple Deprivation).

The survey was disseminated through Bristol Online Surveys (BOS), and online survey platform used by the University for its research projects. A link to complete the survey was sent to all participants from the IN database (n = 356), with reminders then sent every two weeks to those who had not yet completed it. The survey was left open for an eight-week period, and the end dataset consisted of 59 responses (16.6% response rate). The survey captured data related to participant perceptions of IN, the efficacy of project delivery and business adviser support, as well as the impact of grants on business performance. The survey also mapped out respondent's perceptions of the key challenges facing businesses in Northamptonshire in the future.

The data from both datasets was analysed using the Statistics Package for the Social Sciences (SPSS) version 22.0. Descriptive statistics were sought from the data, and where relevant relational analysis was also sought through the use of cross-tabulation (Chi-squared), one-way Analysis of Variance (ANOVA) and correlational analyses techniques. Where different statistical tests are utilised, this is reported in the data analysis. The data analysis is discussed in relation to both the aims of the IN project and the theory of change, and also in relation to the emergent findings from the qualitative data.

5. Quantitative Results

5.1. IN Sample Overview

In relation to the gender of beneficiaries, 40% were female and 60% were male, whilst the vast majority of businesses operated in urban areas (92%). Figures 1 and 2 illustrate these findings.

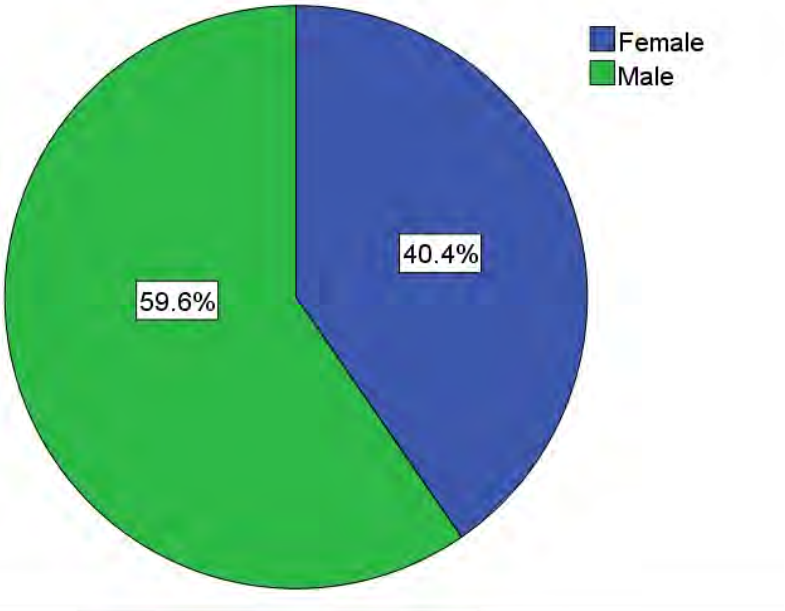

Figure 5.1 – Gender Across IN

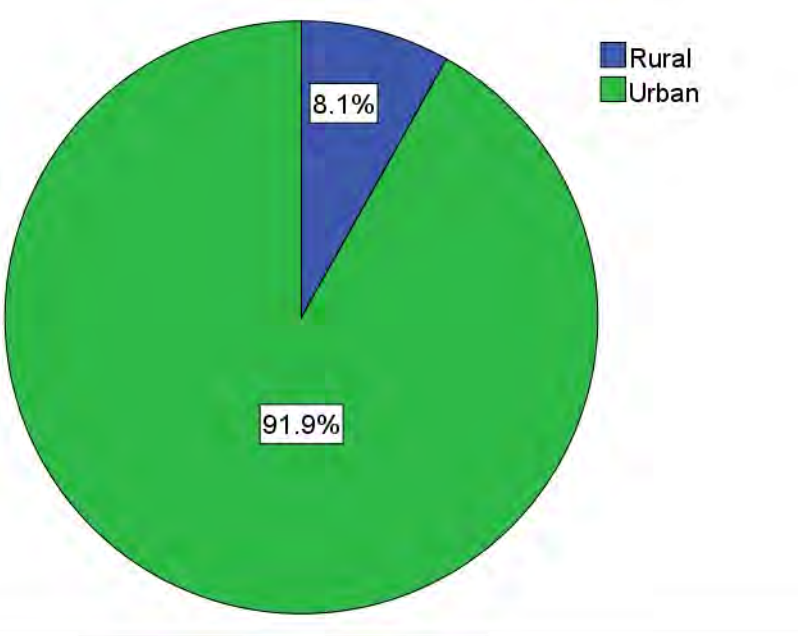

Figure 5.2 – Urban/Rural Enterprises Across IN

When the locations of businesses (as assessed by their post-code) were explored in relation to the Index of Multiple Deprivation (IMD) database, the results revealed an imperfect well-curve distribution, with a higher proportion of enterprises operating in the most and least deprived areas[5]. Indeed, nearly 52% of businesses on IN operated in either the 20% most deprived areas or the 20% least deprived areas. Figure 5.3 highlights this distribution as a graph.

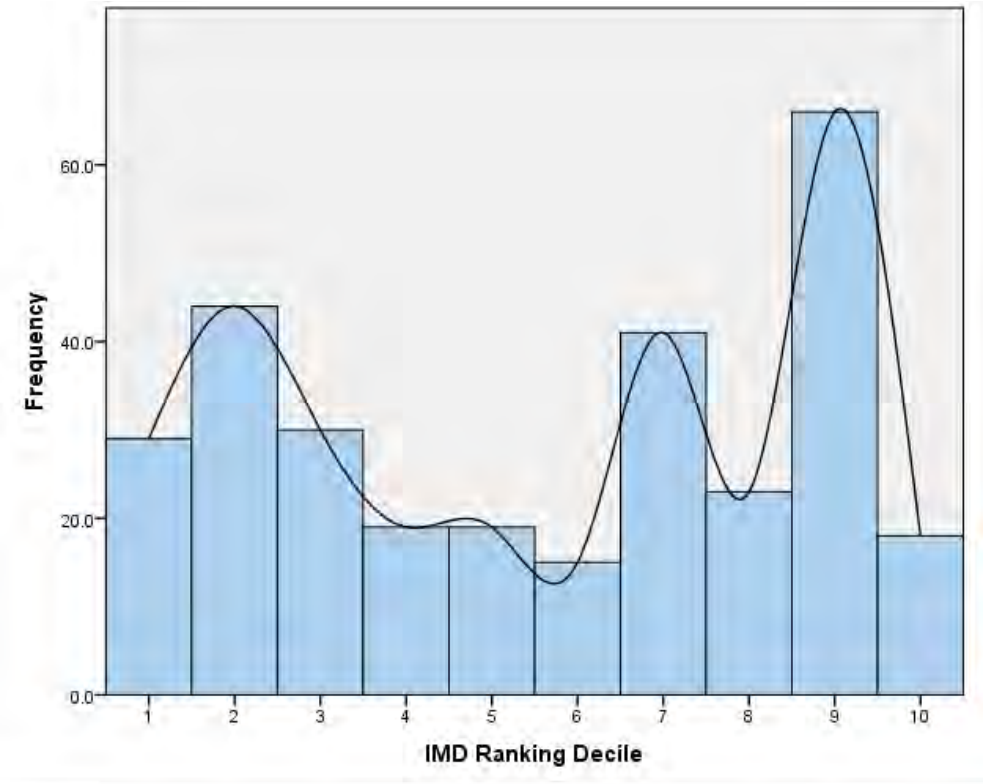

Figure 5.3 – IMD Ranking Distribution by Decile

In relation to the turnover and staffing levels for the organisations, the data reveals the small nature of enterprises overall (albeit they were larger on average than in Ready2Grow). Indeed, across the whole of IN the turnover of the majority of enterprises (63%) was less than £500,000, with 33% of the sample having a turnover of less than £50,000. Staffing levels were moderate with an average of 12 staff per enterprise, and only 10% of enterprises having zero full-time staff. This places the organisations engaging with IN in the SME category, and specifically the smaller-end of the SME scale.

