European Union
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Loxley Consultancy

Innovate Humber
Summative Assessment

Prepared for:
Hull Culture and Leisure Library Service

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Glossary

Acronym / Keyword	Definition
BIPC	Business and Intellectual Property Centre
ERDF	European Regional Development Fund
FTE	Full Time Equivalent
GVA	Gross Value Added
HC&LLS	Hull Culture and Leisure Library Service
HLEP	Humber Local Enterprise Partnership
KPI	Key Performance Indicator
MHCLG	Ministry of Housing, Communities and Local Government
PCR	Project Change Request
SEP	Strategic Economic Plan
VFM	Value for Money

1 Introduction and Evaluation Approach

1.1 Objectives and Scope of the Evaluation

Hull Culture and Leisure Library Service (HC&LLS) commissioned Loxley Consultancy to complete an ERDF compliant **Summative Assessment** of the **Innovate Humber** project. The project commenced 1st December 2019 and completes 30th June 2023. The original completion date of 31st October 2022 was extended following a Project Change Request (PCR) submitted 31st August 2022.

The Innovate Humber project is a £837,045 operation that seeks to provide SMEs in the Humber region with access to the knowledge, resources, learning and facilities that will contribute to making a significant change in the Humber region's performance in innovation through research and development, and particularly in increasing the introduction of new products, processes and patenting activity.

The project falls under ***ERDF Priority Axis 1 – Promoting Research and Innovation***[1].

Innovate Humber activities are well aligned and a good strategic fit with the ERDF England Operational Programme 2014-2020 strategy and its aspiration for locally driven growth. The project also fits well within the region's enterprise support landscape.

This is the final summative assessment report. It is structured to cover all stages required in the updated ERDF Summative Assessment Guidance[2] issued in August 2020. The evaluation report has a focus on understanding the project context and assessment of operational procedures (e.g., referral systems, promotional events and data gathering to support monitoring and reporting).

Analysis of achievements is set against agreed key performance indicator targets and associated impacts that have evolved during the implementation period as a consequence of Covid-19 restrictions at the outset of the project.

[1] European Regional Development Fund England Operational Programme 2014-2020

[2] European Regional Development Fund Summative Assessment Guidance – Appendices. ESIF-GN-1-034 June 2020

1.2 Approach to Evaluation

The evaluation follows a mixed methods approach drawing directly on the rationale, objectives, appraisal, monitoring, evaluation and feedback cycle as set out in the UK Treasury Green and Magenta books guidance on evaluations.

The Summative Assessment covers the five themes set out in the guidance:

- **Relevance and Consistency** – in light of changing policies and economic circumstances, since project inception. The continued relevance of and need for the project is tested through consultation and desk-based work.
- **Progress Against Indicator Targets** – measuring performance and understanding progress to date against agreed ERDF outputs and associated spend profiles using the latest available project data.
- **Experience of Delivering and Managing the Project** – tested through consultation, capturing delivery team members' and stakeholder experiences and lessons learned from implementing and managing the project.
- **Economic Impact Attributable to the Project** – providing an initial summary of project impacts, harnessing qualitative insights from SME beneficiaries and setting out the extent to which additionality is being achieved.
- **Cost Effectiveness and Value for Money** – modelled using self-reported data from the beneficiaries.

The methodology applied combines a broad range of information gathering and analysis covering the following aspects:

- **Logic model** – assessment to update the logic model, which underpins the project's intervention logic.
- **Project performance data** – an analysis of the project's monitoring data to assess performance against contracted ERDF output and financial commitments.
- **Project delivery review** – consultations with the delivery team to obtain feedback on the project's processes, covering management and governance.
- **Beneficiary consultation** – using interviews to collect beneficiaries' perspectives, exploring business sentiments, satisfaction, impact and overall views on the project.

- **Value for money assessment** – quantitative impact modelling to estimate the impact of the project as a whole in terms of jobs and gross value added (GVA) created.
- **Benchmarking** – a review of previous business support projects' value for money to benchmark performance.

The Summative Assessment particularly focuses on the following evaluation questions:

1. To what extent has the project succeeded in increasing the development of new products and services through innovation, research and development in this area's SMEs?
2. How effective has the project action planning approach been in helping beneficiaries developing their SMEs?
3. How successful has the project been in encouraging and promoting innovation in SMEs/beneficiaries?
4. How successful has the project been in improving the business performance of participating SMEs?
5. How effective has the project's marketing and engagement approach been?
6. To what extent has the project helped to raise awareness of the support the European Union and the ERDF offers?

Overall, the proposed evaluation methodology has worked satisfactorily, but has required some modification to adapt to the challenges faced by the project and consequent limited output delivery at the time of the evaluation, which make quantitative assessments unreliable. Interviews have, therefore, been relied upon to gather detailed feedback from participants and the delivery team.

The small number of participants and corresponding outputs has particularly affected the evaluation's ability to conduct a robust cost effectiveness and value for money appraisal and negated any consideration of a counterfactual approach. Nevertheless, a qualitative assessment has been undertaken utilising a comparative analysis against similar ERDF project performance.

2 Project Context

2.1 Logic Model

The need and rationale for the Innovate Humber project has been assessed against the project's logic model, which details the intervention logic and the relevance of the project's design given its objectives. In addition, background documentation has been reviewed to understand the economic and policy context against which the project was developed and to identify any subsequent change to the context in the local economy.

The logic model presented in Figure 1 has been validated through discussions with the delivery team and a review of background policy documentation.

