



Smart Innovation Hub (SIH) Interim Summative Assessment

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List of abbreviations

ERDF	European Regional Development Fund
ESIF	European Structural and Investment Fund
KRISP	Keele Research and Innovation Support Programme
MCIL	Mercia Centre for Innovation Leadership
RD&I	Research Development and Innovation
SIH	Smart Innovation Hub
SME	Small and Medium sized Enterprise
SSLEP	Stoke and Staffordshire Local Enterprise Partnership

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1 Introduction

Wavehill was appointed by Keele University to undertake an interim and final Summative Assessment of the Smart Innovation Hub (SIH) project. This report is the interim evaluation report.

The SIH Project is a £17.1 Million project which seeks to address low levels of Research Development and Innovation (RD&I) by Small and Medium sized Enterprises (SMEs) in the operational area. The overall project comprises:

- Investment in the Smart Innovation Hub building, constructing a purpose-built innovation facility in Keele University's Science and Innovation Park
- An Innovation Leadership Programme, Mercia Centre for Innovation Leadership (MCIL), providing intensive innovation leadership workshops and ongoing entrepreneurial coaching support for entrepreneurs and established business leaders to embed innovation thinking within the beneficiary SME
- A research and innovation programme, Keele Research and Innovation Support Programme (KRISP), which aims to accelerate the commercialisation of new products, services or processes, increase productivity, stimulate growth and create high value jobs
- An incubation and early-stage programme – providing support for early stage businesses.

The project falls under the European Regional Development Fund (ERDF) Priority Axis 1: Promoting Research and Innovation¹ and Investing Priorities 1a. Enhancing research and innovation infrastructure and capacities and 1b. Promoting business investment in research and innovation. SIH began in April 2017 and the completion date is June 2023.

1.1 Evaluation approach

This evaluation adopts an approach which is consistent with the requirements of the European Structural and Investment Fund (ESIF) programme and associated guidance. The evaluation is an independent review of project performance, underpinned by five key requirements, as set out in national programme guidance. These are:

- 1) **Relevance and consistency:** exploring the continued relevance and consistency of the project in light of contextual changes, such as shifts in policy, economic circumstances and technological advancements
- 2) **Progress against contractual targets:** setting out project progress when measured against contractual targets, over/under performance and projected lifetime results at project closure
- 3) **Experience of delivering and managing the project:** outlining the practical experience of implementing and managing the project, lessons learned and evidence of best practice which can be applied to the delivery of other projects

¹ European Regional Development Fund Operational Programme 2014-2020

- 4) **Economic impact attributable to the project:**² demonstrating the economic impacts attributable to the project, capturing those that were intended, actual and also wider outcomes which have provided added value to the local economy
- 5) **Cost effectiveness and value for money**²: a robust assessment of cost-effectiveness and value for money based on the balance of quantified costs and benefits, in light of intended and unintended impacts.

The evaluation draws from a variety of relevant information, data and qualitative insights:

- **A review of background documentation** submitted as part of the ESIF bid, to understand this in detail and assess its continued relevance
- **Detailed analysis of project monitoring data**, captured by the team and via beneficiaries, to assess performance against financial, output and result targets
- **A review of changes in the delivery context** considering economic, policy and organisational dynamics which are likely to have impacted on the delivery and impact of the project
- **Stakeholder consultations**, engaging the core delivery team and external stakeholders, capturing perspectives on project design, delivery, governance and impacts
- **Beneficiary surveys** gathered via an online survey, designed to explore business sentiments, satisfaction levels, impacts achieved and how the project could evolve to better meet their needs and support growth aspirations
- **Beneficiary case studies**, allowing for more in-depth analysis of impacts for a number of supported businesses.

1.2 Structure of Report

The remainder of this report is structured as follows:

- **Chapter 2:** A review of the original project rationale and associated logic model
- **Chapter 3:** Setting out key contextual changes that have taken place since the project's conception and have subsequently impacted on project performance
- **Chapter 4:** A summary of project performance, benchmarked against contractual financial, output and result targets
- **Chapter 5:** A summary of delivery progress, considering marketing and engagement, beneficiaries supported, quality of support, management and governance
- **Chapter 6:** An outline of early evidence on project outcomes and impacts achieved to date
- **Chapter 7:** A summary of research conclusions and recommendations.

² Note: Detailed economic impact assessment and Value for Money assessments will be completed during the final summative assessment phase.

2 Project Overview

This section sets out the project's logic model which details the rationale, market failures, inputs, activities, outputs and intended impacts of the project. The content set out in the logic model will be used to assess the project's effectiveness and impact. The logic model has been developed through reviewing project documentation as well as through conversations with the delivery team.

2.1 Rationale and project need

The project seeks to address low levels of RD&I by SMEs in the operational area. The project bid outlined the following challenges the Stoke and Staffordshire Local Enterprise Partnership (SSLEP) area faces around RD&I:

- The lowest level of innovation expenditure relative to turnover of any LEP in England, with only 6.5 percent of turnover in companies being generated by innovative goods and services, against a national range of 3.8-18.9 percent, placing the LEP area 33rd out of 39³ LEP areas
- Low levels of business expenditure in R&D (BERD) at £155m per annum (within a national range of £19m to £1,332m), with a low percent share of national BERD relative to percent share of FTE employment nationally; and BERD of £422 per FTE (within a national range of £114 to £3,063)
- The area ranks 31st out of 39 LEP areas in terms of the total amount of Innovate UK funding received by organisations in a LEP area
- Levels of patenting are static, relative to all LEP areas in England and low levels of income/academic FTE from collaborative activities with business
- A net business birth and death rate of -0.2 percent in 2012, placing the LEP area 26th out of 39 LEPs for business growth, with a hourly GVA of £23.92 per FTE in 2012, 38th out of 39 LEP areas
- Low levels of company innovation, with less than 10 percent of total companies reported as innovation active in 2012 (placing the LEP 36th out of 39 LEP areas).⁴

Incubation Hub

Prior to the ERDF full application, an independent analysis of need was carried out which confirmed the demand for an incubation facility and the programmes within it. The report highlighted:

- The office needs of start-ups and small growing businesses are currently not being met
- SSLEP is losing out to Birmingham and Manchester as preferred locations for graduates
- University-based incubation facilities are not currently available within the LEP

³ Note: There are now 38 LEPs but 39 at the time of writing.

⁴ Source: SIH ESIF Application.

Overall, the assessment suggested there was fairly strong demand for the incubation and grow-on space, although part of this demand was latent and difficult to directly observe.

The project sought to overcome these challenges by providing high-quality incubation space for businesses operating in areas of comparative advantage as outlined in the UK Government's Industrial Strategy and the SSLEP's Smart Specialisation Strategy. This is outlined in the ESIF application as:

- Leading edge healthcare and medicine
- Bioscience and biotechnology
- Smart flexible and clean energies technologies and
- Industries delivering affordable green energy.

The incubation space provides improved access to specialist research facilities given its location within the Keele University Science and Innovation Park. Similar incubation space was not available within the SSLEP area prior to this project and the facility was specifically designed to bring together SMEs and entrepreneurs working with new and emerging technology platforms, and to foster inter-firm innovation in products and services alongside business-university R&I collaboration.

The facility provides a purpose-built setting for the development and scaling up of links between businesses and higher education in the technology sectors and markets identified. It provides innovation spaces for a variety of forms of open innovation, demand stimulation and technology diffusion, including demonstrations, workshops, facilitated networking events, and conferences.

Research and Innovation Support

The demand for research and innovation support was also considered to be high with the demand analysis of the business base in the SSLEP indicating around 11,800 businesses with high propensity to engage. Thus, creating a large pool of potential demand for the Keele Research and Innovation Support programme, KRISP programme.

Demand for Innovation Leadership Support

Shortcomings in internal capabilities to grow and business owners' limited vision were identified as key barriers to growth among micro businesses.⁵ Research also suggested SMEs face challenges in accessing good quality leadership and management training. Analysis of comparator areas and the demand for Keele's existing Mercia Centre for Innovation Leadership (MCIL) programme suggested strong demand for innovation leadership programmes.

⁵ Bone, J (2017) Business Incubators and Accelerators: the National Picture, BEIS Research Paper No.7

2.2 Market Failures

The application refers to reported and actual barriers to research and innovation contributing to market failure. These market failures provide the basis to justify public sector financial intervention.