With regards to the grant applications and awards made within IN, the data reveals that in total 52 grant applications were made, with 32 (61.5%) being awarded and 20 (38.5%) being rejected. There was no statistical relationship between grant application success and turnover or staffing levels. In addition, there was no relationship between the number of hours spent

[5] For an overview of deprivation in Northamptonshire, please see Paterson-Young et al. (2018) at http://www.ncf.uk.com/about-us/hiddenneeds

with an adviser on IN and grant success. On average businesses spent 5.6 hours with IN advisers, equivalent to 0.75 days of support[6].

5.2. IN Project Efficacy

Data on project efficacy for IN was collected through an online survey that was sent out to all 356 IN businesses, and responses were received from 59 enterprises (response rate of 16.6%). The survey captured data related to participant perceptions of IN, the efficacy of project delivery and business adviser support, as well as the impact of grants on business performance. The survey also mapped out respondent's perceptions of the key challenges facing businesses in Northamptonshire in the future. These areas will be explored in this section, although some of the data from the survey is instead reported in the interview data section, as it is pertinent to the findings to emerge from the qualitative data.

In relation to how businesses heard about the Growth Hub, the largest factor was business networks, followed by online marketing and personal networks, with all three accounting for nearly 82% of all responses. Clearly, networks and marketing played a key role in getting then Growth Hub's message and support projects out into the ecosystem.

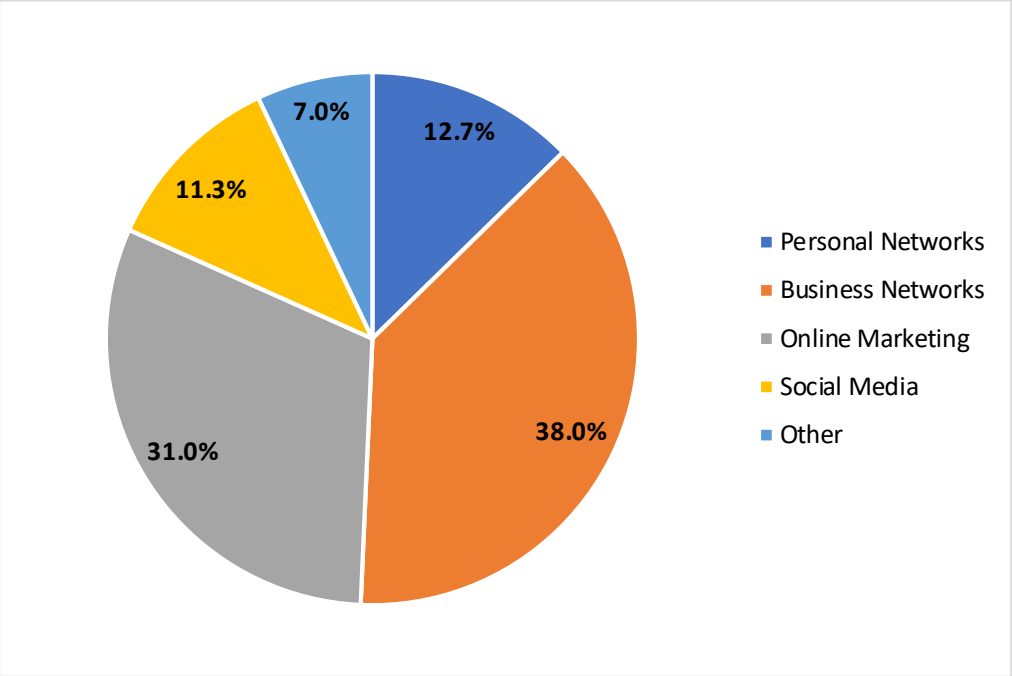

Figure 5.4 - How did you hear about the Growth Hub?

In relation to the support received from the Growth Hub *prior to* IN, workshops and the GH helpline support were the largest areas of engagement, accounting for nearly 53% of the support reported by respondents. However, a number of ventures (15%) had not previously engaged with the Growth Hub, demonstrating that IN acted as a means to facilitate deeper engagement by the Growth Hub in the local business ecosystem. Equally, only 16% of respondents had previously received funding from the Growth Hub, again demonstrating that

[6] Based upon the University's 7.4 hours per day workload calculation.

IN was therefore able to disseminate grant funding into previously untapped areas of the business community. Figure 5.5 outlines this data.

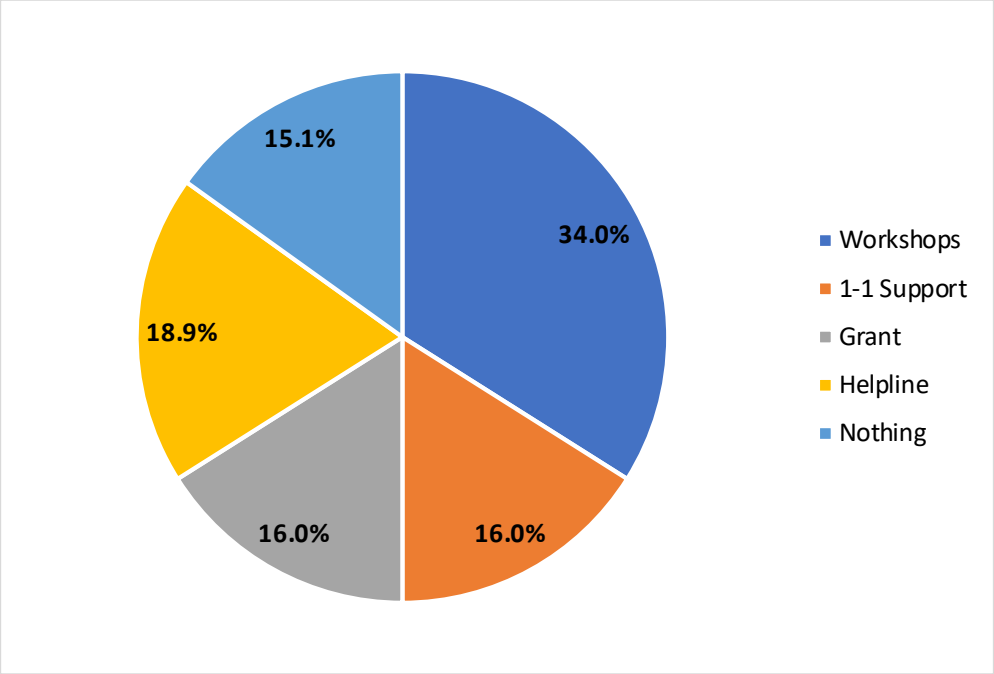

Figure 5.5 – Previous Support Received from the Growth Hub?

