NEWANGLIA
Local Enterprise Partnership
for Norfolk and Suffolk

New Anglia Local Enterprise Partnership
Board Meeting

Wednesday 31st January 2024
10.00am – 11.30am

By MS Teams

Agenda

No.	Item	
1.	Welcome from the Chair	
2.	Apologies	
3.	Declarations of Interest	
4.	Actions / Minutes from the last meeting	
	Strategic	
5.	Norfolk and Suffolk LEP Integration Plans Update - Rob Hancock, Chris Starkie	Update
6.	Business Growth Programme Completion (European Regional Development Fund)	Update
	Operational	
7.	Chief Executive's Report	Update
8.	Quarterly Management Accounts – **confidential**	Update
9.	Board Forward Plan – verbal update	Update
10.	Any Other Business - Confidential AOB, to follow	Update

Norfolk & Suffolk Unlimited

New Anglia Board Meeting Minutes (Unconfirmed)
25th October 2023

Present:

Katy Davies (KD)	Shift Momentum
C-J Green (CJG)	Brave Goose
Claire Cullens (CC)	Norfolk Community Foundation
Dominic Keen (DK)	Britbots
Helen Langton (HL)	University of Suffolk
Neil MacDonald (NM)	Ipswich Borough Council
Kay Mason Billig (KMB)	Norfolk County Council
Andrew Mellen (AM)	Mid Suffolk District Council
Johnathan Reynolds (JR)	Opergy
Sandy Ruddock (SR)	Scarlett & Mustard
Carl Smith (CS)	Gt Yarmouth Borough Councl
Mike Stonard (MS)	Norwich City Council

Attendees

Sam Sutton (SS)	Mills & Reeve
Poppy Sutton (PS)	Mills & Reeve
Chris Starkie (CSt)	Norfolk County Council
Rob Hancock (RH)	Suffolk County Council
Chris Dashper (CD)	New Anglia LEP
James Allen (JA)	New Anglia LEP
Julian Munson (JM)	New Anglia LEP
Rosanne Wijnberg (RW)	New Anglia LEP
Helen Wilton (HW)	New Anglia LEP

Actions from the meeting: (25.10.23)		
None		
1.	**Welcome from the Chair**	
C-J Green (CJG) welcomed all board members to the meeting.		
2.	**Apologies**	
Apologies were received from David Pomfret, Matthew Hicks, Kathy Atkinson, Peter Brady and Pete Joyner.		
3.	**Declarations of Interest**	
None		
4.	**Actions/Minutes from the last Meeting**	
The minutes of the meeting held on 20th September were agreed as accurate.		
5.	***The Duties of Directors – Sam Sutton & Poppy Short from Mills and Reeve***	
Sam Sutton (SS) and Poppy Short (PS) from Mills & Reeve provided an overview of the directors' responsibilities during the integration of New Anglia LEP into Norfolk & Suffolk County Councils. SS advised that the presentation would focus on the key responsibilities: • Duty to act with powers • Duty to promote the success of the company • Duty to consider the interests of creditors • Duty to exercise independent judgement SS noted the importance of ensuring that all conflicts of interests are declared and recorded including any indirect interest and noted that the impact of this on meeting quoracy needed to be considered. If applicable it may be necessary to ask members for the quoracy requirement to be waived. SS also highlighted the fact that public sector directors may identify a conflict of interests between the LEP and their employer and if so should consult their own internal policies. SS advised that in practise claims about breach of duties are rare and largely related to wrongdoing rather than accidental breaches. Helen Langton (HL) noted that many of the decisions have been outside of the control of the LEP or its directors and may not reflect their own opinions. Poppy Short (PS) advised that the Directors should continue to work as best they could within the framework provided by Government. Johnathan Reynolds (JR) queried whether there was a conflict of interest for the Leaders of NCC and SCC to lead the LEP integration and also being LEP directors. PS advised that leaders need to consider Article 12 as to whether the restrictions reply regarding directors' responsibilities and meeting quoracy. The board discussed the timeline for the integration and asked if there were key timescales that Directors need to be aware of. SS noted that the LEP and directors are having to react at short notice and need to be pragmatic doing the best in the time available. It is vital to ensure that decisions are fully documented. SS and PS confirmed that they were available for questions from board members. The Board agreed: • To note the content of the report		

6.	New Anglia Innovation Board	
Julian Munson (JM) presented the update report to the board noting the continued high level of activity within the team. He noted that with 25 innovation hubs the network is the largest in the country and includes 800 businesses and over 20000 people. JM highlighted the development activities being carried out within the Connected Innovation network and advised that the new website has now gone live. Sub groups have been set up to look at investment to support the scale up of companies and in October a day was hosted by UKRI at the John Innes Centre focussing on showcasing the region in the agri-tech sector. JM presented the Innovation Action Plan which he advised was the first of its kind outside of metropolitan areas. The plan covers key areas for future work: • Identification of opportunities and areas for development • Strategic partnerships • Support for Innovation • Collaboration – the provision of national to local support The plan will launched in December at Adastral Park. JR thanked JM & James Allen (JA) for their continued hard work and highlighted the power of collaboration across several counties. JR advised board member that there was nationwide concern around economic development in innovation and that he was hoping for support from the Autumn Statement on November. The Board agreed: • To note the content of the report		
7.	**Agri Food Industry Council**	
JA presented the report and highlighted progress in key areas: Objectives - The AFIC delivery plan fully aligns with the Economic Strategy for Norfolk and Suffolk and is regularly refreshed to ensure it remains relevant to the AFIC's aims and objectives. Innovation UK launchpad – New Anglia LEP led a successful bid to the Launchpad competition focused on Agri-Tech across the entire agri-food supply chain and our research strengths covering Norfolk, Suffolk, Cambridgeshire, Peterborough, Lincolnshire and Rutland. This provides up to £7.5 million over 3 years for business-led innovation projects and wrap-around support. The support will provide small scale financial assistance and large scale investments and an innovation grant mentoring project will provide bid writing support across both counties. The Board agreed: • To note the content of the report		
8.	**Chief Executive's Report inc Confidential Items**	
9.	**Quarterly Management Accounts - Confidential**	
10.	**Board Forward Plan**	
CJG reviewed the items on the agenda for the November meeting. The Board agreed: • To note the content of the plan		
11.	**Any Other Business**	
None		

Actions from New Anglia LEP Board Meetings					
Date	**Item**	**Action**	**Update**	**Actioned By**	**Target Date**
20/09/2023	LEP Integration	Details of Directors' responsibilities to be presented at a future board meeting	Mills & Reeve will be presenting to board members at the October meeting	RW	Complete
20/09/2023	Board Forward Plan	An update on the GSENZH to be added to the board forward plan	Added as an item to be scheduled on the forward plan. Given the LEP integration activities a review of the plan is currently underway.	HW	Complete
24/05/2023	ICT Digital Industry Council Report	Apprenticeships to be added to the next ICT Digital Industry Council. J Munson to contact HL to arrange for an attendee from the UoS.	UoS presented at the September meeting.	JM	Complete

New Anglia Local Enterprise Partnership Board

Wednesday 31st January 2024

Agenda Item 5

Norfolk and Suffolk LEP (Local Enterprise Partnership) Integration Plans Update

Authors: Roberta Willner, Business Development Manager, Norfolk County Council and Rob Hancock, Assistant Director for Housing, Growth and Planning, Suffolk County Council

<u>*Contents*</u>

1. Summary

1.1 LEP integration into upper tier local authorities was announced in the Chancellor's March 2023 budget statement, and in August 2023 government confirmed its decision. Government's view is that there is likely to be scope for greater join-up, efficiencies, and clarity for the private sector by LEP functions being discharged within mayoral combined authorities, devolution deal areas, and upper tier local authorities.

1.2 Government confirmed its sponsorship and core funding of LEPs will now cease, and it will now support local authorities to take on LEPs' functions. Government has confirmed it expects these functions to be exercised by upper tier local authorities, which in Norfolk and Suffolk are the two county councils.

1.3 In September, Norfolk County Council and Suffolk County Council provided an update to the LEP Board as to the 'Integration Plan' that was being prepared. The Integration Plans were prepared in parallel in each County, based on extensive working with stakeholders and partners. The LEP Board endorsed the Integration Plans, which were subsequently shared with government, who confirmed they were satisfactory. The Integration Plans are now being implemented.

1.4 The LEP Board requested an additional update in early 2024 as the progress of implementing the Integration Plans; this report provides the update.

1.5 Since the September report, government has confirmed it is providing up to £240k per County Council as revenue funding in 2024/25, to support them to deliver the functions currently delivered by NALEP. Funding for Growth Hub (via DBT) is expected to be confirmed in Q4; Skills Bootcamps funding (via DFE) has been confirmed as £2.5m for Wave 5 through 2024/25.

1.6 In addition, government published further guidance as to integration of LEPs on 19th December 2023, which has been considered in the preparation of this report.

Recommendation

The LEP Board is asked to endorse the progress being made as regards implementation of the Norfolk and Suffolk LEP Integration Plans.

2. The Integration Plans

2.1 The two county councils each prepared an Integration Plan, which were closely aligned.

2.2 In preparing the Integration Plans, both councils (and other stakeholders and partners) recognised the enormous amount of work which has been carried out by the LEP board and team and the high regard in which the organisation is held. The councils and partners therefore wished to build where possible on the work delivered to date and ensure any breaks in service during the cut-over were as limited as possible.

2.3 The councils set out a handful of key principles which informed the Integration Plans, and their subsequent implementation:

- The transition should be as seamless as possible and there are no cliff edges in activity or support for businesses.
- Continuation of programmes, projects and groups where possible and where funding is in place.
- Continued joint working across Norfolk and Suffolk where appropriate, based on the success of the joint inward investment service where staff are employed by two councils but work as a joint service.
- Utilise the skills and expertise of LEP staff, board members, and members of other LEP subgroups where possible.
- Whilst being realistic about the funding in place, and taking the opportunity to identify efficiencies, where they may exist.

2.4 The Integration Plans set out the high-level plans for each LEP function, proposals for the separation of LEP assets and liabilities between SCC and NCC, and the outline proposals for the future Suffolk and Norfolk Business Boards. The Integration Plans also set out at high level the proposals for transfer of LEP staff, however these proposals were limited due to further Finance, Legal and HR advice being pending.

As set out in the September report, the LEP has a number of assets, including:

- Enterprise Zone agreements and revenues
- Property investments and loans, in Norfolk
- New Anglia Capital portfolio

2.5 Norfolk and Suffolk County Councils have agreed the assets will be split by geographies – Norfolk County Council will manage assets relating to Norfolk as part of the transition, and Suffolk will manage assets relating to Suffolk.

2.6 The Integration Plans were shared with government in November, via the LEP relationship manager who sits as part of the Cities and Local Growth Unit, which is a partnership between the Department for Business and Trade and the Department for Levelling Up, Housing and Communities. It was confirmed by government that the Integration Plans were compliant with guidance and in line with government expectations.

3. LEP Functions

3.1 The Government has previously highlighted which LEP functions it wishes to see continue. This was set out in a letter to LEPs in March 2022 and confirmed in Summer 2023. Government expects the following LEP functions to continue:

• Strong independent **business voice** via new Norfolk and Suffolk Business Boards
• Strategic **economic planning** in partnership with local leaders which clearly articulates the area's economic priorities and strengths
• **Delivery of functions** on behalf of Government including (but not limited to) Growth Hubs, Careers Hubs, Enterprise Zones
• **Skills analysis** to support Local Skills Improvement Plans
• Monitoring and assurance of existing local growth programmes of funds for which LEPs are responsible (e.g. Growth Deal and Getting Building Fund).

3.2 Government's autumn guidance on LEP integration stated that LEP loan books generated by the Local Growth Fund and Getting Building Fund should be transferred to the accountable body or bodies in areas where the LEP is ceasing to operate. It also states that the future of Enterprise Zones including business rates retention should be agreed locally.

3.3 The September LEP Board paper and Integration Plan set out the proposals for how each LEP function would operate in FY24/25. Subsequently to this, a series of workshops have been held between SCC, NCC and LEP staff to work through further operational details of these functions. These are set out in the table below.

Function	Future State
Growth Hub	Growth Hub delivery will continue on a joint basis in FY24/25. NCC will operate the back office, for both counties. The CRM contract has been extended to April 2025, and the Growth Hub programme manager will transfer into NCC to oversee. Arrangements will be in place to ensure staff in both organisations can securely access the CRM platform as required. Three High Growth LEP staff will transfer to NCC, as will the Norfolk Growth Hub advisors, and will report through the NCC structure. Two High Growth LEP staff will transfer to and will report through the SCC integrated structure, as set out in Section 4 of this report. In Suffolk, the YTKO contract continues until March 2025, funded by UKSPF and operated via the District Councils led 'Suffolk Consortium'. Briefings have taken place between YTKO, SCC and NCC to confirm the arrangements for example for leads or exchange of data. The branding and identity for Growth Hub will remain unchanged for FY24/25, as 'New Anglia Growth Hub'.

	Later in 2024, a review exercise will take place to consider plans for Growth Hub for FY25/26, when the YTKO contract comes to an end in Suffolk, and when some changes to funding are expected. Any new proposals for Growth Hub in FY25/26 will be reviewed and steered by the Norfolk and Suffolk Business Boards. The £1.7m Growth Hub and programme investment funding previously committed by the LEP Board will be honoured (which includes a significant proportion of EZ Pot C income, as well as UKSPF and recycled GPF funding), albeit SCC and NCC will be required to separately provide the contributions as they are each administering their own Pot C funds in FY24/25. It is understood approximately 1/3 of this funding has been drawn down in FY23/24.
Inward Investment	The Inward Investment function will continue as is. It is resourced and funded directly via SCC and NCC secondees who will continue to operate as a virtual team in FY24/25. The Inward Investment strategy that was agreed by the LEP Board in October 2023 will continue to be executed. This strategy set out that in addition to working closely with government, the Inward Investment team will run events, campaigns and marketing to attempt to self-generate leads, as well as working closely with key partners such as Freeport East. The strategy, and subsequent reviews, also identified a need to set out further aspects of the Suffolk and Norfolk inward investment proposition, for example the collective property offer. This will be picked up as part of the economic strategy reviews taking place in both Norfolk and Suffolk in FY24/25. The ‘Invest Norfolk & Suffolk’ branding will continue to be used in FY24/25. As with other functions, the Norfolk and Suffolk Business Boards will be appraised of the Inward Investment performance from FY24/25 onwards.

Business grant and loan programmes	The grant and loan programmes are the area where it has been most challenging for SCC and NCC to make clear future commitments.
	
	In FY23/24, LEP committed the following funding to grant and loan programmes:
	
	• £4.2m grants allocation, to:
	    • Business Transition to Net Zero (£2.4m)
	    • Growth Through Innovation (£1.5m)
	    • Small Grant Scheme (£0.3m)
	• £1.9m Growing Places Fund loan allocation
	
	It is understood as of January 2024, £1m of loans have been approved with a further £0.5m in pipeline. £700k of grants have been approved or disbursed. The vast majority of grants and all loans are to Norfolk based companies and further work is

	needed to understand the comparative weakness of the Suffolk pipeline. SCC and NCC have agreed there should be a cut-off for approval of grant and loan offers in order that all offer letters can be completed in good time to allow a clean cutover at year-end. This cut-off date is being finalised and will be during February. Any approved offers already issued will be honoured and payment processed. Grant and loan funding held by the LEP is being transferred to NCC and SCC on a geographic basis as previously stated and agreed between the two authorities. The grant and loan books are being transferred in line with the guidance around use of funds from Growing Places Fund, Getting Building Fund and Local Growth Fund set out by Government in its August guidance on LEP transition. SCC and NCC will set out by the start of Q2 FY24/25 their grant and loan programmes for the year. The delay is necessary as the councils cannot commit at this stage to grant and loan funds without being completely clear what funding pots they will inherit from LEP, and any outstanding conditions around these. The Integration Plan work also identified feedback as to tweaks to the design of the grant and loan products which might be required in future. For SCC, there also remains significant uncertainty around the Onefarm loan and the likely recover of this, which of course impacts the ability for this to be recycled. As regards the processing of grants and loans, there will be additional changes. SCC as the LEP accountable body has historically provided the disbursement a monitoring of loans and grants. From FY24/25, as with other areas, back-office processing will be performed based on geography. So, a loan to a company in Norfolk will be managed, monitored and reported by the NCC Finance team, with the reverse in Suffolk. Workshops have been taking place to provide handover between SCC and NCC. Historic loans and grants will be treated in the same way, i.e. the monitoring and reporting will be delivered based on geography. In addition, NCC will take on the processing of the Norfolk only SGS and Rural Shared Prosperity schemes. The North Norfolk and West Norfolk grant programmes will continue, run by NCC. This has been agreed with North Norfolk DC and West Norfolk and Kings Lynn BC. Finally, it has become clear there is a large volume of physical files relating to loans and grants that have been issued over the lifetime of the LEP. Many of these have a legal and regulatory requirement for the documentation to be retained until up to 2032. A filing working group has been established comprising LEP, SCC and NCC staff, and space has been procured on the NCC estate to store the files in the long term. SCC and NCC will be responsible for funding their operations in support of grants and loans, which will likely be top slice from the funds, as well as monitoring of closed funds and programmes. It

	is also recognised in both Councils there must be a separation of duties between business development, underwriting and payment of grants/loans; this has been built into the team operating models. As with other functions, the Norfolk and Suffolk Business Boards will provide advice and input as to the design of the FY24/25 schemes.
Industry councils	The industry councils will continue in their current form in FY24/25. SCC and NCC will split the responsibilities for supporting and for secretariate of the industry councils, and most importantly, to ensure the remain engaged in the wider growth agenda. NCC will secretariat the Agritech Council and NAAME. SCC will secretariat the Council for Digital Tech. SCC will also secretariat the Energy Council, which is not currently convening, due to the issues identified in the LEP Board report of November 2023. The emerging proposal for the Energy Council is that EEEGR be asked to convene and operate this on behalf of the Councils. In addition, both SCC and NCC support the ongoing operation of the Norfolk and Suffolk Culture Board, and as now will provide the secretariat for this board. The industry councils' main interface will be with SCC and NCC officers. It is also expected the Norfolk and Suffolk Business Boards will have a strong interest in the perspectives of the industry councils, and they will provide input to key initiatives such as the refreshed economic strategy. In the medium term, the industry council's role and make-up may be further reviewed, alongside SCC and NCC developing their refreshed economic strategy and priorities. In addition, both County Councils will continue to work collaboratively across the region to support the skills-specific groups associated with the industry councils and other sector specific forums through the 'Skills Hub' partnership already established. This position will be reviewed in the medium-long term alongside other developments.
Connected Innovation programme and Innovation Board	The Connected Innovation programme is recognised by both councils as being both very successful, and critical for the development of the Suffolk and Norfolk economies. The programme will continue with its current strategy and workstreams, as previously agreed with the LEP Board. SCC will host the Head of Innovation, clusters coordinator and the Space Sector lead. NCC will host Innovation & Sectors Manager and the Innovation Hubs Coordinator. The team will operate as a virtual team across the two counties, in the same way as Inward Investment.

	NCC will provide secretariat for the Innovation Board. It is expected the current Innovation Board will continue based on their existing Terms of Reference, and that a relationship be established between the Innovation Board, Suffolk Business Board and Norfolk Business Board. Funding associated with the Connected Innovation Programme (as with other programmes) will be split between SCC and NCC based on the roles sitting in each organisation. A number of funding streams run out at the end of FY24/25, such as the current Space Sector funding; the team will seek to make the case to government for extensions to this funding and the wider programme.
Enterprise Zones	Operation and oversight of Enterprise Zones will be separated between SCC and NCC, on a geographic basis. LEP staff have also been split between SCC and NCC. The Suffolk Enterprise zones are largely developed out, so the oversight requirement is limited. NCC will continue to work with Norfolk districts on the marketing and development of Norfolk sites. As regards revenues from Enterprise Zones, in Suffolk the splits between Pots A, B & C will remain the same. The legal agreements will be transferred from LEP to SCC. Pot C has historically been used to fund the LEP. For Suffolk, the integrated LEP functions will still require some funding from Pot C, which will be drawn down first each year. Remaining Pot C funds will be utilised in 'Suffolk Investments', which has been agreed as a vehicle for shared Suffolk priorities. SCC, all Districts and two Business Board members will sit on the investment committee to oversee Suffolk Investments spend plans. Revised legal agreements regarding revenues from enterprise zones in Norfolk are being agreed on a site-by-site basis between NCC and individual district councils as requested by Norfolk districts. Funding generated by the EZ sites will continue to be used to support economic growth in the areas. In future, SCC and NCC expect to work with their District partners to identify further enterprise zones or investment zones, where the necessary incentives are available. This will be informed by the economic strategies, and by the input of the Suffolk and Norfolk Business Boards.
Skills Boot Camps programme	The Skills Bootcamp Programme will be delivered and managed by SCC on behalf of both Suffolk and Norfolk. The latest 'Wave 5' bootcamp funding from the Department for Education (£2.5m) covering bootcamp provision in financial year 24/25 has recently been secured. SCC are now taking forward the procurement process to contract the training providers that will directly provide the bootcamp training from April 2024.

	Current LEP staff involved in the successful delivery of the bootcamp programme will transfer into SCC. These staff will work alongside current SCC staff in the skills team to manage the provider contracts and relationships, support the brokering of partnerships between employers and providers, help identify and secure participants and ensure that the bootcamps are delivered in accordance with all legal and Department for Education requirements. A Memorandum of Understanding is being developed between SCC and NCC. This will ensure Governance arrangements are in place to enable both Norfolk and Suffolk County Councils to steer development and delivery of the bootcamp programme over the whole geography. It is expected that Government will continue to support the local delivery of bootcamp programmes in future financial years.
Careers Hub	NCC will assume primary accountability and responsibility for the delivery of the Careers Hub across both Norfolk and Suffolk. NCC will manage the contract with the Careers and Enterprise Company and employ and manage the members of staff employed to deliver the Careers Hub in Norfolk and Suffolk. Funding is secured from the Careers and Enterprise Company until August 2025 and both SCC and NCC have confirmed their commitment to the local match until then. Nine LEP staff operate in this area and will transfer into NCC as a single team. This team will operate, as now, across both counties and a Memorandum of Understanding is being developed between NCC and SCC. This will ensure Governance arrangements are in place to enable both Norfolk and Suffolk County Councils to steer development and delivery of the programme over the whole geography. It is expected that those Careers Hub staff with a remit for delivery in Suffolk will work closely with relevant members of the Suffolk County Council skills team and be embedded in relevant matrix ‘teams’ alongside Suffolk colleagues delivering on related objectives. This includes but is not limited to the ‘Work Inspiration Suffolk’ forum.
New Anglia Capital	SCC and NCC recognise the excellent work done by NAC and its directors over recent years to address the lack of seed and early-stage capital finance in Norfolk and Suffolk and to encourage the development of an angel investor network. We support the investments that have been made focusing on priority sectors. NCC have put forward an initial proposal for New Anglia Capital to be managed by NCC, for the benefit of both SCC and NCC. From an SCC perspective, this arrangement is satisfactory, provided certain arrangements are in place, including treatment of the existing portfolio, the funding arrangements, agreement regarding exit returns, equal board representation, and treatment of future SCC or NCC capital injections into NAC.

	NCC is currently working up more detailed proposals incorporating SCC's requirements, which will enable NAC to continue operating, and will enable LEP to make the appropriate arrangements during close down.
Economic Strategy	Both councils intend to review and refresh the current Norfolk and Suffolk Economic Strategy in FY24/25. It is expected this will result in two separate strategies; one for each county, albeit there will likely be close links between the two. LEP strategy and evidence base data will be transferred to SCC and NCC to support this review, and the Suffolk and Norfolk Business Boards, along with other key partners, will provide input, review and challenge. Until this review takes place, the existing Norfolk and Suffolk Economic Strategy will be the key reference.

4. LEP Staffing and People transition

4.1 The September LEP Board Report and the Integration Plans set out the LEP's current organisational structure and broad information about the staffing cost base. Subsequent to this, extensive work has taken place involving HR leads across LEP, SCC and NCC, and involving the senior management stakeholders at LEP, SCC and NCC.

4.2 Both NCC and SCC set out that they were looking to retain LEP staff and key skills, where funding was available, and where it was affordable for the Councils. In some areas, such as corporate functions (HR, Communications, Finance etc), NCC and SCC set out that they would seek to utilise their own existing capabilities in these areas.

4.3 During Autumn, NCC and SCC set out their 'target organisation structures' which identified the LEP roles each organisation wished to integrate, based on the plan for the functions as set out in the Integration Plan. As an example, the target organisation structures showed all Careers Hub staff moving into NCC, and all Skills Bootcamp staff moving into SCC, based on this being the future delivery model. The target organisation structures also set out the future reporting lines in NCC and SCC. Of the 55 LEP roles, 43 were allocated to the target state SCC and NCC structures. The remaining 12 roles were already vacant, been resigned, or, were not required in the future structures.

4.4 During Autumn, the HR teams explored the most appropriate solutions for transferring LEP staff to the Councils, and for managing LEP roles which were unlikely to be required. Two options presented themselves:

- TUPE of LEP staff to SCC and NCC on existing LEP terms and conditions.
- LEP staff resign and then join specifically allocated roles in SCC and NCC on Council terms and conditions.

4.5 Whilst NCC and SCC naturally would have a strong preference for joiners to be on Council terms and conditions, it was agreed that the fairest and most effective way to transfer staff would be on existing LEP terms.

4.6 Following this, LEP began a formal consultation process in November, led by the CEO. This involved every staff member having individual meetings and being informed of the organisation which they had been allocated to. Where individuals were not allocated to a future structure, alternative options were set out. The LEP, SCC and NCC HR teams developed a set of Frequently Asked Questions, which were disseminated back to staff.

4.7 SCC and NCC gave presentations to LEP staff in October, December and January, setting out the future arrangements, and responding to staff questions.

4.8 During February, both SCC and NCC will hold half day workshops where LEP staff will visit Council offices, meet key stakeholders and engage in preparation work.

Figure 1 below sets out the SCC target structure.

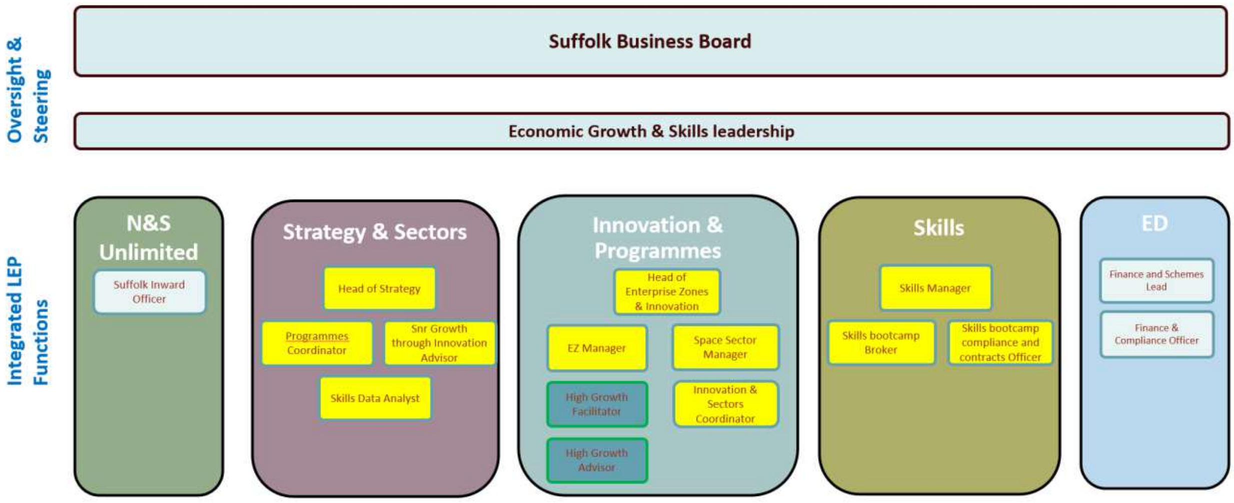
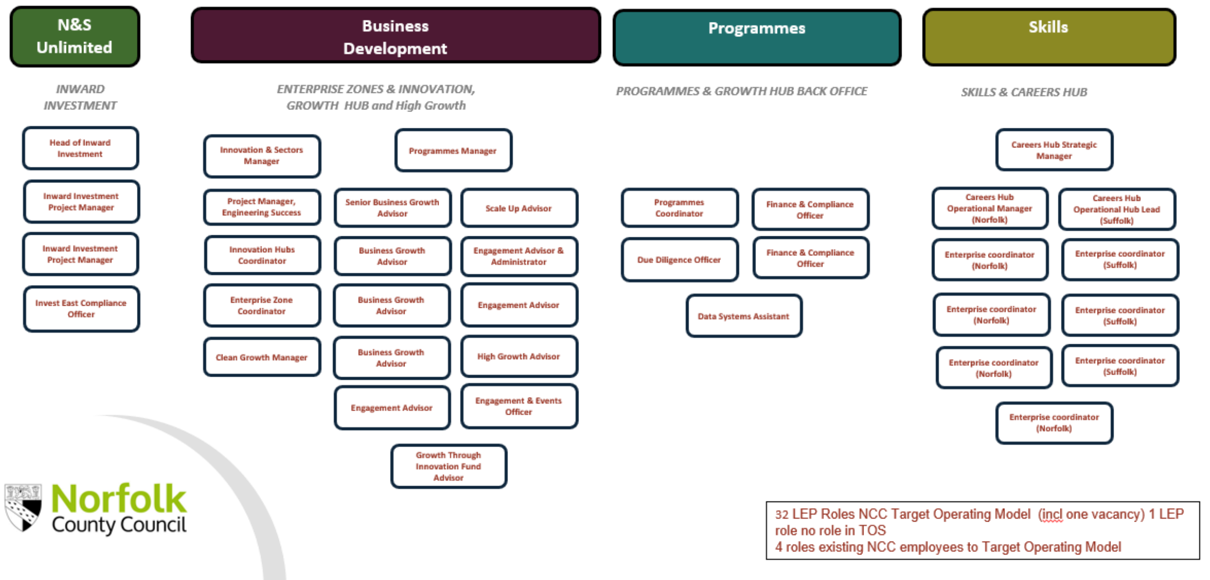


Figure 2 below sets out the NCC target structure



4.9 The structures set out above will sit as part of the existing Council organisations; in the case of SCC under 'Growth Highways and Infrastructure', and in NCC under 'Growth & Investment'. It should be noted the structures are indicative, and detail discussions are ongoing around for example details of line management arrangements.