Externalities: Externalities result when a particular activity produces benefits (positive externalities) or costs (negative externalities) that are not directly priced into the market suggesting the benefits of investment in innovation can be accrued elsewhere. In this case the innovative activities potentially provide positive externalities for society in terms of new valuable products and services created and new employment generated.

Information Asymmetries: Refers to an imbalance where one party has more or better information than the other – in the case of business support, businesses do not recognise the value of the knowledge held by Higher Education Institutes (HEIs) and so do not invest in accessing that knowledge. The SIH application cites research suggesting that only 2 percent of firms make use of information from HEIs. The Smart Innovation Hub seeks to address this by locating the innovation support provision alongside incubation businesses and facilitating knowledge exchange in spaces specifically designed for this purpose.

Imperfect Knowledge: Whereby information is needed for a market to operate efficiently with buyers needing to know the quality of the goods or service to be able to judge its value. The value or benefits of open innovation, innovation support and innovation leadership support is not fully appreciated by the market and therefore under-invested in by businesses, constituting a market failure.

Coordination Failures: Sometimes desirable activities fail to take place because of limitations within the economic system which results in a failure to coordinate plans. The SIH application refers to a lack of appropriate mechanisms for collecting, sharing and analysing information about business support offerings, which this project will help to address.

2.3 Objectives

The project aims to address the paucity of research and development and innovation activity within the SSLEP area.

The project's specific objectives, as outlined in the project application, are:

- To provide an enhanced research and innovation (R&I) infrastructure in Stoke-on-Trent and Staffordshire with capacities to develop R&I excellence in identified areas of comparative advantage
- To promote/increase investment by Stoke-on-Trent and Staffordshire Small to Medium Sized Enterprises (SME) in R&I through the development of the strength and number of collaborative links between enterprises and centres of R&I excellence
- To redress the identified lack of innovation performance in Stoke-on-Trent and Staffordshire

- To underpin the Stoke-on-Trent and Staffordshire transition to a higher value-added economy through investing in a geographic location(s) with proven track record and capacity for high value job creation in key priority sectors
- To provide a broad, interrelated programme of interventions to stimulate increased investment by Stoke-on-Trent and Staffordshire SME's in R&I to underpin new product and service development, including provision of services and infrastructure to support: (i) technology transfer; (ii) social innovation; (iii) eco- innovation; (iv) public service applications; (iv) demand stimulation; (v) business to business and business to academic networking among existing/growth potential knowledge intensive SMEs and; (vi) open innovation in partnership with larger corporates, public sector commissioners and subject experts
- In line with an indicative action of ERDF Investment Priority One 'development of innovation space, with capability to serve as a platform or host for innovation and innovative relationships'
- To meet the evidenced market demand for high quality accommodation and attendant business support for micro, early stage and high value innovation led new ventures in key priority sectors with significant knowledge and skill demand
- To increase the level and sustainability of academic, student and graduate start ups and spin out from universities, colleges and research institutions
- To deliver the recommendations from the Lord Young report on Growing Your Business and to ensure that the full economic value of business schools is delivered to the benefit of Stoke-on-Trent and Staffordshire SMEs through innovation leadership.

2.4 Inputs

The total funding for the project is £17,049,865. This comprises £10,229,919 ERDF funding, and £6,819,946 of public match funding. The original project cost was £16.2m.

The table below shows the capital and revenue breakdown of the funding.

Table 2.1: Breakdown of funding sources for SIH

Funding Contributions	CAP (£m)	REV (£m)	TOTAL (£m)
ERDF	6.05	4.18	10.23
Staffordshire County Council	2.12	0	2.12
Single Local Growth Fund	1.00	0	1.00
Keele University	0.92	2.79	3.70
TOTAL	10.08	6.97	17.05

2.5 Activities

2.5.1 Capital Grant

BREEAM Excellent Smart Innovation Hub

The capital aspect of the project involved the construction of a purpose-built smart innovation facility in Keele University's Science and Innovation Park. The facility provides incubation and grow-on space for innovation-led SMEs; a hub for business-university interactions and open innovation; and a home for Keele Management School.

The Smart Innovation Hub is a three-story building with a central atrium. Coming off the atrium are spaces designed to facilitate open innovation. These include:

- An atrium for business/university interactions and open innovation
- A Think Lab
- Executive Board Room
- Auditorium

The upper floors house incubation, grow-on and co-working spaces. These are offered on a 6 day week 15 hour basis and include single occupancy units to seventeen person grow-on spaces.

The total capital ERDF funding associated with the innovation hub is £6,047,665

2.5.2 Revenue Grant

The project seeks to work with Stoke and Staffordshire based SMEs who demonstrate entrepreneurship, have a desire to innovate or develop research ideas, are early stage and in need of assistance. There are three different intervention routes within the SIH revenue programme. These are set out in the following sections.

Innovation Leadership Programme

The Innovation Leadership Programme, or Mercia Centre for Innovation Leadership (MCIL), provides intensive innovation leadership support to SMEs. The programme aims to foster and grow SME's innovation readiness and confidence as business leaders to embed innovation thinking within their business structures. It is aimed at business leaders within innovation-intensive sectors and delivered in cohorts. MCIL is delivered by a team of business leaders, external consultants, academics and entrepreneurs in residence over a period of six months. It consists of twelve sessions and covers topics such as innovation and creativity, diversification, marketing, business development, funding and team dynamics. SMEs also receive six months of ongoing coaching, advice and guidance to support their business. This includes one to one sessions, peer review sessions, activity-based learning, creative challenge based activities and self-directed learning.

Research and Innovation Programme-KRISP

The Keele Research and Innovation Support Programme (KRISP) aims to increase SME investment in RD&I through collaboration on a bespoke innovation project. The programme supports SMEs with a particular innovation challenge or issue through a customised project delivered in partnership between an Innovation Advisor, a project-relevant Keele Academic, and one or more RD&I associates who are recruited from within the University. Projects aim to accelerate the commercialisation of new products, services or processes, increase productivity, stimulate growth and create high value jobs through a knowledge-led approach.

Incubation and Early Stage Programme

Incubation support for early- stage businesses is provided via innovation-led workshops, intensive 2-day boot-camps and bespoke support packages including an initial diagnostic, interview and 1:1 support, delivered with input and contribution from the Smart Innovation Hub Director, Entrepreneurs in Residence and external practitioners. The workshops and boot-camps focus on key business issues around the appeal of product or service to customers (market validation), the feasibility of the businesses' plans and the sustainability of their financial model.

2.6 Project Management

The ESIF application states governance of the project would fall under the existing corporate governance structures of the university comprising:

- **The University Council-** the supreme governing body of the university
- **The University Executive Committee-** comprises the Senior Management Team of the university
- **Operations Support Unit-** undertake all project monitoring and provide the capacity to meet full operational compliance

Construction Phase

During construction, it was expected that project governance would consist of a:

- SIH Project Executive Group
- SIH Capital Projects Team and
- SIH Development and Operations Group.

The planned team to deliver the capital facility includes the following posts funded 100 percent within the project:

- Estates and Development Project Manager
- Capital Project Administrator
- Building Surveyor and
- Building Manager (continuing into the activity phase).

The ESIF application indicated that the following existing post-holders would be seconded to the project for part of their time during the construction phase:

- Head of Projects (0.2 FTE)
- Head of Estates Planning and Compliance (0.2 FTE)
- Procurement Senior Category Manager (0.2 FTE)
- Principal Mechanical Engineer (0.2 FTE)
- Principal Electrical Engineer (0.2 FTE)
- Energy Manager (0.2 FTE)

Operational Phase

As outlined in the ESIF application, project governance for the operational phase was due to consist of:

- The Project Executive Group- responsible for overseeing project delivery and holding SIH teams to account for performance on contracted outputs and spend
- The Operational Group- responsible for delivery of the funded programmes and management of the facility and responsible for implementing the management plan and managing the associated risk register.

The following posts were to be recruited and fully funded as part of the project:

- Director of Smart Innovation Hub
- Hub Manager
- ERDF Project Manager
- Administrator
- Research and Innovation Engagement Manager
- Three 0.3 FTE Innovation Fellows
- Three 0.3 FTE Research & Innovation Advisors
- Research & Innovation Associate
- Open Innovation Associate
- Open Innovation Support Officer

2.7 Outputs and Outcomes

The table below sets out the original project targets and the latest revisions following project change requests (PCRs).

At the time of writing, the project had submitted three PCRs. The first, submitted in July 2018, sought to revise the capital profile and in effect push everything back by one quarter following a delay in contractors starting on site.