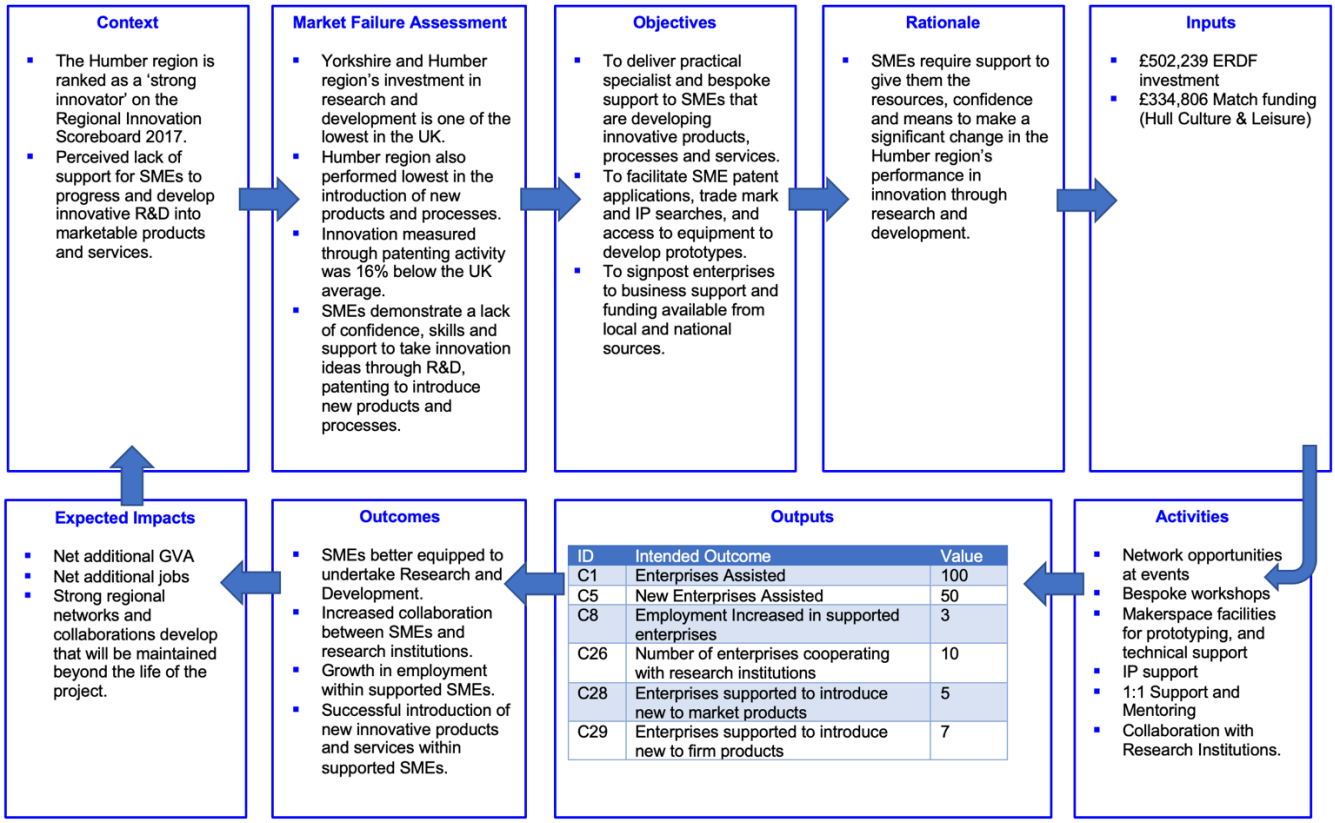


Figure 1 - Innovate Humber Logic Model

2.2 Rationale and Project Need

The Humber region was ranked as a 'strong innovator' on the Regional Innovation Scoreboard 2017 with innovation performance on the Regional Innovation Index showing the highest increase in the UK between 2011 and 2017. However, whilst the region was strong in design applications, SME innovative products/processes, and collaboration of innovative SMEs, it was weak in research and development.

The Humber's Blueprint for an Industrial Strategy, launched in June 2018, adopts the Governments five foundations of productivity; the Innovate Humber project contributes to all five. Although significant investment has been made across the region in research and development by global businesses and some SMEs much more is needed to achieve the ambitions of the Strategy. SMEs require support to give them the confidence and the means to achieve their aspirations. The Local Enterprise Partnership (LEP) in its 2016 review of the Strategic Economic Plan[3] (SEP) noted that the complexity of support and funding mechanisms available to SME's and Start-Up's in the region lacks transparency for those needing assistance. The SEP acknowledged criticism from businesses that the support landscape was confusing and difficult to navigate. The Innovate Humber project aims to make this support easily accessible and complements the ERDF funded Humber Business Growth Hub's Grow My SME offer launched in November 2018.

Innovate Humber also responds to:

- The Governments *Industrial Strategy: Building a Britain fit for the future*. The strategy identifies four grand challenges, each of which requires innovation and research and development, such as can be stimulated by this project.
- The Government's *Innovation and Research Strategy for Growth* (2011) identifies that the UK has the potential to be a world leader in innovation, its investment in Innovate UK is testament to its intention to realise that. This project aims to ensure the Humber region SMEs connect with and benefit from Innovate UK.
- The UK Government policy context set out in *The Plan for Growth*[4] with its objective to stimulating strong, sustainable and balanced growth that is more evenly shared across the country and between industries.
- The *Strategic Economic Plan 2014-2020* published by the Humber LEP.

2.3 Market Failures

The Innovate Humber project responds to a perceived market failure in which the Yorkshire and Humber region's investment in research and development was one of the

[3] *Strategic Economic Plan 2014-2020*, Humber Local Enterprise Partnership

[4] HM Government (2011*) The Plan for Growth*

lowest in the UK. Gross expenditure on research and development of 1.14% of GDP in 2015, compared to a UK average of 1.67% and the European average is 2.04%[5].

The Humber region also performed lowest in the introduction of new products and processes, with public expenditure on R&D 8% below the national average and private investment in R&D 31% below the UK average. In addition, innovation measured through patenting activity was 16% below the UK average and 30% below the EU average[6].

These market failures are indicative of a lack of confidence, skills and support to take innovation ideas through R&D, patenting to introduce new products and processes.

2.4 Objectives

The project is focussed on increasing economic activity in the Humber Region by strengthening research, technological development and innovation within SMEs.

To achieve this goal it aims to encourage, support and guide SMEs and entrepreneurs to innovate through research and development. The ultimate objective being to bring new locally developed products processes and services to the market, or for the business involved.

The activity is well aligned to ERDF Priority Axis 1 of the ERDF England Operational Programme 2014-2020 to promote research and innovation.

2.5 Inputs

A breakdown of the financial inputs to the project is given in Table 1.

Table 1 - Breakdown of project funding

Funding Contribution	Total
ERDF Investment	£502,239
Hull Culture & Leisure limited	£334,806
Total Project Cost	**£837,045**

[5] Eurostat: Europe 2020 indicators - R&D and innovation, June 2018

[6] European Commission, 2018, Yorkshire and Humber

2.6 Activities

Innovate Humber provides specialist information and resources for SMEs in the Humber region interested in developing a new product, service or process for their business. The project was delivered in collaboration with Hull Libraries' Business & IP Centre and Makerspace teams.

The envisaged delivery model was simple yet effective, having been proven on similar operations. It offered services that could be cascaded:

- Starting with network events and meetings that bring SMEs, research organisations and other appropriate organisations together, to consider challenges and generate ideas and solutions.
- Developing into workshops designed to stimulate and support the research, development and innovation process. Including, calculating whether a product or process will secure a return on investment.
- Followed up with free one-to-one innovation mentoring support customised for individual SMEs to:
    - Access specialist business innovation resources.
    - Check out competitors and suppliers.
    - Signpost SMEs to the relevant agencies for additional support.
    - Provide information on funding opportunities and business planning.
- All supported by accessible dedicated facilities within the Library Service to support innovation and research with experienced business support staff offering specialist guidance, including on intellectual property and patent applications.