Some enterprises received in-person visits and support, with 29% of IN beneficiaries receiving this. With regards to rating these in-person visits, nearly 61% of respondents rated these as 'Very' or 'Quite' useful, with only 6% negatively rating the experience as 'not at all useful'.

As with beneficiaries hearing about the Growth Hub, networks were also critical in businesses finding out about and engaging with IN, with 44.5% of businesses hearing about IN through personal and business networks. Again, online marketing was also an important factor, accounting for nearly one-third of engagement. Figure 5.6 below details these responses.

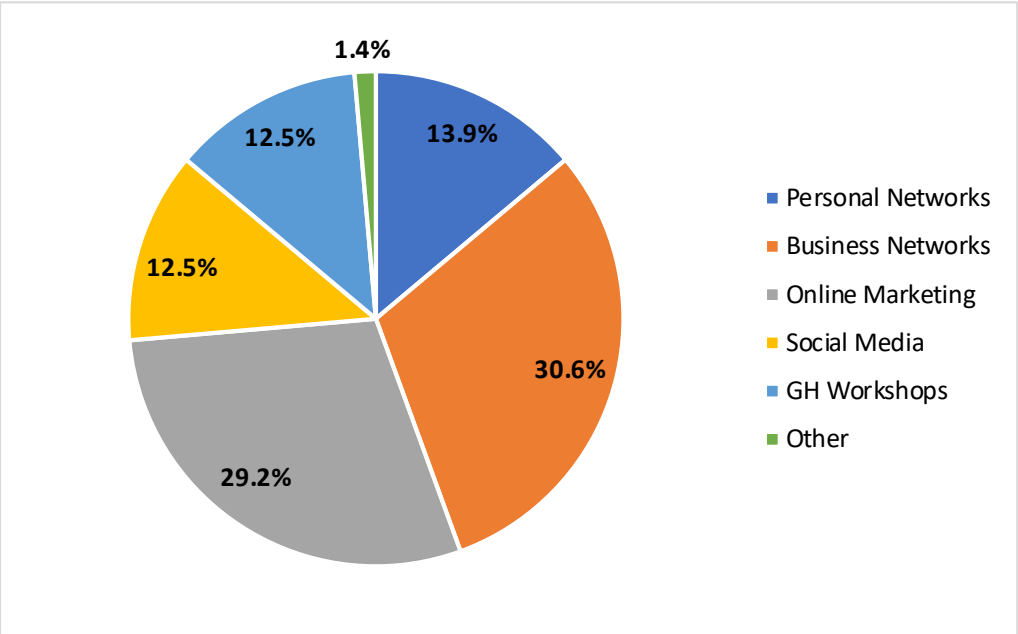

Figure 5.6 – How did you hear about IN?

With regards to the support received by ventures, the majority was for Growth support (51%), with ventures also seeking start-up support (nearly 26%) and finance support (16%). Figure 5.7 below illustrates these findings.

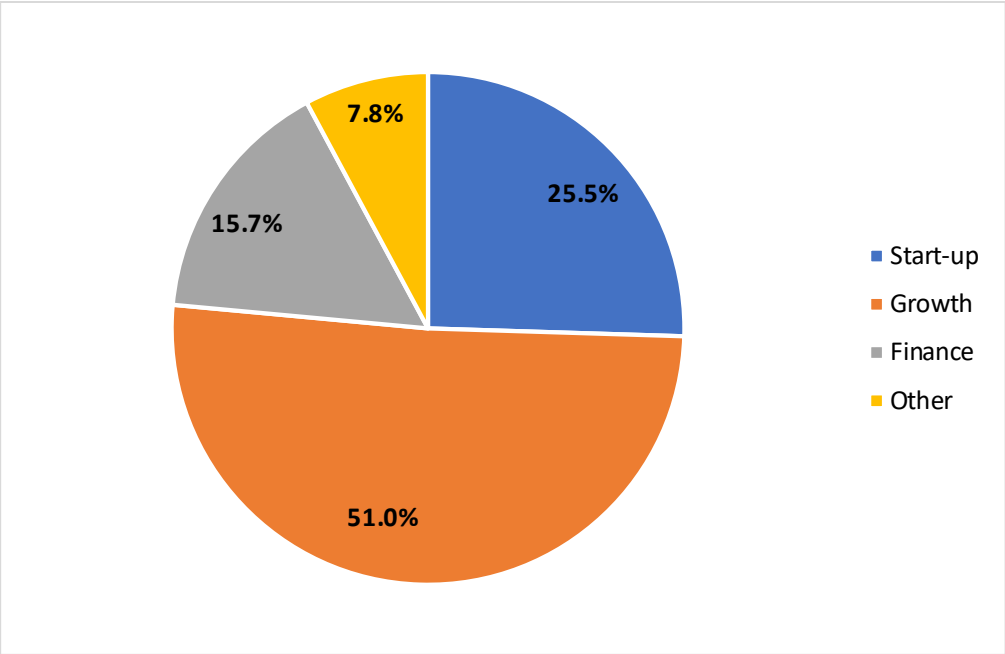

Figure 5.7 – Support Type Received

Data was also captured from the beneficiaries in relation to impact on the turnover and staffing of their businesses from the IN project. The data reveals a 7% increase in turnover amongst businesses, albeit this drops to 3% if only businesses who stated that IN had directly impacted on their turnover are included. The data also reveals an average increase in staffing for these nine business of 0.34 FTE. This represents modest impact, albeit impact generated over a relatively short period of time with ventures.

Data was also captured in relation to the perceived challenges faced by businesses in Northamptonshire, with participants asked to rank their perceptions against eight areas on an 8-point Likert scale (1=Most Challenging; 8=Least Challenging). Figure 5.8 below illustrates this.