A second PCR, submitted in March 2019, also realigned the actual expenditure of the capital grant with the build status. It also reprofiled forecasted expenditure to take into account the increase in salaries due to changes in pension contributions. There were also minor changes to the C8 and C26 outputs and to role titles.

A final PCR was made in October 2020 and this extended the project's delivery period from ending in Quarter 4 2021 to ending in Quarter 2 2023. The expenditure and outputs were also reprofiled. Details of the original and current contracted outputs can be seen in the table below.

Table 2.2: Revised contracted outputs

Output	Original Target	PCR 3
C1 Number of enterprises receiving support	300	400
C4 Number of enterprises receiving non-financial support,	300	400
C5 Number of new enterprises supported,	28	33
C8 Employment increase in supported enterprises	80	95
C28 Number of enterprises supported to introduce new to the market products	25	35
C29 Number of enterprises supported to introduce new to the firm products	51	71
C26 Number of enterprises cooperating with research institutions	250	330
P2 Public or commercial buildings built or renovated	1	1

2.8 Project Impacts

The outputs are expected to drive outcomes and subsequent impacts. The project outcomes are as follows. These are not core indicators for the purposes of ESIF funding, however are useful indicators to track the longer term outcomes for supported businesses.

- Net additional jobs created in supported businesses
- Net additional gross value added generated in supported businesses

3 Changes to Delivery Context

This section sets out the socio-economic and policy context SIH has operated in and considers the potential impacts this has had on the project's original rationale. The delivery context can play a significant role in a project's success and therefore understanding the tangible or more discrete shifts in the delivery context is integral to an assessment of progress.

3.1 Innovation

The UK Innovation Survey shows that in 2016-2018, 38 percent of UK businesses were innovation active which is a decrease compared to 49 percent in 2014-16.⁶ Large businesses are more likely to innovate than SMEs with 50 percent of large businesses innovation active compared to 37 percent of SMEs⁷.

UK expenditure on R&D is stalling. It grew by £822 million to £25.9 billion in 2019; this was an increase of 3.3 percent and was the lowest rate of growth since 2012. The spend on R&D within the region is amongst the lowest in the country. In 2017, businesses spend £214 Million on R&D which is the ninth lowest expenditure of any NUTS 2 region.⁸

The percentage of new businesses showing high growth in the West Midlands region is around 4.1 percent which is below the national figure of 4.5 percent.⁹

Although the lag on this data means it only relates to the early period of project delivery, this indicates that as the project was beginning delivery, the challenges around low investment in research and innovation in the LEP area remained a key issue.

3.2 National and Regional Policy

Following the COVID-19 pandemic, the UK Government's Build Back Better: our plan for growth¹⁰ sets out the way it plans to support economic growth through investment in infrastructure, skills, and innovation. It aims to increase the number of businesses translating new ideas into new products and services through improving the innovation ecosystem.

⁶ Source: UK Innovation Survey 2019

⁷ Ibid

⁸ Source: ONS Expenditure on R&D, by sector of performance and NUTS 2 region, 2017

⁹ Source: ONS Interdepartmental Business Register

¹⁰ See: <https://www.gov.uk/government/publications/build-back-better-our-plan-for-growth>

The UK Industrial Strategy¹¹ sets out four grand challenges to put the UK at the forefront of the industries of the future:

- Artificial Intelligence and data
- Ageing society
- Clean growth
- Future of mobility

All LEPs were required to develop a Local Industrial Strategy (LIS), long term plans that build on local strength to ensure the communities reach their economic potential. The LIS aims to support local businesses to grow and develop, increase productivity and innovation and higher-level skills. The SSLEP industrial strategy is built on four broad themes:

- Future Workforce
- Growing Business
- Innovation
- Place

The innovation theme seeks to develop world class innovation and increase demand and capacity for innovation across the business base.

The activities undertaken by the SIH project align well with both regional and national industrial strategies. The capital build improves the available infrastructure in the region to support innovation and knowledge transfer whilst the revenue projects aim to maximise the economic investment in the infrastructure through supporting development of skills, knowledge transfer and promoting investment in RD&I by SMEs.

3.3 COVID-19

The most significant changes in economic conditions since the project commenced have come as a result of the COVID-19 pandemic. This has had a significant impact on the UK economy and regionally in the SSLEP. Over the course of 2020, GDP declined by 9.8 percent and during the first lockdown in April 2020, GDP was 25 percent lower than it was two months earlier in February.¹² Although smaller, the second lockdown in January 2021 saw a further decline in GDP of 2.5 percent.¹³

More recently, there are positive signs that the economy is recovering well. UK GDP is estimated to have grown for a fifth consecutive month in June 2021, by 1 percent, but remains 2.2 percent below its pre-pandemic level.¹⁴

¹¹ See: <https://www.gov.uk/government/publications/industrial-strategy-the-grand-challenges/industrial-strategy-the-grand-challenges>

¹² Source: ONS Gross Domestic Product Year on Year Growth

¹³ Ibid

¹⁴ Source: ONS Gross Domestic Product monthly estimate

With large parts of the economy closed for extended periods, the pandemic also affected the labour market with decreases in the number of payrolled employees, and the employment rate nationally.¹⁵ The latest data show the labour market has recovered well and the number of payrolled employees in the West Midlands region is now above pre-pandemic levels and unemployment continues to fall.¹⁶

3.4 Britain's Exit from the European Union

The European Union (EU) referendum in 2016 and the following period until the UK's formal withdrawal from the EU on 31st December 2020 contributed to uncertainty amongst businesses. This was the case throughout the negotiation where the terms of the Withdrawal Agreement were unagreed and unclear for long periods. This contributed to a climate of uncertainty for businesses and the programme saw a slight decrease in enquiries from businesses open to engage with an EU funded programme. This was mainly down to misunderstanding but meant additional time was required to engage those businesses and explain the programme was still relevant and would continue. Consultations with delivery staff indicated that overall, the exit from the EU itself did not cause substantial challenges for the majority of SMEs supported by the project as relatively few were actively importing or exporting at scale.

Summary

The rating in the final column relates to the extent to which updated contextual data has a positive or negative impact on the need / rationale for the scheme and/or ability to deliver the scheme.

Change	Description	Impact on Project Rationale / Delivery	Rating
Innovation Expenditure	Expenditure on Research Development and Innovation in the region are amongst the lowest in the UK.	Demonstrates continuing need for investment in RD&I support programme.	Positive
National and Local Innovation Policy	Increased priority placed on innovation seen at national and local level	Reinforces the importance of projects such as SIH.	Positive

¹⁵ Source: ONS Labour Force Survey

¹⁶ Source: ONS Labour Market Overview: September 2021

Change	Description	Impact on Project Rationale / Delivery	Rating
Covid-19	COVID-19 has had a significant impact on the UK economy, labour market and socio-economic context in which SIH is being delivered.	Closure of the incubation space and negative impact on ability to facilitate open innovation at the hub has contributed to a more challenging delivery context for the project than originally anticipated.	Negative
		Challenging economic conditions impacting on business' planning horizons making some businesses less likely to access support during this period.	Negative
		Increase in number of businesses needing to innovate following COVID-19 restrictions. As a result, an increase in the number of businesses seeking out support with innovating.	Positive
		Social distancing restrictions meant that KRISP and MCIL moved predominantly to remote delivery – although both managed this effectively enabling strong project continuation	No Change
Brexit	Brexit negotiations and changes to importing and exporting processes have created an uncertain economic climate for businesses.	Uncertainty of businesses around the continued relevance and delivery of the SIH programme, given it is EU funded, which may have affected project take-up.	Negative

4 Financial and Output Performance

This chapter provides a summary of the SIH Programme's financial and key output performance against targets.

4.1 Performance Against Contractual ERDF Targets

An overview and assessment of SIH's contracted output and expenditure targets against the project's performance to date, is displayed in the table below. Analysis of financial and output performance follows this below.