The delivery model evolved in light of the constraints placed upon the project by the restrictions imposed by the Covid-19 pandemic. In particular, the pandemic demonstrated how much better and effective virtual delivery could be for SMEs who are often short on time and capacity.

2.7 Outputs

Table 2 shows the project's agreed output targets as detailed in the Grant application.

Table 2 - Summary of project outputs

Output		Original Target
C1	Enterprises Assisted (12 hours)	100
C5	New Enterprises Assisted (12 hours)	50
C8	Employment Increased in supported enterprises	3
C26	Number of enterprises cooperating with research institutions	10
C28	Enterprises supported to introduce new to market products	5
C29	Enterprises supported to introduce new to firm products	7

The agreed targets were not altered by the PCR in 2022.

2.8 Outcomes

As illustrated in the logic model, outputs are expected to drive outcomes and ultimately deliver impacts. The envisaged outcomes are:

- SMEs better equipped to undertake Research and Development.
- Increased collaboration between SMEs and research institutions.
- Growth in employment within supported SMEs.
- Successful introduction of new innovative products and services within supported SMEs.

3 Project Progress towards Outputs

3.1 Project Change Request

The project has encountered a number of challenges arising out of the Covid-19 pandemic that seriously impacted the planned delivery process. As a consequence, it was necessary to prepare a PCR that was submitted in May 2021. This was subsequently revised and resubmitted 31st August 2022, which was approved 8th November 2022 to:

- Review the referral partners identified in the contract and the delivery mechanisms in place with them.
- Extend the activity end date from 31st July 2022 to 30th June 2023.
- Extend the practical completion date from 31st August 2022 to 31st July 2023.
- Extend the financial completion date from 31st October 2022 to 31st July 2023.
- Re-profile the budget to maximise use of available resources and provide essential support to business across the region as they deal with post pandemic and Brexit agreement challenges.
- Adjust expenditure (e.g., reducing salaries, indirect costs and other revenue by £179k) to provide resources for greater marketing activity (up 90.15%) and increased involvement of consultancy support (up 545.43%).

The PCR did not involve any change in total outputs, but moved all profiled output delivery into late 2022 and particularly 2023 as shown in Table 3.

Table 3 - Revised output delivery profile

Output	2022	2023	Total
C1 Enterprises Assisted (12 hours)	25	75	**100**
C5 New Enterprises Assisted (12 hours)	10	40	**50**
C8 Employment Increased in supported enterprises	0	3	**3**
C26 Number of enterprises cooperating with research institutions	2	8	**10**
C28 Enterprises supported to introduce new to market products	1	4	**5**
C29 Enterprises supported to introduce new to firm products	1	6	**7**

3.2 Performance Against Contractual ERDF Targets

This section provides details of the project's performance against its contracted output and expenditure targets in Table 4. It includes a review of performance at the time of the summative assessment, as well as projected performance for the end of the Project (31st July 2023).

Table 4 - Spend and output performance

Indicator	Targets	Performance at Time of Evaluation*		Projected Performance at Project Closure		Overall Assessment
		No.	% of Target	No.	% of Target	
Capital Expenditure (£m)	£0	£0	100%	£0	100%	
Revenue Expenditure (£m)	£837,045	£311,227	37%	£795,665	95%	
C1. Enterprises Assisted (12 hours)	100	15	15%	100	100%	
C5. New Enterprises Assisted (12 hours)	50	6	12%	50	100%	
C8. Employment Increased in supported enterprises	3	0	0%	3	100%	
C26 Number of enterprises cooperating with research institutions	10	2	20%	10	100%	
C28. Enterprises supported to introduce new to market products	5	2	40%	5	100%	
C29. Enterprises supported to introduce new to firm products	7	12	171%	20	286%	

* *Actual output and costs to 15th March 2023*

It is clear that:

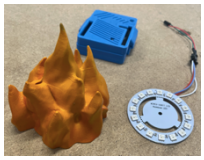
- Despite the delivery team's strenuous efforts, the delay in launching the project caused by the Covid-19 restrictions and the short operational timescale from preparation and agreement of the PCR has had a serious impact upon output performance at the time of this evaluation.
- No outputs had been claimed by the end of Q4 2022.
- Claimed delivery in Q1 2023 reflects the project's effort to recover, but still leaves much to be completed before project closure. Nevertheless, the delivery team remain confident that in the remaining months before project closure the pipeline of referrals and current engagement with enterprises will enable targets to be met. To increase capacity in delivering the project the Marketing & Engagement Manager, from the Business and Intellectual Property Centre, has been matched in from January 2023. An Innovation & Research Facilitator has also been recruited part-time to start on 1st April. This assessment is well founded following the procurement of additional external specialist technical support to address each of the five delivery streams:
  - **Innovation** - A programme of engaging interactive events, workshops and activities that will help SME's increase their knowledge and understanding of the innovation process and research and development. Delivering 38 participants each with 12 hours support/guided learning.
  - **Business Planning and Processes** - support/guided learning to help SMEs increase their knowledge and understanding of the business planning process and marketing in relation to the introduction of new products, processes and services. Delivering 30 participants each with 12 hours support/guided learning.
  - **Finance, Funding & Investment** - support/guided learning for SMEs to help them increase their knowledge and understanding of finance, funding & investment in relation to innovation, design and development of new products, processes, and services. Delivering 30 participants each with 12 hours support/guided learning.
  - **Intellectual Property** - support/guided learning for SMEs to help them increase their understanding of how to protect products processes and services, to

commercialise new ideas. Delivering 15 participants each with 12 hours support/guided learning.

- **Exporting & Trading Abroad** - support/guided learning for SMEs on how to export and trade abroad, and what they need to consider when entering foreign markets. Delivering 15 participants each with 12 hours support/guided learning.

Validation of the way in which output targets are being achieved, to underpin the assessment of projected outputs has also been sought through interviews with the delivery team and a sample of businesses involved across the KPI. Examples of Innovate Humber support assisting clients to develop their businesses, protect IPR and create new products, or services can be seen in the following interventions:

- **Witcharty Tales** was supported by an Innovate Humber Makerspace Champion, to produce an innovative theatrical prop for the business. The prop is a cast 'flame' that incorporates a series of programmable, flickering LED lights to give the illusion of fire.



- **Dock Robotics** was supported by an Innovate Humber Makerspace Champion to produce a treadless 'tyre' for a roving robotic vehicle. The tyre was cast and hand finished. As a result of support from the Innovate Humber project the client is now able to commence the process of securing funding for the next stage of their project.