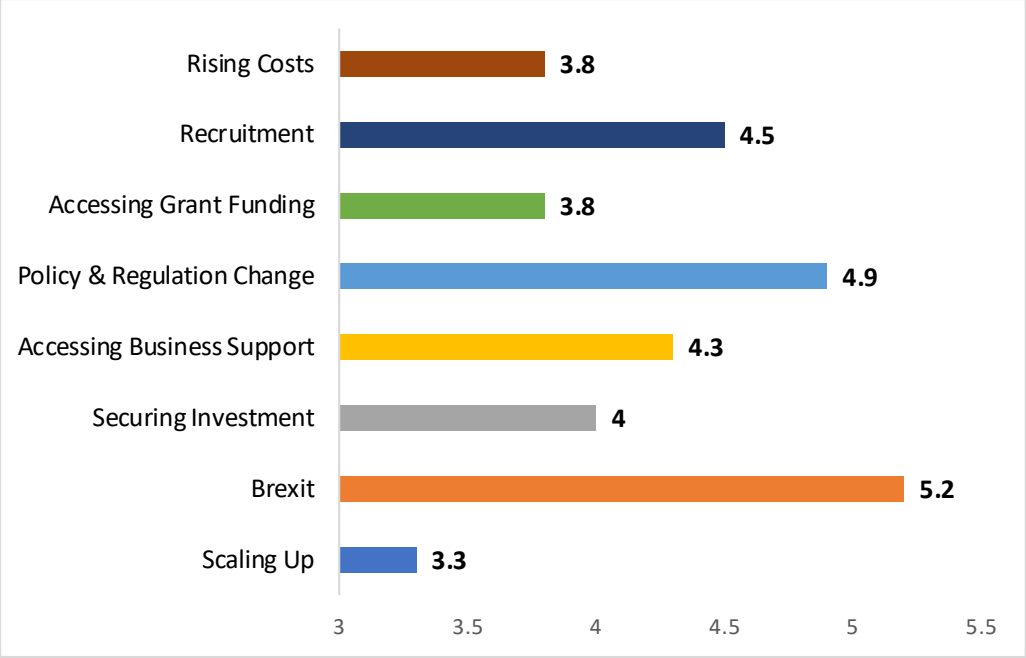

Figure 5.8 – Challenges Facing Businesses in Northamptonshire

The data reveals that scaling-up was seen as the most critical challenge ($\bar{x}$=3.3), with accessing grant funding ($\bar{x}$=3.8) and rising costs ($\bar{x}$=3.8) being the other two most highly ranked challenges. Future support should therefore focus on increasing turnover and staffing, mitigating supply-chain and business costs and ensuring continued provision of easily accessible grant funding.

6. Qualitative Results

This section addresses the three themes that were extracted from the data, namely: *supporting businesses*, *challenges the businesses face*, and *impact of the project*. These themes were generated from the interviews with the advisers, project team, and the clients as well as the survey data and case studies[7]

6.1. Supporting Businesses

As a result of the data, *supporting businesses* was identified as one of the key themes. The businesses commented on the support and advice that they received from the Growth Hub and the usefulness of the grant (if they received it). Most of the participants felt that the support they received from the Growth Hub was adequate and the workshops they attended as part of IN was useful. One survey participant said: *"they (the workshops) have been very good and informative; introduced me to many things I was not aware of"* (SP06). The businesses also felt that they were supported by the Growth Hub advisers, with 49.1% of the participants rating the support they received as "excellent" (Figure 6.1)

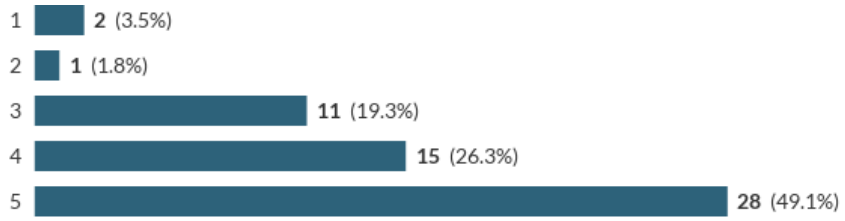

Figure 6.1: How would you rate the support that the Growth Hub adviser provided your business (1=Very poor; 2=Poor; 3=Average; 4=Good; 5=Excellent)?

The businesses also reported in the survey that the business adviser assigned to them was helpful. Indeed, 51.7% of the participants rated their business adviser as "excellent", whilst 20.7% rated the advisers as "good". Only 6.9% felt that the advisers were "very poor" or "poor" (see Figure 6.2 below).

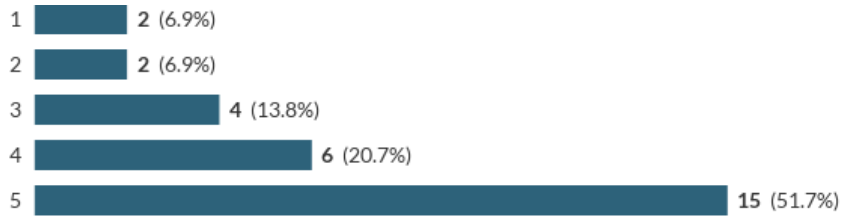

Figure 6.2: How would you rate the support that the business adviser gave to your business (1=Very poor; 2=Poor; 3=Average; 4=Good; 5=Excellent)?

As well as the participant interviews the evaluation also interviewed the project management team about their experiences of the IN project and the effectiveness of the project delivery in terms of the management and administration of the project. One of the project team members had similar views about the delivery of the project and the grant's positive impact on the businesses. However, they also mentioned some of the difficulties they faced. One of the difficulties with the project was that, on the one hand, the majority of the businesses did

[7] The case studies undertaken and reported by Growth Hub are also included in this section to provide further context.

not realise what they were doing was 'innovative' enough to apply for a grant. Conversely, the businesses who had innovative ideas engaged directly with Innovate UK. This was compounded by the fact that the grant value was not high enough to interest larger businesses, who needed seven-figure investment. One participant said:

> *For me Innovate was a very difficult project in itself to deliver. There aren't many Innovate projects out there. What I find a lot of the time is a lot of SMEs in the county or wherever, get Innovate funding directly from Innovate UK. So, delivering an Innovate-specific ERDF project, it's difficult to deliver because SMEs awareness is, if I want to innovate I go straight to Innovate UK and they deal with it centrally - well, nationally. So, it's not really devolved, as far as I'm aware, into different regions (…) In terms of management and delivery; yes, we did everything we could to try and deliver it. However, I felt we weren't exactly helped, because of the environment we'd been in, in terms of the outlook for the region, firms not particularly interested in the word 'innovate', they're more interested in generic growth, purely because the grants were restricted in themselves. The word 'Innovate', as I said Innovate UK, all the firms that want to innovate just go straight to Innovate UK because when they need to innovate they're high value firms. They need £800,000. We're delivering small scale £20,000 and trying to deliver something truly innovative products, you need serious investment, like millions (PM01).*

This was also noted on the Progress Reports for the October-December 2018 period, with companies often looking for more traditional ways to grow. Business advisers provided feedback that the companies stated that they were not innovating and were merely looking to grow their businesses in a more traditional way, either by purchasing new equipment or diversifying their market share/type.

The survey participants also pointed out that *"local businesses need local support"* (SP01), and it is useful for them to know more about the application process and grants like IN. The businesses stated that finding business support and expert advice could be difficult. The survey results also suggested that 12.1% of the participants rated "findings business support/expert advice" as 1, and 19% of them rated as 2 (1= being the most challenging and 8=being the least challenging). See Figure 6.3 below:

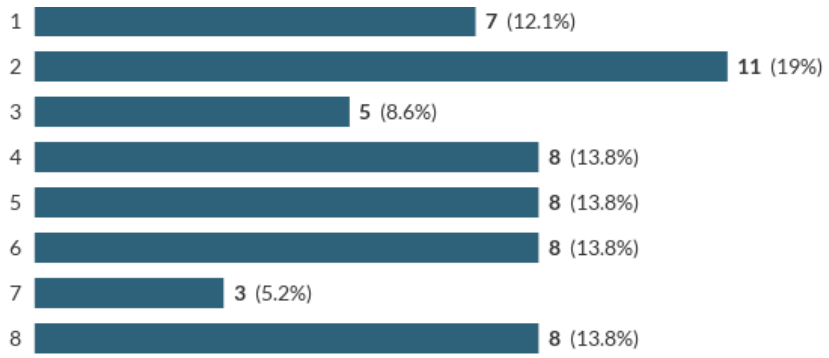

Figure 6.3: Finding business support/ expert advise

One of the clients, K9 Solutions, who received a £3,500 grant from Innovate Northamptonshire also felt supported. The director of the company, Phil Robson, stated that: "having been within the military and police service for nearly 28 years I had no experience in running a business so it was reassuring to speak to someone who had business experience and was able to give an unbiased opinion and practical advice" (University of Northampton, 2019b).