Indicator	Targets		Performance at time of evaluation		Projected performance at project closure		Overall assessment
	Original	Adjusted (if relevant)	No.	% of target	No.	% of target	
Capital expenditure (£m)	£10,079,443	£10,079,443	£9,461,284.49	94%	£10,079,443.00	100%	
Revenue Expenditure (£m)	£4,969,759	£6,970,422	£3,653,631.21	52%	£6,970,421.53	100%	
C1 Number of enterprises receiving support	300	400	165	41%	400	100%	
C4 Number of enterprises receiving non-financial support,	300	400	165	41%	400	100%	
C5 Number of new enterprises supported,	28	33	27	82%	33	100%	
C8 Employment increase in supported enterprises	80	95	30.75	32%	95	100%	
C28 Number of enterprises supported to introduce new to the market products	25	35	25	71%	35	100%	
C29 Number of enterprises supported to introduce new to the firm products	51	71	66	93%	71	100%	
C26 Number of enterprises cooperating with research institutions	250	330	108	33%	330	100%	
P2 Public or commercial buildings built or renovated	1	1	1	100%	1	100%	

4.1.1 Financial Performance Against Original Profile

The third PCR extended the project until 2023 and included changes to the forecasted expenditure to reflect the extension. Roughly £500k of underinvestment from the first phase of the project was reinvested into the second phase and this underinvestment was down to an identified reduction in the amount of academic match time contribution required to deliver the project. Alongside this, the project redirected £64K of expenditure from Professional Fees (£34k) and Office Costs (£30k) into the marketing budget.

4.1.2 Output and Result Performance

The SIH programme is currently underperforming against several contracted targets up to Quarter 2 of 2021. Most notably, the programme is currently behind its projected C1 and C4 outputs by 60 SMEs. Delivery staff indicated that initially it was challenging trying to deliver against these targets alongside the completion of the building works and that the capital and revenue elements of the programme may have worked better running sequentially rather than concurrently.

The COVID-19 pandemic has also caused major disruption to the delivery of the programme and was the main reason given as to why performance against outputs is behind. For example, the MCIL programme was required to cancel the planned March 2020 cohort due to the pandemic and this meant losing that quarter's anticipated outputs. The closure of the incubation space also meant fewer C1 and C4 outputs were claimed through the incubation support Base Camp. The overall uncertainty caused by the pandemic meant that business support was not an immediate priority for businesses following the outbreak.

This coupled with the ongoing challenges associated with recruitment of SMEs and establishing a strong pipeline of SMEs poses the biggest risk to the programme achieving its contracted C1 and C4 targets.

Despite this, delivery staff were confident that the C1 and C4 targets would be met by the end of the project. Additional capacity has been committed to the KRISP to enable the delivery of more projects simultaneously and the incubation space remaining open means the number of SMEs accessing Base Camp support is likely to increase compared to the previous year's outputs.

The programme is also currently behind its projected C8 target which is concerned with increases to employment. Delivery staff indicated that this target was challenging given the economic context and the wide number of other variables at play that may influence an SME's decision to employ a new member of staff.

Performance has been strongest against C28 and C29 targets which are concerned with new to firm and new to market product developments. SIH is well on course to meet its contractual target by the end of the project.

5 Project Delivery and Management

This section assesses the effectiveness of the delivery and management of SIH, drawing on evidence from a range of sources including:

- **Project performance data and background information** collected by Keele University
- Consultations with the **project delivery team and wider stakeholders** – for a list of consultees see Appendix A
- Responses to an **online beneficiary survey**, sent to all beneficiaries that received support from the project.

5.1 Marketing and Engagement with Beneficiaries

Marketing and promotion of SIH projects has been delivered through various means including social media campaigns, newsletters, events, existing networks and strategic partners. Initially, Research and Innovation Engagement managers were appointed to recruit beneficiaries to the projects and create a pipeline of businesses. Changes to staffing has meant that the two engagement managers are no longer in post. This has impacted delivery in that project staff have been required to give more capacity to support the promotional and marketing activities in order to engage SMEs.

Delivery staff described several challenges in engaging beneficiaries. For example, the COVID-19 pandemic meant that face-to-face marketing and promotional activity at events and direct with businesses had to cease which had previously been one of the most effective methods of recruitment.

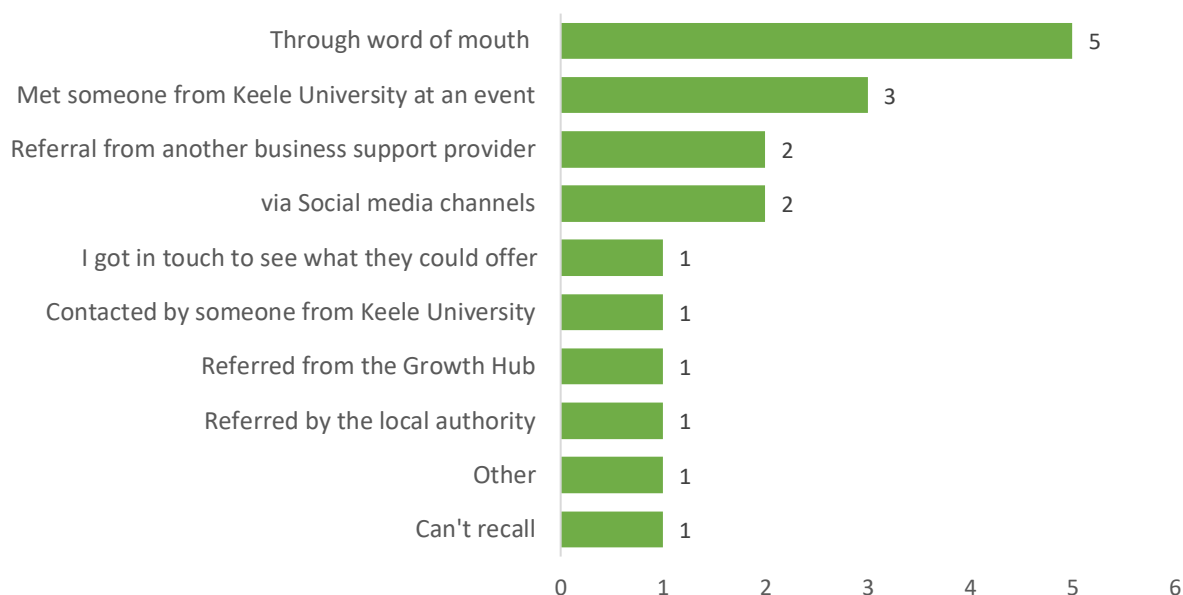
For the MCIL programme, delivery staff felt that many of the SMEs that are actively looking for this type of innovation leadership support have already accessed MCIL support and therefore more marketing and promotion was required to reach those SMEs who would benefit from support but aren't actively seeking it out.

The KRISP project offers bespoke support and delivery staff indicated that this makes it hard to promote the support in a way that businesses can see the application to their operation. Over time, promotional activities have shifted from focusing primarily on new product or service development to problem solving in areas such as digital acceleration/transformation, realising environmental or social gains and reimagining of business. Delivery staff suggested that this had been beneficial in articulating the KRISP offer and generating new leads. It was also noted that this led to an increase in SMEs receiving KRISP support in response to the pandemic.

Almost all stakeholders indicated that the ongoing marketing and promotion of the SIH projects would be crucial to generating enough leads to meet output targets. The reducing pool effect means that it will become more difficult to attract SMEs with high-growth potential as the number of businesses supported increases. A common suggestion in how this could be achieved was through better use of ‘success stories’ or case studies that speak directly to business owners and leaders and to demonstrate the impact the project has had on previous beneficiaries.

Figure 5.1, below, outlines how businesses responding to the survey first heard about the support. It shows that most commonly, businesses indicated they heard about the support through word of mouth (5/19). It also shows that four SMEs heard about the SIH through other support providers, the Growth Hub or their local authority and this suggests the SIH is making use of strategic partners to generate interest.

Figure 5.1: How businesses first heard about the Smart Innovation Hub



Source: Beneficiary Survey n=19

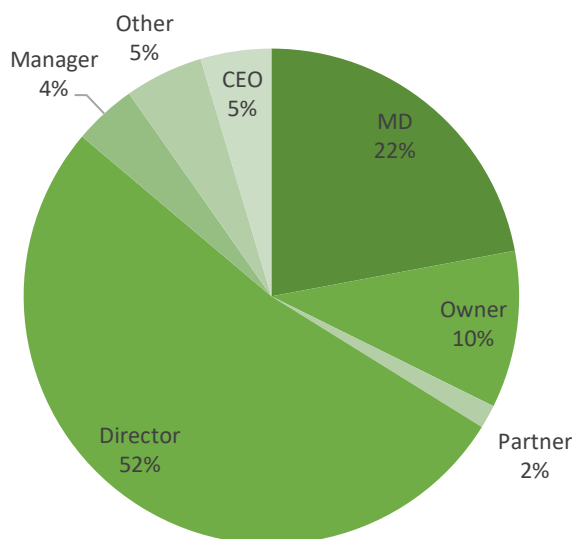
5.2 Take-up and Prioritisation

The SIH seeks to attract SMEs with high-growth potential, who demonstrate entrepreneurship, have a desire to innovate and/or develop research ideas, are early stage and in need of assistance with their next development phase.