4.10 Based on the processes set out above, LEP will need to fund up to 6 redundancies, which is covered by the existing redundancy Reserve

5. Business Boards

5.1 The role of business is seen as critical in the process of LEP integration and Government has mandated the creation of Business Boards as part of the transition into upper tier authorities. The Government's English devolution accountability framework published in March 2023 says:
"All institutions with devolved powers should embed a strong, independent, and diverse local business voice into their decision-making processes...This business board should build on the success of existing LEP boards wherever possible."

5.2 Norfolk County Council and Suffolk County Council have engaged extensively with business representatives on the development of business boards over the last 6 months.

5.3 In Suffolk, 'business breakfasts' were held over autumn 2023 across 7 locations in the county. The Chamber of Commerce, the IOD and the FSB were engaged to ensure a large and representative group of attendees engaged with the events; in total over 80 businesses attended. The events debated key issues including the role, remit and diversity of the Board, the future plans for working closely with Norfolk and other regional partners, the economic ambition for Suffolk (and how this is articulated), and, building on the success of New Anglia.

5.4 It is proposed the Suffolk Business Board will have 14 members and include representation from Business, from local government, and from education. Key local business representation organisations including the Chamber of Commerce and FSB will be encouraged to be part of the Board. It is also proposed for 1 seat to be offered to an existing LEP Board member. Business representatives will form the majority of the Board, covering 10 of the 14 seats. The Business Board will advise on the overall economic strategy for Suffolk as well as key integration LEP programmes. The Board will meet 4-6 times a year, albeit there will likely be a number of one-off workshops around strategy and integration.

5.5 Recruitment to the Suffolk Business Board will begin in February 2024, and will aim to conclude by early in FY24/25 to ensure the Business Board can meet as early as possible in the new year. It is expected that given some roles will be recruited earlier than others, there may be some roles which are on interim, or shorter terms than others.

5.6 NCC held a series of business round tables in 2023 to listen to business and explore initial options for the board.

5.7 Further consultation is taking place during January and February as part of the development of the Norfolk Economic Strategy.

5.8 In Norfolk it is proposed that the Norfolk Business Board will be a dedicated business board with the following purpose:

- A partnership between business, education and local government to enable sustainable growth in Norfolk.
- A strategic board designed to shape policies and create actions to improve Norfolk businesses and employees.

5.9 The Norfolk Business Board will consist of 16 members. This will include business leaders (VCSE), local authority leaders (county and district) and education representatives (FE & HE). Members will be recruited through external advertisement. A 3-year term is anticipated.

5.10 Recruitment of the Norfolk business Board is expected in March.

5.11 The responsibilities of each Business Board will include:

- To develop an ambitious evidence based economic strategy for the counties.
- To act as an advocate for Norfolk and Suffolk's economies to raise the county's profile with Government.
- To work to attract new business investment into the county.
- To convene businesses to understand their needs and ambitions.
- To act as an enabling vehicle for sector specific councils and groups.
- To develop and oversee programmes to support business growth (including start-up and increasing innovation and productivity).
- To make recommendations for funding projects and programmes to support business growth.

6. Alternative Options

6.1 In the September LEP Board paper a number of alternative options were set out, which had been considered and rejected. No further alternatives have been considered subsequently; the focus has been on implementing the Integration Plan.

7. Next Steps

7.1 The following next steps are programmed over the coming months:

- Comms to LEP partners and stakeholders following final LEP Board update – Feb 2024.
- NCC Cabinet consider report on proposed Norfolk Business Board – March 2024.
- SCC Cabinet consider report on proposed Suffolk Business Board – March 2024.
- Staff, contracts and initial funding transfer to SCC and NCC – 1st April 2024.
- The eventual wind-up of New Anglia LEP is expected to be in Q2 24/25. SCC as accountable body will continue to oversee the wind-up.

7.2 Both NCC and SCC will work with relevant Officers, Members and external partners to ensure the transition plans are delivered in line with expectation. The existing 3 way working groups covering SCC, NCC and LEP which are overseeing the integration will continue as needed into Q1 24/25.

Recommendation

The LEP Board is asked to endorse the progress being made as regards implementation of the Norfolk and Suffolk LEP Integration Plans.

8. Background Papers

Local Enterprise Partnerships: integration of LEP functions into local democratic institutions **-** Guidance for local authorities delivering business representation and local economic planning functions - GOV.UK (www.gov.uk)

Guidance for Local Enterprise Partnerships (LEPs) and local and combined authorities: integration of LEP functions into local democratic institutions - GOV.UK (www.gov.uk)

New Anglia Local Enterprise Partnership Board
Wednesday 31 January 2024

Agenda Item: 6

Business Growth Programme Completion (European Regional Development Fund)

Author: Jason Middleton Presenter: Chris Dashper

Recommendation

The LEP Board is invited to note the report which highlights the success of the European Regional Development Fund (ERDF) funded elements of the Business Growth Programme.

Background

During the formation of New Anglia LEP in 2010, consultation with a range of organisations identified business support as one of the main pillars of future delivery, with eight priority areas:

- Face-to-face advice and guidance
- Business start-up advice and workshops
- Improved skills levels in the workforce
- Mentoring to help businesses grow more quickly
- Greater access to finance through loans and grants
- Support for businesses with high growth potential
- Improved access to premises and incubator space
- Businesses provided with clear understanding of what support is available.

With the formation of the LEP in 2011, there was a focus on activities that would have an immediate impact to accelerate business growth and job creation. However, there was also a focus on ensuring long-term economic growth with the team developing the Growing Business Fund (launched in 2013) and working with the Cabinet Office on a Growth Hub Network.

As part of the then City Deals initiative, the LEP worked with local partners Nwes, Menta, Suffolk County Council and Suffolk Chamber of Commerce, to apply for funding from the Department for Business Energy and Industrial Strategy (BEIS), now the Department for Business and Trade, to develop what became the LEP's flagship business support programme, the Business Growth Programme

The programme was launched in May 2014, then made up of four key elements:

> **Growth Hub:** Delivered by Suffolk Chamber of Commerce, providing free and impartial advice and diagnostics service to help businesses to identify the support they need.

Start Up Support: Delivered by Menta and Nwes, providing free training and support for individuals to assist them to successfully establish a new business.

Innovation Vouchers: Delivered by Norwich University of the Arts, University of East Anglia and University of Suffolk, providing free specialist innovation consultation.

Micro Grant Scheme: Delivered by Suffolk County Council (grant payments), Nwes (due diligence), providing growth grants between £1k to £10k up to 20% of costs.

Governance

High quality governance has been central to the success of the programme, with delivery overseen by the Growth Programme Partnership Board (now Business Support Board) as well as the New Anglia Economic Development Officers Group. In terms of operation, the LEP was the applicant for all funding bids as well as the accountable body on behalf of the partnership, submitting reports and financial claims and bankrolling the programme in terms of payments to partners, to ensure financial cash flow constraints were not passed on to delivery partners.

ERDF Delivery

Take-up of the support provided by the initial programme was high, with an independent evaluation showing the significant impact of the support provided, as well as providing feedback on how to improve and enhance future delivery. The evaluation also provided the evidence required to enable the partnership to develop an ERDF application, which would fund delivery for a further three years, and if successful, additional funding until up to June 2023.

Evaluation and Improvement

The value and benefit of the initial evaluation showed the importance of undertaking regular independent annual evaluation of the delivery activity and management processes and formed a key element of programme delivery going forward. By embedding independent annual evaluations into the programme, delivery partners and the wider LEP partnership has had regular information on the of the impact of delivery as well as informing them on how best to change and improve future delivery. It has also provided reassurance around ERDF compliance and audit.

The nine evaluations that took place over the same period enabled significant changes in operation as well as changes to the service delivered to clients. For example, the Innovation Voucher Scheme was dropped as it was considered too complicated and the Micro Grant Scheme changed to become the Small Grant Scheme (SGS). These changes enabled the SGS to offer grants up to £25k and also provide funding for consultancy, which negated the need for a separate Innovation Vouchers scheme. Ongoing change to Growth Hub delivery, including the launch of Scale Up New Anglia, ensured that the Programme continued to meet the needs of clients through the provision of high quality support services.

As a result of this continuous review and improvement process and the ability to raise the quality of delivery, the New Anglia Business Growth Programme was able to extend its initial ERDF funded delivery three times, with ERDF funding running up to the end of June 2023, when all ERDF delivery in the UK ended. This enabled the programme to become the largest project in the Greater Southeast as well as being one of the most successful and regarded ERDF projects in the UK in terms of its impact and value for money.

Delivery Success and Impact

Since the launch of the ERDF delivery in 2015, the programme has shown significant success and delivered a wide range of activity. The table below shows the outputs for ERDF delivery, and does not include the significant additional delivery provided during the Covid 19 Pandemic in terms of the Visitor Economy Grant Scheme and/or Wider Economy Grant Scheme, nor does it take into account that during the pandemic up to 90% of calls taken by the team were not claimed as outputs as the priority was to support as many businesses as possible, with temporary precedence over ERDF compliance.

Output Indicator	**Contracted Targets**	**Actuals Achieved**	**Percentage Achieved**
Number of businesses receiving support	2,869.00	2,888.00	100.7%
Number of businesses receiving grants	460.00	439.00	95.4%
Number of businesses receiving non-financial support or over 12 hours	1,304.00	1,124.00	86.2%
Number of new enterprises created	1,563.00	1,664.00	106.5%
Private sector match funding	£17,329,291.00	£16,922,105.51	97.7%
Number of new jobs created	1,646.00	1,650.95	100.3%
Number of businesses introducing new to the business products	94.00	174.00	185.1%
Number of people assisted to create a new enterprise	2,366.00	2,554.00	107.9%
Number of businesses receiving information, diagnostic or brokerage support of 3 hours or more	4,385.00	3,509.00	80.0%

Outputs show that against the key target of “Number of businesses receiving support” the programme achieved its target, despite the significant disruption and unclaimed targets due to Covid 19. This is reflected in telephone and email data during the initial stages of the pandemic period which shows that the Growth Hub team were managing over 1,000 enquires per month and during the period April 2020 to March 2021, the Growth Hub team delivered in excess of ten times their business enquiry targets.

The lack of claimable outputs due to Covid also impacted on the “Number of businesses receiving information, diagnostic or brokerage support of 3 hours or more” however, the actual number supported was significantly higher than the claimed number.

The “Number of businesses receiving grants” was slightly below target due to some businesses receiving more than one grant, however, this was offset by the “Number of businesses introducing new to the business products” and “Number of new jobs created”.

At the project close, the number of grants defrayed and claimed was £4,730,089.87 which represents 99% of the overall grant budget and match funding was leveraged totalling £17.3 million.

Overall, the ERDF funded elements of the Business Expenditure totalled £33,844,211.02 against profiled expenditure of £34,658,582, which is 97.7% of profile.

VEG/WEG

As well as the main programme, between September 2020 and March 2021 and an additional 207 ERDF grants totalling £565,783 were paid out in the form of the Visitor Economy Grant (VEG) Scheme and Wider Economy Grant (WEG) schemes to provide funding to businesses hit hardest by the Pandemic. Many of these businesses had never accessed grant support before and required significant support which was delivered entirely through remote working.

ERDF Project Closure

An end of project Summative Assessment was submitted to in June, which showed the impact of delivery up to the end of March 2023 (copy included in the Board papers). The 69 Page document is extremely detailed, but most significantly, the report shows that the ten-year "Net Additional Economic Impact" of the project is just over £1 billion. However, since the Summative Assessment was submitted further outputs have been achieved by the Programme.

Records for the ERDF programme will be retained until 2032 and provision for safe storage in line with ERDF audit criteria has been arranged in Norfolk.

Quotes from partners

Ewan McIntosh, DLUHC (Department for Levelling Up, Housing and Communities) *"I would personally like to extend my thanks to all your project team and Delivery Partner staff involved in the very successful delivery of the New Anglia Business Growth Programme project and its Child Project. Thank you for the team's leadership, governance and management that ensured the excellent achievement of New Anglia Business Growth Programme against its expenditure and Output targets. It is fully recognised this was achieved against a difficult set of circumstances which is a clear demonstration of the strong delivery credentials of New Anglia LEP and the Delivery Partners under the New Anglia Business Growth Programme project."*

John Dugmore, Suffolk Chamber of Commerce *"As the country's largest non-metropolitan chamber, the decade-long project to deliver the New Anglia Growth Hub was the perfect partnership between Suffolk Chamber, the region's business community and the New Anglia LEP. Playing very much to Suffolk Chamber's core strengths of extensive business contacts and a deep understanding of the challenges and opportunities facing the two counties, we are pleased that we were able to pull together and develop a superb team of qualified and professional business advisers, to deliver one of the best VFM growth hubs in the country and help over 13,000 firms to grow that created over 2000 roles. Therefore, Suffolk Chamber is pleased that we have been able to play our part in this all round, partnership, success story and to continue boosting sustainable business growth through a range of ongoing projects and partnerships."*

Andrew Wilson, NWES (Norfolk & Waveney Enterprise Services) *"The New Anglia Business Growth Programme provided a period of stability in local business support provision and the benefit of that can be seen in the strong impact achieved. One of the key successes was that the partners supported each other across the programme elements and worked together to provide clear, cohesive support to micro and small businesses."*

Jason Middleton, New Anglia LEP *"The New Anglia Business Growth Programme shows the significant experience, professionalism and determination that the LEP and its partners have in delivering business support that meets local needs in a significantly challenging environment."*

Alex Till, MENTA (Mid Anglian Enterprise Agency) *"The New Anglia Business Growth Programme has been delivered in the most progressive and engaging way, not only from the strategic delivery and management of partners and stake holders, but also in the fluidity of approach by the delivery partners and the ability to manage the operational journey of those new, emerging or growing business.*

The level of support, advice and grant availability, has been unbelievable and has truly delivered a programme of economic support that has had not only created direct economic growth, but has also had a significant social return on investment and a huge social impact. The ability to work seamless across the partnership, has been a pleasure and has enabled a smooth continuous journey for the clients accessing support and this is demonstrated through the outputs that have been generated, and the testimonials and case studies that have been provided. This programme has been a true success in every way, and I feel proud to have been part of it."

Beverly Davies, Suffolk County Council *"The New Anglia Business Growth Programme has been incredibly successful, and one in which Suffolk County Council has been privileged to be a partner. We have seen the benefits to businesses and, ultimately, communities, thanks to the successful leadership by the New Anglia LEP."*

Future Delivery

With all UK ERDF funded activity ending in June 2023, the LEP worked with partners to ensure that future delivery could continue to meet the needs of local businesses and ensure a continuity of service delivery is maintained by making use of UKSPF funding until the end of March 2025.

With regards to LEP transition, the LEP is working with Norfolk County Council and Suffolk County Council to ensure that business support continues to meet business needs as well as ensuring that future programmes take on board the lessons learnt from the New Anglia Business Growth Programme, to ensure future success.

Recommendation

The LEP Board is invited to note the report which highlights the success of the European Regional Development Fund (ERDF) funded elements of the Business Growth Programme.

The New Anglia Business Growth Programme 2015/2023

A Summative Assessment – June 2023





European Union
European Regional Development Fund

INSIGHTWORKS

NEWANGLIA
Local Enterprise Partnership for Norfolk and Suffolk

Contents

Meetings & Interviews

- **13/12/2022:** Nataliya Klymko, Programmes Coordinator, New Anglia LEP
- **18/01/2023:** Jason Middleton, Programmes Manager and Nataliya Klymko, New Anglia LEP
- **25/01/2023:** Jason Middleton Programmes Manager
- **01/02/2023:** Nataliya Klymko Programmes Coordinator
- **16/02/2023:** Inception Meeting
- **14/04/2023:** Nataliya Klymko Programmes Coordinator
- **24/05/2023:** Mags Oakley, Senior Engagement Adviser, Hannah Osborne, Engagement Adviser, Jamie Bird, Engagement Adviser, New Anglia Growth Hub
- **24/05/2023:** Robert Turnbull, Senior Business Growth Adviser, Chris Sharman, Senior Business Growth Adviser, New Anglia Growth Hub
- **13/06/2023:** John Neild, COO, MENTA and Alex Till, CEO, MENTA
- **15/06/2023:** Andrew Wilson, Regional Director, NWES
- **20/06/2023:** Stuart Quick, Economic Growth Manager, Stuart Damonsing, Business Development Manager, North Norfolk District Council
- **21/06/2023:** Ellen Tilney, Economic Development Manager, Norwich City Council
- **26/06/2023:** Matt Jones, Economic Development Manager, Suffolk County Council
- **27/06/2023:** Tim Teather, Investment, Innovation and Business Development Lead, Clare Free, Economic Development Officer, and Michelle Gordon, Corporate Manager, Babergh and Mid Suffolk District Council
- **29/06/2023:** Marie Webster Fitch, Economic Development Manager, Ipswich Borough Council
- **29/06/2023:** Roberta Willner, Business Development Manager, Norfolk County Council
- **13/07/2023:** Review meeting Jason Middleton, Nataliya Klymko, Fran Rice, Growth Programme Finance & Compliance Officer and Alan Herbert, Due Diligence Officer, New Anglia LEP
- **02/08/2023:** Alan Herbert Due Diligence Officer
- **04/08/2023:** Jason Middleton Project Manager

Executive Summary

Over the last 8 years, with a total project expenditure of £31.5m (including private sector investment of £15.7m) and an ERDF contribution of £14.7m:

- **The New Anglia Growth Hub has assisted thousands of local companies to access significant levels of finance, not only via the Small Grant Scheme, but also from numerous other local and national offers, handling numerous types of grant support including the 13 national programmes introduced during the pandemic and the additional local responses.**
- **1,000+ companies have received more than 12 hours of advisory support.**
- **Assistance has contributed to the creation of 171 new products and services.**
- **Over 80% of beneficiary survey respondents reported significant boosts to productivity as a result of the help given and reported over £420m of new sales.**
- **Support has triggered £119.9 million of additional GVA, year-on-year, in the local economy.**
- **2,602 (net) jobs have been created and 2,614 (net) safeguarded across sectors. This is a combined net employment impact of 5,216.**
- **1,664 new businesses have been started.**

A strong partnership with sound connections, a collaborative spirit and open lines of communication – Suffolk Chamber of Commerce, NWES and MENTA have been the primary delivery bodies of business and Start Up support in the region and Suffolk County Council is an experienced Accountable Body.

According to the project CRM, at the time of the evaluation 12,962 businesses have been supported by the Growth Hub since day one with the team offering 72,734.75 hours of support including access to 5,237.95 hours of support provided to the BEIS funded Peer-to-Peer Networks.

The project has made a major contribution to local enterprise and business development, job creation and removing barriers to business growth via the significant financial support which it has provided and helped access. It has also contributed to business survival rates and helped stop the decline in the local business stock. This has been achieved in a regional context where there are fewer than average entrepreneurs, few prime companies and a business stock characterised by low levels of innovation. It has had less impact in terms of its objectives in relation to Clean tech and in supporting new high growth potential businesses.

The Growth Hub has had four managers during the delivery period and there has been considerable turnover in the Adviser cohort.

The pandemic resulted in the Hub being inundated with enquiries - with local councils pointing every business enquiry to the Hub. To its (and the LEP's) credit the team stepped up (despite their own considerable personal pressures) and they put the tools in place to provide support in challenging conditions.

The LEP Growth team made changes to the Micro/Small Grant Scheme which increased its popularity.

The Scale Up New Anglia initiative has been very successful in creating better pathways for local companies to national programmes such as that offered by Goldman Sachs - doubling referrals to such schemes over time.

10-Year Net Additional Economic Impact

£860,462,966

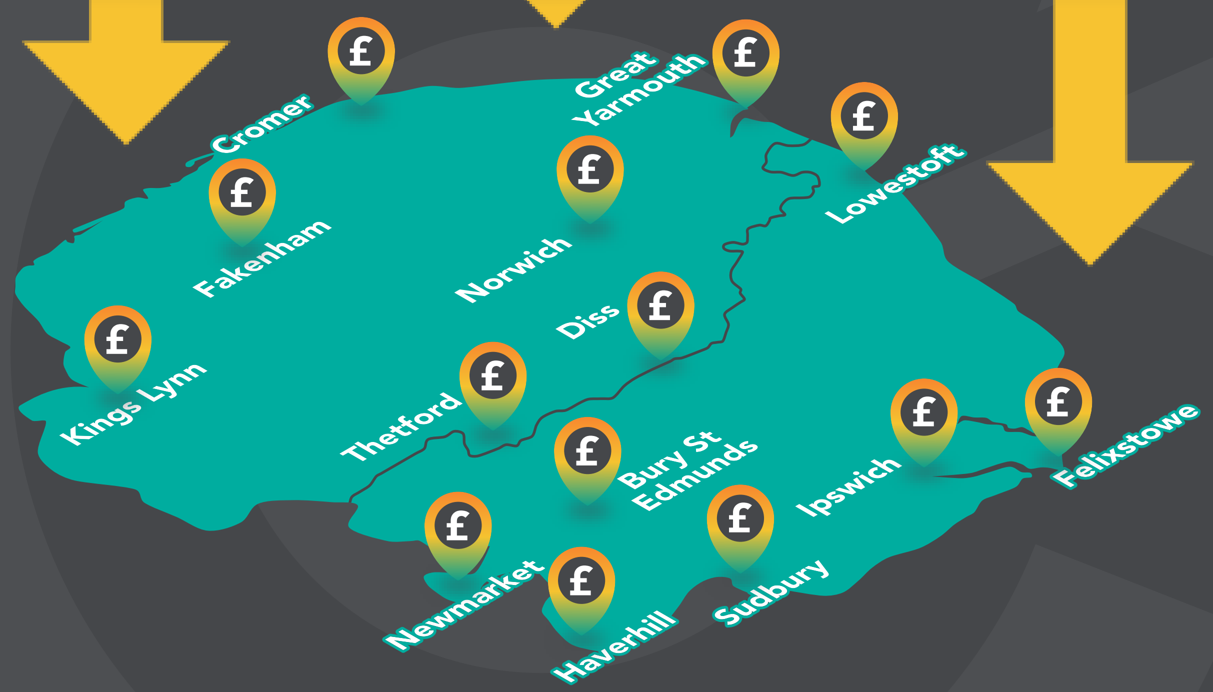
BGP 10-Year net additional economic impact based on employment increase.

£172,334,775

BGP 10 Year net safeguarded economic impact based on jobs safeguarded.

Combined 10-Year net additional and safeguarded economic impact based on employment:

£1,032,797,741



Persistence

It is likely that the employment and GVA impacts will continue for several years, providing ongoing benefits to the local economy. To estimate this ongoing impact, a 10-year persistence effect can be applied utilising a discount rate of 3.5% (based on HM Treasury Green Book). To calculate this, we have used the employment increase as measured by the project and surveys. The 10-year impact estimates are as above.

Project Overview

The New Anglia Business Growth Programme (BGP) has been a significant, long lived business project managed by New Anglia Local Enterprise Partnership – led by the LEP Growth team, with 4 delivery partners:

- **Suffolk County Council** – Accountable body, monitoring and payments for the Small Grant Scheme
- **Suffolk Chamber of Commerce** – Delivery of a Growth Hub
- **NWES** – Delivery of Start Up Programme support and some Small Grant Scheme Due Diligence (until 2019, when the resources were transferred to the LEP)
- **MENTA** – Delivery of Start Up Programme support

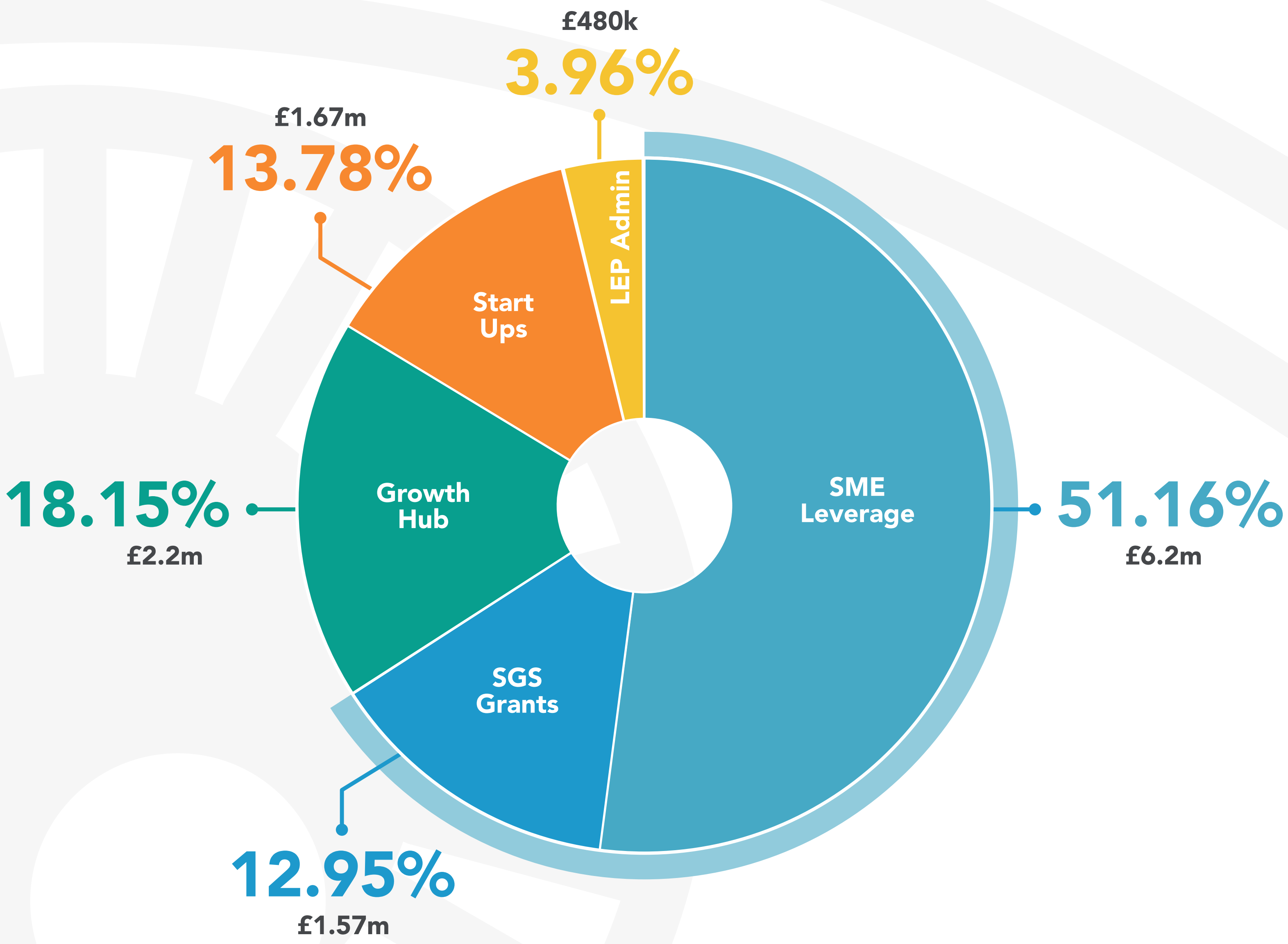
With a total final forecast value of circa £34m, the BGP will have included an ERDF contribution of circa £17m and secured SME Beneficiary Match/leverage of a similar level.