Diamond Hard Surfaces (DHS) is another company supported by the IN project. It is a materials technology company and solution provider to high endurance applications of patented amorphous diamond material. DHS has customers in high-performance sectors such as oil and gas, motorsport, aerospace and electronics. The company received an Innovate Northamptonshire grant of £4,000 which will help them to undertake research into the provision of robust their IT infrastructure (University of Northampton, 2019d). Chris Walker who is the CEO of DHS stated that the grant funding they received from IN enabled them to undertake "a vital piece of research which will drive the company towards a more automated and efficient manufacturing route and subsequently support the scalability of the business" (University of Northampton, 2019d).

One of the participants suggested that promoting more news about what other businesses do well and creating networks, could be a way to move forward to communicate the projects like IN better:

> *I think networks are very important and using existing channels of communication rather than trying to invent new ones. So, we already have newsletters going out, we already have organisations that we're engaged with, so it's using them. And then promoting the good news stories as well so that businesses can speak and be advocates for the project themselves (PM02).*

6.2. Impact of the project

As a result of involvement in the IN project, some of the businesses developed a new innovative product, which seemed to have a positive impact on their companies. As one of the advisers explained:

> *We've helped (..) 32 companies with a grant. Some of those didn't go ahead due to company problems(...) But most of them did go ahead and we are now getting in touch with them again and seeing what they've done with their grant, how did that help their business? And we have quite a few good examples there (…) Of course, most of them don't want to say anything at the moment because they haven't yet released the product. We've already interviewed some of them in live case studies, (…) For example a large company* [Company Name]*, we've helped them with one final piece of the puzzle in releasing a new product to market. They've done all the research, they've formulated a new meal replacement product and - they needed a machine to do the packaging for them mainly. So, we helped with that, we did a*

> *case study. It all looks really good, I think in the first few weeks when they released their new products they had orders of half a million* (AD02).

The case studies also indicate the impact of the project clearly. For instance, one of the companies, who received the grant is the Cambridge Weight Plan. Cambridge Weight Plan was launched in the United Kingdom in 1984 and since then more than 30 million people have used their diet all around the world. The company applied to the Innovate Northamptonshire grant to introduce a new type of products, mini bites often called "grazing products" aimed at "food on the go" consumers (University of Northampton, 2019). The grant they received helped them with the development of their new products which has already proving to be very successful, huge demand and orders reported by the company (University of Northampton, 2019a).

GFC Diagnostics, another company who received an IN grant, financed the development of a rapid test for the detection of a group of bacteria – Carbapenem-Producing Enterobacteriaceae (CPE). CPE is a common group of bacteria that have started to become resistant to antibiotics that are used to treat patients with very severe infections, which have become a global concern. Thanks to the grant GFC Diagnostics will be working alongside the University of Northampton to develop a rapid test using new technology that could be automated and produce a result in a few hours which usually takes three to four days and is very labour intensive (University of Northampton, 2019c).

These case studies indicate that IN aligns with ERDF's logic model since the IN grants supported SMEs by providing grants and removing barriers to innovation and catalyse growth. This can be observed in the other businesses responses as well. Other businesses who received the grant also reported that the grant had allowed them to develop new products that had a big impact on their businesses. One participant said:

> *With the grant funding we have received we have been able to make purchases for equipment we would not otherwise have been able to do. This has allowed us to begin developing new technologies and also allow us to carry out manufacturing tasks in-house instead of outsourcing them* (SP08).

Figure 6.4 below indicates that 53.3% of the businesses had a significant positive impact due to receiving the Grant.

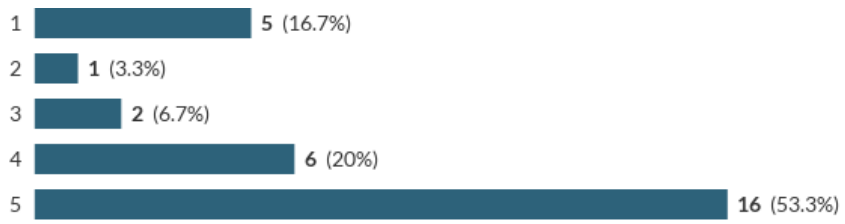

Figure 6.4: How would you rate the scale of impact that receiving Grant from the IN project has had on your business (1= No impact; 2=not much impact; 3=small impact; 4=Improved impact; 5= Significant (positive) impact)?

The businesses who were interviewed also suggested that the grant they received was helpful for the future of their businesses and most of them found the workshops useful as was demonstrated in the previous section.

6.3. Challenges the businesses face

One of the main themes to emerge through the interviews and survey related to the challenges the businesses may face in the next three to five years' time. During the interviews, nearly all of the participants from businesses emphasised the effect of Brexit on the businesses. It was a common theme for all the participants and they all mentioned that it created this uncertainty that does not help companies. Most of the business advisers also mentioned Brexit as a key concern. The clients working especially in the transportation business (working with transporting goods from the EU countries) stated their concerns about Brexit. Indeed, one business noted that they were concerned about the *"impact of Brexit on the UK clients"* (SP09). The advisers and the project management team also commented on the fact that with Brexit, businesses have the possibility of losing potential employees who come from different European Union countries. This is particularly pertinent because as of 2018, Northamptonshire experienced net positive migration into the county from international migrants of 3,603 people per annum (ONS, June 2018). The impact that Brexit may have could exacerbate this skills shortage. One of the advisers talked about Brexit's potential effect on employment:

> *And here in Northamptonshire I think employment will be a big ask on all the companies involved because right now I think we're in negative migration, so there are more people leaving the UK than the ones coming to the UK from EU. I'm not sure about other countries but from the EU apparently, we're a lot worse than we were two years ago. And a lot of workforce here is, I'm afraid, EU workforce especially. We have lots of warehouses in Northamptonshire and they always need more people (AD02).*

This comment also addresses the uncertainty for EU national staff within Northamptonshire businesses. It is important to state that, separate from the Brexit concerns, some of the businesses mentioned that they also struggle to recruit employees due to the lack of skilled labour in the area stating that *"finding people with correct skills"* was a concern (SP08). Another participant also declared that they were *"seriously struggling to recruit"* people for their business (SP09). It may not be necessarily linked to the UK's decision to leave the EU, but the businesses felt that finding employees was not an easy task. Going back to Brexit, one participant from the project management team said:

> *Obviously, Brexit is probably on the top of everyone's thoughts at the moment, especially if you are a business let alone an individual from abroad, your businesses rely on supply chains and need and demand. And I'm hoping through the grant it's*

> *enabled these companies to weather that storm; to be aware, if they weren't aware before, that ERDF funding is European Funding. I hope it shows there's a positive aspect of European money and what it can bring to a UK environment, in Northamptonshire in particular (*PM01*).*

One of the advisers stated:

> *With Brexit, the only challenge there is the unknown. People don't know what's going happen, people are freaking out. Some people are postponing different projects they have due to the uncertainly. And that's not the right way to do it because if you want to innovate you should do it regardless of the challenges and always look for options (…) I know there are quite a few big companies, together with the small ones that we know that have either customers in the EU or they have suppliers in the EU and they will be affected (*AD1*).*

Surprisingly, this opinion on Brexit was not as strongly reflected by the quantitative data collected from the clients. One of the survey questions was: what do you see as the challenges facing your business in the next 3 years? Please rank these from 1 to 8 (1= being the most challenging and 8=being the least challenging). As was noted in the previous section, the participants perceived Brexit as the least challenging issue faced (Figure 6.5).