Prior to accessing SIH support, SMEs undergo an eligibility check to ensure businesses are suitable for the support. This includes ensuring that SMEs are in ERDF eligible sectors and operate within the SSLEP area. In addition, the MCIL programme seeks to work with individuals that hold a senior position within their business and are able to make high-level decisions that directly impact the business. A selection process is in place to ensure those accepted onto the MCIL programme can significantly influence the business and embed the learning gained from the programme back into their company.

Figure 5.2 shows the job role of those that attended SIH support confirming that the support has been accessed by those in senior positions. All those that accessed the MCIL course were either a Managing Director, Director or CEO suggesting the eligibility and suitability process participants undergo has been effective in ensuring the right individuals are taking up the support.

Figure 5.2: Job roles of those accessing SIH support



Source: Smart Innovation Hub MI data n= 195

The KRISP programme seeks to work with SMEs that are experiencing a specific issue acting as a barrier to growth and want to use a research-led approach to overcome it. Consultations with delivery staff indicated that this tended to be most beneficial for smaller businesses who otherwise wouldn't have the capacity to execute such a project.

5.3 Identification of Support Needs

The ESIF application noted that beneficiary businesses would make contact through an Expression of Interest or be directly approached by project staff. This is followed by a more in depth 1:1 appraisal of the businesses' support needs. Conversations take place between prospective SMEs and Entrepreneurs in Residence and/or Research and Innovation Advisors to ascertain what is the most suitable route of support for the business.

For KRISP, the Research and Innovation Advisors are the main point of contact for businesses and they assess initial proposals to understand the suitability of the KRISP support. Delivery staff indicated that often businesses approach KRISP with an idea or 'pain' and there is an initial phase where the scope of the project is negotiated and agreed before the business is onboarded.

MCIL seeks to recruit businesses looking to develop new products or services, achieve scalable routes to market and achieve strategic business growth. In order to be recruited onto a cohort, the individual must have a significant say in how the business is run and therefore should be either an owner, director or employee of the business.

Once the most appropriate form of support has been identified and agreed, SMEs are required to complete and sign the Beneficiary Agreement. Delivery staff suggested that this document was quite lengthy and there may be opportunity for it to be streamlined.

Despite the loss of the Business Engagement Managers, consultations with the delivery staff involved with each project indicated that the process of identifying the right support for businesses works well.

5.4 Business Support Activities and Satisfaction

5.4.1 Incubation Space

The Denise Coates Foundation Building was completed on time and on budget in Summer 2019 ready to open for the 2019/2020 academic year. The facility is home to the Keele Business School and provides the opportunity for university students and academics to work alongside entrepreneurs and business owners to encourage innovation led growth. The building provides accommodation for the creation and growth of innovation-led businesses and facilitates innovation-led growth.

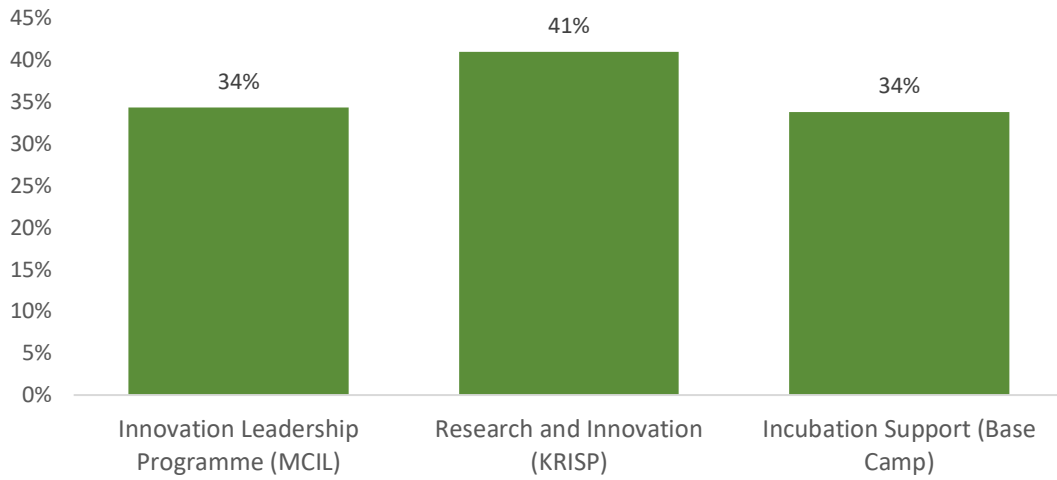
Consultations with delivery staff indicated that, despite being closed for extended periods due to the pandemic, that they were starting to see the benefits from the philosophy of bringing early-stage businesses, academics and students together. Businesses must meet specific criteria to take up incubation space within the hub and the space is currently fully let. Some businesses have outgrown their unit and moved to other units within the building. In future, the SIH team hope to be able to curate the business ecosystem within the hub to continue to facilitate networking, collaboration and innovation-led growth.¹⁷

5.4.2 Revenue Programmes

Figure 5.3, overleaf, shows the breakdown of support that has been accessed by businesses at the time of writing. Fifteen businesses had accessed more than one form of support (hence the combined percentages sum to over 100 percent).

¹⁷ Note: Given the Smart Innovation Hub spent much of the first 18 months closed due to the COVID-19 outbreak, a more in-depth assessment of the impacts will be carried out during the final phase of the summative evaluation.

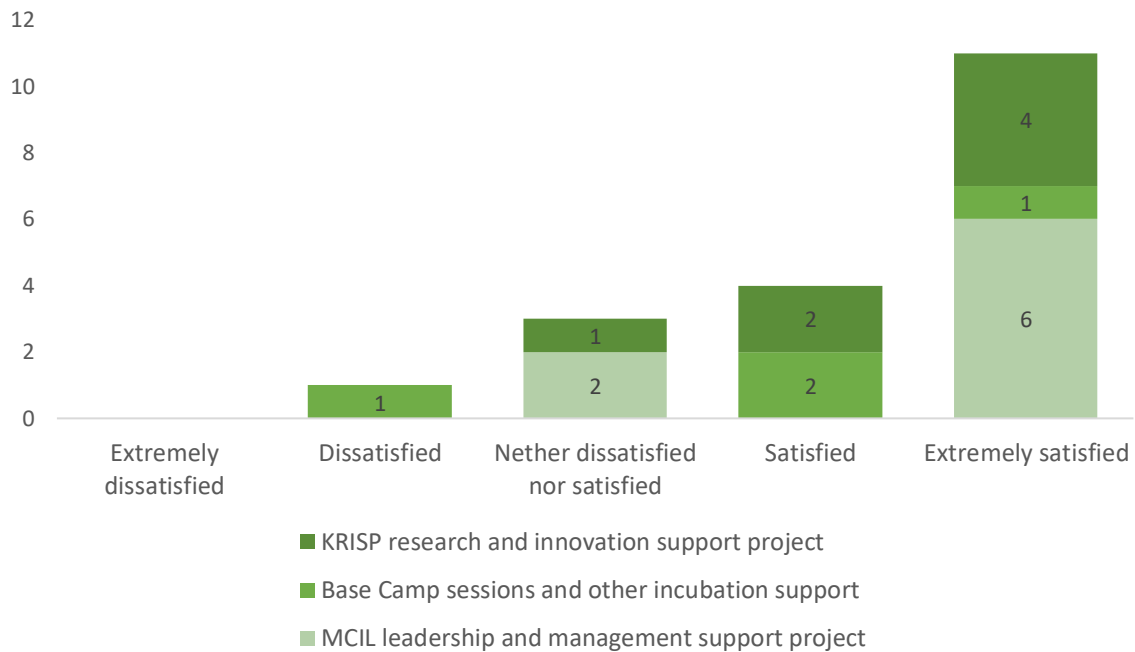
Figure 5.3: Support being accessed by beneficiary businesses



Source: Smart Innovation Hub MI data n= 195

On the whole, SMEs were satisfied with the support received through the SIH projects as shown in Figure 5.4, below (79 percent indicating they were satisfied or extremely satisfied). Businesses that accessed KRISP and MCIL had higher satisfaction levels overall with the one business that indicated they were dissatisfied having accessed the Base Camp support.