- **Parmo Punks** a start-up street food business has been supported to understand the legal aspects of trademarking and been signposted to grants and funding opportunities. The business is proceeding with applications for support in various areas via the HEY Growth Hub. The project has also signposted the business to many workshops, webinars and consultants through the 'meet the expert' clinics delivered in partnership with the BIPC.

- **Vanessa Smith Art** was supported to facilitate a better understanding of how ownership of their intellectual property (copyright) of digital images of artwork could be used to produce different products. The client now has a wider array of products for sale on a newly launched website (https://vanessasmithart.co.uk).

- **Lincs Therapy Ltd** sought assistance to advance ideas for a piece of software that they intend will become a 'product' (app or similar) that can be used by GPs

(https://www.lincstherapy.org). Innovate Humber has supported a trademark application and signposted potential finance and funding opportunities, in addition to introducing the business to the University of Hull Centre of Excellence for Data Science, Artificial Intelligence and Modelling.

- **Castorvida** is an established trader operating in the wellness industry (https://www.castorvida.co.uk). Innovate Humber supported the business in making some important decisions regarding intellectual property, resulting in an application for UK and international trademarks to protect the brand. It is expected this will help grow turnover. In addition to the UK market the business exports its products to Europe and is expanding into Australia. Innovate Humber has signposted the business to other specialists to advise on export challenges. Innovate Humber is currently assisting with research on alternative material suppliers to reduce production cost.
- **Arting** run art classes in Hull for all ages and abilities (https://www.arting.uk). The business is in the early stages of their Innovate Humber project journey having sought supported with trademark application and are utilising the projects workshop programme to advance a number of interesting products that are being developed.

The evaluation has focused on six evaluation questions to assess achievement of desired outcomes.

1. *To what extent has the project succeeded in increasing the development of new products and services through innovation, research and development in this area's SMEs?*

Innovate Humber offers a wide range of support services including actions to support SMEs in developing new products and services for the market, or for their business (Indicators C28 and C29). There is strong evidence that the project is performing very well in aiding enterprises to develop their service/product with C29 outperforming its target (171%) and likely to further increase this outcome. Interviews with beneficiaries confirmed this achievement and acknowledged their gratitude for provision of essential support. New to market product development (C28) is less well evidenced in terms of achievement at the time of the evaluation, but progress on this aspect of delivery is nevertheless good.

2. *How effective has the project action planning approach been in helping beneficiaries developing their SMEs?*

Innovate Humber is primarily driven by a desire to enhance the performance of SMEs in the region. The approach and mix of activities taken to realise this aim has been successfully used on other initiatives. It has transferred well to the current project, but has needed adaptation to address the challenges Covid-19 lockdowns placed on the delivery teams ability to reach out to SMEs.

Although the types of enterprise supported and the level of maturity are diverse the approach has worked well. The delivery team has utilised the project's skills and capabilities effectively (e.g., Makerspace facilities, BIPC for intellectual property, patent and trademark advice and access to high value specialist business and market research resources). Where appropriate the project has signposted beneficiaries to specialist research institutions in the region for more advanced support on product development.

Quantitative progress measured against indicators C1, C5, C8 and C26 at the time of the evaluation was low, but delivery was accelerating and has reasonable prospects of reaching satisfactory outcomes. Interviews with beneficiaries certainly confirm a high degree of satisfaction with the service and a realisation of the importance of such support now and into the future.

3. *How successful has the project been in encouraging and promoting innovation in SMEs/beneficiaries?*

Many of the SMEs that have engaged with Innovate Humber have done so with a view towards developing innovative ideas. There is sound evidence in the way the Makerspace facilities have been used to create prototypes to suggest the project has both encouraged SME innovation and facilitated its realisation. Beneficiaries have mentioned the barriers they faced in advancing their ideas and the high value they placed on the project's support to overcome those challenges.

4. *How successful has the project been in improving the business performance of participating SMEs?*

At the time of the evaluation, it was too early in the lifecycle of the project's interventions to have quantified outcomes in terms of measurable improvements in business performance. None of the SMEs interviewed could point to increased turnover that was attributable to

the project's intervention. However, they all offered anecdotal evidence of the impact the project had achieved and anticipated increases in turnover and growth. This also extended to probable increased staff numbers (Indicator C8 job creation). In addition, for some the project has achieved a visible impact through development of new products/services. Overall, it is evident that the interventions have had a substantial benefit for participating SMEs.

5. How effective has the project's marketing and engagement approach been?

The project had a clear vision from the outset on how marketing could be implemented to attract potential clients. This included appropriate use of social media, a website, events, engagement through network partners, etc. However, the project got off to a slow start and due to the Covid-19 restrictions placed a hold on marketing actions until associated support services could be delivered. It was not until midway into the project's lifecycle that this activity really took off effectively.

At the time of the evaluation marketing was working satisfactorily. The project website provides an initial overview of the support offered and its usage statistics show a constant level of interest. Following the PCR expenditure on marketing has been increased to good effect, generating a stream of potential clients. This has been further supported by partner referrals.

6. To what extent has the project helped to raise awareness of the support the European Union and the ERDF offers?

The Innovate Humber project has appropriately acknowledged ERDF funding on all its publicity and throughout its client engagement. In addition, the project has sought to work alongside other EU funded projects in the region by attending events and referring SMEs to relevant sources of funding and expertise. These actions have raised awareness of the ERDF programme offer and availability of EU funding in general.

4 Project Delivery and Management

4.1 Changes to Delivery Context

The way in which the project has been delivered had to evolve as the delivery team endeavoured to adapt to a changing economic context.

At a practical level the Local Enterprise Partnership (LEP) boundaries were changed with effect from 1st April 2021. This removed the overlapping boundary of the Humber and Greater Lincolnshire LEPs. A new Humber LEP Boundary came into effect covering the East Riding and Hull. North Lincolnshire then fell under the Greater Lincolnshire LEP. The catchment area for the Innovate Humber project was therefore reduced; impacting activity south of the Humber (e.g., existing close ties with Grimsby College).

The landscape of business and innovation support remains complex and lacks transparency, with evolving funding mechanisms, which creates a confusing picture for SMEs and Start-Up's that need assistance. Access to the pool of potential beneficiaries is constrained by competing business support initiatives in the region that are similar, or overlap. For the delivery teams this does not create an optimal environment for collaboration and mutual referral of interested SMEs. For beneficiaries it creates a confusing set of support offers.

Brexit

Although the project was developed after the outcome of the 2016 referendum on EU membership, the full implications of this were still being negotiated when the project commenced. The economic uncertainty this created amongst businesses continued after the UK's formal withdrawal from the EU on 31st December 2020. The need for the type of support offered by Innovate Humber to SMEs and business start-ups in the region remained unchanged, but became more nuanced as SMEs sought guidance to navigate the changing regulations and to explore new emerging markets. Uncertainty has led to greater caution when taking investment decisions.