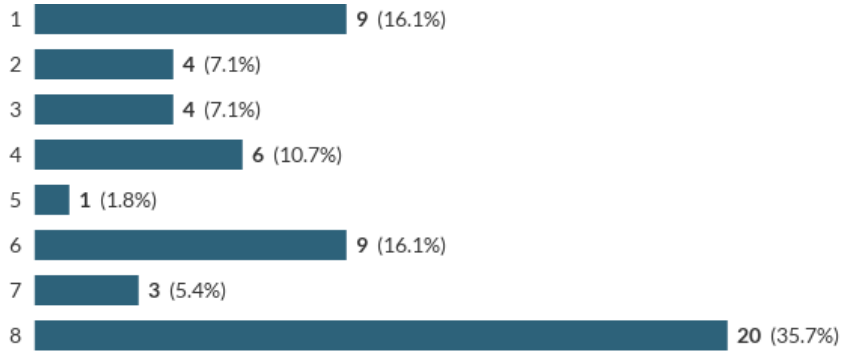

Figure 6.5: Brexit with EU Customers

During the interviews, some of the clients, who were working in the transportation business were more concerned about Brexit than the other businesses. Almost all businesses mentioned Brexit, but they usually believed that once the uncertainty around trading agreements was resolved, it would not affect their businesses unduly. One of the biggest concerns the businesses had according to the survey was scaling-up. Indeed, most of the small businesses expressed their intention to expand their companies.

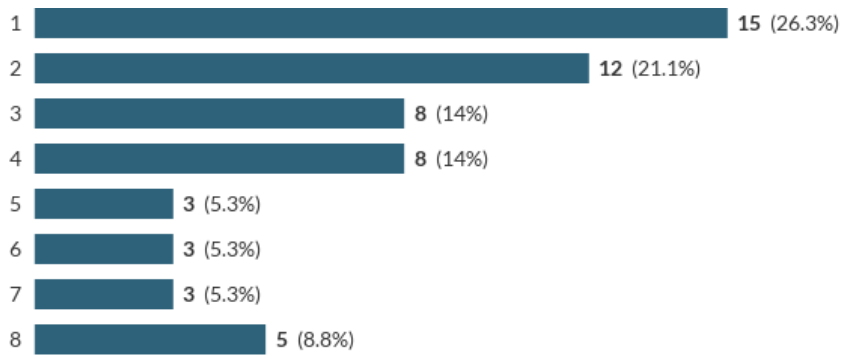

Figure 6.6: Scaling-up

As it can be seen, 26.3% of the participants felt that scaling-up was the biggest challenge for their businesses in the next three years. Most of the participants mentioned that it is often that businesses do not want to take risk to grow their companies. One of the project management interviewees said:

> *(…) innovation projects across the whole county have suffered in terms of not having enough - as much engagement as they originally anticipated. I think probably all for the same reasons and a variety of the reasons of Brexit. People are risk averse and people are nervous about engaging in stuff and obviously having to spend out some of your own money in order to then claim retrospectively, you've got to have that money to invest in the first place. So overall the answer to that is yes, we did* (PM05).

The findings, overall, suggested that IN has been a successful project, which has supported the participants and had a positive impact on their businesses. There have been positive and negative aspects highlighted, with participants also sharing some of their challenges, which can be used to aid in targeting future improvements. The workshops were generally well received and the businesses who received the grant largely saw a positive impact. It was mentioned with some participants however, that they did not want to take the risk, spend their own money and then claim it back through the grant. Overall, the findings suggest that IN enabled the companies that received the grant to develop their businesses and produce new products.

6.4. Delivery of the project and the horizontal principles

The interviews with the project team provided more insight regarding the delivery and the horizontal principles of the project. The progression reports also stated that the project implemented its horizontal principles, which are: supporting equality and diversity and sustainable development.

The equality and diversity theme aims to ensure that IN project is fully accessible by both men and women and does not discriminate in relation to race, ethnicity, gender, and religion. During the interviews, participants were asked to what extent the project integrated the horizontal principles and shaped delivery. The project management team participants all

agreed on the fact that these principles were integrated into the project. One participant said that they integrated the diversity theme mainly when they were advertising the grant:

> *Obviously within our advertising we aimed to ensure that the advertising was targeted at everyone. Basically, we tried to make sure that we were targeting all different sectors (PM2).*

When asked whether the project supported sustainable development, if the project maximised positive environmental impacts or mitigated potential negative impacts, again all participants were positive in their responses.

> *Innovate Northamptonshire grant was good for sustainability because there were quite a few people applying for grants who wanted to improve efficiencies and that kind of thing, or had an environmental aspect to what they were doing (PM4).*

The project team was also asked to comment on whether the project was delivered well and if the project could have been improved in any way. The majority of the participants stated that it was delivered well and this was evidenced through the amount of positive feedback that the project received from the beneficiaries (PM3). One participant said that the grant was well received by the external audience:

> *In terms of how we demonstrate and show ourselves to the external audience, the businesses in Northamptonshire, I think that's been very well received. There's evidence of that in the number of enquiries we've had, via both projects (…) Most of the time I think most of the things worked in the way we expected it to work. There have been some issues - with everything you set out an application, you put in what you want to achieve from it and when you've awarded it and the realities of the actual grant, there has been obviously some amendments (PM1).*

Another participant stated that there were some difficulties and that some mistakes were made, but *"in terms of overall management, I feel the project was managed well"* (PM2). Overall the project was delivered to its intended objectives.

7. Conclusion and Recommendations

7.1. Summary of Findings

The evaluation has sought to demonstrate the efficacy and impact of IN and to do this in relation to the Theory of Change developed for the project (see Appendix A). The Theory of Change details the outputs and outcomes that IN needed to achieve, in order to then deliver the impacts outlined (effectively increasing business start-up and growth in Northamptonshire, with the consequent impact of facilitating networks, collaboration and investment).