Figure 5.4: Business satisfaction with the SIH support



Source: Beneficiary Survey n=19

MCIL

The MCIL programme recruits cohorts of 18 SMEs on a six-monthly cycle. The modules have remained consistent throughout the programme’s delivery and include:

- Creating the Conditions for Innovation to Flourish
- Innovation and Creativity
- Marketing and Sales for Success
- Getting Comfortable with Leadership
- Funding Your ambition
- Creating an A-Team

MCIL is delivered by a mix of Keele Academics, SIH Entrepreneurs in Residence, contracted external experts, programme alumni and guest speakers.

Survey responses were positive about the MCIL support, as shown in Figure 5.5. All respondents indicated that they strongly agreed that sessions were delivered by experienced and credible people, and similarly each of the other statements was most commonly agreed or strongly agreed with (albeit the number of respondents answering these questions was relatively low).

Figure 5.5: Beneficiary views on MCIL support (average score out of five, where 5 = strongly agree and 1 = strongly disagree)

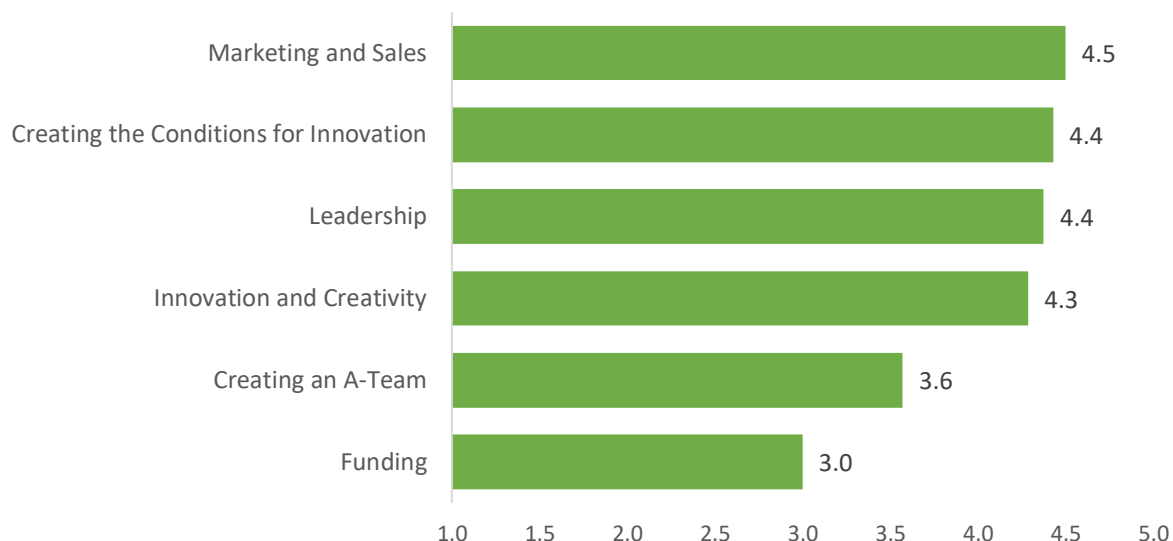


Source: Beneficiary Survey n=8

There was some variation between modules for how beneficial SMEs found them. ‘Creating an A-team’ and ‘Funding’ modules were seen to be less beneficial than the other modules as shown in Figure 5.6.

The 'Creating the conditions for innovation', 'Innovation and creativity' and 'Marketing and sales' modules were all scored either a four or five out of five by each beneficiary business and the 'Leadership' module had the largest number of respondents who rated it five out of five in terms of how beneficial it was (5). Again, it should be noted that the number of respondents at this stage is relatively low.

Figure 5.6: How beneficial beneficiaries found each module (average score out of five, where 5 = strongly agree and 1 = strongly disagree)

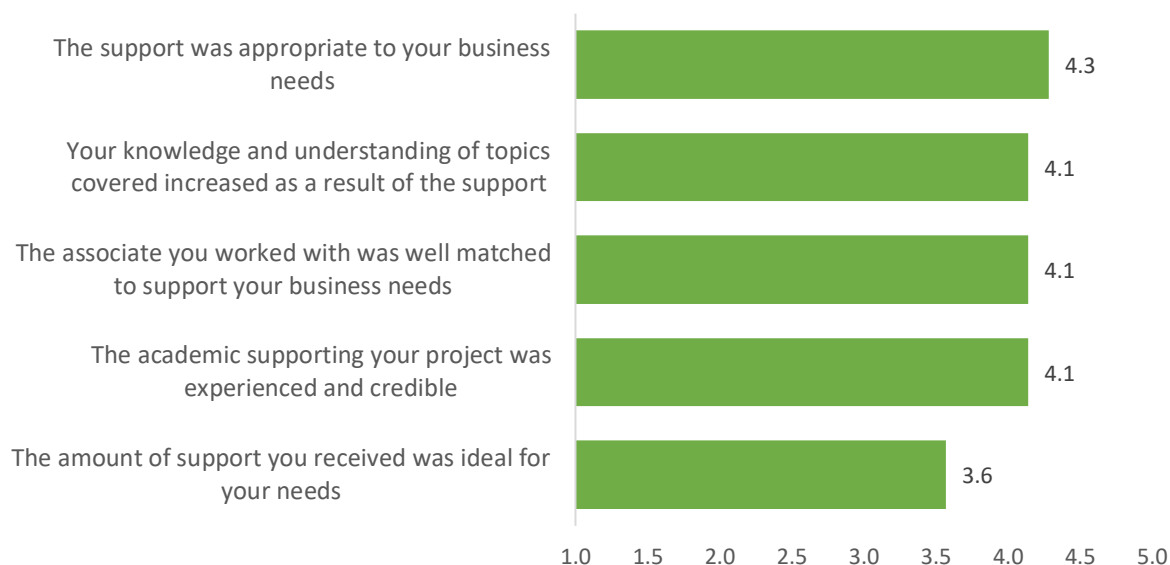


Source: Beneficiary Survey n=8

KRISP

Feedback for the KRISP project was also positive as can be seen in Figure 5.7. Scores dipped for the statement relating to the amount of support received being ideal for the businesses' needs, and this is consistent with consultations with delivery staff who felt that the 50 hours of RD&I Associate time and 15 hours of academic time for each project provided some constraint as to what was possible to achieve through the KRISP support, with more support time being felt to be desirable.

Figure 5.7: Beneficiary views on KRISP support (average score out of five)



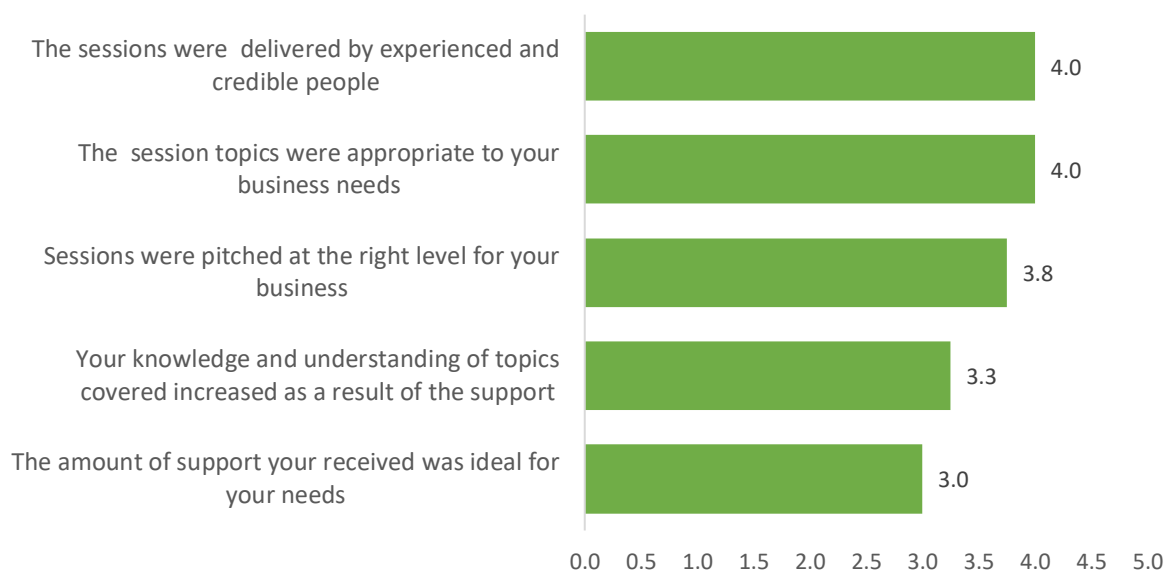
Overall, beneficiary businesses were satisfied with the support they received through KRISP commenting that the support had been *'valuable'*, innovation associates had been *'very good'*, KRISP had supported with business expansion and that the support *'aligned well with company values.'*