The local Partnership Agreements creating the Business Growth Programme were signed on the 01/09/2015. The project Funding Agreement was signed during August 2016 and a project Delivery Plan was finalised on 15/12/2016.

- **Full Application Submission Date:** 29/04/2016
- **Project Start Date:** Originally proposed as 01/09/2015
- **Project End Date:** Originally proposed as 31/10/2018 – following five PCRs extended to 30/06/2023*
- **Total Project Costs:** Total costs originally projected as £12.7m (£6.3m ERDF) finally agreed as circa £34.6m (£17.3m ERDF)

*In 2018, the original programme was extended by an additional three years, turning the BGP into a six year, £28.05m project, consisting of approximately £14m of ERDF funding and £14m of SME beneficiary match.

Original Project Design



Indicators / Expenditure	Original Funding Agreement	Amount in most recent Funding Agreement Variation	Total achieved at time of evaluation	% of target	Projected to be achieved at Project Closure	% of target
Indicators						
ERDF Capital Expenditure (£m)	£6,007,686	£21,365,350	£19,269,205	90%	£21,000,000	98%
ERDF Revenue Expenditure (£m)	£6,692,644	£13,293,232	£12,279,842	92%	£12,700,000	96%
Indicators						
(C1) Number of enterprises receiving support	1,390	2,869	2,854	99%	2,879	100%
(C2) Number of enterprises receiving grants	270	460	403	88%	439	95%
(C4) Number of enterprises receiving non–financial support	430	1,304	1,104	85%	1,131	87%
(C5) Number of new enterprises supported	685	1,563	1,664	106%	1,664	106%
(C6) Private investment matching public support to enterprises (grants)	£6,350,165	£17,329,291	£15,686,260	91%	£16,850,000.00	97%
(C8) Employment increase in supported enterprises	820	1,646	1,603	97%	1,613	98%
(C29) Number of enterprises supported to introduce new to the firm products	25	94	100	106%	103	110%
(P11) Number of potential entrepreneurs assisted to be enterprise ready	810	2,366	2,554	108%	2,554	108%
(P13) Number of enterprises receiving information, diagnostic and brokerage support	2,640	4,385	3,501	80%	3,509	80%

Output and Expenditure Progress

		Total	Target	% Achieved	Balance
Enterpises Supported	C1	2,854	2869	99%	-15
Grants	C2	403	460	88%	-57
Non-financial	C4	1,104	1,304	85%	-200
Start-ups	C5	1,664	1,563	106%	101
Private Match	C6	£15,686,260.49	£17,329,291	91%	-£1,643,030.51
Jobs Created	C8	1603	1646	97%	-43
New to the Firm Prod. & Serv.	C29	100	94	106%	6
Entrepenuers	P11	2,554	2,366	108%	188
IDB	P13	3,501	4,385	80%	-884

Total Outputs Achieved

During Covid-19, DLUHC approved the use of ERDF monies to fund a child project, the Visitor Economy Grants (VEG) and Wider Economy Grants (WEG) scheme. This project utilised £586,000 to deliver small grants to support the visitor economy and wider economy to recover from the pandemic. The project targets and results are shown in the table below and are separate to the achievements of the BGP project.

	Target	Total
Expenditure	£586,728	£586,727
(C1) Enterprises Supported	175	201
(C2) Grants	175	201
(C8) Employment	0	29.27
(C29) New to the Firm Prod. & Serv.	0	71

Child Project Targets and Totals

Summative Assessment History

Following an Invitation to Tender in 2016 and a subsequent competitive interview the Insight Works team was appointed as evaluators in March 2017 to undertake a Summative Assessment of this European Regional Development Fund (ERDF) supported project.

Our initial work included a review of the evaluation of the predecessor New Anglia Growth Programme - produced in between October 2015 and January 2016 by Aston University. That programme had been operational in the period from March 2014 – June 2015 (15 months) and included a Growth Hub, Start Up initiative and a small grant scheme which had been funded by HMG's City Deals and the Regional Growth Fund. That programme enjoyed many similarities to BGP but the administrative requirements and output criteria were a much lighter touch than those demanded by ERDF. The BGP delivery model was largely unaltered – broadly emulating Business Link - with the elimination of the former programme's innovation voucher offer.

Our commission in 2017 was to conduct three annual evaluations, with our Yr. 1 work functioning as a mid-term review. Following an ITQ on 31 May 2019 our team was appointed to undertake further evaluations for the years August 2018 to September 2019, 2019/2020 and 2020/2021 and in February 2023 we were contracted to complete a final evaluation covering the further 22 months of delivery achieved under the latest extension arrangements.

We believe it is extremely important for the Managing Authority and other partners to pay attention to the lessons learned in the delivery of the BGP as it is one of a small number nationally, which has been operating consistently since March 2014 maintaining a broadly fixed delivery structure. That sort of "stability" is exceptional in publicly funded business support interventions. We have attempted to capture the many lessons learned in the Conclusions section of this report.

We hope our work in this final assessment will help the LEP, local and other partners in the design and delivery of future business support which we regard as an underrated and undervalued economic development activity, and a vitally important and precious element of public investment.

This report adopts a structure in line with the requirements set out by the Managing Authority – Department for Levelling Up, Housing and Communities (DLUHC) – Summative Assessment Guidance ESIF-GN-1-033 Version 4 01/07/2021 and ESIF-GN-1-034 Version 4 01/07/2021.

Approach

Our work in this assessment has been centred around our five key practices:

- **Focus**, a method of managing inception meetings which define the critical issues and priorities and lay the foundations for assessing added value and value for money.
- **Explore**, a forensic review of project documentation, management information, team, partner and stakeholder views, tailored beneficiary surveys and an examination of a project's Full Application, Logic Model and any Project Change Requests. Over the years our interviews of the team and partners have been numerous, informal, non-attributable and structured, drawing on responses to bespoke sets of open questions.
- **Analyse,** bringing together the results from the focus and exploration phases (particularly the beneficiary surveys) into Insight Works team review sessions to clarify economic impact, project outcomes and support – all driven by an active search for specific insights and lessons learned.
- **Innovate**, applying proven innovation tools and techniques to generate improvement ideas – actively supported by the LEP team – to particularly focus on the comprehensive identification of business and individual impacts and the understanding of project beneficiaries.
- **Report**, meeting (and exceeding) all client, Managing Authority and ITT requirements.

In line with the MA guidance our work has assessed the:

- Rationale, design, context, and project logic
- Performance against contracted targets and expenditure profiles
- Impact on individuals and organisations
- Project management and governance processes
- Performance of key delivery components
- Lessons learnt, strengths and weaknesses
- Recommendations for future delivery

We:

- Conducted a review of the Full Application submitted in April 2016 and the project Logic Model which outlined the original rationale and context under which the project was designed and developed, its objectives and the model created to deliver the objectives.
- Analysed available Management Information, including CRM data and administrative information to verify performance against targets and understand the nature and scale of support and the quality of data capture.
- Interviewed the LEP and LEP Growth team members, Delivery Partners and Stakeholders
- Reviewed our preliminary conclusions and created our key conclusions recommendations, drawing on our innovation process for exploring issues, challenges and problems, generating ideas, testing their viability, feasibility and desirability, and making recommendations for improvement.

Throughout the process we have supported the LEP project team and partners with particular delivery challenges, addressing emerging issues, focussing on developing practical recommendations or solutions.

We would sincerely like to thank everyone involved in delivery of this project for their active collaboration with the numerous evaluation processes. It has been a privilege to work with colleagues at the LEP, the Chamber, MENTA, NWES and SCC over the last few years and to play a small part in the development and delivery of this major project.

1. Project Context

1.1 What was the project seeking to do?

The Full Application proposed that activity was to be delivered via 3 cohesive components:

- **A Growth Hub** – providing in-depth advice and guidance to businesses
- **A Small Grant Scheme**[1] – enabling business growth through grants ranging from £1,000 - £25,000 at a maximum intervention rate of 20%
- **A Start Up Programme** - supporting individuals during pre-start and in the first 2 years of operation.

The BGP was designed in early 2014 to address some of the objectives of the LEP's European Structural Investment Fund (ESIF) Strategy and the Strategic Economic Plan (refreshed in 2020). It aimed to deliver economic growth, increase and accelerate Start Up rates and provide an access point for local companies in a fragmented business support landscape via grants of up to £10k.

The primary objective, as stated in the Full Application was:

"To meet the needs of local businesses and individuals seeking to start an enterprise, by under-pinning business confidence with a fit for purpose business support programme."

[1] In 2017, following The Insight Works year 1 evaluation, the Micro Grant Scheme was renamed the Small Grant Scheme, with the maximum grant value increased to £25,000.

There were 4 (sub) objectives, to:

- Implement a business support and brokerage service to provide a first stop for all businesses in the LEP area, which are looking for help to develop and grow
- Deliver a scheme of small, capital and revenue grants, which encourage and support SMEs to implement their business plans, resulting in business growth
- Support to individuals who are seeking to establish an enterprise pre and Start Up and early-stage enterprises, in order for them to receive the help and support they require to form a successful enterprise and create new employment opportunities
- Establish the partnership and working practices for future development of business support activity, to ensure they meet business needs

The Full Application also set out the strategic drivers:

New Anglia LEP ESIF Strategy and New Anglia Strategic Economic Plan: The programme was designed to address some of the objectives of both key local strategies which aimed to deliver economic growth, enterprise development, job creation, addressing barriers to growth, increasing, and accelerating business Start Up rates and creating new businesses with high growth potential.

England Operational Programme (2014/2020): The project supported the Operational Programme ambition to deliver smart, sustainable and inclusive growth through focussed business support, targeting key sector strengths, providing access to funding and working with local partners to drive growth.

The project was to be delivered under Priority Axis 3 Enhancing the Competitiveness of Small and Medium Sized Enterprises, with support aligned with the following Investment Priorities:

- **Investment Priority 3a:** Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators.
- **Investment Priority 3c:** Supporting the creation and extension of advanced capacities for products, services and development.

The ESIF strategy had stated that the New Anglia area hosted fewer and less entrepreneurial businesses than the national average though it had a lower churn rate than other areas nationally – with the Full Application referencing *"a static or stagnant business market"*.

An options analysis had been considered and assessed by a mix of LEP Board members, other partners and stakeholders and the independent evaluation of the Wave 2 pilot (mentioned above) had confirmed the project had adopted the correct approach to meet its similar objectives and this would deliver the greatest return on investment by delivering 'in depth' support to new and growing businesses.

1.2 What was the economic and policy context at the time that the project was designed?

The availability of ERDF resources presented local partners with an important opportunity to build on the experience and knowledge acquired during the delivery of the Wave 2 Growth Programme pilot. The Full Application provided comprehensive evidence to support the design of the Growth Hub. It highlighted that in 2014/2015 (during the pilot phase of the Growth Hub) 3,854 businesses/individuals had been engaged, with 1,771 (46%) going on to take up support. There was clearly a role for the project in meeting these kinds of needs amongst local businesses. The New Anglia Business Growth Programme (BGP) had been piloted as part of the Government's Wave 2 City Growth Hubs programme, initially funded by the Regional Growth Fund, and later via direct funding from the Department for Business Innovation and Skills. The 1-year pilot delivered a Growth Hub, Start Up Support, Small Grant Scheme and included an Innovation Voucher offer.

In September 2015, the programme attracted what was to be its first tranche of ERDF funding. The Growth Hub was retained, Start Up support was enhanced and a new Micro Grant Scheme was introduced (subsequently renamed the Small Grant Scheme). The Innovation Voucher offer was discontinued as it was decided that sufficient innovation support was already locally available through other publicly funded programmes. This policy was later revised with the introduction of the ERDF support Growth Through Innovation project.

The BGP project was therefore designed to draw on direct experience of what had worked. Given the involvement of experienced organisations there was the potential for it to be quickly established.

Growth

Following the abolition of Business Links in 2011, there was no clear channel for SME managers to access the range of public support on offer nationally or locally and evidence provided by Government showed the vast majority of managers in small firms were not seeking external advice – a key element in improving company/economic performance. There was also a fragmented business support landscape which was virtually impossible to navigate without a helping hand. Whilst the LEP had had some success piloting an online portal; www.bizinfoportal.co.uk, there was still a need for adviser based support and the Growth Hub service could fill the signposting gap and contribute to the LEP's efforts with the simplification of local business support.

Grants

In designing the Small Grants Scheme, the application pointed to the large number of small businesses in the area where a small injection of funding could have a rapid and significant effect. Further, it argued that previous grant schemes (which no longer existed) were in great demand and had been over-subscribed. There was a proven need for a small grant scheme.

Start Up

Given the region's lower than average business birth rates, it was believed there was insufficient support for would-be entrepreneurs and Start Ups, there was therefore an ambition to boost the volume and quality of local starts. BGP project Start Up support was to be based on the proven mix of services provided by partners MENTA and NWES - one-to-many workshops, business planning, one-2-one advice, mentoring and access to financial support to early-stage SMEs and entrepreneurs.

1.3 What were the specific market failures that the project was seeking to address? Was there a strong rationale for the project?

The project's Full Application drew on the analysis of various strategic and research documents to identify the market failures the Growth Programme would address:

The ESIF Strategy for Norfolk and Suffolk identified a *'fragmented business support landscape'* and the *'deterioration in business survival rates in the post-recession period'*:

"from 2008 to 2011, the business stock contracted by 1,845. Taking the period as a whole (2004-11), New Anglia's growth rate in business stock was below the national average, and there has been a clear deterioration in business survival rates in the post-recession period. In 2006, the one-year survival rate of businesses started that year was 97%; by 2010 this had fallen to 89%. The three-year survival rates for the same years were, respectively, 68% and 63%".

The Strategy also pointed to the 2012 BIS Small Business Survey which had identified three reasons for the lack of take up of business support; a) not being clear how to access services; b) not having developed relationships with the providers of business support services; and c) not being aware of the benefits those services bring.

As a result of this assessment, the programme was designed to address 2 key market failures:

- **Information Failure:** SMEs were not clear how to access business support services, or the benefits of those services
- **Relationships:** SMEs did not develop relationships with the providers of business support services.

1.4 Was it appropriately designed to achieve its objectives? Was the delivery model appropriate?

Yes. Given the clarity around the key local needs in terms of local economic development, the proposed project shape was simple and clearly targeted.

Evidence drawn from the 'what works centre for local economic growth' has argued that programmes which use a hands-on, managed brokerage style of support perform better than those using a light touch delivery model such as providing advice through a website. We have direct experience of this and agree.

Growth Hub

The original concept for the Growth Hub was to develop long terms relationships with SME clients to drive business and therefore economic growth. The role has changed over the life of the project, sometimes as a result of differences of opinion around the delivery approach between the LEP team and the Chamber based team. It has always functioned successfully as a key access point for local businesses, with the enquiry team at Suffolk Chamber of Commerce consistently building its capability and knowledge of local business support. In the early days of delivery adviser capacity was intended to be deployed to provide the in-depth advice envisaged in the Full Application – quasi consultancy support. However, management problems in the early months of delivery led to a significant underperformance in collecting outputs evidence (and therefore a problem in claiming outputs) which triggered remedial actions. Over time, the Growth Hub team has become increasingly focused around supporting grant applications, particularity around the impact of Covid-19, EU Exit and the cost of living. Some Advisers have continued to play a genuinely strategic role with their clients – using grant applications to drive conversations, however, the vast majority of Adviser capacity has recently become diverted to grant support. In this sense, part of the original ambitions have been sacrificed in favour of grant support – albeit for persuasive reasons.

The move to provide less strategic advice has been balanced by the innovative approach adopted to Scale Up support, delivered via the Scale Up New Anglia initiative, where the focus has been purely on providing advice and creating pathways for high growth potential businesses. Since it was established in 2018, hundreds of high growth potential SMEs have been engaged and supported along a journey to growth.

Grants

It's important to recognise that the focus on helping local SMEs access financial support has provided them with access to a massive boost in working capital. The help that has been made available via the project has delivered a raft of positive significant business impacts and has been extremely well received by clients. Many clients have become beneficiaries of multiple funding streams. We have limited direct evidence, but believe it is safe to conclude that as a result of involvement in grant applications SME management teams across the geography has learned important lessons in managing investment and the benefits further investment might deliver. And despite our regular observations around the LEP Growth team's propensity to "gold plate" grant administration processes (albeit in an honest attempt to remain compliant with the arcane ERDF Regulations) the levels of service satisfaction with the grant process have been remarkable. It is normal for those who don't get grant support to be negative about support, whilst those who do are the opposite.

We have noted that throughout the delivery of this project it has had a material dependence on securing private match funding – to the point of risking its viability in the early days. All's well that ends well, but it is worth recognising the effects of project teams underestimating the time and effort involved in getting a grant mechanism fly wheel spinning, particularly with the low attraction of a 20% intervention rate.

Start Ups

Pre-start and start-up support has exploited the proven, workshop-based offer from long-established Local Enterprise Agencies. That offer has also been subject to incremental improvement and some of the learning from BGP has been directly transferred to recent Community Renewal Fund projects and other publicly funded initiatives. The Growth Hub team has continued a policy of not supporting Start Ups, always referring them to either MENTA or NWES. To an extent, this has meant that the promised focus on finding high growth potential starts has been lost.

Over time the LEP Growth team has engaged in constant, incremental improvement to most project processes while consistently endeavouring to deliver the key objectives set out in the Full Application. We would make the small caveat that project activities have not always been shaped to directly support the strategic ambitions set out in New Anglia LEP's Strategic Economic plan – Growth Hub in-depth advice, focus on Clean Tech or support for high quality high growth starts.

1.5 Were the targets set for the project realistic and achievable?

During its lifetime project outputs have been recast several times. Overall, we believe that given the resources allocated they have generally been realistic and achievable (often informed by the numbers achieved at that point in delivery). The programme suffered from a very slow start caused by a number of reasons covered in previous reports and there have been several managerial and operational changes in the Growth Hub which have caused disruptions in delivery.

As a result of its final PCR, the BGP has aimed to significantly assist 2,869 SMEs/ individuals and increase employment by 1,646. The output profile, to be delivered by the end of the end of June 2023 was agreed as follows.

Output	Profile
C1: Enterprises Receiving Support	2,869
C2: Enterprises Receiving Financial Support	460
C4: Enterprises Receiving Non-Financial Support	1,304
C5: New Enterprises Supported	1,563
C6: Private Match Funding	£17,329,291
C8: Increase in Employment	1,646
C29: New to Firm Products	94
P11: Potential Entrepreneurs Assisted	2,366
P13: Enterprises Receiving IDB	4,385

Table 4: Output Profile

The project Logic Model set out four outcomes of support aligned to the programme's objectives.

- Increased Turnover
- Improvement in Productivity/ Efficiency
- Increased Competitiveness
- Employment Increase

With four key impacts:

1. Increased GVA across Norfolk and Suffolk
2. Creation of long-term sustainable jobs in the LEP area
3. Creation of new business Start Ups in the LEP area
4. Narrowed productivity gap of the LEP area with the UK
5. Increased competitiveness of the LEP area

We have observed that when designing or proposing ERDF projects, there is usually a trade-off between volume and impact. Volume generally impresses funders, and in our opinion, the appraisal of projects is conducted with very limited appreciation of the costs of key processes and realities of the delivery of proposed outputs. This project began with very ambitious output targets and has relied on the extensive experience of the LEP and partners to deliver the high volumes consistently agreed. We believe this has sometimes distorted actions unhelpfully (pursuit of 12-hour C1s and P13s for example) and achieving agreed outputs has proven challenging at times.

In contrast, we can understand why project proposers/owners are so conservative over job targets – given the threatening processes which have accompanied non delivery of ERDF outputs.

1.6 How did the context change as the project was delivered and did this exert any particular pressures on project delivery?

The pandemic

The pandemic created major pressures in the local economy and businesses, and many of the SME investment projects envisaged prior to the pandemic were seen as too large or too risky. We consistently saw two thirds of interested parties dropping out of grant processes entirely because of Covid-19. Many SME projects were curtailed, and some were scaled back, as managers switched priorities or changed their minds. Even those companies experiencing growth during these trying times have been reluctant to commit to previously envisaged levels of investment.

As with almost all ERDF funded business support projects, Covid-19 had a significant impact on the project's style of delivery. The move to online delivery meant that activities changed supplier-client relationships and a sense of community was lost, making networking and building connections more difficult. It should also be noted that entrepreneurs can feel isolated even in *"business as usual"* times and the pandemic exacerbated that. We believe that as the project moved online it lost some of the added value it provided. It meant even simple networking opportunities such as having an informal coffee with beneficiaries disappeared.

Whilst products like Zoom, Teams and Google Meet allow projects to connect with anyone, anywhere, they also allow individuals to turn their camera and microphones off and disengage from the group. In these circumstances it is very difficult for advisers or workshop presenters to gauge participants level of engagement – particularly when they are talking to a blank screen.

The disruption caused by the lockdowns led to a loss of sales for the vast majority of businesses. Businesses faced challenges in the rush to digitisation, were driven to operate *'Covid Safe'*, staff went missing and supply chains closed down or reduced capacity. There was a distinct lack of clarity around support initiatives announced by HMG with little information cascaded quickly enough to regional organisations which led to confusion on all sides. The region is heavily reliant on tourism and the visitor economy, and both were significantly damaged by the pandemic.

New Anglia Growth Hub became the central point of contact for local businesses with most public organisations such as local councils signposting Covid-19 related enquiries to it – introducing and maintaining a well-received Script to aid the Growth Hub in the delivery of support. The pandemic changed the shape and nature of the enquiries being answered and most notably, the volume of enquiries. The Growth Hub team was stretched to the limits with 48% (2,784) of the year's total enquiries occurring in March and April 2020. The pandemic also meant the team were providing a different type of support with advisers switching to handling enquiries and supporting highly stressed business owners. Additional resources were allocated to the Growth Hub from the LEP team to help them deal with the unprecedented influx of enquiries. As enquiries quadrupled and new government schemes were continuously launched additional staff were brought in to manage the workload. The Partners had to change working practices, with delivery of support moving online. This had some benefits, such as increased attendance at online workshops. But with volume increasing, quality support was harder to deliver, and advisers found it more difficult to build relationships.

We have often noted that the pandemic also resulted in some positive changes. Most notably online meetings. The increased flexibility which has been introduced as a result of on-line delivery can be welcomed. The pandemic also triggered some SMEs into long planned actions, with many managers becoming more aware and more open to seeking external advice. It forced diversification and the learning associated with that process. Businesses have also been onshoring their supply chains to increase resilience and because customers have become more aware of where their products come from. Positively, Covid-19 created an increased demand for Start Up and Self Employment support from a diverse variety of sectors including lifestyle businesses, beauty, and hospitality. There was also a marked increase in individuals wanting to progress 'hobby businesses', for example, cupcake makers, where the business model was not viable, but the proposers still needed attention.

Economy

EU-Exit has impacted export growth and the loss of the free movement of people in the EU has amplified the pandemic-related labour shortages. While the UK left the EU on 31/01/2020, the transition period has meant that trading terms between the UK and EU were unchanged until 01/01/2021 when some, but not all, of the provisions of the Trade and Cooperation Agreement came into effect.

During delivery, there have been five Prime Ministers and numerous Secretaries of State, and all have had very different approaches to running the country or their departments. The significant turnover within cabinet positions has led to numerous changes within Government Departments, often within a very short period.

The war in Ukraine has *"severely set back"* the global economic recovery. In January 2023, the IMF cut its global forecast and also downgraded its outlook for the UK. In April 2022, they said the UK had been hit especially hard. The conflict continues to drive up prices for food and fuel while the international body expects to slow growth globally.

The UK began 2023 on the brink of recession as households and businesses came under intense pressure from the cost-of-living crisis, with inflation at the highest rates since the early 1980s and continuing at a high level. At the time of this evaluation, the Bank of England was reporting the country was on track for recession, with households and businesses struggling to keep up with soaring interest rates, costs of food, energy and other basic essentials.

Growth Hub Policy

Over time the HMG expectations of Growth Hubs have shifted. An original aspiration for Hubs was not only to signpost businesses to public offers, but to connect to the private sector too. Prior to the establishment of the BGP, this was being achieved by the bizinfoportal.co.uk Portal. However, this initiative was abandoned by the Growth Hub Manager without consultation with the LEP. Despite this, the LEP believe they have been relatively successful in their efforts to simplify the local support landscape. Growth Hub enquiry and signposting functions remain in place (SMEs continue to be confused about the help on offer).

As noted above, latterly, the provision of strategic advice to businesses by the Growth Hub has declined significantly. The focus on grant support has partly been due to the large number of business support interventions the LEP has decided to deliver, including the recent introduction of district level grants (which the LEP are partly managing) with the Growth Hub continuing to deliver applicant support.

Covid-19 is no longer in the conversation and the difficulties caused by EU Exit have broadly been managed. Post pandemic, some delivery actions have returned to normal – for example enabling team members to return to "live" contact with beneficiaries, although on-line delivery has become a cornerstone of the way all projects now function.

1.7 Bearing in mind any changes in context or weaknesses in the project design/Logic Model, can the project reasonably be expected to perform well against its targets?

Yes, with the minor exception of the delivery of the P13 outputs.

The BGP has consistently achieved what it set out to do in relation to its core objectives and has been rewarded for doing so via the several significant project extensions that have been authorised by the Managing Authority.

With the exception of the less important P13 outputs, the project will have made good progress towards delivery of all of its important targets during its lifetime. Moreover, we believe that many more positive impacts will be delivered after it closes, and that many have been achieved, but evidence has not been captured.

2. Project Delivery

2.1 Has the project delivered what it expected to in terms of spend and outputs?

At the time of the evaluation the project was just 1% shy of its key C1 and C8 targets, achieving more than 85% of its C2, C4 and C6 targets, was exceeding its C5 and P11 targets by some margins, with 106% achievement of the very difficult C29 target. The only significant underperformance was in relation to P13 which we have always regarded as a distracting and largely valueless target.

In terms of expenditure, as at the time of the evaluation the project had claimed £31.5m of total projects and claimed an ERDF contribution of £15.77m.

2.2 What are the factors which explain this performance?

All the partners involved in this project have been widely experienced, with established, efficient and effective processes. The LEP team have worked consistently to successfully to overcome the consequences of staff turnover and the shifts in local and Government policy.

Over its lifetime sound management has meant the project has performed well against its expenditure and output targets. Expenditure has been achieved despite the challenges resulting from the pandemic and the staffing issues encountered in the Growth Hub.

The breadth of eligible expenditure available to local companies has been impressive. Support has been provided for the purchase of machinery, improvement of premises, vehicles, consultancy, IT equipment and software. The emphasis on capital investment has been admirable with the team flexible enough to recognise that sometimes revenue support can have as significant an impact on company performance as capital investment.

The quality of grant client selection (by Growth Hub Advisers, the DDO and the Panel) has led to an enormous level of investment in established local business which has proven to deliver significant employment and GVA growth.

The team has overseen a substantial volume and value of capital grants provided to essentially larger, longer established, more productive, innovation and investment intensive companies in the region.

SGS SME project selection has led to boosts in or safeguarding of UK and export sales, productivity, cost reductions, reduced waste, increased R&D, an impressive number of new product and service introductions, boost to export sales, facilitated access to finance, increased growth potential and improved chances of survival.

There is feeling that as the ERDF contract comes to end, with no clear centrally delivered successor to the BGP in sight, people will prefer to move on before the inevitable happens during the summer and autumn of 2023. We applaud all team members who have continued to work with an air of optimism in very challenging and uncertain conditions.

The *'power of the hub'*. The team have been constantly connected to the adviser network via a Teams Chat. Any complex questions or queries have been posted to the chat, creating a *'live case conferencing'* function which was extremely effective.

The team have displayed an admirable aspiration to continuously improve the service being offered, demonstrating a high level of adaptability, as evidenced during the pandemic when the entire support landscape changed.

2.3 When the project draws to a close, is it expected to have achieve what it set out to?

Yes. In terms of its original core ambitions:

Growth Hub

Survey evidence demonstrates there have been clear benefits to individual managers because of Growth Hub advisory and grant support.

Grants

Numerous local companies have benefitted not only from boosts in working capital, but from the learning which occurred around managing investment processes.