Covid-19 Context

The Covid-19 restrictions that came into effect in 2019 and continued into 2020 and 2021 had a direct and significant impact on the project. The majority of the project's target audience were affected as businesses temporarily closed down and hesitated to engage in business initiatives.

4.2 Governance and Management Structures

Appropriate governance and management structures were put in place from the outset. Governance of the Innovate Humber project was clearly defined and embedded within the Hull Culture and Leisure management structure, as illustrated in Figure 2. It utilised existing capabilities and expertise across the organisation, supplemented by specialists recruited specifically for the project (e.g., the project development manager, innovation and research facilitator, and consultants). Project Management leadership moved to the BIPC Strategic Development Manager in June 2021 to better reflect the positioning of the project within the library service structure.

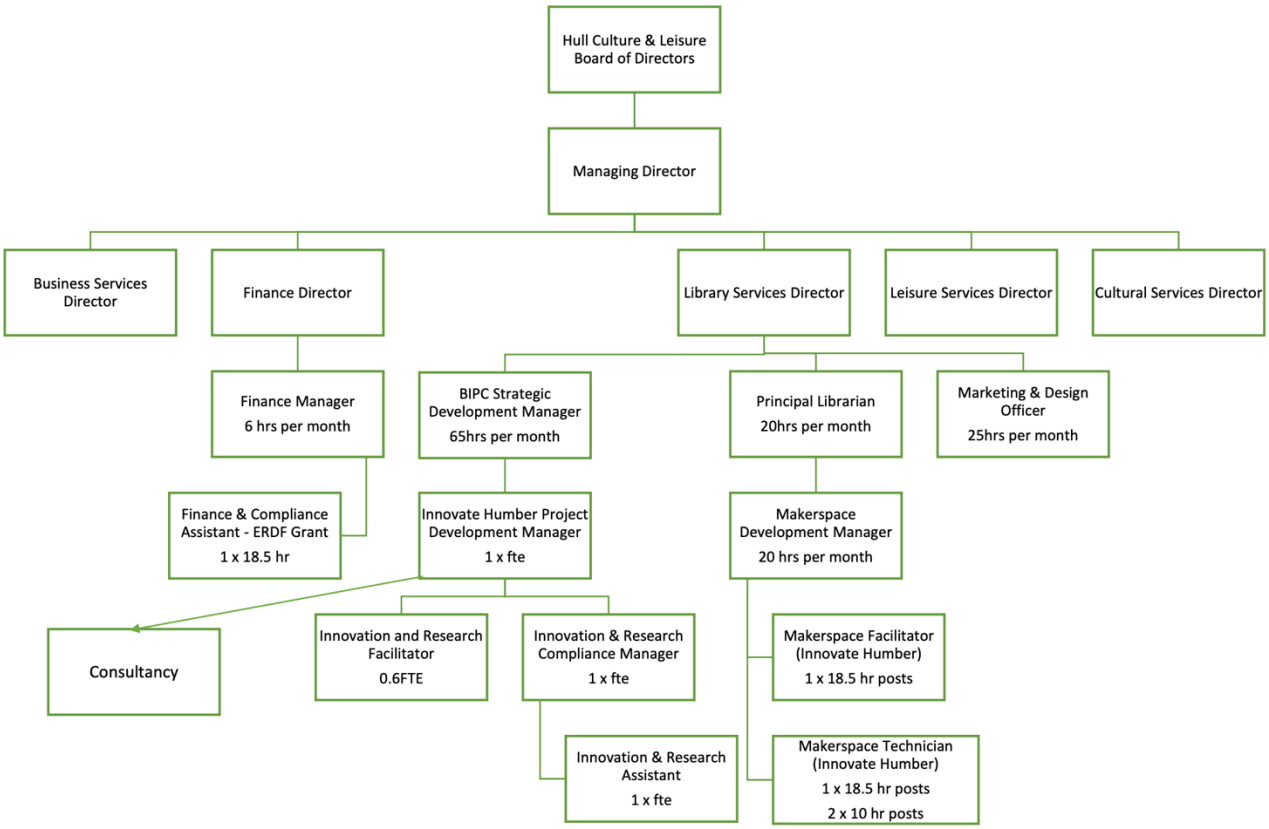


Figure 2 - Innovate Humber Governance Structure

Discussions with the delivery staff, and a review of the PCR application, confirm the negative impact recruitment and retention of key team members has had on project delivery. Shortly after project commencement the first Covid-19 lockdown occurred. This had a detrimental effect on recruitment. Although a Project Development Manager (PDM) had been appointed in December 2019 difficulties were experience in recruiting four other critical posts (two Innovation & Research Facilitators, the Innovation & Research Centre Compliance Manager, and an Innovation & Research Assistant). The volume of applicants

was low. Only one facilitator candidate was offered a post and they subsequently withdrew due to a delayed start, caused by the Covid-19 lockdown. In November 2020 the PDM resigned and a new PDM was not in post until October 2021. Thereafter, substantial recruitment effort resulted in a Compliance Manager joining the team in Dec 2021, a Research & Development Facilitator in April 2022 and an Assistant in June 2022. In addition, capacity to deliver was increased to include Business Information Specialist input from June 2022, extra Makerspace Technician support from October 2022, Marketing and Engagement Manager input from January 2023 and an extra Innovate Humber Facilitator post from April 2023.

As a consequence of the delayed team mobilisation the project encountered delays in establishing systems and processes. Appropriate systems and processes have now been implemented, and training to up skill the delivery team was undertaken.

4.3 Marketing and Engagement

Client engagement activity was very limited at the outset of the project, largely because of team recruitment issued in the mobilisation phase. These issues were further exacerbated by the Covid-19 restrictions (first lockdown from 23rd March 2020, followed by a second lockdown from 5th November 2020 with later local lockdowns, and a third lockdown from 6th January 2021) and subsequent uncertainty about economic conditions. The project management, therefore, took a decision to hold back on planned workshop delivery and project promotional events until good take-up might be expected; diverting energy into establishing and ensuring robust administrative process, procedures and compliance checks were in place.

Access to face-to-face support clinics, offering Makerspace and Intellectual Property support was reintroduced in early 2021, following risk assessments. These increased from the summer period as delivery capacity grew. Referrals from work with partners (e.g., Business and Intellectual Property Centre network and the Humber Business Advisors Network) identified potential beneficiaries.

A need to access additional budget resources to conduct greater marketing and to hire more venues for events across the Humber region instigated a revision of the PCR in 2022.