Base Camp

Base Camp provides incubation support for early-stage and established small business owners through a masterclass to strengthen leadership and innovation skills tools and techniques. The support combines expert-led masterclasses with opportunities for collaborative learning, networking and sharing ideas. It is typically delivered over five sessions and covers the following topics:

- The innovation starts – journey, purpose and impact
- Persuasive pitching
- Business model innovation
- Leadership for entrepreneurs
- Communicating your value proposition
- Managing money in your business
- Sustainability in your business
- Building a resilient business

Figure 5.8 Beneficiary views on Base Camp support (average score out of five, where 5 = strongly agree and 1 = strongly disagree) ¹⁸



Source: Beneficiary Survey n=4

Respondents felt that the support was delivered by experienced and credible people and that the topics were appropriate to business needs. These responses suggest the Base Camp support had less impact on businesses’ knowledge and understanding of the topics that were covered than either the MCIL or KRISP programmes, with just one response scoring the support more than a three out of five. Beneficiary businesses gave the lowest average score for the statement around the ‘amount of support being ideal for business needs’, suggesting that more time input through this programme would have been desirable.

Satisfaction levels for Base Camp support were mainly positive with one individual citing that the event had led to their business collaborating with another attendee on the development of their business. One respondent indicated that they were dissatisfied with the support, however, did not provide detail about why this was.

It is important to note that the findings with respect to Base Camp respondents are only based on four responses at this stage. This will be supplemented with further responses at final evaluation stage enabling a more rounded view of the impacts of this element of the SIH project.

¹⁸ Note: Only four beneficiary businesses that had received Base Camp support responded to the survey therefore this section is based on a limited number of responses.

5.5 Management and Governance

SIH has been managed and overseen by a number of governance groups. Phase one of the project was overseen by the Project Executive Group (PEG) which was chaired by the University's Deputy Vice Chancellor. The PEG is responsible for larger projects delivered by the university including major capital projects such as SIH. Once the capital aspect of SIH completed, this reverted to the Project Monitoring Board who are responsible for holding the operational team to account for performance against contracted outcomes.

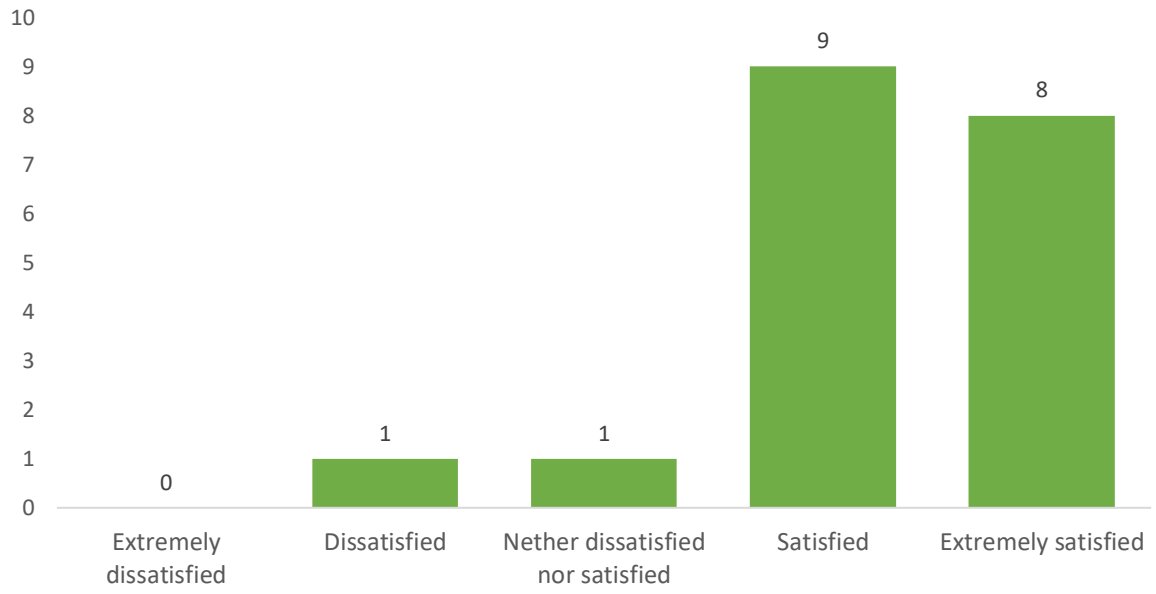
The day-to-day management and decision making is carried out by the Project Organisational Group which consists of the SIH Project Manager, SIH Director and Innovation and Leadership Development Manager. Regular strand meetings take place for the KRISP and MCIL programmes and these include a range of delivery staff. Management staff indicated that the structures work well and provide both strategic and granular oversight albeit it was suggested that the multiple layers can cause delays when project changes, such as changes to staffing, are required.

Delivery staff indicated that the management structures have been effective in overseeing and monitoring performance. There have been some changes to the staffing structures over the course of the project that have been overcome including the loss of the two Business Engagement Managers.

One issue raised during consultations referred to the legacy effect of both MCIL and KRISP having previously existed as standalone projects. It was suggested that the two projects being delivered as a single strategic project resembled a change from the project's previous delivery and that the two project elements could be more closely aligned as a single strategic programme of support.

Beneficiary businesses indicated that the administration and delivery of the SIH project had been positive, as shown in Figure 5.9, and no issues were raised in this regard.

Figure 5.9: Businesses' satisfaction of administration and delivery of SIH



Source: Beneficiary Survey n=18

6 Early Project Outcomes and Impacts

Section 6 sets out early evidence of the project's outcomes and impacts, drawing on evidence gathered from:

- Consultations with the **project delivery team and wider stakeholders** – for a list of consultees see Appendix A
- Responses to an **online beneficiary survey**, sent to all beneficiaries that received support from the project
- **Case study** consultations undertaken with a selection of supported businesses.

6.1 Achievement of Business Outcomes

The business support delivered under SIH aims to raise the level of research and innovation amongst SMEs in the Stoke and Staffordshire area by reducing businesses' risk and barriers to innovation and growth. To evaluate this, it is important to understand the way that businesses' barriers have been overcome and how that has led to outcomes and impacts.

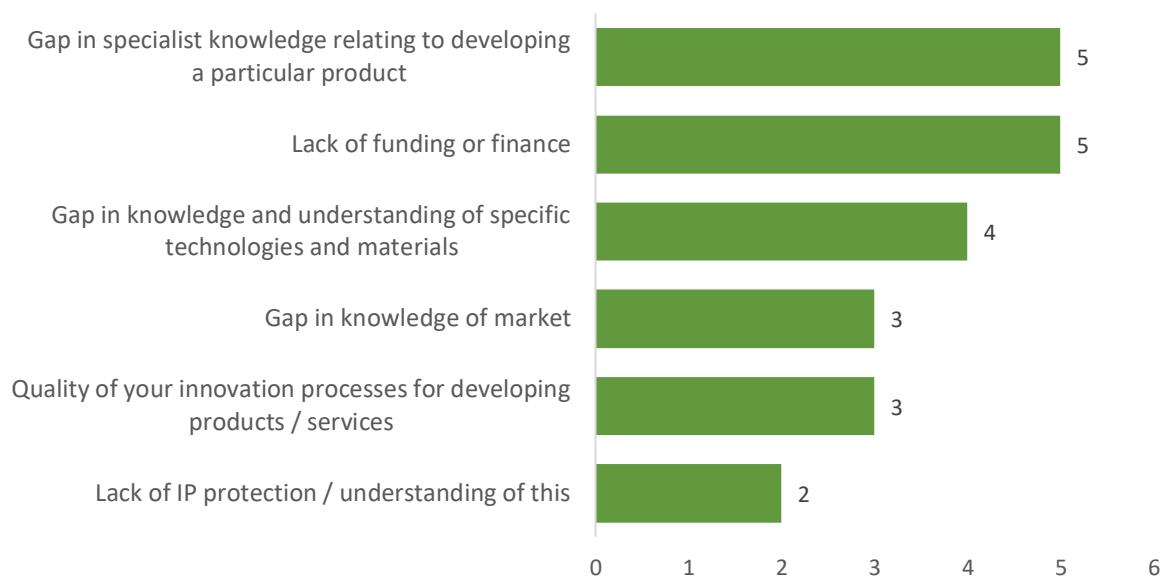
6.1.1 Overcoming Barriers to Growth

KRISP

As Figure 6.1 shows, the most significant barriers to growth¹⁹ for survey respondents were gaps in specialist knowledge around developing a product and lack of funding or finance and the least common barrier was around IP protection and understanding of this. All businesses responding to the survey identified at least one of the below as a significant barrier suggesting their suitability to the KRISP support.