Start ups

Hundreds of individuals have been helped in the early stages of creating businesses. Some have been discouraged from putting their energy and money into ideas which were simply not viable. More than 1,663 businesses have been started – including an estimated Y sole traders and Z limited companies. Our research suggests that the vast majority of these will survive longer than they might have done without help - some much longer than others. A few will deliver significant numbers of jobs.

Learning

Considerable progress has also been made in understanding local businesses and their needs. At the end of Yr. 2 the LEP CRM held 7,408 company details, 72% of which were established businesses and 28% were pre-start or had been trading less than one year (for those entries where employer data was available (1,050) 69% were micro, 25% was small and 6% were medium sized firms). The latest figures provided to us indicated there were now details of 14,675 businesses logged on the CRM.

3. Project Management & Governance

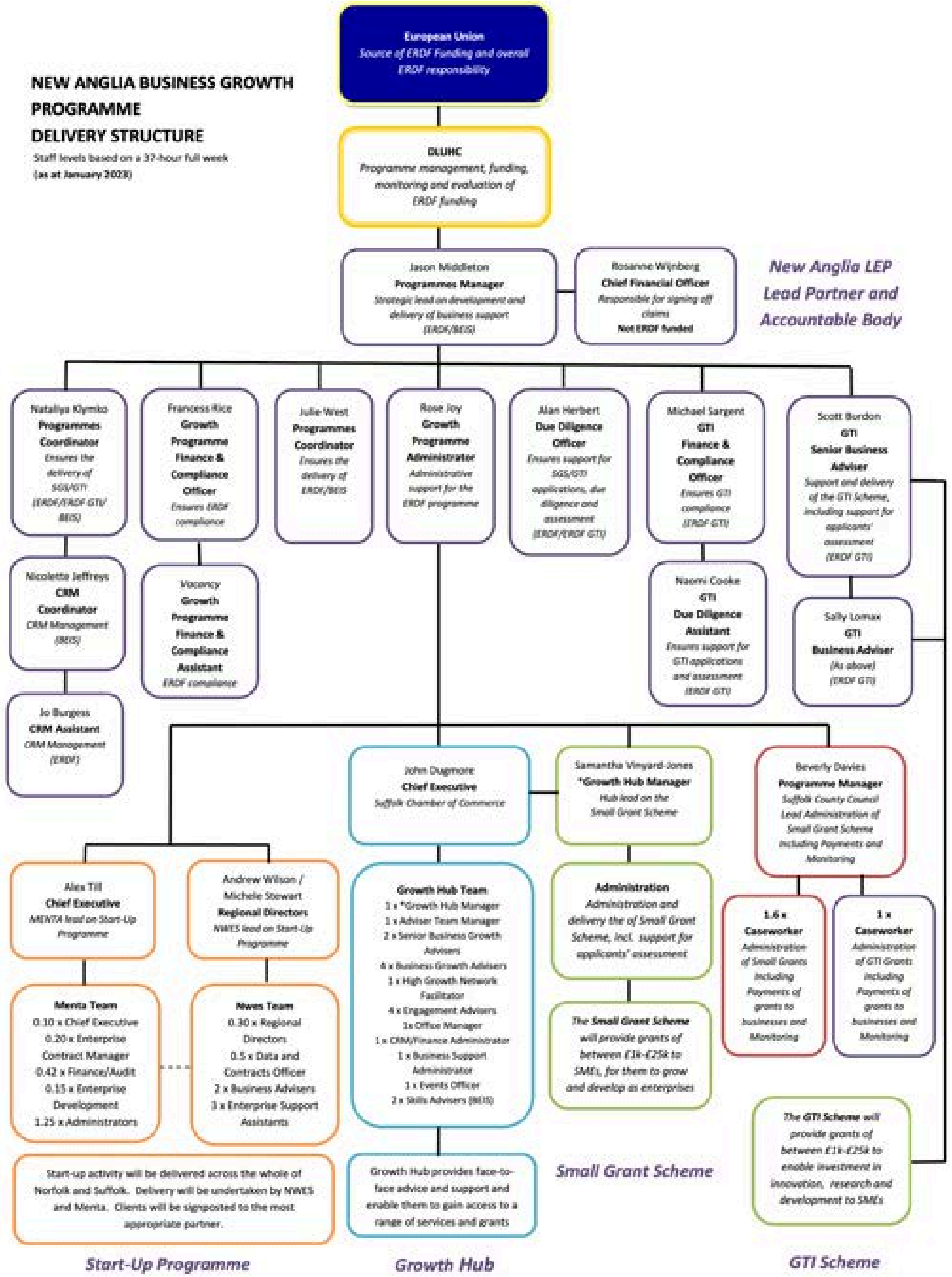
3.1 Was the project well managed? Were the right governance and management structures in place and did they operate in the way they were expected to?

The Project has been well managed, with the LEP senior team taking a strategic position while the Growth team have focused on ensuring targets are met and the quality of the delivery processes has been maintained.

MENTA and NWES have been able to deliver Start Up support with little need for active management. Suffolk County Council have performed professionally in their role as Accountable Body and grant payment administrators. There have been intermittent management issues in the Growth Hub, but these have been managed between the LEP Growth team and the Chamber.

Governance structures for the BGP have been proportionate to its scale, with high level oversight by the Growth Programme Partnership Board (GPPB – originally meeting quarterly), a Growth Programme Operational Group (GPOG – originally meeting monthly). Ultimate oversight of the project has rested with the LEP Board and has been consistently monitored by the Leadership Team.

The Growth team reports on progress to the LEP Leadership Group each month and to the LEP Board on a quarterly basis - simultaneously making accompanying amendments to the project risk register. There have been extensive efforts to keep District Councils up to date with progress via attendance at the regional NAEDOG meetings, monthly reporting and the posting of project data, results and case studies to the LEP website.



The LEP Growth team

Day-to-day management of the BGP project has been overseen by Jason Middleton (the Project Manager) who has been involved with business support programmes for decades. His Growth team has enjoyed consistent membership over a long period – with Nataliya Klymko acting as Project Co-Ordinator and Alan Herbert Due Diligence Officer playing key roles. They have been supported by Fran Rice, the Finance and Compliance Officer and Rosemary Joy acting as project Administrator.

The team believe they have achieved one of the highest levels of ERDF technical expertise in the region, and during delivery this has enabled them to provide technical support and advice to numerous local ERDF project managers.

The Growth Hub

The LEP Growth team has worked collaboratively with the team at Suffolk Chamber of Commerce to manage the Growth Hub. Growth Hub Advisers and enquiry officers have been provided with detailed guidance and briefings describing ERDF project requirements. The Due Diligence Officer has handled technical enquiries around Panel appraisal processes.

The SGS Grants Panel

Chaired by Nataliya Klymko, membership of the Panel has been flexible. It has included senior members from Norfolk and Suffolk County Councils and local Universities. This function also involved senior LEP managers on an ad-hoc basis. Decisions have been made via an email/written procedure and regular virtual meetings chaired by the LEP team.

All Panel submissions for Small Grant Scheme projects have included a clear justification for the intervention and project additionality has been consistently well justified.

The Due Diligence Officer and the Panel have been at pains to protect the public purse. Projects have been appraised using a well established method which assesses each proposed project's value in terms of delivering business and economic impact. Of 1,700 cases processed, two attempted frauds have been detected.

Suffolk County Council

Along with its responsibilities as Accountable Body, SCC have managed the SME claims payment processes using the same proven approaches they have deployed in other ERDF funded grant mechanisms. SCC operate a policy of payment to SMEs within 30 days following checks, but usually make immediate payments where claims information is comprehensive – which is admirable given the general performance of local authorities in this respect.

	Employment Size Band										
	0-4	5-9	10-19	20-49	50-99	100-249	SMEs in District	BGP Supported - GH/SGS	% of Stock	250+	Total
K02000001: UNITED KINGDOM	2,162,700	313,510	155,805	83,295	26,980	14,835	2,757,125			10,575	2,767,700
K03000001: GREAT BRITAIN	2,101,415	304,990	151,440	80,885	26,260	14,420	2,679,410			10,340	2,689,750
K04000001: ENGLAND AND WALES	1,972,240	281,695	139,735	74,815	24,500	13,445	2,506,430			9,665	2,516,095
E92000001 : ENGLAND	1,889,220	268,025	133,470	71,490	23,525	12,965	2,398,695			9,345	2,408,040
Norfolk	**25,890**	**4,630**	**2,315**	**1,455**	**450**	**225**	**34,965**	**1,968**	**6%**	**105**	**35,070**
North Norfolk	3,170	625	295	155	40	10	4,295	219	5%	5	4,300
Norwich	3,570	645	375	220	80	50	4,940	437	9%	35	4,975
Great Yarmouth	2,110	395	180	120	35	15	2,855	143	5%	5	2,860
Breckland	3,915	665	270	190	60	40	5,140	329	6%	15	5,155
South Norfolk	4,830	855	440	275	85	50	6,535	330	5%	15	6,550
Broadland	4030	670	425	290	95	35	5,545	272	5%	10	5,555
King's Lynn and West Norfolk	4,265	775	330	205	55	25	5,655	238	4%	10	5,665
Suffolk	**24,135**	**4,080**	**2,115**	**1,155**	**380**	**180**	**32,045**	**2,047**	**6%**	**110**	**32,155**
Ipswich	3,490	550	285	145	65	40	4,575	329	7%	35	4,610
Babergh	3,440	615	360	225	60	25	4,725	239	5%	5	4,730
Mid Suffolk	4,260	650	380	215	80	35	5,620	361	6%	10	5,630
West Suffolk	5,635	960	465	260	95	40	7,455	461	6%	25	7,480
East Suffolk	7,310	1,305	625	310	80	40	9,670	657	7%	25	9,695
New Anglia	**50,025**	**8,710**	**4,430**	**2,610**	**830**	**405**	**67,010**	**4,015**	**6%**	**215**	**67,225**

Growth Hub Impact at District Level

3.2 Has the project delivered its intended activities to a high standard?

We believe it is vital to understand that throughout its existence, the Growth Hub has been providing access and support not only to the Small Grant Scheme, but the raft of other local grants including Growth Through Innovation, along with the thirteen interventions introduced during the pandemic – including the local interventions – Visitor Economy and Wider Economy and the Business Resilience and Recovery Scheme.

There is no doubt that these efforts have led to a significant amount of additional working capital being made available to broadly larger and established local SMEs and this has made a major contribution to economic development across the LEP geography.

The local distribution of the Growth Hub's core offers of grants and advice is described in **Annex A: Growth Hub Impact at District Level**. The table demonstrates the overall penetration achieved at a District level.

In our opinion, the inclusion of Suffolk Chamber of Commerce in the partnership has enhanced the quality of the local offer. There is no doubt that involving the Chamber in the management of the Hub has made a positive contribution to the quality of activities. The project has benefitted from the Chambers connections to local business, from having the team under one roof, working with an established and experienced enquiry processes. The Chamber have recruited experienced people as advisers and they have been well dispersed across the region.

The partnership of NWES and MENTA – long established local Enterprise Agencies with public good intentions, grounded in broadly social objectives has enabled high volumes of quality support to be provided to individuals in the early stages of establishing businesses. In some cases support has been provided to the very hard to reach, enhancing the project's influence on the Equality and Diversity agendas.

Grants

The renaming/rebranding of the micro business grants (which were neither small grants nor a grants' scheme targeted at micro businesses) to the Small Grant Scheme (SGS) was a smart move and helped alter perceptions of the offer.

During our evaluation in Yr. 6, we suggested there was some evidence that higher levels of grant led to diminishing returns. This is an area that deserves more attention. The routine offer of *"grants up to £25k"* is likely to lead to applications for £25k of support.

Growth Hub Enquiry Team

Throughout the course of the project, the enquiry function within the Growth Hub has operated with the objective of ensuring all enquiries are validated and resolved. Validation has included understanding business need and establishing eligibility. Resolution could also include the provision of advice or information, signposting or assigning to an adviser. Start Ups are directly referred to either MENTA or NWES.

Administration has increased over the course of the programme. At the time of the evaluation the team are required to capture on the Portal, CRM and separate ERDF registration forms. The perception is that the CRM is much stronger than it was, and the reporting function is particularly useful.

At normal levels, the team are well equipped to manage enquiry volumes. The creation of an online form has helped manage peak periods, when the 3 person team can receive up to 70 enquiries in a single day.

Growth Hub Advisers

We have seen the role of the adviser change over the course of the programme. In the first 2 or 3 years, advisers were delivering a combination of direct advisory support and 'grant facilitation'. As the portfolio of the LEP has expanded, and with the pandemic resulting in the creation of a large number of new national and local grant programmes, the Growth Hub Adviser role transitioned into one which is predominantly supporting clients, post-enquiry, to facilitate a grant application.

Advisers have been good at this role – supporting the application, claims and payment process, and giving SME managers the confidence and hands-on support to submit a successful application. According to the advisers we interviewed, administration still consumes around 50% of their time. However the process adds value in a number of ways:

- Encouraging higher level thinking to develop a business case for the grant which can potentially inform organisational learning.
- Ensuring the business case within the application meets all the criteria/ requirements and is suitable for SGS funding requirements.
- Ensuring the language used in the application is suitable.
- Viewing the application as a diagnostic and investigating the key and wider impacts on the business to build arguments for funding.
- Looking for ways the grant project leads to opportunities to broker in further funding – thus stimulating new projects which complement the SGS project and help maximise the impact of the intervention.
- Using the application as a broader tool to facilitate the direction of the project and in some cases, even the business.

Advisers we interviewed felt the most impactful grants were those which were between £5,000-£12,000, given to companies in their 3rd – 5th year and who employed less than 10 people. This fits with our own analysis of the SGS 2 years ago, although more work would need to be done to look at other factors.

The nature of the impact sought has changed over time, with many companies now looking to improve efficiency and productivity, suggesting projects which don't always lead to job creation.

Satisfaction with any Advisory service is determined by the speed of response, quality of advice given and the imposition of the minimum burden on clients.

- **Information -** saves clients' time, money and stress
- **Funding** - helps beneficiaries do something different, sooner, better or increase capacity
- **Learning** - deliverers new ideas, skills, and new capabilities
- **Advisers** - bring objectivity, acting as a critical friend, with strategic diagnostic capability to aid clarity, increase managers confidence and help them understand their performance

The Small Business Survey in 2017 reported that only 29% of the SMEs had sought external advice in the last year (71% didn't…) and of those that did, 35% sought help from an accountant (most likely their long-standing supplier). Given the proven value of external advice (and that excellent business performance is often associated with openness to learning from elsewhere) the potential to exert a positive influence on SME performance via mechanisms like the Growth Hub is enormous.

Scale Ups

The Scale Up New Anglia programme has adopted a sensible approach to the provision of support to high growth potential companies. The problem with seeking to support enterprises that meet the Scale Up Institute's definition of 20% year on year turnover growth is that they have already achieved significant growth and are unlikely to want or need public support. The team decided the better mission was to find companies on the cusp of scaling and give them a leg up if they needed/wanted it.

The Scale Up New Anglia team has sought to work with companies with a turnover of more than £250k per annum, employing between five to 150 people, who have been in business for more than three years and where there is evidence of senior people taking advantage of management education in the last two years. The programme has also always aimed to work with the owners or senior decision makers.

We worked with the LEP Growth team to develop a system of client selection – automatically deciding their most appropriate "pathway". We understand this has been very successful. The groundbreaking suitability/selection process deals with SME manager applicant's individual skills and knowledge around key business processes.

The numbers of Scale Ups present in any local economy is uncertain due to their dynamic nature and the lack of public domain information. The Scale Up Institute's Scale Up Report in 2017 suggested there were over 700 such firms in New Anglia – but these firms had already scaled. By 2019 the Scale Up New Anglia team had identified 1,300 high growth potential companies and over the past few years the team worked with data from sources such as FAME, Beauhurst and Experian to identify and develop their target lists. They have often discovered that public domain details of companies are duplicated, firms had closed or are part of large groups. Some data obtained from commercial sources has been extremely poor – for example around academic spin outs with limited prospects or even car dealers! The team have also worked with local partners to improve the identification and acquisition of clients - Economic Development Officers and the Better Business for All initiative.

Beneficiaries were classified by Jason Middleton as:

- **Pewter** - lifestyle
- **Bronze** - low value high volume, less than 5% growth by profit, turnover or staff.
- **Silver** - 5% to 20% growth by profit, turnover or staff.
- **Gold** - Over 20% growth by profit, turnover or staff (Scale Up).
- **Platinum** - Primes/global brands.
- **Iron** – negative growth

We've concluded that Scale Up New Anglia has represented an extremely low cost and potentially high impact intervention.

Start Ups

In our interviews with the Enterprise Agencies senior people reported that:

HMG officials don't really understand the Start Up agenda and lack vision and ambition. There is no doubt that support works, but there is a real need for more evidence to capture results such as increased confidence, well-being, benefit savings and issues such as *"no is a good outcome"*. HMG has a focus on instant wins with no eye to long term stability and efficiency. The Government machine is not really concerned about results as broadly speaking, no one is really interested in what happens – being fixated on whether resources are expended. There has been much reinventing of wheels in terms of sector policy.

The process does deliver increased survivability given that it provides beneficiaries with more structure, better information around the control of finances and improved approaches to marketing.

There have been ridiculous rules around the counting of jobs where owner/founder jobs have been excluded. The task is the count the jobs created - not the number of employees. Consideration should be given to the application of mystery shopping as a technique for tracking ongoing results and delivery partner performance.

It was argued that DWP is not promoting employment development opportunities. MENTA told us it retains its purpose to stimulate economic growth in the widest possible way, and to start self-sustainable businesses. But policy doesn't currently align with business need and the SME journey, it is focused on funding *"products"* without a long-term vision. The ambition inside MENTA is to deliver support which addresses individual needs, whether that's starting a business, gaining employment, or improving career prospects.

The undermining of the LEP role means the Start Up and wider business support landscape is changing in line with the increasingly fractured nature of funding. Districts, Universities and Colleges are all investigating ways to support Start Ups in the absence of policy, co-ordination or strategy.

There is still a serious knowledge gap within established businesses around managing finances – particularly cash flow and profitability. These are principles that can be embedded during the Start Up phase, leading to the long term strengthening of the business.

EDOs

Despite having access to numerous sources (LEP Growth team monthly district reports, data available via the LEP website, numerous case studies and full CRM access), a number of EDOs felt largely unsighted around local outcomes. The CRM was regarded as difficult to navigate with some EDOs arguing that access was restricted due to the limited availability of licences, when we understand there were no restrictions to the number of EDO users. NAEDOG cascade was appreciated although some EDOs suggested meeting numbers had declined of late. The Growth Team confirmed that most cancellations were due to low attendance. We understand attendance by some districts was patchy, resulting in them having a lack of understanding around business support delivery and issues. All recognised the project's good performance, but some felt deprived of the ability to add value. Some considered that an opportunity to work together with the LEP had been lost. Project case studies that had been provided clearly demonstrated high levels of impact and satisfaction. Some EDOs had established extremely good contacts with Growth Hub advisers while others felt that their links were weak. Some EDOs sat on the SGS Grant Panel and were therefore much better connected. All had good working relationships with NWES and MENTA and felt connected to their activities. Many bemoaned the ERDF sector exclusions which they thought worked against their local business support needs.

CRM

The creation of a regional CRM asset was highly ambitious. It is difficult to introduce as CRM within a single organisation, and given the multiple public sector parties involved in economic development in New Anglia and the variance in their interests, it was heroic to try and produce a mechanism which would meet the needs of everyone involved. As a result, the partnership continues to be double keying information. There is no doubt that a CRM of this nature could have massive value, but it is easy to underestimate the culture change involved in achieving universal buy-in and the practical and technical challenges in the way of successful implementation.

Beneficiaries

The core of the following analysis is based around the CRM data collected by the project for 2,939 Growth Hub beneficiaries and 372 SGS recipients – we used it to develop profiles of companies that have been engaged with the BGP. This data was supplemented by a larger set of data contained in the Growth team's ESIF-Form-1-013 ERDF SADMT - Q1 2023 CL 29 – FINAL spreadsheet which provided the evaluation with additional company information. Each table only contains data for companies where we had full information.

Sectors

The project has supported companies from a diverse range of sectors. Whilst most sectors are represented, over half (53%) of businesses taking part have been from the four sectors which we would typically see benefiting from this type of support – Manufacturing (22%), Professional, Scientific and Technical (11%) Wholesale and Retail (11%), and Administrative and Support Service (9%).

We have highlighted where the percentage of companies within a sector varied between Growth Hub and SGS beneficiaries. There is a higher proportion of companies in the Manufacturing, Transportation and Storage and Public Administration and Defence within the SGS cohort. The Growth Hub cohort had a higher number of those in Accommodation and Food Service, Professional, Scientific and Technical Activities, Public Administration and Defence; Compulsory Social Security and Arts, Entertainment and Recreation.

SMEs Engaged by Sector

Age of Beneficiaries

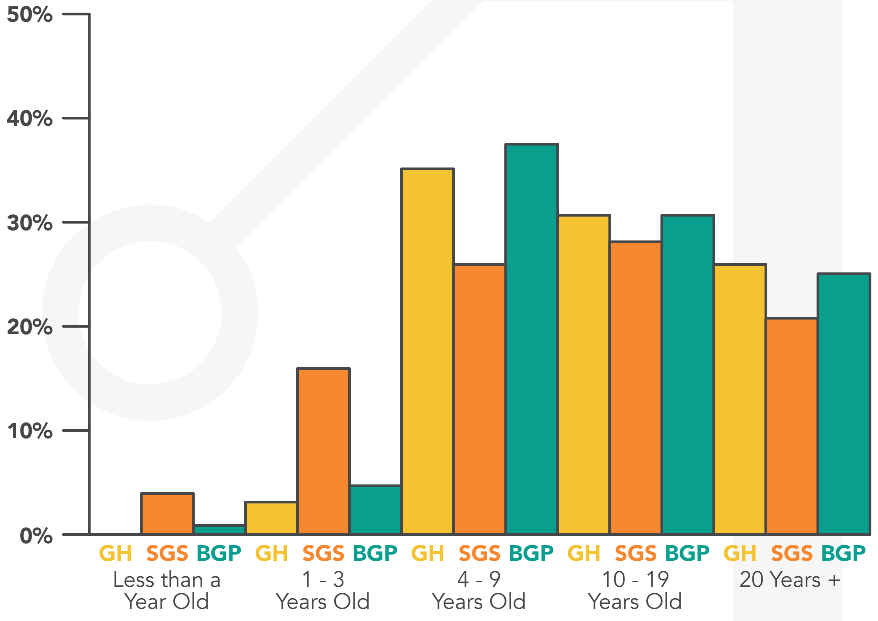
The age of beneficiaries of those supported by the Growth Hub and SGS is similar, the only significant difference being the Growth Hub had engaged a slightly higher proportion of more established SMEs. 48% of SGS beneficiaries were nine years or younger versus 40% of those being supported by the Growth Hub.

Employees

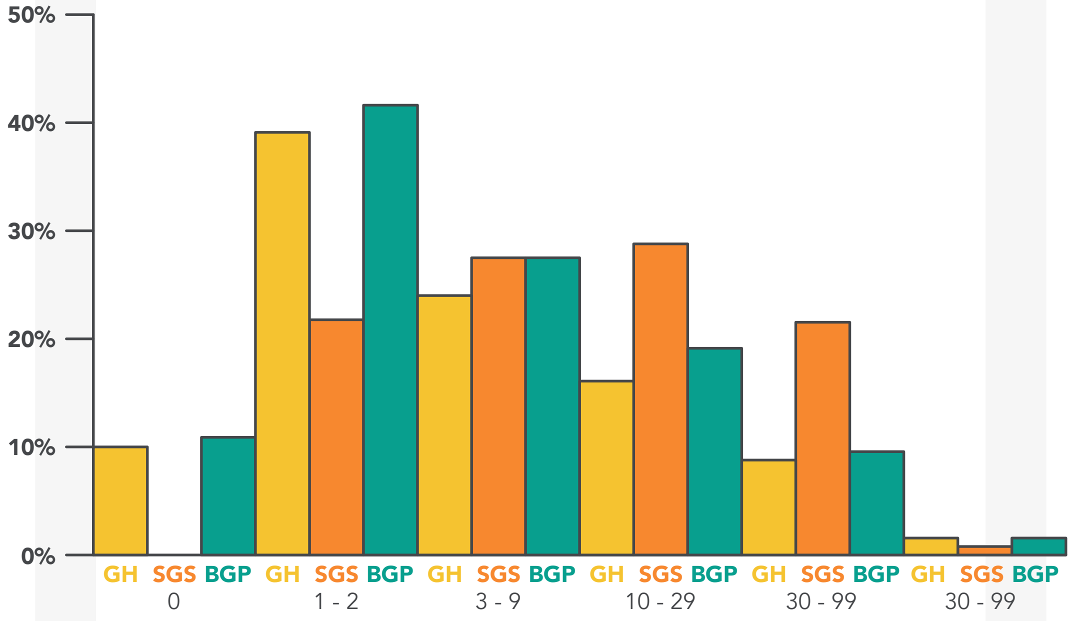
The majority of BGP beneficiaries employed at least one person. Aside from those not employing anyone (where the owner founders do not appear as employees) and SMEs with 100 or more employees, the distribution of jobs within support recipients was broadly similar.

Turnover

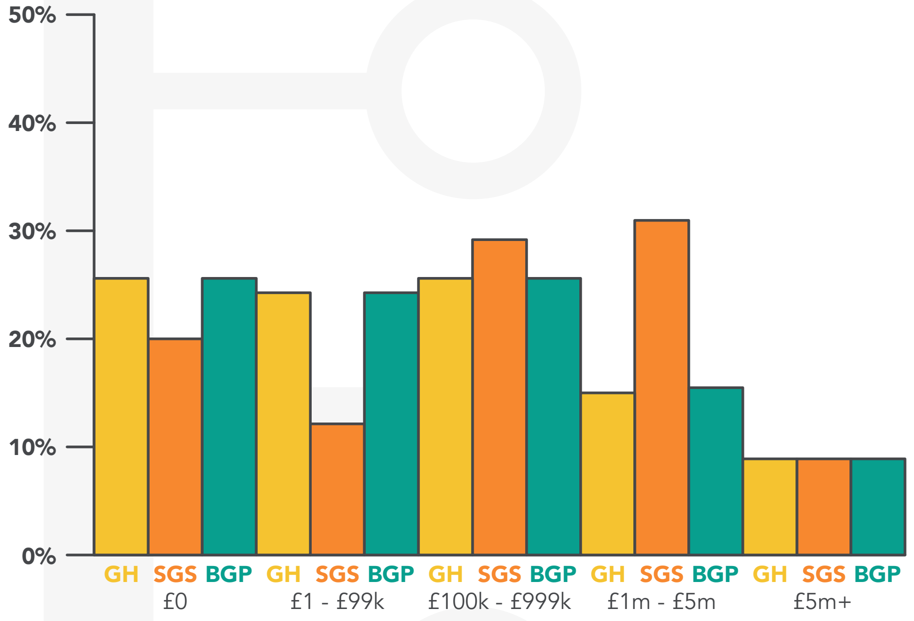
As with employees, half of Growth Hub beneficiaries had a turnover of less than £100k versus 30% of SGS recipients whilst twice the number of SGS recipients had a turnover of between £1m and £5m.



SMEs Engaged by Date of Establishment



SMEs Engaged by Number of Employees



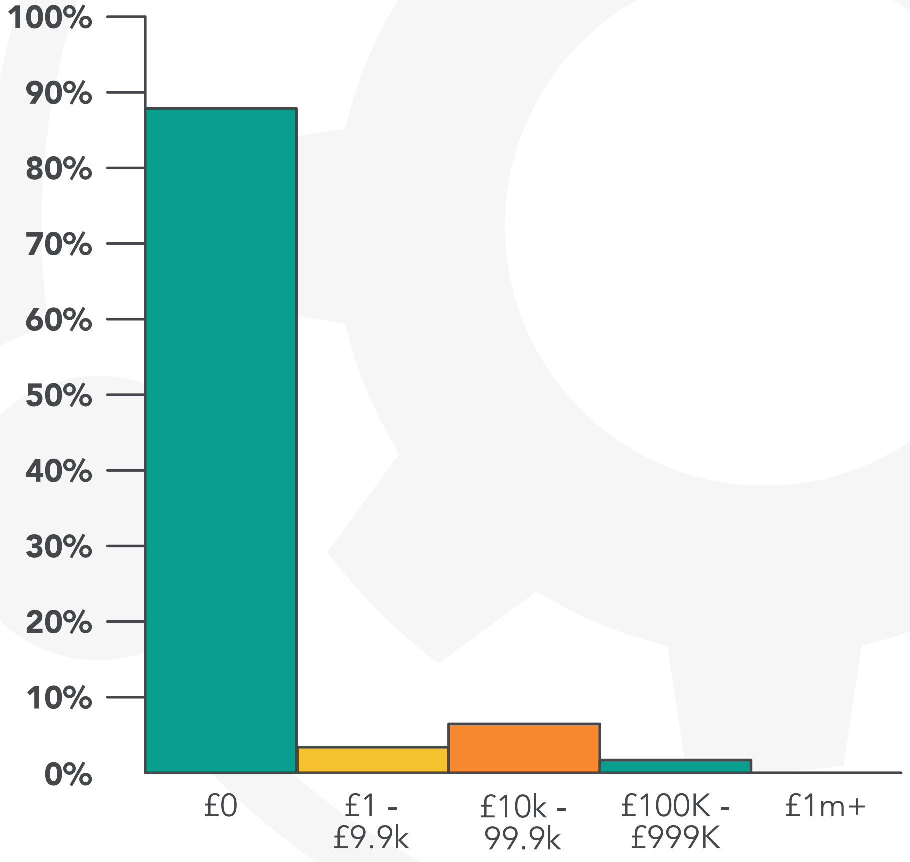
SMEs Engaged by Turnover

Innovation Indicators

Annual R&D spend and the number of product innovations in the last 3 years are good indicators of the level of a company's innovation health/capability. We only had access to the following data for Growth Hub Beneficiaries.