IN targeted the below four outputs and outcome areas, and the research has identified actual performance when set against these as follows:

- Outputs:
  - 75 enterprises receiving support **MOSTLY ACHIEVED**
    - 74 enterprises engaged with IN.
  - 33 enterprises receiving grants **MOSTLY ACHIEVED**
    - Grant applications were received from 52 enterprises, with 32 grants being awarded.
  - 42 enterprises receiving non-financial support **ACHIEVED**
    - Non-financial support was provided to the 304 enterprises that were not awarded grants, through workshops and online materials.
    - 42 enterprises have been directly supported through one-to-one support.
  - Private investment matching public funding (£726,529) **PARTIALLY ACHIEVED**
    - £585,035.51 was secured in private investment, equivalent to 80.5% of the output target.
- Outcomes:
  - Increased turnover and profitability **PARTIALLY ACHIEVED**
    - Turnover within enterprises increased by over 3% across the whole cohort and 7% for those organisations that directly identified IN as impacting their businesses positively.
    - No data for profitability is held so this cannot be ascertained.
  - Increased awareness of Growth Hub and IN support **ACHIEVED**
    - The high engagement with the IN project, has clearly raised awareness of the Growth Hub and IN.
  - Improved skills within start-ups and businesses **ACHIEVED**
    - The workshops, training and one-to-one support were viewed positively by business on the whole.
  - Private sector investment into new projects **ACHIEVED**
    - As above, nearly £600,000 has been invested from private sector organisations into grant projects.
  - Increase in collaborations **ACHIEVED**

- The data identifies that networking and collaborations have increased through IN and that the Growth Hub has played a key role in this.
- The data identifies that networking and collaborations have increased through IN and that the Growth Hub has played a key role in this.

The evaluation data has also revealed that IN improved networking in the county and engaged businesses that had not received Growth Hub support previously (15%) and/or who had not received funding from the Growth Hub previously (84%). Business also identified scaling-up, accessing grant support and rising costs as significant challenges moving forwards. Brexit was not seen as a key challenge, despite some short-terms concerns to emerge in the interviews. IN was also seen as a promoter of equality and diversity, as it was stated by the interviewees (and progression reports) that advisers dealing with clients gathered information on diversity, as part of the diagnostic process. If clients did not have diversity and equality policies in place, they encouraged and supported them to do so, including the option to attend a workshop. They also ensured that all workshop venues had disability access.

The IN project was also successful in achieving its horizontal principles, particularly in relation to equality and diversity, sustainable development, and environmental impact and was generally viewed by participants as well managed.

Nevertheless, there were also some negative areas to emerge from the evaluation data, namely:

- **Funding:** It was argued that businesses not being able to get the grant funding upfront hampered growth, by restricting cashflow for businesses as they had to commit their own funds first. Whilst this is an issue with ERDF funding criteria and the conditions laid out in the Grant Funding Agreements (GFA) there was a lack of awareness of this amongst businesses.
- **Support Signposting:** It was also argued that IN could have shown companies that there are other places (aside from Innovate UK) to go for grants. Therefore, the Growth Hub needs to disseminate grant funding news/opportunities more effectively (i.e. through the use of more social media).
- **Innovation:** Too many companies were unaware of what constituted innovation and did not see themselves as innovative. This hampered engagement with the project and made it difficult to drive innovation. Further education in this area across the Northamptonshire business ecosystem is therefore required.

7.2. Recommendations

Based upon the findings outlined above, the following four recommendations are made for future IN grant-funding projects in Northamptonshire:

- **Upfront Funding:** Allow ventures to receive the grant funding upfront (either 100% or at least a proportion), to ease business cashflow problems and increase the attractiveness of the project to businesses. Where there will be a delay in the provision of funding, this should be clearly communicated to businesses to allow preparation

and planning (provision of this through online guidance and the GFAs is clearly insufficient in getting the message across to businesses). Whilst this is an ERDF issue, the problems that this brings need to be acknowledged by funders, particularly as ERDF funding will not continue post Brexit.

- **Better Signposting:** The Growth Hub could look to be more proactive in disseminating funding and support opportunities to companies, including improving its use of social media.
- **Innovation Education:** Increased workshops and other means of educating businesses about innovation, in relation to what it is and what the benefits for companies are in being innovative (both internally and externally).
- **Data:** The data gathered as part of the IN monitoring did not capture key elements required to measure success against the Theory of Change. In future, data on profitability and partnerships/collaborations between ventures outside of the project should be captured.

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9. Appendices

A. Logic Model

Name	Value
Context	* Businesses in Northamptonshire have the potential and desire for growth however without innovation the scope is limited * There is a high level of expertise available to support businesses through research institutions etc., however awareness needs raising and support provided to aid collaboration * Businesses remain risk averse, with advice and grant support this will help de-risk new projects and encourage investment * The development of an innovative culture will within businesses will lay the foundations to encourage innovative businesses
MarketFailure	* Poor overall levels of innovation and R&D * Weak skills base in businesses for managing and leading change and innovation * Lack of an offer specifically for Northamptonshire based businesses
ProjectObjectives	* To create a cohort of SMEs who are both ready and able to use innovation to create growth * To support SMEs by providing grants/vouchers to enable them to implement innovation plans. * To encourage and develop innovation and collaboration across the county, with a particular focus on priority sectors. * To address market information failures and gaps in business support provision identified in local BSSP report * To remove barriers to innovation and catalyse growth
Rationale	* Lack of local programmes to cover this activity that were previously in place but now finished. * This project builds on previously successful programmes delivering similar activities. * Gap in finance to support smaller scale projects and with a wider remit. * Gap in support to provide skills development tailored specifically at growing SMEs.

Project

Investment Priority 1b - Promoting business investment in research and innovation

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

* Businesses in Northamptonshire have the potential and desire for growth however without innovation the scope is limited
* There is a high level of expertise available to support businesses through research institutions etc., however awareness needs raising and support provided to aid collaboration
* Businesses remain risk averse, with advice and grant support this will help de-risk new projects and encourage investment
* The development of an innovative culture will within businesses will lay the foundations to encourage innovative businesses

Market Failure Assessment

Edit

* Poor overall levels of innovation and R&D
* Weak skills base in businesses for managing and leading change and innovation
* Lack of an offer specifically for Northamptonshire based businesses

Project Objectives

Edit

* To create a cohort of SMEs who are both ready and able to use innovation to create growth
* To support SMEs by providing grants/vouchers to enable them to implement innovation plans.
* To encourage and develop innovation and collaboration across the county, with a particular focus on priority sectors.
* To address market information failures and gaps in business support provision identified in local BSSP report
* To remove barriers to innovation and catalyse growth

Rationale

Edit

* Lack of local programmes to cover this activity that were previously in place but now finished.
* This project builds on previously successful programmes delivering similar activities.
* Gap in finance to support smaller scale projects and with a wider remit.
* Gap in support to provide skills development tailored specifically at growing SMEs.