Marketing and engagement activity expanded significantly from 2022, utilising consultants to strengthen the delivery team. For example, in October 2022 procurement was initiated

to gain quotes to host 3 events, which resulted in good quality responses leading to partnership agreements.

Connected to marketing and engagement is the use of delivery partners. The project has actively sought to build clear referral pathways with key partners to realise effective partnerships, particularly with organisations that are also delivering ERDF funded business support. One relationship, with C4DI an incubator space for technology businesses, was downgraded to an informal agreement to refer organisations to each other. Nevertheless, a steady flow of potential beneficiaries has been created from referral pathways with:

- Makerspace Team.
- Community Led Local Development project.
- E-Factor.
- Business and Intellectual Property Centre network (BIPC).
- The University of Hull.
- Department of International Trade.
- The Hull and East Yorkshire Local Enterprise Partnership.
- The East Riding & Hull and North Lincolnshire Advisors Networks.

In addition to partnership relationships as a source of client referrals others have been generated from events (12%) and Hull Culture and Leisure (22%). The BIPC network generated a further 18% of referrals, whilst Business Funding & Support has been particularly active providing 40% of referrals. The Business Information Specialist role has been important as they took the lead in the partnership and instigated events, which is why they were matched in to the project in June 2022 and became the source of the majority of referrals in to the project.

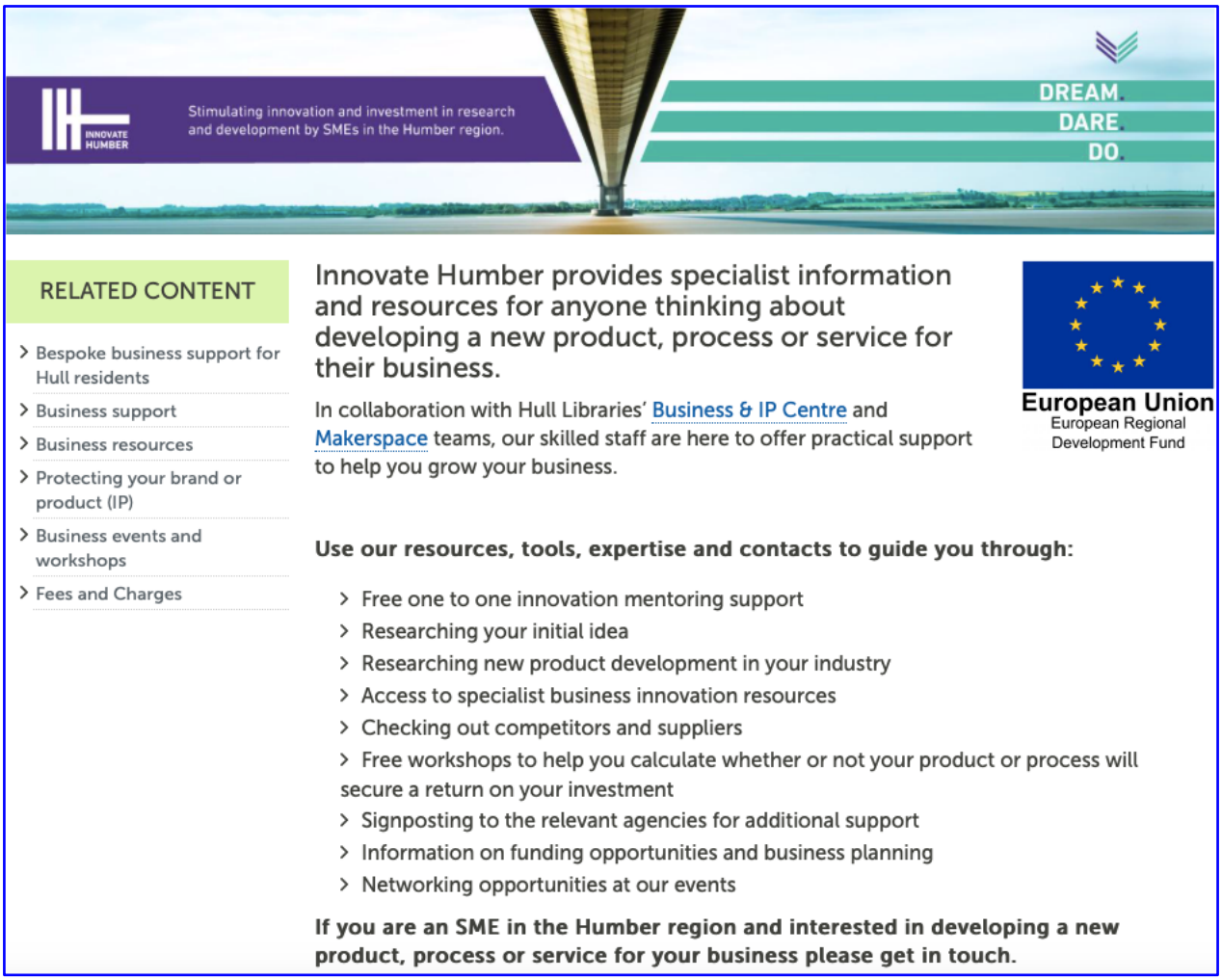
Referrals are increasingly being converted into measurable project deliverables as the project team's capacity has grown. Marketing and engagement activity in 2023 has seen a marked improvement in performance. Effective conversion of enquiries (83 at 15th March) into registered clients (31 at 15th March) is now progressing well.

Overall, where marketing and engagement activities have occurred as planned, they have been effective, but the stop-start nature of the process has impeded efficient delivery.

Website, Webinars & Social Media

The project has developed its own website[7] to explain the array of services and facilities offered to local businesses, as seen in Figure 3.

Figure 3 - Innovate Humber Home Page



Unique webpage views have consistently ranged between 200 and 400 per month.

In collaboration with the Business & IP Centre Hull and the BIPC National Network customers/clients have been able to benefit from a series of ten monthly webinars that offered free practical jargon-free training and advice. Each has a different focus (e.g., product and service innovation, finance, marketing, business models).

[7] https://www.hcandl.co.uk/libraries/business-information-and-support/innovate-humber

Innovate Humber has also made effective use of social media platforms (e.g., Twitter, Facebook and Instagram) to promote events. For example, impressions, which record how many times a post or profile has been seen, peaked at 35,167 in the first two weeks of November 2022).

Events

Organisation of, and attendance at, events was initially constrained by Covid restrictions and market demand. In addition, it was considered an inefficient use of resources to attend events until the delivery team had sufficient capacity to deliver follow-up on referrals from events. It was, therefore, not until mid-2022 that a concerted effort could be launched.