Annual R&D Spend

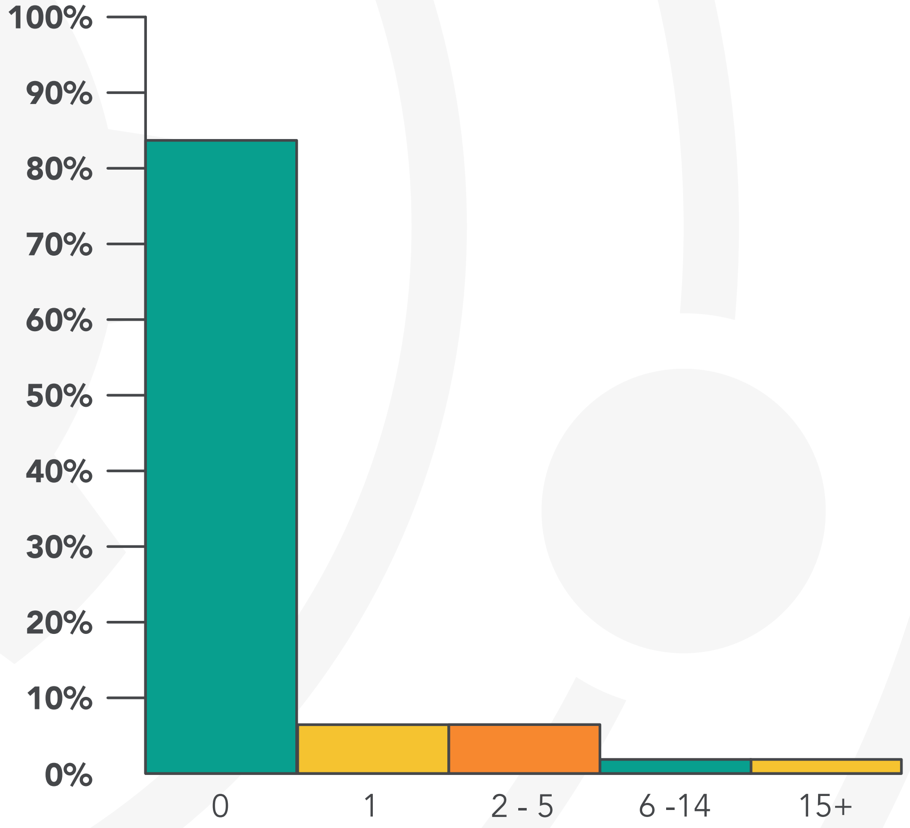
Only 11% of companies supported had made some level of R&D investment in their previous financial year. With 8% investing more than £10,000.



SMEs Engaged by Annual R&D Spend

Product/Process Innovations in the Last 3 years

It is a similar story with product and process innovations, with just 16% having launched at least one innovation in the past 3 years, and 10% launching two or more.



SMEs Engaged by Number of Product/Process Innovations in the Last 3 Years

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

Given the high level of experience in this partnership, the large number of delivery partners and individuals involved in delivery, and the large number of moving parts (diagnostic, grants, advice, training, signposting) it is difficult to pinpoint specific areas for improvement. Of course, there is no process which cannot be improved. There is no process that cannot be made more efficient. The level of improvements achievable are always determined by the participating organisation's capabilities in relation to innovation management or continuous improvement. Some suggestions made during our interviews included:

- Expanding the "*power of the hub*" by bringing in willing externals who could add their unique expertise in key areas.
- A dedicated marketing function, supported by a strong website and the continued delivery of engagement events and workshops.
- Considering business loans as an interesting alternative to grant support, to create recycled funds which could be reinvested. This approach worked well in the Growing Places Scheme, but those projects were mainly undertaken by very large public or private organisations. It would need to be seen how many SMEs have the appetite for loans over grants.
- Adopting a more joined up approach to grant management would be helpful for SMES, where they receive a level of business advice around business strategy and financial management to ensure projects make the best use of public resource.
- Voucher schemes are another interesting alternative, where the supplier invoices the project directly. This pushes the cash flow burden onto the supplier instead of the SME (as it would be in the market). But it does raise challenges around quality control, procurement and the management of procurement frameworks.
- Introducing a more formal follow up by advisers – there is currently no time for advisers to do this. A systematic approach to managing client engagement post support could help to improve credibility, impact, future engagement, etc.
- Productised delivery with internal/thematic specialists.

We have mentioned elsewhere that we felt the project lost its focus on high growth starts along the way. In our Yr. 3 report (April 2019) we identified 5 companies amongst the 34 in the MENTA NWES cohort that (untypically) looked like growth prospects. They had a turnover of over £25k and looked like they were in high growth sectors. Their turnover level suggested they would have been unlikely to sustain more than one job, but indicated a viable business existed. We thought it would be interesting to explore *"where are they now?"* and undertook some web research to understand their current position. The findings are primarily based on the number of employees these firms now have (based on Companies House returns) along with additional web research:

Marketplace AMP

- LEP Priority Sector: Creative, Digital and ICT
- Support: SGS grant £1.2k (+9.5hrs), Lancs GP (30hrs)
- Current Status: Currently trading with 13 employees, growing from five in 2019.
- High Growth Company: Yes
- Scale Up Company: Yes

Howser Technology

- LEP Priority Sector: Creative, Digital and ICT/Advanced Manufacturing
- Support: BGP IDB (3hrs), Invest East (29.5hrs)
- Current Status: Currently trading with just two employees
- High Growth Company: No
- Scale Up Company: No

Data Crush

- LEP Priority Sector: Creative, digital and ICT
- Support: BGP IDB (4.7hrs)
- Current Status: Dissolved in February 2022
- High Growth Company: No
- Scale Up Company: No

Story Machine Productions

- LEP Priority Sector: Creative, digital and ICT
- Support: BGP IDB (4hrs), Invest East (25.3hrs)
- Current Status: Dissolved in February 2022
- High Growth Company: No
- Scale Up Company: No

Secureshed

- LEP Priority Sector: Creative, digital and ICT
- Support: BGP IDB (3hrs)
- Current Status: Currently trading with one employee
- High Growth Company: No
- Scale Up Company: No

Two of the selected companies had ceased trading (it is normal for 50% of starts not to survive beyond their fifth year of trading. Two firms were still in business but only supporting 1 or 2 jobs. Marketplace AMP however have continued to grow since they received SGS support and according to their most recent set of accounts (2022), now employ 13 people.

The OECD defines a Scale Up as having 20% growth in turnover and employees over a consecutive three-year period. As Marketplace AMP employed five people in 2019, a 20% increase in 2020 would have been one employee, and they would have needed to employ 7.2 employees in 2021 and 8.6 in 2022. Their increased in employees suggests they could qualify as a scale up. Although this is not a precise science (we were unable to establish their current turnover) employee numbers are a very good indicator (you can't pay for people unless you have the income to support them). In the round, this suggests that whilst picking winners is difficult it is highly likely that amongst those who seem to have potential a small number will – and they will deliver the sort of increases in employment public support seeks to foster.

3.4 For projects with direct beneficiaries: did the project engage with and select the right beneficiaries? Were the right procedures and criteria in place to ensure the project focused on the right beneficiaries?

The Insight Works has combined all previous project survey results undertaken whilst evaluating the BGP in order to analyse the key business impacts/overall satisfaction achieved with both SGS and Growth Hub beneficiaries over the course of programme delivery. To avoid duplication, we took the most recent/highest answers provided by clients when amalgamating the data. We decided there would be no closing survey of the Start Up Programme as delivery had formally finished in August 2021 (although miscellaneous actions have been supported up until February 2023). A comprehensive survey of Start Ups was conducted during our 2021 evaluation.

Growth Hub

The data below is based on 127 useable survey responses between 2019 – 2023. Not all respondents answered all questions.

Key Business Impacts & Statistics: Headline Impacts (number of respondent beneficiaries)

69
Increased sales by
£38.6m

15
Safeguarded
£35.9m
of Sales

13
Estimated they would generate an additional
£16.7m
of sales over the next three years

12
Reported
£3.4m
increase in export sales

27
Triggered further investment of
£7.8m

59
Created
610.5
jobs

45
Safeguarded
782
jobs

Percentage of Respondent Reporting Impacts on Key Aspects on the Business

60%
Increased their **chances of survival** at an average of **41%**

39%
Reduced costs at an average of **20%**

61%
Increased productivity at an average of **38%**

47%
Increased their **R&D activity** by an average of **35%**

37%
Had launched **a new product, process or service**

Small Grant Scheme

Key Business Impacts & Statistics: Headline Impacts (number of respondent beneficiaries)

The data below is based on 188 useable survey responses between 2019/2023. Not all respondents answered all questions.

99
Increased sales by
£26.2m

47
Safeguarded
£12.3m
of Sales

39
Estimated they would generate an additional
£26m
of sales over the next three years

23
Reported
£2.7m
increase in export sales

71
Triggered further investment of
£7.83m

59
Created
308
jobs

45
Safeguraded
296
jobs

Percentage of Respondent Reporting Impacts on Key Aspects on the Business

81%
Increased productivity at an average of **40%**

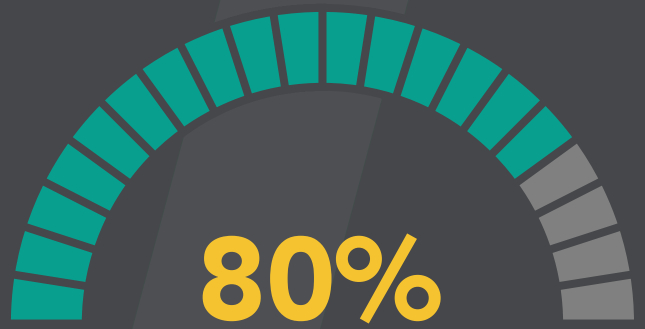
81%
Increased their **chances of survival** at an average of **38%**

46%
Increased their **R&D activity** by an average of **28%**

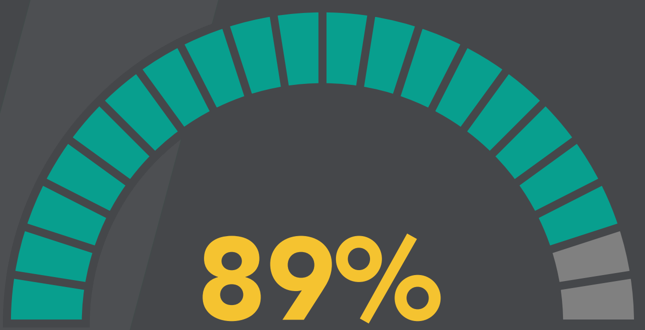
44%
Had launched **a new product, process or service**

56%
Reduced costs at an average of **25%**

SGS and Growth Hub Lifetime Client Satisfaction



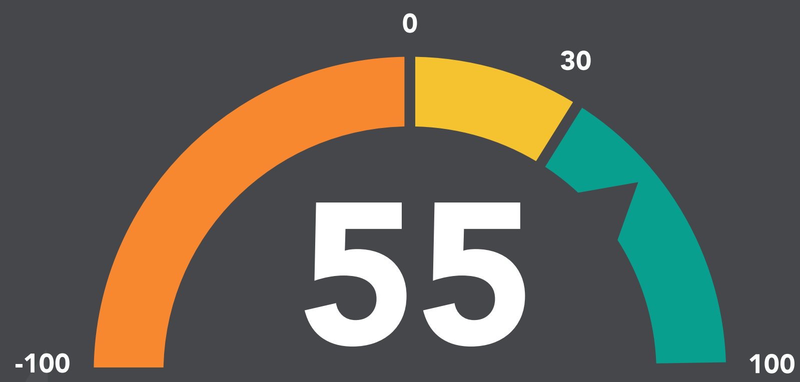
SGS: 80% of survey respondents **were satisfied with the quality of service received**, 65% were very satisfied.



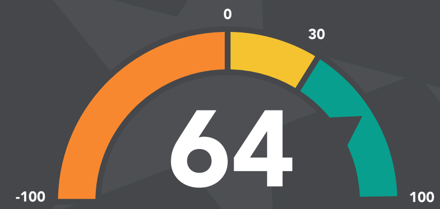
Growth Hub Support: 89% of survey respondents **were satisfied with the quality of service received**, 65% were very satisfied.

Overall Satisfaction (Net promoter Score)

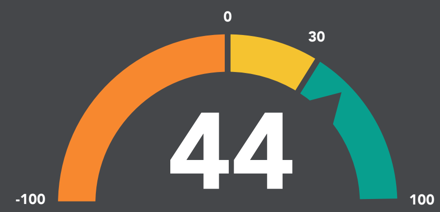
We have calculated respondents' overall levels of satisfaction using the Net Promoter Score (NPS) method. The Insight Works holds NPS data for the 25 projects we have evaluated since 2019 – the current average score is 59. The data used in the calculation is a combination of 165 SGS, and 117 Growth Hub beneficiary responses to the NPS question. The Growth Hub/SGS had previously achieved a combined NPS of 52 based on 133 responses to the question.



Growth Hub/SGS Combined NPS

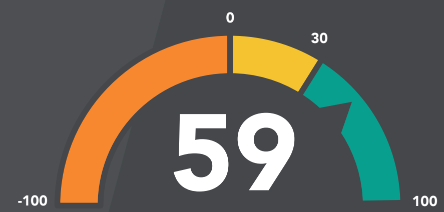


Small Grant Scheme (SGS)



Growth Hub

The score of 55 gives us a degree of confidence that respondents have been happy with the support provided and they would recommend the Growth Hub/SGS to others. The combined total is a +3 increase since we asked this question in our 2019 and 2021 surveys.



Average for ERDF Funded Activity

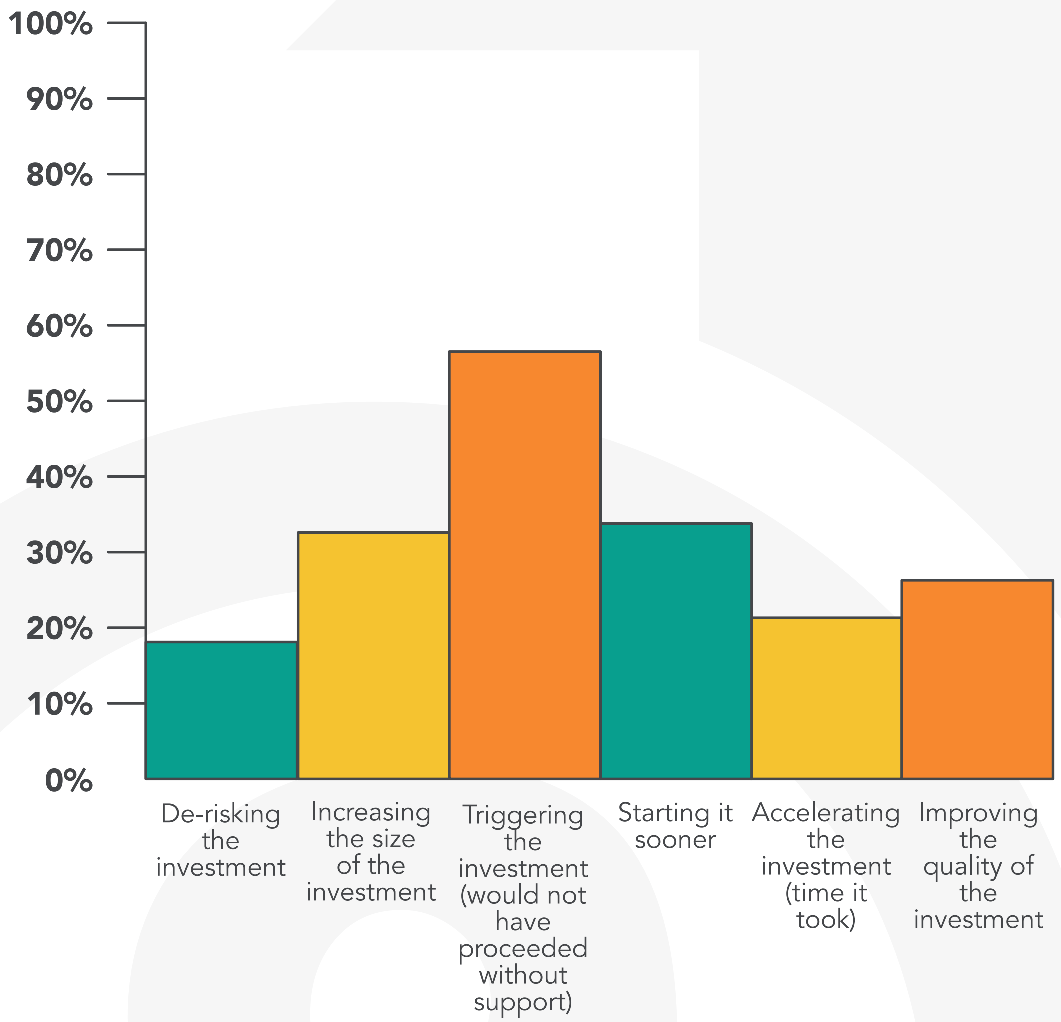
Year 7/8 Survey Results

The data presented in the following section is analysis of our latest survey where we asked different (or slightly different) questions from the previous surveys undertaken. We have provided commentary and comparisons where appropriate.

Small Grant Scheme (SGS)

In total, we received 77 responses to our 2023 SGS survey, 58 respondents reached the closing question.

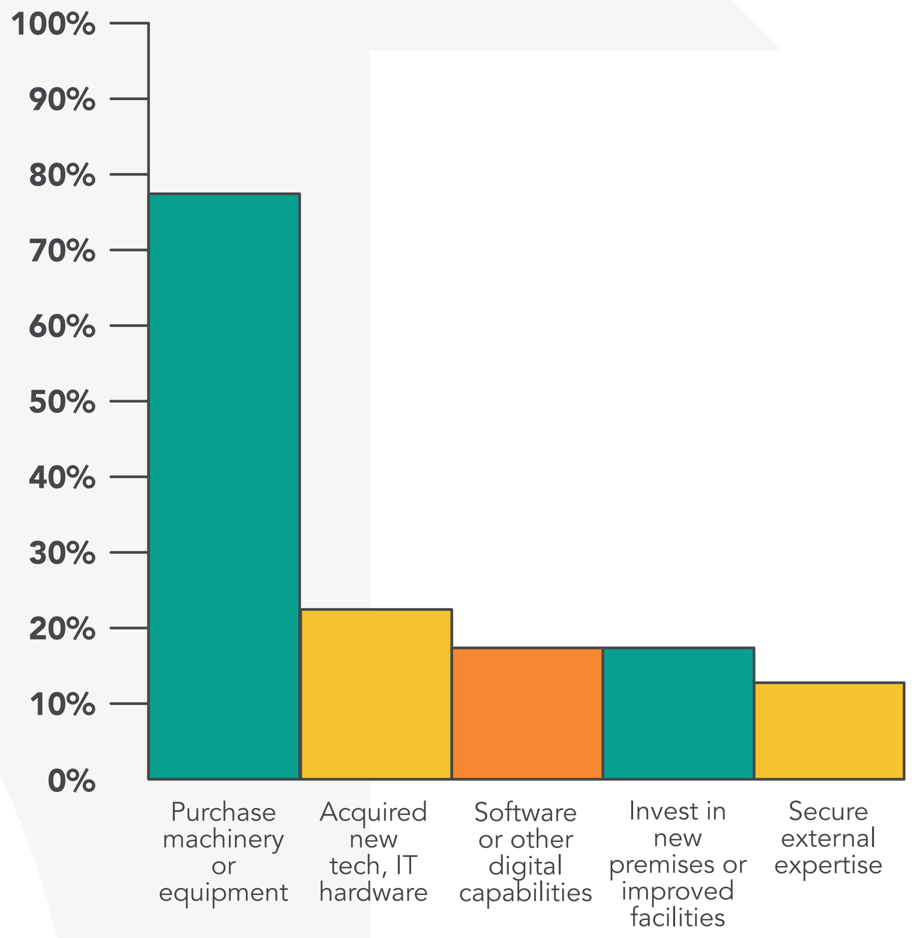
Key Motivations for SGS Support



Key Motivations for SGS Support

All respondents to this question had at least one key motivation, over half had two or more. 55% reported the grant had triggered the investment with 34% saying they had started the project sooner and 32% saying they had increased the size of their investment.

Nature of Project Expenditure



Nature of Project Expenditure

Respondents report the majority of expenditure (77%) has been used to purchase new machinery or equipment. A third of respondents made more than one purchase with the grant.

Grant Process and Adviser Support

Beneficiaries were asked to give their views on the grant process and adviser. In all cases, both aspects have been praised with a high percentage of responses being either good or excellent. Communciation is highly regarded.

The Grant Process - Ratings of Good or Excellent:

91%
Application and Award Process

87%
Grant Claim Process

94%
Communication

Advisers – Ratings of Good or Excellent:

97%
Communication

95%
Understanding Business Needs

93%
Provision of Advice and Support

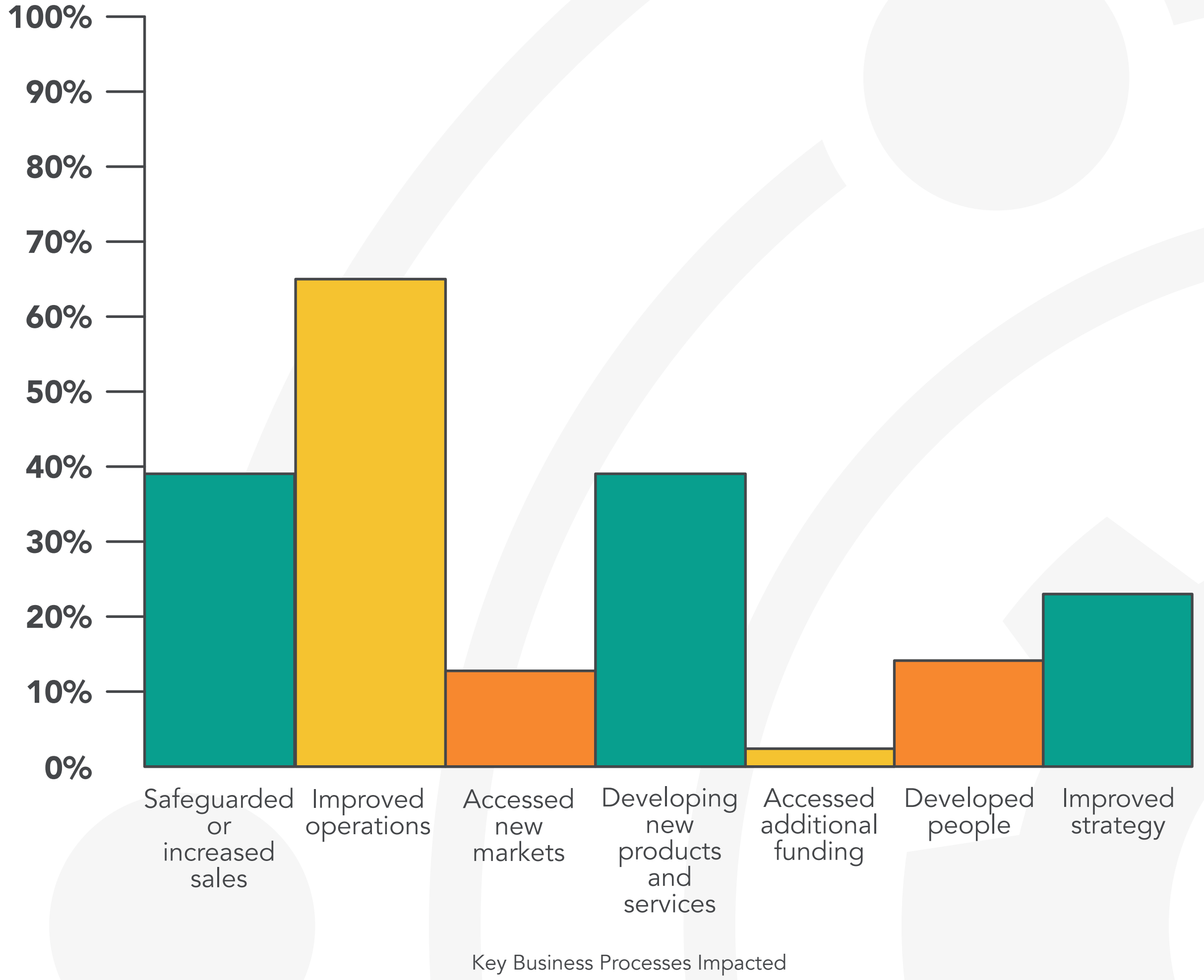
94%
Facilitating the Process

88%
Knowledge of Wider Business Support Landscape

Legacy Data Comparison

In our 2021 survey, we asked similar questions regarding the grant process/advisers centred around client expectations. In both cases, the data above is consistent with legacy responses demonstrating that advisers met expectations and there were high levels of satisfaction within the grant process. 92% of respondents reported each aspect (application, due diligence, claim and communication) being either satisfactory, good or excellent. Three quarters also said their adviser was a good listener and supportive.

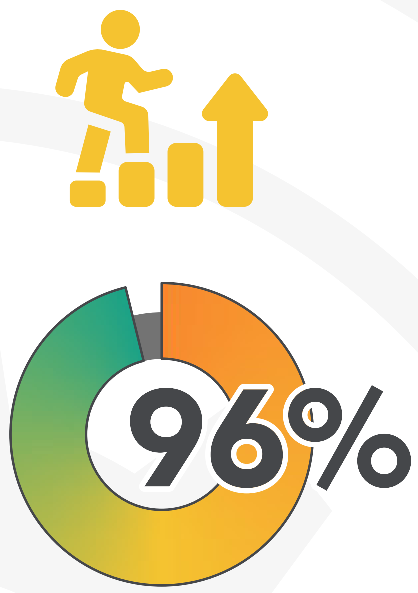
Key Business Processes Impacted



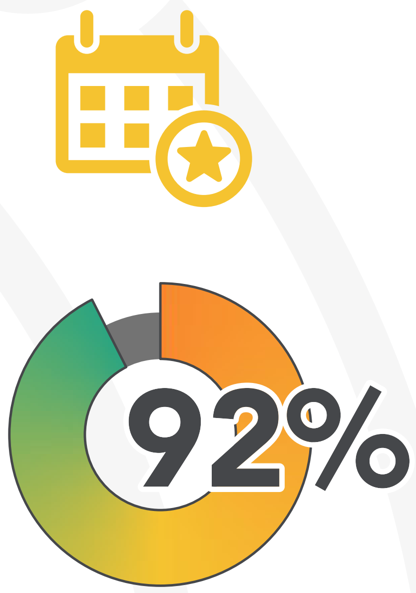
All respondents saw an impact in at least one business process and 50% in two or more. The most impacted process was Improved Operations at 65%, followed by Safeguarding or Increased Sales (40%) and Developing New Products and Services (38%).