Inputs

What	Value
Northamptonshire Enterprise Partnership	£85,216
Innovate UK	£200,000
University of Northampton	£778,723
Private funding - SMEs	£1,425,000
ERDF	£1,182,694

Activities

What
Grant funding for new product development
Delivery of a range of one to many offerings including workshops,
Tailored 121 support to develop innovation growth plans
Support in sourcing academic expertise for collaboration
Voucher funding for collaboration with research institutions

Outputs

What	Value
C1: Number of enterprises receiving support	350
C2: Number of enterprises receiving grants	220
C4: Number of enterprises receiving non-financial support	130
C5: Number of new enterprises supported	45
C6: Private investment matching public support	£1,425,000.00

Outcomes

ID	Intended Outcome	How is it Measured?	Level	Baseline	Actual
1	Increased turnover and profitability	Data on registration and exit			
2	Increase in awareness of support through MGH/Innovate	Records of enquiries			
3	Improved skills within businesses	Registers/feedback forms/evaluation	Project		
4	Private sector investment into new projects	Through grant awards	Project		
5	Increase in collaborations	Through grants awards and support	Project		

Intended Impacts

What
Businesses achieving growth through innovation
More businesses collaborating with research institutions
The development of innovation cultures within businesses
The creation of new products

B. Timeline

Innovate Northamptonshire timeline (key changes)

March to September 2016

- Produced the project manual, as well as the forms and processes for the delivery of the project.
- The merger of Northamptonshire Enterprise Partnership with SEMLEP led to a complete revision of all grants and vouchers documentation, as NEP had originally committed to delivering these elements of the project.
- The termination of NEP as an operational partner also lead to the assimilation of all NEP delivery elements into UN.
- The Project Steering Group was originally set up with members of NEP, but no meetings were held due to NEP's closure.
- There were delays in obtaining our Funding Agreement (at the end of August) which meant that the project started at risk and so scaled down their activity accordingly.
- Expenditure was delayed due to starting at risk and the protracted period for the receipt and signature of funding agreement – therefore salaries are below profile, as are grants and voucher elements.
- Together with the changes at NEP we were unable to fully launch the project to the desired timescale.

October to December 2016

- Had difficulty recruiting Innovation Advisers which has impacted on the ability to progress in earnest with delivery of the project.
- Without full-time advisers in post it made sense to delay the recruitment of supporting staff.
- Held back on officially launching the project or undertaking any public or direct promotion. However, via the various forums facilitated or attended by the Key Sector and Knowledge Transfer Manager we have been promoting the project to local businesses and have received a good number of enquiries.
- A webpage was set up on the Northamptonshire Growth Hub site promoting the project.
- Drafted a format and content for each of the 4 workshops.

January to March 2017

- Recruited one full-time Innovation Adviser who started in March.
- A significant amount of work was undertaken by the Projects & Grants Manager to produce new grants and vouchers documentation that met the needs of the project.
- Publicly advertised for quotes for delivery of the 4 workshops and received 4 submissions for the Intellectual Property workshops.
- Expenditure in this claim period is £25,891.35 against a forecast of £29,025.71. The total claimed to date including this claim is therefore £89,212.33.

April to June 2017

- Insufficient pipeline to recruit another innovation adviser.
- Expenditure in this claim period is £33,212 against a forecast of £56,983 which brings the total claimed to date to £122,672.
- Discussions with several clients regarding potential grant applications and anticipate awards being made in the next quarter.

July to September 2017

- Change of strategy: focused on promoting the workshops on their own as a way of attracting clients. This has worked quite well.
- Advertising to recruit a permanent Grants & Monitoring Executive on a part-time basis with the intention of commencing October/November.
- Regular meetings held between the projects & grants manager, innovation adviser and key sector manager to discuss issues, progress, targeting etc.
- To date 2 grants have been awarded, with more applications expected in the next quarter particularly with the push on the open call.
- Stated that Innovate is not performing as well as anticipated. Put together proposals for changes to include an increase in the marketing budget, change in grants/voucher schemes and also de-committing funds.
- Expenditure in this claim period is £33,911. This is all revenue against a contract forecast of £233,729. There is no capital claim against a contract forecast of £22,400 to date.
- SME contributions cashflow – from the grant applications awarded to date the SME contributions will be £3593. No financial claims made yet.

October to December 2017

- Recruited to the Grants & Monitoring Executive post commencing on 30th October.
- A good increase in the interest in the project with 136 enquiries, of which 57 are registered for support.
- Expenditure in this claim period is £51,271. The revenue is £48,063 against a contract forecast of £1,506,447. The capital claim is £3,208 against a contract forecast of £698,400 to date.
- SME contributions cashflow – SME contributions are recorded of £3533. Of those approved in December the forecast SME contributions are £240,200.
- A Project Change Request was submitted in November 2017.

January to March 2018

- A Project Change Request was originally submitted in November – were advised in February that this would be rejected therefore it was revised and was resubmitted on 5th April.
- 91 registered on the project.

- A further call for applications was held with a deadline of 26th February. 19 applications were received with a total grant request of £300k.
- Planning an event to be held at the end of June to showcase innovation, provide delegates with information on support available through our projects and others.
- Expenditure in this claim period is £41,443 – all revenue. This is slightly lower than the forecast in the PCR of £53k. No capital is forecast in the PCR for this quarter.
- SME contributions are recorded of £3533. Of those approved the total forecast SME contributions are £356k.

April to June 2018

- 37 new enquiries during the quarter, a steady interest in the project. Of that 37- 14 subsequently registered on the project, with the rest either not eligible or more appropriate for other projects on offer.
- Feedback from our business advisers regarding companies that they engage with is a consistent message that they are not currently innovating. They are looking to grow their business in a more traditional way, either by purchasing new equipment or by looking at other areas of the market.
- Expenditure in this claim period is £72,742 against the forecast in the PCR of £248,952. This deficit is significantly impacted by the delay in SMEs claiming their grant allocations.
- Submitted a project change request which included de-committing £1.6m following a review of the project performance.
- Only received three claims during this period from beneficiaries and contacted other SMEs whose applications were approved in order to expedite claims. The feedback is that many beneficiaries' projects have been delayed, hence their defrayal has not happened yet.
- SME contributions cashflow – SME contributions are recorded of £19,914 to date. Of those approved the total forecast SME contributions are £534k.
- A broad range of marketing activity was undertaken in the period April to June 2018. Different channels were used to reach potential customers.

July to September 2018

- 100 new enquiries during the quarter. Of those 58 subsequently registered on the project.
- The broad range of marketing activities (telemarketing/social media) has proven very successful, and coupled with the feedback from the previous workshop attendees this has provided very good results.
- This quarter had an A127 audit and were asked to provide evidence for the Q2 claim period/evidence, a request that has not happened previously in the life cycle of the project.
- Expenditure in this claim period is £224,115.91 against the forecast in the PCR of £85,640. This increase was due to our continued communications with the SMEs in claiming their grant allocations.

- SME contributions cash flow – SME contributions are recorded of £148,011.97 to date. Of those approved the total forecast SME contributions are £531k.
- A Project Change Request was submitted in November 2017 however further queries were raised and a revised PCR was submitted 5th April 2018. Received communication in June that it was currently under review and a meeting with MHCLG took place on 31st July 2018.

October December 2018

- 76 new enquiries during the quarter.
- Out of the 76 , 44 completed T&Cs and attended events.
- No more grants were offered.
- The final total of grants awarded was 33 with a grant funding value of £511,112.00, with an actual grant expenditure of £429,797.42, an underspend of £81,314.58 across all grant recipients.
- Have not applied for a continuation to this project, therefore prepare for the closure process.
- SME contributions cash flow – SME contributions are recorded of £585,035.51 to date.