The project has made effective use of events to accelerate delivery. The following events are examples of engagement in collaboration with referral partners and as project specific activity:

- **Innovation Day** in conjunction with Makerspace invited entrepreneurs and businesses to find out about the project and network (June 2022)
- **The Big Malarkey Festival** run by Hull Libraries for one weekend to generated awareness (June 2022).
- **Driffield Show** (July 2022).
- **The Yum Festival**, a two-day event focused on the food and drink sector and small vendors, which Innovate Humber sponsored in collaboration with the Business and IP Centre Hull and the CLLD project (August 2022).
- **Youth Enterprise Open Day** (August 2022).
- A **networking event** at E-Factor's **Great Big Small Business Festival** near Scunthorpe, North Lincolnshire (September 2022).
- Exhibited at the **East Yorkshire Business Expo** (October 2022).

- **Start Innovating** event at E-Factor's **Great Big Small Business Festival** (October 2022).

- **Drop In** funding events in the Humber region, partnering with the HEY LEP Grow My SME project, E-Factor, and the Department of International Trade (November 2022).
- **Intellectual Property workshop** with the UK Intellectual Property Office as part of Global Entrepreneurship Week (November 2022).
- **Business Resilience and Innovation event** to promote the project on 21st February. This event was sponsored and partnered with E-Factor based on the event model delivered in November 2022. This involved working with the North and Northeast Lincolnshire Advisors Gathering Network to increase attendance and deliver a joint business funding and support drop in event with additional break-out sessions on business resilience and innovation.

- Involved in BIPC Humber Partnership's '**Start-Up Day**' events on the 22nd February 2023 at Bridlington Library to promote the project, 20 people attended.
- A number of referrals from the south bank (North & Northeast Lincolnshire) have been generated by the regular workshops the Information Specialist has held on intellectual property.

Publicity

Hull Culture and Leisure Library Service are aware of their obligations regarding publicity that gives appropriate recognition to the ERDF funding. The evaluation has identified evidence to confirm compliance with these requirements and that guidelines for style, size and content are being followed. A range of publicity material has been designed and produced including:

- Project Branding
- Presentation of the Innovate Humber Project
- Leaflet about the Project
- Business Cards
- Pull-Up Banners
- Bags

- Mugs
- Postcards – to take potential referrals details at events
- Bunting
- Table Banner.

4.4 Quality of Delivery

Although the project has suffered significant challenges in meeting its expected outputs and outcomes, the overall delivery has been carried out to a high standard. When the composition of the delivery team changed training and up skilling of staff has taken place, with appropriate induction procedures to maintain an integrated team. Everyone on the project, excluding the consultants, are IPO Masterclass trained and receive ongoing training regarding the databases and equipment in the Makerspace. In addition, Makerspace staff on the project have undergone Health & Safety training.

Applicants for business support have undergone a pre-selection process to confirm eligibility for support from the project. The criteria for beneficiary selection were very clear and well attuned to the needs of each aspect of the projects business support offer.

The delivery of specific services that are well aligned with beneficiary needs has led to a high degree of satisfaction from the SMEs involved. The evaluation undertook semi-structured interviews with a cross section of businesses to ascertain how well the project has met their needs, and to determine perceptions of the continued need for such support in the region. Irrespective of the type of business support received the recipients explained how the outcomes for their business have been an important factor in establishing, growing and developing their enterprise. One organisation indicated the support would result in 4 or 5 jobs being created in the near future, which due to the timing cannot be recorded against Innovate Humber output targets, but are nevertheless directly attributable to the project's activities.

Interviews carried out for the evaluation have returned universal praise for the quality of support and facilities provided by Innovate Humber. In all cases the service was rated Very Good, or Excellent.

Typical quotes include:

Enterprise seeking IP and trademark advice - *"The business adviser was fantastic. They listened and took the time to understand our needs before suggesting solutions."*

New business start-up seeking advice - *"I can't fault the service. It's amazing. It offered more than I knew was available. It saved a great deal of time."*

SME seeking guidance on product development - *"More people should know about Innovate Humber and this type of business support. It can be overwhelming if you don't know what the next step should be. It ought to be available in the future."*

Project Specific Conditions

Evidenced of compliance with project specific conditions confirms that:

Condition 1 Clear referral pathways are in place with key partners in accordance with the PCR.

Condition 2 All Job descriptions have been submitted and any future job descriptions would be submitted to the Contracts Manager, as required.

Condition 3 Administrative timesheets and paperwork are completed in accordance with EU guidelines. Training has been delivered and time and actions with clients is being recorded.

Condition 4 The procurement plan has been revised in line with the agreed PCR.

Procurement

Procurement procedures have followed HC&LLS policy and ERDF guidance. The tender process has been carried out with the local authority, which has moderated and recorded the process in line with Public Procurement Regulations.

The need to undertake open procurement of services has been minimal, with a focus on specialist technical support, venue hiring and project monitoring and evaluation services.

In October 2022, in line with the PCR, to build capacity to help businesses/enterprises in the Humber Region, the team progressed an etender process via the Local Authority. This has taken 6 months to complete, with tenders awarded for delivery from April to June 2023. The total value of the tenders is £170,000, the highest value of any lots is £50,000.

Key contracts have been awarded to:

- **Loxley Consultancy Ltd** - Summative Assessment, contract awarded October 2022.
- **Page Consulting Ltd** - Lot 1 - Innovation, contract awarded March 2023.
- **Fossu Ltd** - Lot 2 - Business Processes, contract awarded March 2023.
- **Fossu Ltd** - Lot 3 - Finance, Funding & Investment, contract awarded March 2023.
- **Potter Clarkson** - Lot 4 - Intellectual Property, contract awarded March 2023.
- **Flux Ltd** - Lot 5 - Exporting & trading abroad, contract awarded March 2023.

A partnership agreement has also been signed with LMAS (Local Manufacturing Advisory Service). Fifteen new clients have been registered onto the project from events held at HETA (a local apprenticeship training organisation).

Procurement has been appropriately managed to deliver efficient use of resources.

5 Progress Towards Project Outcomes and Impacts

5.1 Outcomes

Interviews with beneficiaries have found a good fit between the expressed needs of the businesses, to break down barriers to growth, and the support services accessed through Innovate Humber. The intervention is, therefore, moving towards realisation of outcomes.

The project's envisaged outcomes can be summarised as:

- SMEs better equipped to undertake Research and Development.
- Increased collaboration between SMEs and research institutions.
- Growth in employment within supported SMEs.
- Successful introduction of new innovative products and services within supported SMEs.

Taking each of these outcomes in turn, it is evident that the beneficiaries have found working with the Innovate Humber project to be a positive experience and that those businesses seeking to develop new products and services feel better equipped to undertake research and development.