Impact on Business Growth

The survey results demonstrated that SGS support was a key to beneficiaries' growth aspirations:



Of respondents said the SGS grant had increased their growth potential



Said it would help them grow over the next three years

Legacy Data Comparison

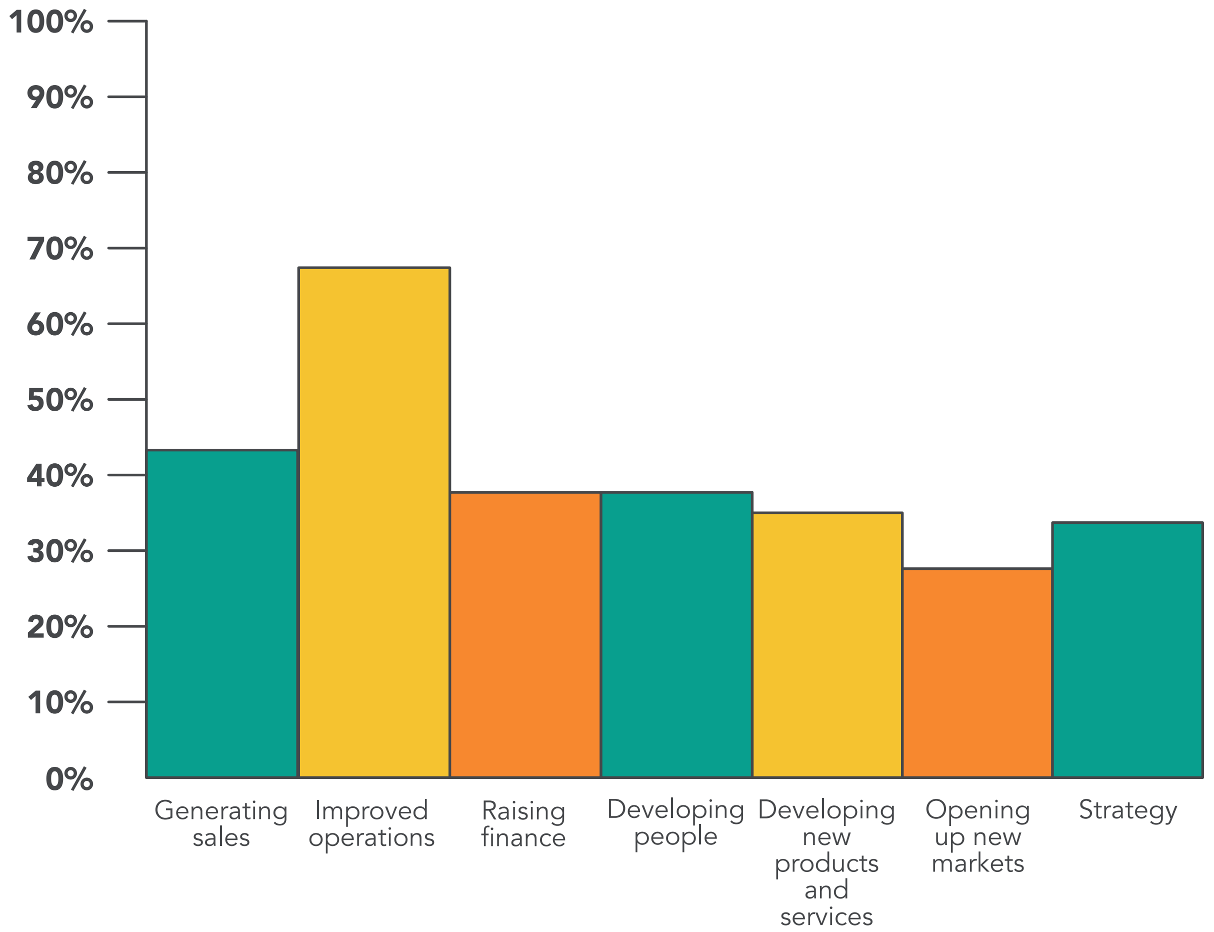
In our 2021 survey, we asked whether SGS support had helped beneficiaries to grow their business now and in the future - 96% said it had to some extent, with 42% a lot or completely.

Year 7/8 Survey Results

Growth Hub Support

In total, we received 36 responses to our 2023 Growth Hub Support survey, 22 respondents reached the closing question.

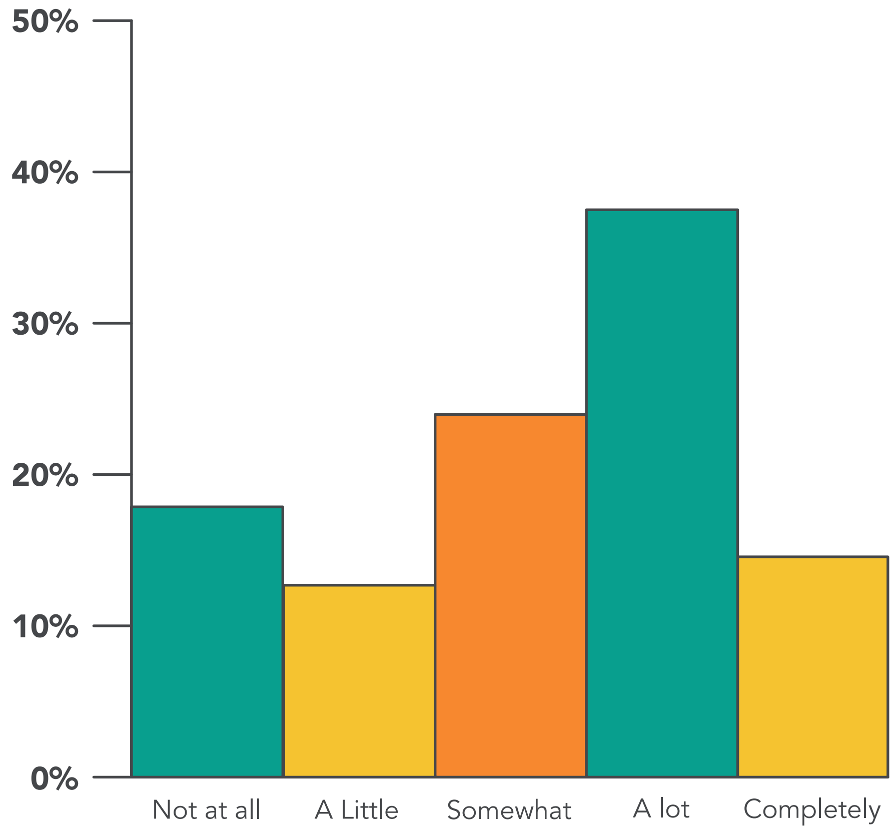
Key Motivations for Growth Hub Support



Key Motivations for Growth Hub Support

Respondents reported a wide variety of motivations for engagement with the Growth Hub – 69% said they had two or more, all had at least one. The most reported motivation was Improving Operations at 69% of respondents followed by Generating Sales (44%), Raising Finance (40%) and Developing People (40%).

Overcoming Urgent Barriers



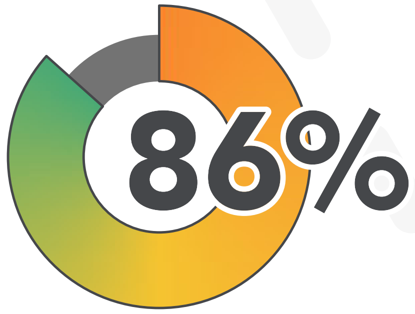
Overcoming Urgent Barriers

84% of respondents said the support had helped them overcome their most urgent barrier, 50% by a lot or completely.

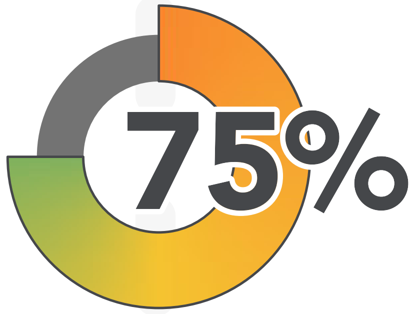
Views on the Adviser

Respondents were asked to give their views on the key characteristics of their adviser. Although the responses to this question are not as positive as from the SGS survey on all but one occasion, 8/10 respondents had a highly positive view of their adviser.

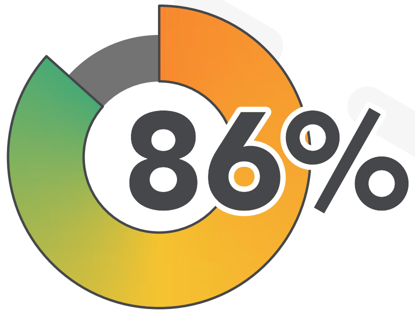
Ratings of Good or Excellent were:



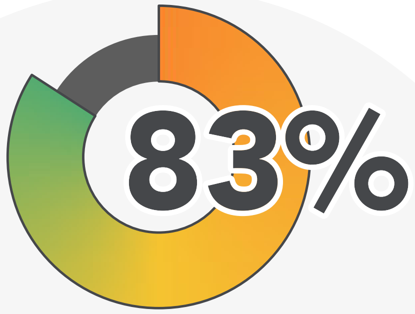
Communication



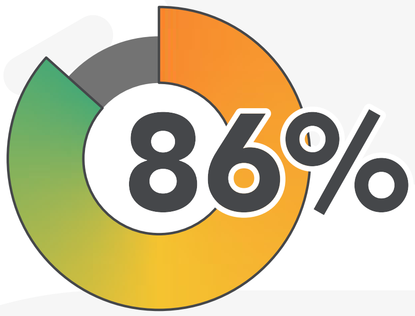
Speed of Response



Professionalism



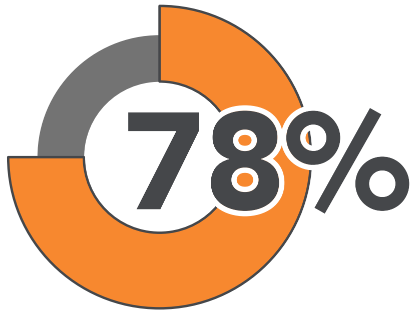
Knowledge/Expertise



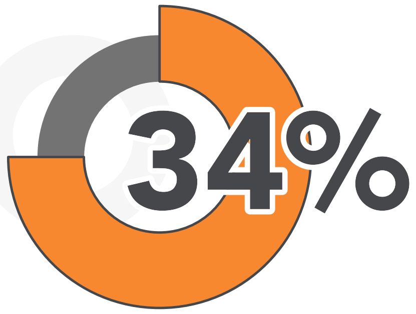
Personable

Legacy Data Comparison

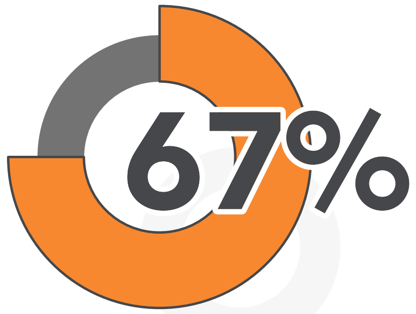
As a direct comparison the responses to similar questions asked in 2021 were:



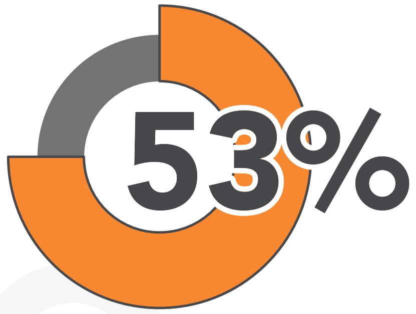
Good Communicator



Experience/Knowledge of How to Overcome Your Barriers



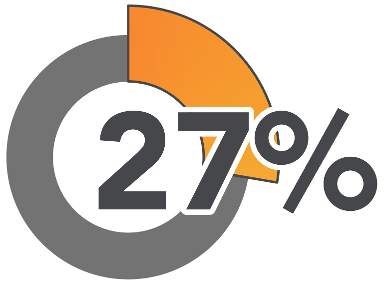
Supportive (Offered Advice but Didn't Dictate)



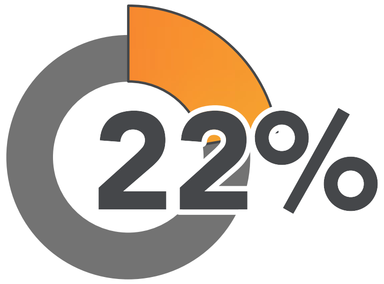
Encouraging (pushed you to act)

Key Business Processes Impacted

Beneficiaries were invited to choose one business process where support had the most impact. The top four most impacted were:

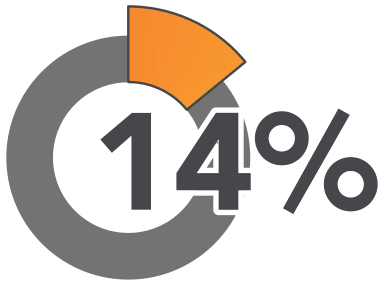


Improved Operations



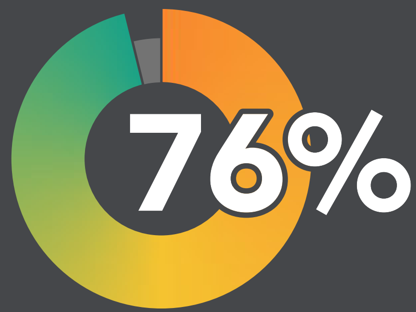
Safeguarded or Increased Sales

Developing People



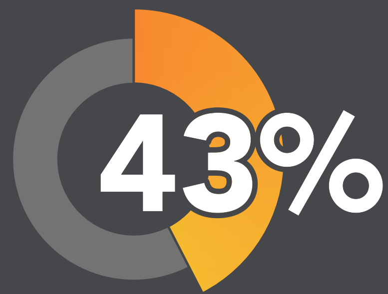
Improved Strategy

Impact on Business Growth



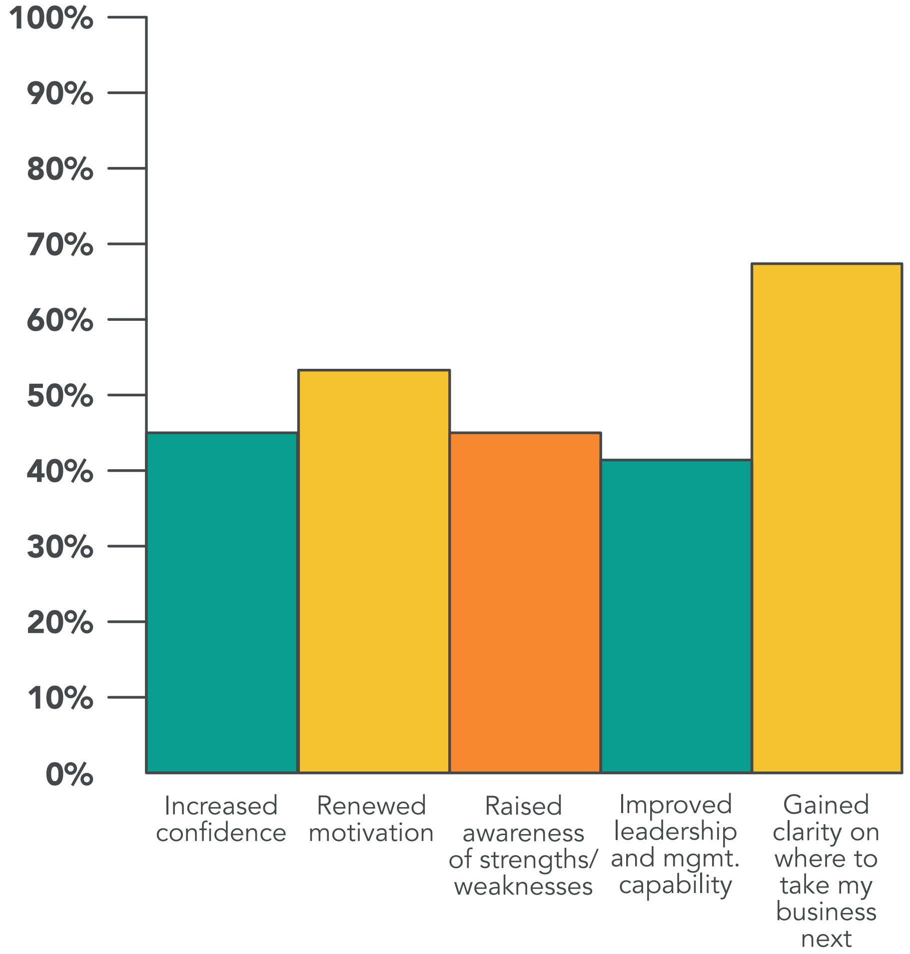
Of respondents said Growth Hub support had increased their growth potential with **70%** saying they it would **help them grow over the next three years**.

Enduring Impact



Of respondents said the support would have an **enduring Impact on the business**

Key Business Processes Impacted



Key Business Processes Impacted

All respondents experienced at least one personal impact from the support provided with 63% having two or more. Almost a third (27%) reported five, the maximum possible. 68% said they had gained clarity on where to take the business next and 54% reported they had renewed motivation. Just under half of respondents (45%) said they had increased confidence and now understood their strengths and weaknesses better.

3.5 How are project activities perceived by stakeholders and beneficiaries? What are their perceptions of the quality of activities/ delivery?

There is a genuine problem around collecting stakeholder perceptions. Where an individual or organisation can be genuinely regarded as a stakeholder (rather than a delivery partner) their knowledge of the project is often scanty. Our experience in this project reflects what we encounter elsewhere - all stakeholders would value more interaction, feedback and progress reporting. This has been more a reflection of custom and practice in stakeholder management than it is about the LEP project team's intentions. It is also important to recognise the level of delivery understanding amongst stakeholders can be a key ingredient in driving their perceptions.

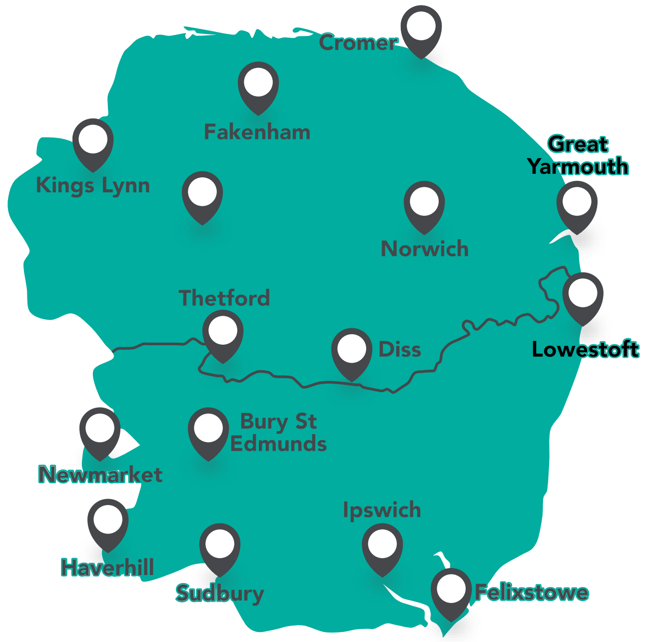
Having said this, many of the stakeholders we interviewed were pleased to have the level of access they have had, although they would have welcomed more information around how individual activities and more details of the actions undertaken. Twas ever thus.

District Level Analysis

The team took a deep dive and analysed the levels of local engagement the project had achieved by the Growth Hub and those receiving SGS grants at a District level. The analysis resulted from combining CRM and current ONS data (2022). The findings are at **Annex A - Growth Hub Impact at District Level**.

This in-depth analysis gave our team the ability to:

- Calculate the number of SMEs receiving light touch/intensive support and the number/average hours of support provided by the Growth Hub
- Calculate the number of SGS grants approved/paid and the related total investment and private sector leverage
- Understand the sectors and the age of companies supported
- Compare local market penetration across the LEP area



We concluded the project has supported between 5% and 9% of the SME population across Districts in Norfolk and Suffolk with an overall penetration rate of 6% in New Anglia. The highest rates of penetration were in Norwich City – 9%, Ipswich City - 7% and East Suffolk – 7%. Babergh and Mid Suffolk District Councils had the lowest penetration rate at 4%.

Beneficiary Perceptions

Beneficiary perceptions have already been comprehensively covered in Section 3.5 above. Given this is the final report on this major intervention, we decided to attempt to re-engage with those who had only received IDB (P13) or less than 12 hours of support and did not become either a C1 or C2 output (in effect, not significantly assisted). We received a total 124 useable responses to this survey, 98 respondents reached the closing question. The survey results can be summarised as follows:

Primary Reasons for Disengagement: 29% were ineligible for support, 21% said the support was not relevant and 18% indicated the levels of support did not meet their expectations.

Referrals: 10% (10) were respondents referred to another organisation which could potentially help them. 80% said the referral was relevant and they received a good quality of service. 70% (seven) experienced a positive impact on their business as a result.

Respondents Challenges: 56% of respondents reported they had engaged with the Growth Hub to secure grant funding. 76% felt their challenge was understood. Over half said their challenge was not resolved.

Satisfaction: 82% of respondents were satisfied with the quality of support/advice received from the Growth Hub.

3.6 To what extent have the horizontal principles been integrated into and shaped delivery?

Following consultation with the MA, it was agreed the project would not collect Equality and Diversity data from companies (for the company as a whole) but should establish details for individuals occupying jobs created in the monitoring and claim process. This has been done throughout the project lifetime.

4. Project Outcomes and Impact

4.1 What progress has the project made towards achieving the outcome and impacts set out in its logic model?

The project has achieved each of its outcome and impact measures, as detailed below.

Outcome 1 – Increased Turnover

315 respondents reported a total increase in sales of £64.8m. When this is extrapolated over the C1 cohort of 2,736, and a sensitivity test is applied to account for deadweight (reducing the figure by 25%), it is estimated that the project is likely to have triggered an increase in turnover of £422.1m.

Outcome 2: Improvement in productivity/efficiency *and;*

Impact 4: Narrowed productivity gap of the LEP area with the UK

The survey of the small grant scheme identified that 81% of respondents increased productivity by an average of 40%, and 61% of growth hub respondents increased productivity by an average of 38%.

Outcome 3 and Impact 5: Increased Competitiveness

The primary aim of Priority Axis 3 is to improve the competitiveness of SMEs by increasing the capacity and capability of SMEs and promoting entrepreneurship. The programme has contributed towards Investment Priority 3a – Promoting Entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators – through its work across all elements of support. The Start Up programme has supported 1,663 individuals to start a new business. The Growth Hub have worked to connect SMEs to a number of local, innovation driven, projects such as Scale Up New Anglia, Invest East and Growth through Innovation. The Small Grant Scheme has primarily supported the operational processes of SMEs and some of these will have led to new or improved processes. A small proportion have also had an indirect effect on new product or service development.

The Small Grant Scheme has primarily supported Investment Priority 3c – Supporting the creation and the extension of advanced capacities for products, services and development by assisting investment in software, hardware, facilities and refurbishment, large machinery, tools and equipment, smaller technology and equipment, and some support has helped businesses to develop capacity and strengthen supply chains. There is evidence that the scheme has created 448 new jobs.

The programme has also contributed towards Investment priority 3d - Supporting the capacity of small and medium sized enterprises to grow in regional, national and international markets and to engage in innovation processes. The Growth Hub has increased awareness, access and take up of business support – assisting 1,001 companies with 12 hours of support (expected to rise to 1,254 by the close of the project) and a further 3,467 with three hours of IDB support (expected to rise to at least 4,185 by the close of the project). In addition, the survey has provided evidence that the programme has indirectly triggered an additional £6.1m of export sales.

Outcome 4: Employment Increase *and;*

Impact 2: Creation of long-term sustainable jobs in the LEP area

The programme has captured evidence of 1,992.6 net additional jobs across all Start Up and Small Grant Scheme beneficiaries up to August 2021. The Growth Hub has also supported the creation of 610 additional jobs. The majority of Growth Hub beneficiaries have accessed grant programmes, many of which have been funded by ERDF and we have therefore left those new jobs out of any GVA calculations to avoid double counting. There is also evidence of 301 net safeguarded jobs from the small grant scheme, and an additional 782 safeguarded jobs from the Growth Hub.

We can extrapolate the jobs safeguarded figure to take account of all beneficiaries, and we have applied a 75% sensitivity test to this to take account of any deadweight. The jobs safeguarded figure increases to 2,614. When this is added to the net additional employment figure, we can confidently estimate that the programme has been responsible for at least 5,216 jobs in the New Anglia economy that wouldn't have existed without the programme.

Impact 1: Increased GVA across Norfolk and Suffolk

Using employment to calculate GVA, the project has generated Gross Additional GVA of £99.1m, and Gross Safeguarded GVA of £19.8m. Once deductions and multipliers are applied, this results in Net Additional GVA of £99.9m and Net Safeguarded GVA of £20m. This is £119.9m of GVA in the economy that wouldn't have existed without the support.

When a 10-year persistence test is applied (see below), this figure rises to £1,032,797,741.

Impact 3: Creation of new business Start Ups in the LEP area

The programme was targeted with creating 1,563 new business Start Ups in the New Anglia area but has surpassed this target at the time of reporting, by creating 1,663.

4.2 To what extent are the changes in relevant impact and outcome indicators attributable to project activities?

In calculating economic impact, we have used the employment data collected from our beneficiary survey. We have removed any duplicates from those data sources to ensure no double counting of employment impacts.

Net Impact has been calculated at the Multi-LEP geographical level. Employment data has been used to calculate GVA and utilises data obtained from the latest available version of the Annual Business Survey (May 2021) for appropriate SIC codes. We have also used ONS subregional productivity estimates.

We have applied a series of standard economic multipliers. For GVA and employment, Deadweight has been applied at zero for project data, as respondents were asked to attribute any increase in employment directly to the support received.

Displacement of 29.3% and Leakage of 11.5% have been applied based on HCA guidance (for regional-level business development and competitiveness support, in line with BEIS guidance).

Type I economic multipliers have been applied at the SIC divisional level. Type II multipliers not only include the direct (impact on the business supported) and indirect effects (impact on the supply chain), but also account for induced impacts – the increase in household income throughout the economy.

Substitution is not applicable to this type of intervention, whereby existing employees at an SME will not have been replaced by other SME funded/incentivised via public monies.

4.3 What are the gross and net additional economic, social and environmental benefits of the project (where relevant and applicable to project activities)?

The project has generated Gross Additional Employment of 1,881.8 and Gross Safeguarded Employment of 296. Once deductions and multipliers are applied, this results in Net Additional Employment of 1,992.6 and Net Safeguarded Employment of 302. This is 2,294 jobs in the economy that wouldn't have existed without the support.

	Net Additional Employment	Net Safeguarded Employment	Net Additional GVA	Net Safeguarded GVA
Gross Impact	**1881.8**	**296.1**	**£99,125,289**	**£19,819,877**
Deductions				
Deadweight	1881.8	296.1	£99,125,289	£19,819,877
Displacement	1330.5	209.3	£70,081,579	£14,012,653
Leakage	1177.5	185.3	£62,022,198	£12,401,198
Multiplier	1992.6	301.7	£99,964,487	£20,021,033
Net Additional Impact	**1992.6**	**301.7**	**£99,964,487**	**£20,021,033**

Net Additional Employment and GVA

Using employment to calculate GVA, the project has generated Gross Additional GVA of £99.1m, and Gross Safeguarded GVA of £19.8m. Once deductions and multipliers are applied, this results in Net Additional GVA of £99.9m and Net Safeguarded GVA of £20m. This is £119.9m of GVA in the economy that wouldn't have existed without the support.

Persistence

It is likely that the employment and GVA impacts will continue for several years, providing ongoing benefits to the local economy. To estimate this ongoing impact, a 10-year persistence effect can be applied utilising a discount rate of 3.5% (based on HM Treasury Green Book). To calculate this, we have used the employment increase as measured by the project and surveys. The 10-year impact estimates are as follows:

- BGP 10-Year net additional economic impact based on employment increase: **£860,462,966**
- BGP 10 Year net safeguarded economic impact based on jobs safeguarded: **£172,334,775**
- Combined 10-Year net additional and safeguarded economic impact based on employment: **£1,032,797,741**

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

All impacts are attributable to the project as respondents were asked to attribute any increase in employment directly to the support received.

4.5 To what extent has/will the project contribute to the achievement of ERDF programme result indicators?

Please see 4.1.

4.6 What are the main sources of Strategic Added Value that the project has created?

Project Advisory work has delivered knowledge transfer, providing SME managers and management teams with helicopter vision and encouraged them to exploit external expertise in the future, the transfer of practical business knowledge and skills has increased business resilience and introduced new ways of working.

Grants have promoted learning in the management of capital investments and R&D, the injection of significant levels of working capital in numerous businesses has increased productivity, efficiency and effectiveness, as well as making contributions to the Net Zero agenda.

Start Up support has helped foster social inclusion, assisting the hard to reach and the unemployed to acquire knowledge and skills that can lead to reduced poverty, less digital exclusion and overcome some social problems. Numerous beneficiaries have been introduced to self-employment as an option.

5. Project Value for Money

With a total project expenditure (at the time of evaluation) expected to be £33.7m, and an ERDF contribution of approximately £16.85m, our analysis of the value for money provided is summarised below. For the purposes of these calculations, we have used output and expenditure data as of February 2023.

- The total public cost per Enterprise Supported (2,879) will be £5,852.
- When compared to research conducted by Regeneris[1] it represents exceptional value for money, far lower than the Mean (£34,000).
- If we take the project data, which evidences a gross increase in employment of 1,881, each individual additional employee will have come at a public cost of £8,958.
- This delivers excellent value for money when compared to other projects we have evaluated – one comparator project delivered gross employment increase costs of £57.5k.
- When compared to the Regeneris benchmarks, the project will have achieved exceptional value for money, significantly lower than the Mean cost (£71k).
- The project is estimated to deliver £5.93 of net additional GVA per £1 of public money invested and approximately £1.19 of safeguarded GVA. That is £7.12 of GVA for every £1 invested, in the economy, that wouldn't have existed without the support.
- When applying persistence, over the next 10 years, the project will have created £61 of GVA for every pound invested.

[1] England ERDF Project 2014-20: Output Unit Costs and Definitions

6. Conclusions and Recommendations

Conclusions

At the time of the evaluation, the project was about to reach its key targets, whilst achieving more than 85% of its other targets and exceeding some by significant margins. The only significant under-performance was in relation to the provision of 3 hours of support which we have always regarded as a distracting and largely valueless Output.

Project investments will almost certainly have further on-going short-, medium- and long-term impacts. Project Governance and Management has been sound and project activities have been delivered to a high standard.

Strengths

- The rationale and logic for the project/programme design has remained sound
- A strong partnership with extensive experience in business support and good working relationships
- A highly experienced Accountable Body
- Good management and governance with strong private sector involvement
- Delivered by a consistent team, involved from the outset
- Business perspectives made visible through the involvement of an independent Suffolk Chamber of Commerce – with flexible support, respected within government and well-connected to local business agendas
- Longstanding partnerships with NWES and MENTA - both possessing high level expertise following more than 30+ years' experience in Start Up support
- Resources deployed to support the success of Scale Up New Anglia and the BEIS Peer Network
- The adviser "rule" of seeking out SMEs intending to invest in actions and likely to create jobs – almost certainly material in connecting with larger and higher quality SMEs
- An experienced and skilled Growth adviser cohort
- Access to commercial databases to facilitate targeting
- High quality service and high levels of satisfaction
- Enduring impact on individuals and businesses
- A Growth Hub with very strong connections to the local market
- Good relationships with local authority EDOs and the wider business support network
- Almost all actions have improved over time. The LEP decision to commit to annual evaluations has also helped trigger continuous improvement
- Suffolk County Council and the LEP have combined to develop an effective grant administration process which has been well received by beneficiaries

Weaknesses

- Growth Hub output evidencing and follow up has been inconsistent
- The Growth Hub team's (understandable) generosity in terms of collecting eligibility data during the pandemic led to an inability to count numerous outputs
- There has been a propensity to *"gold plate"* guidance and processes. The bureaucracy in place for the Small Grant Scheme created a problem with take up in the first two years of operations. Whilst it has improved, and the administration is sound in terms of compliance, the aspiration to minimise the burden on business diminished
- Start Up partners only recently establishing a formal process for tracking their long-term impact
- The early absence of a Growth conversation/lack of an explicit growth philosophy/strategy
- Early assumptions around the effectiveness of acquisition techniques
- A lack of active best practice sharing across the Growth Hub network.

Lessons for the Delivery Body

During delivery, Growth Hub Advisers were asked to get to grips with the rules around a very large number of grant offers, which often had differing approaches and rules around eligibility and suitability. Some advisers were better than others at handling the technical issues. A few gave compliance advice – but this created some problems when the guidance they had provided to businesses was incorrect. In many cases the complexity of the obligations demanded direct contact between the LEP team and the client. That was simpler for the team and simpler for the business.

Lesson: *ERDF Grant management demands careful handling and a very high level of technical knowledge.*

The role of grants, business advisers and start-up support has hardly altered since the 1970s, not because there is no opportunity for radical improvement, but solely because *"this is the way we do things around here"*. There are always new and innovative delivery models and different and better interventions emerging, but adoption needs active management and dedicated development resources.

We would recommend the LEP team and local partners now take advantage of the extensive learning which has gone on elsewhere in terms of how business support is delivered and consider the potential value of new kinds of interventions such as those being used in the innovation arena, content-based workshops, work with emerging sectors or strategically important employers.

Lesson: *World class organisations are alive to what their competitors are doing.*

In terms of innovation, the team already has a deep knowledge of local offers and consideration could be given to how to effectively broaden partnerships working to include innovation centres and organisations, HE, Catapults and regional technology organisations.

Lesson: *More integration around key issues such as innovation would be beneficial.*

We continue to believe that further simplification of grant management would increase levels of impact and satisfaction even further without involving unnecessary risks and there is a case for a more serious look at diminishing returns in grant offer design. The early evidence suggests that UKSPF arrangements are even more complex than ERDF in some cases.

The shift from a 20% intervention rate to 40/50% considerably enhanced the attractiveness of the SGS grant offer – something that is likely to endear the support to often cash starved or savvy SME managers.

Lesson: *Grant design should involve more than creative stealing. It merits full blown process analysis.*

Lessons for Project Designers

When involved in project design it is healthy to invest some effort in considering what *"measuring the right things might look like"* (as opposed to a sole focus on contracted outputs/outcome). It is not difficult to add new simple Critical Success Factors and associated Key Performance Indicators to create a powerful project performance dashboard. It just takes some time out and the investment of a little brain sugar.

Projects would benefit from introducing simple new ways to assess performance in meeting the needs of business - targeting and controlling results in the same way that excellent businesses do – rather than being driven by contracted outputs. We are disappointed that despite the opportunity delivered by EU Exit, SPF and CRF processes have been strongly influenced by ERDF practices. Some provocations:

Not: Number of businesses receiving support

But: Enterprises reporting positive impacts of support (nature and scale)

Not: Value of grants given

But: Business impacts of investments (scale)

Not: Number of businesses given IDB support

But: Business impacts of information and advice services (nature and scale)

Not: Private sector match

But: Associated investment (but why at all?)

Not: Number of products introduced

But: Sales achieved from new products and services introduced

Not: Number of companies less than a year old

But: Number of people helped to start a business or Number assisted to survive more than one, two, three, five years

Not: Picking winners

But: We would all be delighted to discover the next Microsoft and give them a leg up, but given these businesses represent .0001% of firms and are highly likely to be able to do things for themselves, let's not delude ourselves. What do our winners look like?

Throughout the life of the BGP we have had the privilege of undertaking other strategic work for the LEP. We believe that some of this work might be helpful to others involved in programme design, particularly around the measurement of impact. We have therefore provided the following strategic graphics which may assist readers:

- **Annex B: Project Design Dimensions and Impacts** provides an interesting overview of the key elements involved in creating business support interventions.
- **Annex C - Common Business Support Measures** attempts to capture the numerous ways in which ERDF projects have measured performance - proving conclusively we are in the habit of measuring far too many things! Using this analysis would provide the foundation for an informed discussion about what Critical Success Factors and Key performance Indicators should really look like.
- **Annex D: Economic Development Key Process Measures** takes an even wider view of the economic development landscape.

Lesson: Contracted outputs rarely lead to the measurement of the right things. What is it that if we fail to do means we will fail our mission? (those are the CSFs). How can we measure those CSFs? (those are the KPIs)

Almost all projects that are designed at speed contain aspirations which get lost as soon as the pressures to deliver outputs come to bear.

Lesson: Can we achieve all we propose with these core actions and this level of resource?

As a result of our work with the LEP and Growth Hub teams in New Anglia and other regions we developed the following outline of key business support processes. It may help those involved in project design to think through their own delivery models:

Enquiry – Immediate Solution

A single answer to a technical issue saving the client labour, time, cost stress – unlikely to involve 3 hours of support. Satisfaction and impact are difficult to track, and impacts are likely to be superficial but the value to be derived from using enquiry data to better understand client needs is immense.

Enquiry – Internal Referral

Where the nature of the enquiry suggests there is a need for more intensive help. Satisfaction and impact can be tracked after the delivery of advice – but follow up needs to be pro-active. Related data can inform understanding of client needs.

Enquiry – External Referral

This is a service – but the quality of the client experience following contact is down to the alignment of the capabilities of the receiving organisation and the client need – the significant impact is achieved by the receiving organisation. Almost all projects fail to pro-actively track the effectiveness of their signposting and it is key to client satisfaction.

Generic Events

These are light touch and aimed at information provision with limited learning content – they therefore have limited impact – they could be regarded as similar to signposting - however, they often do add value in terms of awareness of wider support and improving engagement.

Levels of satisfaction and impact can be measured on the day and active follow up is possible and desirable. The key questions (from the Kirkpatrick model) are: Did you learn anything? Will you apply what you learned? Do you think what you learned will have an enduring impact for you?

Content Rich Thematic Workshops

Designed with the intent to create a genuine learning experience – so routine training metrics can be used as benchmarks and the Kirkpatrick approach can be used to track delivery success – but only where there is pro-active follow up - acknowledging that the level of learning and enduring impact will normally be limited (this can be compared with industry metrics). Training can change your lives (for example leadership and management) but mostly it doesn't. Adding action planning to an event has the potential to lead to more significant business impact in a small number of participating SMEs.

Three Hours Support (ERDF P13)

Most likely to be via attendance at an event. However, it can be 1:1 with an adviser. Exceptional advisers often function as free expert labour for clients – for example conducting research on behalf of a client or where an adviser acts as thematic consultant or coach or mentor – Most projects fail to examine service standards here – just *"ticking the box"*. Impact may be achieved by this kind of intervention, but without pro-active follow up details won't be captured.

12 hours Support (ERDF C1)

Often an accumulation of support – unlikely to include the sort of quasi consultancy described above. We are not sure why the line was drawn at 12 hours – maybe because Civil Servants work 6-hour days! Where an adviser provides quasi consultancy expertise or additional labour as described above this can have moderate and even significant impact, but superficial piece meal interactions will probably have little effect.

Grants for Consultancy/Private Sector Services

Funding provides the potential for strategic improvements leading to real increases in efficiency/productivity (process improvements) or growth potential – higher impact. There is a significant amount of evidence that this kind of support can deliver significant impact (for example Leadership and Management)

Grants for Capital Purchases

Almost inevitably leads to increases in efficiency/productivity or R&D often delivering new products or (less often) services – improving the new product/ service/ process introduction process is an important element of business excellence – delivering higher levels of innovation

Lesson: Have we chosen the right elements to maximise the ROI of the resources involved?

Adviser Support*?

We believe it is worth drawing attention to the way any project sees the role of appointed advisers. Generally, the LEP team in New Anglia has directed Growth Hub advisers towards grant application support. Some advisers have used the process to provide quasi consultancy support – but that has not been universal. BEIS (now DBT) have seen the Growth Hub's task simply as IDB leaving the wider role of advisers as consultants or even account managers to local decision. It's clear the role, character of advisers and their level of skill and experience varies considerably across any project or partnership – but the role definition is in the hands of project designers.

Lesson: If a project involves advisory functions, give careful consideration to the roles to be performed.

Where advisers are being asked to provide hands on support to clients it's important to recognise the practical limits of their capacity. Having worked with scores of business support projects over decades we have concluded that advisers offering quasi consultancy support have difficulty in maintaining these types of relationships with more than 30 firms per annum and are typically unable to manage a client case load of more than 80 at any time. Clearly, if the role is simply signposting or even referral (sometimes defined as a warm handover) then the volumes of assisted companies can be higher, however, the business impact that can be achieved through a limited number of advisory hours will mainly be modest.

Lesson: Use these benchmarks when deciding what is possible in terms of adviser outputs.

There is a broad consensus around the adviser's role as an impartial, confidential critical friend and there is no doubt that SME managers do derive value from an objective eye on the business. SME Managers generally do work "in the business" rather than "on the business", functioning on a limited amount of business theory and often find it tough to fly above what is happening. This is where advisory support can help with the encouragement of innovation, understanding of productivity improvement and internationalisation.

Lesson: Think about how advisers can best add value.

Productivity is not a Puzzle. We can't understand why HMG has consistently failed to develop policies and initiatives to address productivity improvement (ERDF partners around the country have done it). The task is simple. Work with managers to identify unnecessary processes, procedures, policies which add no value. Find ways to save them time, money and effort. This could work for SME clients or funders. Introduce a process that explores assumptions and looks at possible areas for improvement in terms of cutting costs, improving quality or shortening time scales. There is no reason why managers cannot be taught performance improvement in a similar way to learning about Time Management. Understanding process analysis could help clients and the supply side.

In our opinion the key concepts of competitiveness, productivity, value added, and innovation all need the same kind of treatment. But this is not in the conversation. Part of the problem is there is little practitioner consensus around suitable actions and the level of understanding of the agenda inside HMG is low (and driven by economic theory). The challenges around innovation promotion provide an example of this kind of issue - where people use the word with only a superficial sub conscious understanding of the meaning. Our questions are: Who is currently championing the productivity improvement agenda? What data do we have? What would productivity improvement interventions cost the supply side and what results could be achieved? Business involvement in this agenda is not enough. Most businesses operate on an extremely limited level of theory because in business, it is what you do in practice that is important, not what you theorise about.

Lesson: Productivity improvement is as teachable as innovation management.

Much more effort should be invested in measuring the right things. Enquiries are often counted to prove that work is being done rather than using the related information to increase knowledge of client needs. Participants at events are counted, but little focus is put on the lasting impact achieved by their attendance. There are all kinds of measures for grant management, but they are largely concerned with showing that the work is being progressed, often ignoring important issues such as the case for public support, additionality and leverage. Counting hours is not a quality measure, signposting does not achieve direct impact. Government policy aims to trigger the introduction of new products/services/processes, but understanding of these processes is often limited and leads to poor project design with delivery envisaged against unrealistic timescales. Surprisingly, many *"people"* measures are weak, and education and training are industries! The supply side often fails to adopt the beneficiary's perspective. The numbers demanded in claims for payment are often not really about cost management or public investment being rather more concerned with proof of defrayal. And finally, traditional methods for evaluating value for money fall a long way short of a genuine cost benefit analysis.

Lesson: Count the right things.

During our evaluation work with the LEP and Growth Hub teams, we identified a number of key failures in client information capture which project designers could seek to eliminate in their own processes:

- Contradictions across data
- Gaps in data
- Missing data
- Baseline errors
- Inconsistent presentation of numbers
- Data available, but not used
- Contradictory data – firms with £8m turnover but no employees
- Contradictions in dates of establishment
- Lack of adviser details

Lesson: Do what you can to achieve consistency and quality across management information.

Other Lessons

Lesson: Ensure the project results profile takes account of the need to build performance over time. It will take time to get traction. Projects need time to win hearts and minds.

Lesson: SME is a collective term - recognise there is a wide variety amongst smaller companies even when they are similar in terms of size. The differences in process capability, attitudes and sectors is massive (although the challenges are common).

Lesson: Recognise the pressures on grant beneficiaries - they are time poor and participation is a big commitment, even when the prize is to secure free working capital.

Lesson: Focus on SMEs who are looking to grow rather than those who are struggling.

Lesson: Seek creative ways to add additional revenue streams for clients – the best thing you can do for any business is help them generate sales.

Lesson: Leverage the expertise, interests and specialisms within a team during design. The knowledge and experience of business advisers often goes unexploited. They can advise internally as well as externally.

We recommend that project proposers consider establishing Task and Finish groups during the design stage rather than depend on the heroism of individual bid writers in creating project concepts. Bid writing heroes are often legendary for their ability to win resources, but many are less good at understanding the pains of delivery. Try to ensure the people writing proposals/designing projects are to be involved in the delivery or have direct experience of delivery. We recommend groups to address the important design issues because:

1. They work
2. They can exploit the extensive expertise across an organisation or partnership
3. Intelligence is always fragmented, and the sum of the parts will always be greater
4. Better partnership can increase the effectiveness of any public investment
5. Where potential customers are included there can be extraordinary results

Lesson: Use Task & Finish Groups to exploit the wisdom of the crowd

Start Ups

By the time the project's key start up actions ended in August 2021 it had exceeded its contracted targets. The Enterprise Agency Delivery Partners had succeeded in materially assisting many individuals, helping some unemployed people in embracing self-employment and many more to understand the implications. In the process, support also assisted individuals to increase their skills and therefore their employability, even if they did not go into business. Support had aided early-stage businesses and helped create a significant proportion of the project's jobs outputs, assisting a range of start-ups across multiple sectors with the potential for further employment creation in the future.

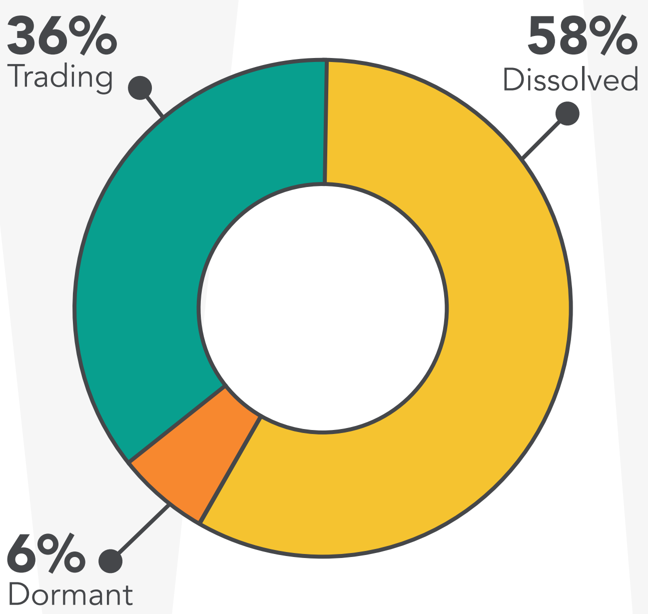
The partners have argued that policymakers need to start to recognise that supporting the survival of new businesses is as important as starting them.

Lesson: Do we know enough about the survival of businesses started by the unemployed/hard to reach as a result of public investment? Do we know enough about the long-term impacts an encounter with self-employment or support of this kind may have?

The Start Up Programme - First 100

We thought it would be valuable to understand more about the long-term impacts which have been achieved by the BGP's Start Up support and sought to undertake a review of the first 100 claimed Outputs. Given the difficulties in tracking the subsequent lives of sole traders we opted to only examine those which had a Companies House record (Ltd companies). Previous work had shown that this part of the cohort was more likely to deliver increased employment than their sole trader counterparts. We sought to understand the patterns around survival and get an indication of their current trading position. All of the companies in this analysis were established between 2015/2018 and were claimed as Outputs prior to April 2018 – therefore those continuing to trade had all survived beyond five years.

Of 100 Beneficiaries:



The 36 companies which were still trading currently employed a total of 140 people with three accounting for over half of the jobs created since they were supported (73). Interestingly, all of these companies operated in the social/health care sphere. They were a care home, a community support organisation and a company delivering mental health counselling services.

Of the companies which had been dissolved, we found that on average, they had traded for 2.5 years with nine trading for four or more. The longest trading business traded for 6.5 years before dissolution and shortest just six months, suggesting that whilst these companies had eventually *"failed"* they had also added value in the local economy during their lifetime.

As admirable as the aspiration may be to help those who are farthest away from business viability to achieve business success, is this the best way to use the limited resources available in the public process? If we continue to assess the effectiveness of projects within their delivery lifetime, how will we ever really understand the short/medium/long term VFM being achieved by these interventions for the taxpayer? The examination of the value of public investments should take a longer more informed view. That would require a significant change in the way HMG manages evaluation processes, but it would almost certainly deliver a better understanding of the ROI of public interventions and help with continuous improvement.

Lesson: Finding ways to take a longer view around the impact of Start Up/business support actions deserves much more attention from the MA/HMG.

Lessons for Policy Makers

We want to emphasise that the following lessons are no reflection at all on this project's Contract Manager who has been supportive, flexible and helpful throughout the process. Our purpose here is to draw attention to the extensive learning that has occurred through the management of this and other ERDF projects. It would be criminal to not exploit this in the future.

The ERDF process captures details of jobs created, but as far as we are aware nothing is done to aggregate or analyse this evidence and no attempt is made to assess the small number of high value jobs created. We believe this is a serious omission in terms of evaluating the effectiveness of public investments.

Lesson: Aggregate information on jobs created and use it to inform policy.

Throughout the programme there has been a lack of real advice around State Aid. We noted that at the outset of the Operational Programme, the MA was so fearful of providing advice on State Aid it suggested project owners should take legal advice. Many did so, at a significant cost to themselves or the programme. As the programme progressed this requirement *"disappeared"*. Whilst this may be a redundant argument given EU Exit, we believe there is a lesson to be learned inside the Government machine. The MA's routine response to complex issues has been to advise project owners to *"consult the guidance"*. This was unhelpful, given that large parts of the guidance were opaque or open to interpretation and in the case of the most challenging issues – simply not there. This stance made many practitioners feel unsupported and we have often seen it as an abdication of responsibility.

Lesson: The provision of clear advice is a pivotal role for the MA.

Perhaps the opposite occurred in the case of the ERDF Procurement rules which were put in place. These have caused endless problems for project owners and company beneficiaries and in our opinion have led to a significant waste of resources in both the public and private sectors. We are not sure that the significant effort (cost to the public purse) involved has delivered any material improvement to the effectiveness or fairness of either public or private purchasing processes.

Lesson: The management of procurement is riven with fears around conferring advantage, but the highly complex process does very little to prevent that occurring while it hampers its efficiency, effectiveness and wastes resources.

One of the key problems with ERDF project management has been that too often, Full Application forecasts have been treated as promises by the MA. This is unreasonable. The reality of project delivery is that once activities begin, plans change. In the round, the MA's risk aversion and obsession with compliance has led to unnecessary complexity and rigidity. This has not helped projects be agile in what has been very volatile environments.

Lesson: A forecast is not a promise.

It is important to be aware of the inclination to add burdens on business as projects progress. The MA should be cautious about continually adding conditions on top of conditions. Each new condition is a new obligation and an additional cost to the participating business.

Examples include requiring beneficiaries to adhere to the programme publicity requirements, the need for the provision of management accounts (last 12 months) bank statements for the last three months, claim and monitoring forms running to many pages, an expenditure form, a job creation declaration (covering the age, ethnicity and level of jobs created).

Lesson: Don't burden business unnecessarily.

It's important to get guidance right. Thankfully we should now be free of many of the bureaucratic burdens of ERDF, but we believe it is vital to learn the lessons around how the Operational Programme has been managed. There is a need to avoid rigid rules which strangle flexibility and move to accepting that many partners are highly experienced and intent on doing the right things. The relationship should be a partnership not contract management. One small example in the BGP has been the confusion around the definition of a start-ups (C5) where interpretations did not align well with the realities of delivery. This process could have been much more flexible and commercially informed.

Lesson: Lose the rigid rules and start accepting reasonable evidence from experienced delivery partners (provide novices with the support they need to succeed). Subject the MA performance to independent scrutiny.

We believe the ERDF Summative Assessment process has failed to reflect the genuine ROI of funded actions. The prescribed questions often overlap and regularly miss the point and the output of the process fails to capture the real added value of the public support provided to businesses.

Monitoring all dimensions of project impact should be a cornerstone of future actions. The existing Assessment question set misses the point, as monitoring impact is often the last thing that project owners consider as they struggle to get the project flywheel turning, the measurement of impact deserves to be centre stage during project design. In the case of BGP, Growth Hub Advisers often didn't consider impact monitoring as part of their role and SCC were only concerned with claim compliance. In our opinion there needs to be a higher level of innovation in the evaluation process with a much smaller number of Critical Success Factors and Key Performance Indicators – let's begin to measure the right things. This should include all projects having structured Close Out discussions with beneficiaries which aim for deep capture.

Lesson: In what ways has Operational Programme Management aided VFM analysis, exchange of best practice or continuous improvement? Is key evidence to support the worth of public interventions is being lost?

An aligned issue is that the Summative Assessment process asks the question: Was there a strong rationale for the project? Why? The MA appraisal process thought there was or funding wouldn't have been provided! We regret the fact that a project Logic Model is no longer obligatory in CRF or SPF. We acknowledge that many ERDF logic models were reverse engineered and not used as a discipline to create projects, but they are an excellent way of understanding what the project owner believes it is doing and we think creating one is good medicine for potential project deliverers at the proposal stage.

Lesson: Continue to use Logic Models.

The PCR process has largely consisted of the repetition of information already available to the MA and could have been a far simpler process. The fact there is a 19 page Template for the PCR gives an indication of the volume of paperwork involved in what should be quite a simple decision. Further, by the time the extensive PCR documents were agreed by the MA, in most cases the world had already moved on.

Lesson: Consider what value the PCR process adds. Re-engineer the process.

Like its predecessors, this Operational Programme has been burdened by a raft of imposed rules which fail to help with performance improvement. A great deal of blame for this lies at the feet of the European Commission which has paid lip service to member state subsidiarity while continuing to impose inflexible rules, backed by legislation. This is not guidance, it is instruction. This has led to a strangulation of projects and increased risk aversion as project owners have operated in fear of claw back – which has sometimes threatened their very existence. This is not a healthy public process. The MA has incrementally added to the range and complexity of guidance. We have noted elsewhere that if a guidance note is on version 17 – it suggests it was less than adequate 16 times previously.

Lesson: There needs to be a radical rethink around the way guidance is developed and supported.

There is much talk of continuous improvement, but the disciplines are not widespread in the public sector and have been almost non-existent in the ERDF process. As with many projects, the Growth Hub team has tried to compensate for the fault lines in ERDF by ensuring grant applicants were aware of the considerable paperwork obligations, the time commitment and other requirements – all from the point of first engagements, with appropriate warnings that if they failed to comply, they risked their applications or claims being rejected. These are indications of a poor process. The presence of compensating behaviour can help draw attention to areas for improvement in a process.

Lesson: Use these complaints to drive process improvement.

HMG equality and diversity requirements have remained opaque throughout the life of the Operational Programme. We're not sure that any of the E&D data collected is ever used and we wonder what justifies this burden and intrusion on beneficiaries.

What happens to the learning and information gathered via Summative Assessments? Why isn't someone using this learning?

Lesson: Use the learning

Some Business Links may have had their shortcomings, but their scrapping in 2011 left a large gap in local economic development support only partially met by the invention of Growth Hubs which have been far less well-resourced to address the same task. It was therefore no shock to most of us that the 2012 Small Business Survey demonstrated that companies were not taking advantage of external advice. The danger of the new UKSPF arrangements is that strategic thinking is replaced by 'small think' and a business support policy vacuum.

Lesson: End short-termism in public programmes.

ERDF rules have been over prescriptive - funding with rules and regulations which have got in the way of doing the right things. The Managing Authority is capable of driving ambition and excellence or causing significant difficulties via its interpretation and application of the rules. The MA needs to possess more skill and knowledge around commercial issues, finance and project delivery. It needs to take responsibility for its advice - compliance with the EU Regulations has been largely the responsibility of project owners. That is an abdication of responsibility. The MA should work harder in creating different and better (innovative) guidance for Delivery Partners – not more rules - but strategies. Because of the level of bureaucracy associated with ERDF SME managers have often needed help in navigating the paperwork. The opportunity cost to business across the programme has been massive and that has not been the fault of delivery organisations. There have been significant and unnecessary costs to beneficiary businesses and to the taxpayer.

Lesson: Use what has been learned.

As with many projects, some of the Full Application's aspirations have been less well monitored than others (for example impact on productivity and competitiveness and the quality and long-term sustainability of jobs).

Lesson: We advocate early discussions around the measurement of impact, otherwise the issue gets lost as energy is poured into the pursuit of contracted outputs.

Business Support Policy

The Cards are in the Air Again – The future of the LEPs and Growth Hubs is uncertain. We have had the Community Renewal Fund *"pilots"* and now the Shared Prosperity Fund. Both funds share significant similarities with ERDF practices and we seem to have missed an opportunity in terms of improving public processes. As ever, the transition from ERDF has been an incremental rather than radical improvement.

One stakeholder described the arrangements around CRF and SPF as *"economic vandalism"* with small inexperienced local authorities being encouraged to develop business support interventions on an individual basis. This will inevitably result in new kinds of postcode lotteries and very different processes. This is not the way to Level Up.

In some cases, SPF resources have been provided to the least experienced partners in the business support supply chain. They have often been burned out following their role in Covid-19 and are regularly overburdened, underfunded, and understaffed. Further, the CRF and SPF activity *"pick lists"* allow for resources to be used on actions other than mainstream business support activity, even used to fund existing activities and seem to allow expenditure to occur elsewhere. Whilst we understand this is in the interests of the owning department it is depriving the business support process of even more resources when some estimates suggest that the level of resources available is less than half that which was being provided by EU programmes.

There is also the question of the lack of evaluation disciplines associated with these resources – with actions having no requirement for either economic evidence or impact assessment. That appears to be a result of over-hasty programme development. We are definitely not in favour of creating new administrative burdens, but we are in favour of doing the right things and measuring if they have been done.