Beneficiaries strongly agree that SME businesses need external technical support such as that offered through the ERDF funding, especially new start-ups. Attitudes towards the continued provision of this type of business support and collaborations (e.g., with research institutions) are, therefore, strongly supported.

The mobilisation of additional project capacity, following the PCR, is too recent to determine its impact on the likely growth in employment amongst the SMEs supported by Innovate Humber. At the time of the evaluation the intervention had not recorded any job creation within the SME beneficiaries that was attributable to the project. Nevertheless, the positive feedback in interviews suggests this type of intervention does have real potential to produce long-term growth for those enterprises taking part.

The broad nature of the support offered by Innovate Humber is such that only a subset of beneficiaries sought assistance to develop new products and services. Others were looking to improve their understanding of IPR, opportunities for funding, and to generally up skill their capabilities (e.g., around IT and web design). Nevertheless, the development of new products and services has occurred, which is directly attributable to Innovate Humber.

5.2 Economic Impact

Assessment of the economic impact of the Innovate Humber project is constrained by the significant delays that have occurred. Full-scale delivery of the service was only launched in late 2022, resulting in effective delivery being concentrated in the first half of 2023. At the time of the evaluation limited outputs had been recorded. In addition, there has been insufficient time for beneficiaries to be able to demonstrate any change in turnover or employment. This negates the intended self-reporting approach to data gathering.

A conventional Green Book approach to assessment of Gross Value Added (GVA) with or without consideration of the counterfactual situation is impractical given the available data.

6 Project Value for Money

6.1 Cost Effectiveness

Value for money (VfM) has been assessed on the basis of outputs delivered and corresponding public sector project spend by the project.

The ERDF evaluation guidance specifies that VfM should be assessed using benchmark figures provided by the Department for Communities and Local Government (DCLG) for the ERDF 2014-2020 programme. These benchmark output unit costs are given in the Regeneris Consulting study[8] commissioned by DCLG.

The timing of a value-for-money assessment is always important, as evidence shows that the positive impact from interventions tends to lag beyond the timeframe of the project's delivery period. In the case of Innovate Humber most of the impact will occur at, or after the end of the project. The values given in Table 5 are an indication of value for money at the end of March 2023, with the majority of outputs expected after that date.

The benchmarks for ***total public sector cost per unit*** for the indicators applied to Innovate Humber project outputs are set out in Table 5. Total public sector costs (ERDF Funding) for the project at 15th March 2023 are £311,227.

Table 5 - Value for money achievement against benchmark targets

Output Indicator	Project Output to date*	Benchmark Median Value (£)	Achieved Value* (£)
C1. Enterprises Assisted (12 hours)	15	10,200	20,748
C5. New Enterprises Assisted (12 hours)	6	24,000	51,871
C8. Employment Increased in supported enterprises	0	25,700	n/a

* *Actual output and costs to 15th March 2023*

[8] England ERDF Programme 2014-20: Output Unit Costs and Definitions, A Final Report, Regeneris Consulting Ltd, 18 December 2013

The values given in Table 6 offer an additional perspective on value for money utilising projected output at project closure. Total ***projected public sector costs*** (ERDF Funding) for the project at 31st July 2023 are £795,665.

Table 6 - Expected value for money achievement against benchmark targets

Output Indicator	Projected Output at Project Closure*	Benchmark Median Value (£)	Achieved Value* (£)
C1. Enterprises Assisted (12 hours)	115	10,200	6,918
C5. New Enterprises Assisted (12 hours)	60	24,000	13,261
C8. Employment Increased in supported enterprises	3	25,700	265,221

* *Project Closure 31st July 2023*

Since available benchmark figures have not been disaggregated to apportion costs per indicator, no attempt has been made to apply a more refined approach to Innovate Humber public sector cost allocations. Nevertheless, we believe the methodology still provides a reasonable comparison of value delivered against the historic ERDF performance.

In addition to the benchmark figures given in the Regeneris study from the previous ERDF programme it has been possible to compare Innovate Humber VfM figures with those reported by similar ERDF projects in the current programme. These show outcomes that range between £3,356 and £116,000 for C1 and between £29,575 and £371,090 for C5. The **average** values of £17,522 for C1 and £151,991 for C5 are far higher than the expected outcome from Innovate Humber.

The figure included for C8 is a poor basis for comparison with other projects as Innovate Humber only targeted delivery of 3 jobs created, so would always appear poor value on that criterion.

Innovate Humber is delivering good returns on the funding invested.

7 Conclusions and Lessons Learned

7.1 Conclusions

Based on evidence obtained from desk research and discussions with the project manager, the delivery team and beneficiaries the following strengths and weaknesses have been observed:

Strengths:

- Excellent facilities within the Hull Culture and Leisure Library Service. Especially the BIPC with its expertise and tools to support intellectual property (as this also covers elements such as copyright, design rights trade secrets etc), trademark and patent enquiries. Similarly, the Makerspace team offer essential equipment and technical support to develop product prototypes.
- The specialist business support facilitators have delivered dedicated assistance to clients, listening to SME needs before guiding the client on a journey towards growth and sustainability of their enterprise.
- Strong awareness of the local business needs and the collection of potentially complementary business support options available across the Humber region.
- Appropriate levels of project governance and management to ensure service delivery remained well focussed and adapted to the challenges encountered.

Weaknesses:

- A business support project, such as Innovate Humber, is heavily reliant upon the quality and extent of its delivery team. Whilst the team has performed well, a clear weakness can be seen in the difficulty to recruit additional staff in sufficient numbers to meet the demand for the service. Retention of staff has also been an issue, due in part to the Covid-19 restrictions, and the inevitable issue all fixed term projects face when members of staff look for security of employment beyond the project.

Overall it is clear from the evaluation that:

- Innovate Humber is a much needed service that its beneficiaries highly appreciate. Access to similar business support for new and existing SMEs in the region remains a priority.
- Although full mobilisation was slow, impacting service delivery, the project team has

succeeded in quickening the pace of client engagement, bringing the project back on track.

- Whilst a full economic impact assessment has not been practical there is evidence the project is already delivering good value for money.

7.2 Lessons Learned

The evaluation has identified several aspects of the project where lessons have been learned that could potentially improve delivery of similar operations and their planning in the future:

- Foremost in any future support service should be a greater emphasis on rapid mobilisation, preferably building on the retention of knowledgeable specialist staff.
- Administrative procedures and recording mechanisms developed and implemented for this ERDF operation should be retained for future funding programmes, as the setup time and effort could be greatly reduced.
- Relationships with similar (potentially competing) business support services in the region need to be nurtured. SMEs still see a confusing business support landscape and are uncertain about where to find help and guidance. If relationships with other providers were strengthened overlaps in service offers might be avoided and clear referral pathways opened up, achieving greater collaboration and less competition.