HMG seems to have walked away from some major policy initiatives - including the national and local industrial strategies. The ambivalence about the provision of core funding for Growth Hubs has had negative impacts in the last two financial years. The lack of confidence in the future role of the LEPs and Growth Hubs has been unhealthy, leaving people with little clue of what is happening in terms of the direction of policy. The CRF *"pilot"* actions can hardly be regarded as such given that SPF was created in parallel. The drive for growth has persisted, along with messaging around productivity, but in the absence of clear policies.

Throughout the life of the BGP project, the number of requests for additional information from the MA has increased and the authority has appeared risk averse – for example, requesting serial numbers of items purchased and even dictating the characteristics of publicity stickers (must be A3 and in colour). As objective observers, we can't see the value in these demands and think the amount of energy consumed in this kind of micromanagement has been a waste of public resources which could be put to better use. Many of these requirements were never in the guidelines provided and some even appeared to be an overhang from previous Operational Programmes. We have often felt there has been little recognition inside the MA of the way in which the modern world functions.

Over the last two decades, we have seen HMG policy shift from regional perspectives (Regional Development Agencies and Government Offices) to LEP geographies and it is now moving to district level (and later back to quasi Regional Combined Authorities). This is hardly stability in the supply chain. We fear that as a result, SPF will be less effective than its predecessors in promoting economic development because district level interests are likely to ignore some big issues (innovation in SMEs?) in a national policy vacuum, the benefits of economies of scale will be lost and there will be a migration to addressing very local needs such as retail, the visitor economy etc. where the economic impact will be much lower. This is almost certainly not the best use of public investment in a world where there are limited resources.

We can see little or no consideration being given to legacy of the CRF projects which renders the extensive investment being made in CRF Summative Assessments across the country broadly a waste of public resources. The primary lessons to learn here don't lie with local partners, they sit with Government.

It is vital to the success of future support that the experience and expertise widely distributed across this local partnership is exploited and not lost. How will SPF ensure that? Individuals who have decades of experience in the history, context and practices may be displaced because of HMG policy changes. That would be a tragedy.

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INSIGHTWORKS

Annex B: Project Design Dimensions and Impacts

Strategic

UK Government
New Programmes
Intervention Development
Innovation (BEIS)
Internationalisation (DIT)
Inward Investment (DIT)

Organisations

Local Authorities
Economic Development
Regeneration
Inward Investment
Tourism

LEPs
Direct Delivery
Influencing Delivery
Influencing Partner Delivery

Growth Hubs
IDB
Information
Learning
Advice
Finance

InnovateUK
Breakthrough Innovation

The Department of International Trade (DIT)
Exports

Universities
HEI collaborations
Knowledge Transfer
Knowledge Transfer Partnerships
Spin Outs/Academics into Enterprise
Graduates into Enterprise
Science Parks/Incubators
Demonstrators

Investment Promotion Agencies
Sectors
Jobs
Technologies
Skills

Delivery Processes

Enquiries
Enquiry Handling (Including Signposting)
Immediate Resolution
Successful Referral (Internal)
Successful Referral (External)

Customer Profiling

Event Management
Acquisition
Learning Content

Funding
Grant Giving (Capital)
Grant Giving (Service Purchase)
Loans

Advisers
Adviser Support
Internationalisation Process (Adviser Led)
Innovation Process (Adviser and Competitions)

Skills Support
Events – Learning Content
Training
Peer-to-peer Networks
Qualifications
Apprenticeships

Capital Projects

Thematic Pick-list

Exports
Innovation - Digital
Improved Products
New Products
Productivity (Increased Efficiency/Cost Saving/ Reduced Waste or Energy/Environment)
Strategic Skills
Specific Skills
Application of Digital
Peer Networking
Sustainability (Clean Growth/Energy Consumption/ Waste Reduction/Net Zero)

Targets

Manufacturing
Inward Investor
Agriculture
Fishing
Creatives
Retail
Suitability (growing, scale ups, start ups)
Sectors
Geography
Levelling up

Impact

Skills – Knowledge – Finance – **Sales**

Skills – Knowledge – Finance – **Fulfilment**

Skills – Knowledge – Finance – **People**

Skills – Knowledge – Finance – **New Markets**

Skills – Knowledge – Finance – **New Products & Services**

Skills – Knowledge – Finance – **Finance**

Skills – Knowledge – Finance – **Strategy**

Annex C: Common Business Support Measures

Strategic Themes

Forecast and Resulted — Strategic Themes — Intended and Unintended — Strategic Themes — Gross and Net — Strategic Themes — Short, Medium and Long Term Impacts

1. Marketing

1.1 Number of Businesses Engaged
1.2 Number of New Clients
1.3 Number of Twitter (etc) Followers
1.4 Number of Website Page Views
1.5 Number of Website Visitors

2. Enquiries

2.1 Number of Calls to Local Helpline
2.2 Number of Enquiries

3. Events

3.1 Number of Events Participations

4. Finance

4.1 Number of Applications
4.2 Value of Grant Applications – requested (£)
4.3 Number of Approved Grants
4.4 Value of Approved Grants (£)
4.5 Value of Private Match of Approved Grants (£)
4.6 Number of Grants by Type (R&D, Growth) Approved
4.7 Number of Grant Offers Accepted
4.8 Number of Grants Claimed/Paid (C2)
4.9 Number of Rejected/Withdrawn/Ineligible Grants
4.10 Value of Grants Claimed (£)
4.11 Value of Private Sector Match – achieved (£) Value of Private Match Claimed (£)
4.12 (Loans) Value of Investments (£)

5. Advisers

5.1 Hours of Support (P13 C1)
5.2 Number of Businesses Receiving In-Depth Assistance (older than 1 Year) (C4)
5.3 Number of Businesses Receiving In-Depth Assistance (younger than 1 Year) (C5)
5.4 Number of Businesses Receiving Info, Diagnostic & Brokerage (P13)
5.5 Number of New to Business Products/Services introduced (C28?)
5.6 Number of New to the Market Products/Services introduced (C29)

6. People

6.1 Number of Entrepreneurs to be Enterprise Ready (P11)
6.2 Number of New Learners
6.3 Apprenticeships Created

7. Place & Environment

7.1 Carbon Dioxide Emissions Avoided (kg)
7.2 Floor space Delivered (M2)
7.3 Land Ready for Development (Hectares)
7.4 Number of New Dwellings Created
7.5 (Loans) Value of Investments (£)

Process Measure 8

Inward Investment & Business Stock

8.1 Number of Businesses in EZ (Nett)

Process Measure 9

Strategic

9.1 Number of Businesses Safeguarded
9.2 Number of Construction Jobs
9.3 Number of New Businesses Created
9.4 Private Sector Capital Investment
9.5 Public Sector Capital Investment

Process Measure 10

Jobs

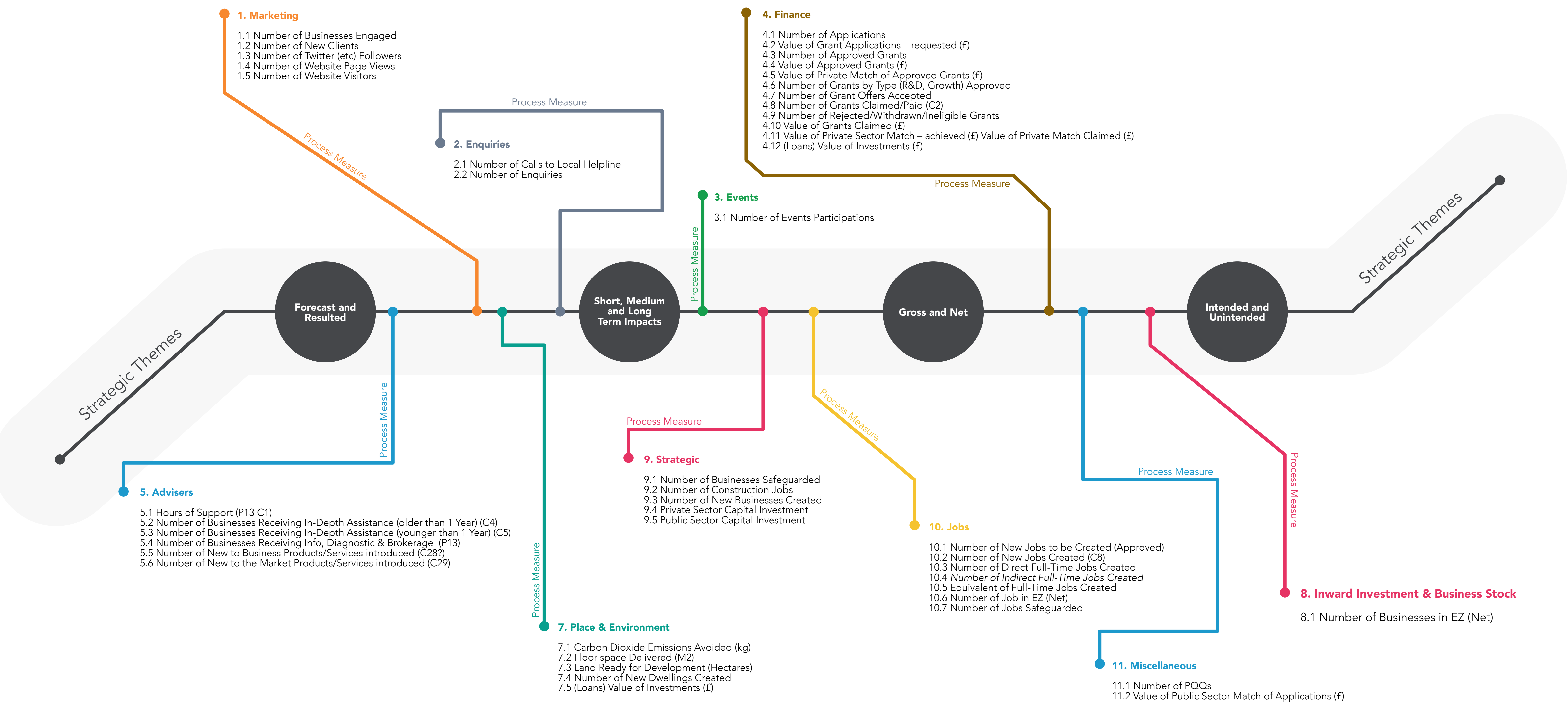
10.1 Number of New Jobs to be Created (Approved)
10.2 Number of New Jobs Created (C8)
10.3 Number of Direct Full-Time Jobs Created
10.4 *Number of Indirect Full-Time Jobs Created*
10.5 Equivalent of Full-Time Jobs Created
10.6 Number of Job in EZ (Nett)
10.7 Number of Jobs Safeguarded

Process Measure 11

Miscellaneous

11.1 Number of PQQs
11.2 Value of Public Sector Match of Applications (£)

Annex D: Economic Development Key Process Measures



New Anglia Local Enterprise Partnership Board

New Anglia Local Enterprise Partnership Board

Wednesday 31st January 2024

Agenda Item 7

Chief Executive's Report

Summary

This report focuses on by exception reporting on key issues and information for the board's attention.
Regular reports on the performance of individual LEP programmes are provided via programme performance reports and issues which require board input or decisions are tabled as agenda items in their own right.
The report is grouped under five headings – 1) LEP managed projects and programmes, 2) LEP Industry councils and Sub-groups, 3) External Partnership Activity, 4) Governance and Finance, and 5) LEP Transition. The communications dashboard is also attached as a separate appendix.

1) LEP Managed Projects and Programmes

Growth Deal and Getting Building Fund evaluation update.
The Department for Business and Trade have contacted the LEP to confirm that they have engaged Steer Group to undertake a national evaluation of the LGF and GBF programmes. The evaluation will explore the local experience of both programmers and will focus on the following areas:

- How areas approached the identification, prioritisation, and agreement of which projects to support.
- How central government priorities were translated into local activity and the role of the Area Teams.
- LEP approaches to governance, management, and monitoring.
- What went well and the lessons learnt for future delivery.

Grant Programmes transition update.
The LEP continues to discuss options for the transition of existing grant delivery programmes to Norfolk and Suffolk County Councils.

To support the transition, programmes will be temporarily paused whilst LEP resources are transferred, and operational responsibility is passed to Norfolk and Suffolk.

Any pause will be a short as possible to limit any impact on businesses in both counties and to allow business as usual to continue wherever possible. This cut-off date is being finalised and will be during February.

2) LEP Industry Councils and Sub-groups

Innovation Board

New Anglia Innovation Board met on 11th December following the launch of the [Innovate UK New Anglia Local Action Plan] at Adastral Park on 5th December. Additional updates included where the Innovation Board should sit under LEP transition, Freeport East's Innovation Priorities and Connected Innovation. The next meeting will be 22nd February where the two County Councils will inform members of the desire to continue the Innovation Board as a joint service and where it will be hosted from.

Council for Digital Tech
Met on 4th December reacting to the autumn statement's AI initiative and hearing updates from digital skills bootcamps, Connected Innovation and key industry programmes. Barclays Eagle Labs presented on the latest digital growth grant initiatives, including the Ecosystem Partnership Programme which saw a bid from the Connected Innovation team, Suffolk County Council, Norfolk County Council, Akcela and the Innovation Labs Group. Businesses heard about the latest Games East events and activity and Norfolk's FinTech activity which is being supported by Connected Innovation and will see a report and an Aviva Hackathon. The next meeting will be 27th February where the two County Councils will inform members of the desire to continue the Industry Council as a joint service and where it will be hosted from.

Agri-Food Industry Council
Members of the Industry Council met on 12th December with updates including the £7.5m Innovate UK Agri-Tech and Food Tech Launchpad New Anglia LEP secured for Norfolk, Suffolk, Cambridgeshire and Lincolnshire; Anti-Slavery in Agri-Food; next steps on the Local Skills Improvement Plan in the area of Agri-Tech; and Agri-Food Industrial Decarbonisation. The next meeting will be 20th February where the two County Councils will inform members of the desire to continue the Industry Council as a joint service and where it will be hosted from.

Connected Innovation
The meeting hosted its 19th network meeting to date on the 16th January. We were joined by partners from Barclays Eagle Labs, Leading Edge Only (LEO) and Innovate UK EDGE. With all three presenting innovation engagements and solutions to the network. As part of this work, we have created two cobranded landing pages with LEO and Barclays Eagle Labs:

- [Connected Innovation | Criteria | Leading Edge Only]
- [New Anglia LEP | Barclays Eagle Labs (uk.barclays)]

The 2nd Finance and Investment subgroup meeting was hosted in December and was joined by IP lending service Inngot. There is discussion about hosting an event in 2024 showcasing the sub-group partners and driving awareness of the options on offer for local businesses.

The project supported two events in December – the first Games East event at the University of Suffolk and the KLIC and Connect business support event at the King's Lynn Innovation Centre.

The project has so far committed to supporting / sponsoring the following events in Q1 2024:

- 2nd and 3rd Games East events – follow on from event 1 in December.
- Food Innovation Conference – including hosting a workshop with the Growth Hub, Scale Up and GTI team.
- 2 x Hydrogen Events during Hydrogen week (one in Norfolk and one in Suffolk)
- NorDevCon – associate sponsorship and all of the Connected Innovation team will be attending.
- Norwich Science Festival – partnered with NAAME and Space East to host a stand on the 19th February – Innovation, Tech and Engineering day.

3) External Partnership Activity

Agri-Tech and Food Tech Launchpad:
New Anglia LEP led the successful bid for the £7.5m Launchpad for Norfolk, Suffolk, Cambridgeshire and Lincolnshire. Round one of the Innovate UK Agri-Tech and Food Tech Launchpad commenced on 23rd October and closed on 6th December, comprising of:

- Minimum Financial Assistance – 100% fully funded grants for businesses between £25k-100k
- Collaborative R&D – Grant funding between £150k-300k for businesses to build R&D consortia with research institutes, universities, charities, larger corporates, etc.
- As a result of the briefing we led with Greater Lincolnshire LEP and the fantastic information sharing from partners such as Agri-TechE , New Anglia LEP has heard from a huge number of companies interested in these two competitions. We have signposted businesses to the Innovation Grant Mentoring Project for free bid writing and mentoring support, Innovate UK EDGE for similar support for larger companies, and to our academic experts where there are opportunities for the CR&D programme.
- Where companies were not quite ready for round 1, they know that there will be another round or two to support them. We expect round 2 to commence around the new financial year in 2024.
- In addition, there is a Cluster Management Organisation competition still open. This will support the management of the Launchpad across the four counties and multiple sub-sectors – we submitted a bid with the Greater Lincolnshire LEP and Cambridgeshire and Peterborough Combined Authority to support this with funding to be split across the four counties if successful.

The delivery partners (LEPs, Combined Authority and Innovate UK) meet on 25th January to select the portfolio of successful recipients for Round One. There are likely to be two future rounds of the Launchpad competition. The Connected Innovation team is working with the Innovation Grant Mentoring Project to deliver a Webinar on 7th March to promote the competition and IGMP support available for companies.

Space East:
Milestone 4 passed for UK Space Agency grant funding. Delivered a first event in Essex: 'What's in Space for you?', with Essex CC, Uni of Essex and Angels @Essex a success. Managed to secure 6 minutes of headline coverage on ITV regional news at 6pm.

The Satellite Applications Catapult Space Enterprise Lab opens on 25th January at Adastral Park – this will be open for anyone operating in or around the space sector in our region to showcase technologies and tap into the other Space Enterprise Labs across the country.

There will be two UK Space Agency funded cross cluster projects to be announced shortly and two Satellite Applications Catapult Connected Capabilities Networks – with Space East acting as a supporting partner.

Creative East:
New Anglia LEP's Connected Innovation team continues to attend monthly programme board meetings (IUK) and quarterly steering group meetings (DCMS) to update on progress against our delivery and exchange knowledge with participating regions.

The participating Create Growth regions have gone from six to twelve now. The new regions include West Midlands; Nottingham & Nottinghamshire; Hull & East Yorkshire; West Yorkshire; Hertfordshire; and Devon (which has been wrapped into wider South West programme covering West of England Combined Authority down to Cornwall). The other participating regions are West of England, South East, Greater Manchester, North East, East Midlands and East Anglia (Norfolk, Suffolk, Cambridgeshire and Peterborough).
Innovate UK funding for Create Growth regions:

- CGP Competition 1 cycle underway. Seeing a lot of projects near closure. Had a really high quality of bids for Competition 1.
- CGP Competition 2 now closed. This competition focused on investor partnerships, where a business needed 50% committed from an investor to secure a 50% match from Innovate UK. Expect to hear about line draw in early February.
- Working on approval, design, and delivery for CGP Competition 3 – grant focused competition to start approximately late (24-28th) March 2024. Will be looking to fund around the £70k mark.

Cohort Updates:

- Both Cohorts 1 (Norwich) and 2 (Ipswich) have completed their 12-week investment readiness programme. These have been followed on by pitching sessions to selected investors.
- The Creative East team hosted at UEA continue to work with cohort businesses right until the end of the programme (end of March 2025). Businesses will be able to keep accessing the pool of experts.
- Happy with the quality of companies. Feedback from investors is positive. Mentors doing what they had hoped.
- Due to slow numbers in Peterborough (originally Cohort 3), a decision was made to switch cohorts so we start with Cohort 3 in Cambridge in March 2024. This was positively received by Cambridgeshire and Peterborough Combined Authority. We are working with Yawn Marketing who have been excellent and proactive, with a comprehensive marketing campaign. Market identification and direct emails to businesses. Using paid media to boost.

Financial Industries Group:
TechEast are leading the Norfolk Investment Framework funded project on FinTech Futures. Due to particular circumstances, the Connected Innovation team have stepped up to keep the project on track and bring forward the procurement process behind the consultancy report to highlight the opportunities for our region's FinTech sector. Additionally, the team are working with Aviva who will be delivering a FinTech Hackathon event on 8-9 March as part of this project.

New Anglia Advanced Manufacturing Group:
The second cohort of the Engineering Skills Bootcamp designed and organised by NAAME is underway with 14 employers involved and 15 learners on the course. This follows the first cohort which saw 10 learners on the course.

There have been a large number of site visits and group meetings within the NAAME network, capturing valuable information and leading to some meaningful collaborations between companies and also with colleges and universities in the region.

NAAME is working with partners to deliver an exciting agenda of events in 2024, including the annual conference. Conversations are ongoing with Innovate UK to build on their commitment to work closely with the cluster group to progress key opportunities.

Norfolk and Suffolk Skills Bootcamp:
The Skills Bootcamp wave 4 programme exceeding its first target set by Department of Education (DfE) a month early, with over 65% (207) of learners completing milestone 1 on their course.

Skills Bootcamps are part of the Government's Lifetime Skills Guarantee, helping everyone gain skills for life, funded through by DfE and are free (to the learner). Skills Bootcamps last from 60 hours up to 16-weeks and have been designed to offer flexible training to work around learners' commitments. The outcome provides individuals with sector-specific skills to gain employment, increase new contracts if self-employed or take on more responsibilities or promotion within their current job if employed.

New Anglia LEP in partnership with Norfolk & Suffolk County Councils has secured a further £564,017 to extend the programme this financial year enabling up 174 individuals to access the Skills Bootcamps.

A proposal to continue delivery of the programme in 24/25 financial year was submitted to DfE at the end of September. Seeking £2,497,868 to support up to 560 individuals through Skill Bootcamps, it expected the outcome will be know towards the end of the year.

Annual Clean Growth Business Event:
The LEP is working with Innovate UK KTN to deliver this year's Clean Growth Business Event which will have a focus on Agri-food Industrial Decarbonisation. It will take place on 27th November at the John Innes Centre, Norwich. The event will have an innovation show case and include

engagement workshops and networking opportunities, allowing participants to learn from each other, establish connections, and collaboratively address challenges in the adoption of clean and sustainable practices in the sector. This event forms part of the Agri-food Industrial Decarbonisation project which is funded by the Norfolk Investment.

4) Governance, Operations and Finance

Management Accounts:
The management accounts for the third quarter of the 2023/24 financial year can be viewed under agenda item 8.

Audit and Risk Committee:
The Audit and Risk Committee is scheduled to meet on the 8th February.
Price Bailey will present a proposal outlining the process for the drawing up of the final accounts and then the winding up of the LEP. We have been advised that there is no legal requirement for an audit. However, we have decided to consult with key stakeholders on whether a full audit would be preferable for their own assurance purposes, before making a final decision. The timeline for this process will be confirmed when we are clear on the process.

5) LEP Transition and Integration

The LEP chair and chief executive continue to be engaged with local authority and central government colleagues around the transition of the LEP. The LEP is working to ensure that we discharge our duties appropriately as we work to an orderly transition from our current arrangements. A detailed LEP Transition Plan is in place to ensure that all actions are captured and progress is monitored.

LEP Staff:
New Anglia LEP covers Norfolk and Suffolk and as such integration will be into both Norfolk County Council (NCC) and Suffolk County Council (SCC); all parties took formal legal advice to confirm the mechanism for transfer.

Consultation is now underway to complete the transfer of all staff via TUPE transfer with effect from 1 April 2024. Consultation is expected to draw to a close during January 2024 with all required employee information being passed to the relevant Council within the required timescales to enable the transfer to take place on 1 April 2024.

A total of 7 employees were classified by NCC or SCC as having no role identified once transferred. This means that they would go into a day one consultation for redundancy post transfer. This group of 7 staff have been offered an enhanced voluntary redundancy option by the LEP. Those that accept will not transfer and their employment will terminate on 31 March 2024.

Formal consultation is taking place with 6 elected Employee Representatives with whom weekly meetings take place. The Employee Representatives meet regularly with the teams they represent to feedback to them and receive questions and comments for feeding into the consultation process. The CEO and Change Consultant also meet weekly with NCC and SCC HR representatives and a weekly email update is provided to employees. Team Chat meetings for all employees take place every other week where a verbal update is also provided along with the opportunity for questions.

All questions and comments are captured on a consultation log and fed through to the relevant Council as appropriate. Answers are provided via published FAQs or to individuals where the query is personal.

A dedicated LEP Integration Sharepoint folder provides access for all employees to regularly updated FAQs, copies of presentations and access to a range of support materials including webinars on resilience and change management and an Employee Assistance Programme.

Following feedback from the Employee Representatives, workshops have also been provided to employees on CV writing and job search.

Norfolk Assets:
Constructive meetings have been held to discuss the apportionment and utilisation of LEP assets and income streams, as part of the broader LEP Integration in Norfolk. Further meetings are planned, but nothing has been agreed yet.

Work will commence to reflect the agreements that have been reached once these have been confirmed. It has been expressly noted that legal work to support this must be concluded prior to the integration of New Anglia LEP.

Duties of the LEP Board from 1 April 2024 onwards:
A proposal is scheduled to be taken to the LEP Audit and Risk Committee in early February, for approval. This covers the key steps required to draw up the final accounts of the LEP and then wind-up the company. The timeline will be confirmed once we have reached agreement on the requirements.

Our current proposal assumes that the work broadly falls into the following areas:

- The period up to 31 March 2024, where business continues as usual.

- The period from 1 April 2024, when staff and functions have transferred. Contracted services will be closed, final invoices will be paid, final accounts for the LEP will be drawn up, tax computations completed. We have been advised that there is no legal requirement for an audit. However, we have decided to consult with key stakeholders on whether a full audit would be preferable for their own assurance purposes, before making a final decision.

- Members' Voluntary Liquidation (MVL) commences.

During these final stages LEP Board meetings will need to be convened, with a focus on the key decisions and approvals that are required to support this process.

The Board agreed in March 2023 to permit the chair to extend the terms of board members for the purpose of an orderly close of the LEP; our assumption is that the current LEP Board will support the final stages of the process, which include:

- February – cancel the LEP Board, any decisions will be completed by written procedures.
- March – LEP Board meeting scheduled, 27th March 2024. Final update meeting prior to the transfer of LEP functions and staff.
- Review and signoff of the accounts, (est June / July)
- The resolution to enter MVL, (est July)
- The approval of the Declaration of Solvency (sworn in front of a solicitor), (est July)
- The convening of a Members' meeting, as per the articles, to pass the resolution to enter MVL and appoint Liquidator (July / August).

MVL only commences once these resolutions have been passed. Liquidators' final account and report are then filed at Companies House, and the Company is closed 3 months after this filing.

Recommendations
The board is asked to:
- Note the contents of the report.

Communications activity during December 2023

NEWANGLIA
Local Enterprise Partnership for Norfolk and Suffolk

This dashboard sets out the outcomes and impact of our communications activities during **December 2023.**

Media coverage

- **5** pieces of coverage
- **1** reactive media enquiry

Top stories

Great Yarmouth Mercury
Work begins at Great Yarmouth's £24.8m green energy campus
https://www.greatyarmouthmercury.co.uk/news/23962689.work-begins-great-yarmouths-24-8m-green-energy-campus/

FE News
Anicca Celebrates Upskilling 420 Learners in Digital Marketing Since January 2022
https://www.fenews.co.uk/skills/anicca-celebrates-upskilling-420-learners-in-digital-marketing-since-january-2022/

Eastern Daily Press
Out and about at People With Energy's 40th anniversary event
https://www.edp24.co.uk/news/23978360.people-energys-40th-anniversary-event/

Website

There were **5,613 page views** on the LEP website (2,953 fewer than in the previous month). The most visited page was Growth Through Innovation Fund, followed by Our Team, Funding, New Anglia Local Action Plan (news story), and Skills Bootcamps.

Campaigns, events, and other projects

- The **New Anglia Action Plan** was launched on 5 December at Adastral Park. This was supported with a press release, social media posts and the publication of the plan on our website. The online news story has had 216 views and social media posts generated 1,647 impressions.

- Promotion of **New Anglia Growth Hub** business support and grants via website, social media, and newsletters. The Growth Hub's monthly newsletter The Loop had an open rate of 42.97% and a click-to-open rate of 11.6%. The Growth Through Innovation Fund was the most popular story with 87 clicks and the page on the LEP website had 284 page views during December.

Social media and e-newsletters

	Dec 2023	Nov 2023
New Anglia LEP		
Number of X followers	9,477	9,493
Average X engagements per day (likes, retweets etc.)	5.6	8.7
Number of impressions (times a tweet showed in someone's timeline)	5,227	7,287
Number of LinkedIn followers	6,612	6,557
Number of impressions on LinkedIn	8.4K	12.1K
Number of unique visitors on LinkedIn	107	146
E-newsletter: open rate	53.8%	47%
E-newsletter: click-to-open rate	35.9%	26.3%
Norfolk & Suffolk Unlimited		
Number of X followers	1,012	1,017
Average X engagements per day (likes, retweets etc)	0.9	2.8
Number of impressions (number of times users saw our tweet)	451	2,425
Number of LinkedIn followers	2,347	2,337