¹⁹ Note: A significant barrier is defined by a respondent scoring that barrier a four or five out of five in terms of significance of that barrier to their business.

Figure 6.1: Most significant barriers to growth for businesses supported by KRISP



Source: Beneficiary Survey n=7

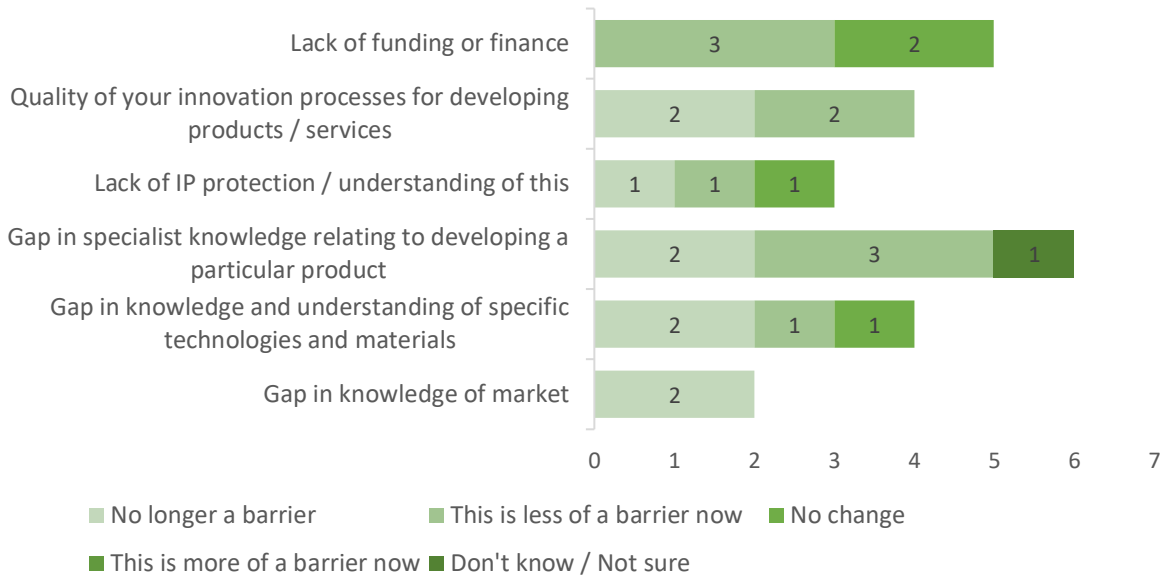
Figure 6.2 shows the progress that has been made in SMEs overcoming these barriers. SMEs that identified a significant barrier were asked to indicate whether this had become more or less of a barrier since working with KRISP. It shows that most progress has been made against quality of innovation process; gap in specialist knowledge relating to product development; gap in knowledge and understanding of specific technologies and materials; and gap in knowledge of market.

For each barrier, at least half of SMEs that identified it as a significant barrier indicated that it was now less of a barrier.

Less progress had been made against barriers around funding or finance with no SMEs indicating that this is no longer a barrier. This perhaps reflects that KRISP does not provide financial support, and so support in this area is less of a core offering. It does, however, highlight the importance of the programme being part of a wider suite of business support available across the SSLEP region.

Six of the seven businesses that indicated they were experiencing a significant barrier to growth had made progress against one or more of their barriers following the KRISP support. Each of these six SMEs said that the KRISP support had played some role in the progress.

Figure 6.2: KRISP indicators of change



Source: Beneficiary Survey n=7

MCIL

Figure 6.3 shows the barriers that SMEs highlighted as most significant prior to accessing the MCIL programme.

Figure 6.3: Most significant barriers faced by SMEs prior to attending MCIL

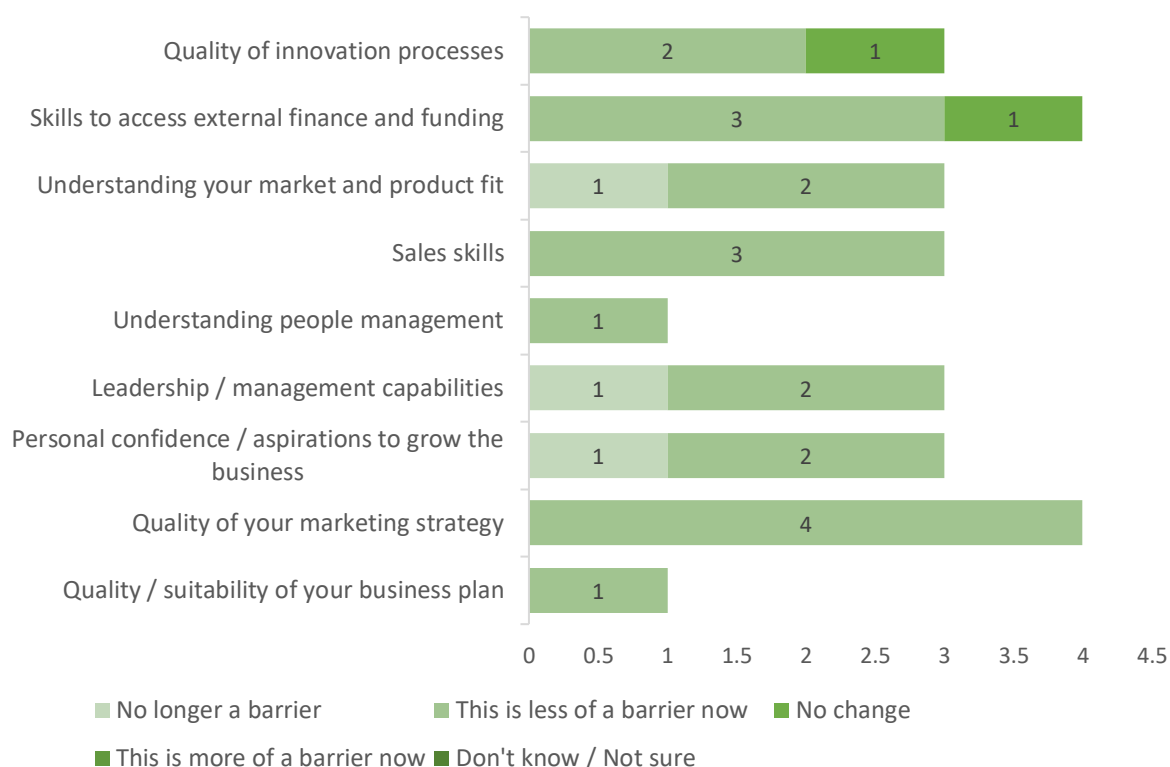


Source: Beneficiary Survey n=8

Only one survey respondent indicated that they were not experiencing any of the above barriers to growth prior to accessing the MCIL support. The other seven respondents identified multiple significant barriers, suggesting those SMEs represent a good fit for the MCIL support.

Quality of marketing strategy and skills to access external finance and funding were each identified by four SMEs each as being significant barriers to growth. Understanding people management and quality/suitability of business plan were seen to be less of a barrier.

Figure 6.4: MCIL indicators of change



Source: Beneficiary Survey n=8

Responses to the survey show good progress has been made in SMEs overcoming these barriers to growth. Except for two respondents indicating that no change had happened in overcoming barriers around the quality of their innovation processes and accessing external finance and funding, all had seen some progress against each of their identified barriers. Three responses indicated that a significant barrier was now no longer a barrier and there is strong evidence indicating the MCIL support has helped SMEs to make progress against overcoming a range of barriers.

Seven out of the eight businesses indicated they had made progress against at least one of the significant barriers to growth they were experiencing prior to receiving support. Of these, six felt that MCIL had played a role in this progress.

Base Camp

SMEs accessing the Base Camp support identified fewer barriers to growth when compared to SMEs accessing other forms of support under the SIH programme. Two of the four SMEs didn't score any of the barriers more than a three out of five and one SME scored all of the barriers a one. Whilst this is based on an extremely small sample, there may be further exploratory work needed to understand the typical barriers incubated SMEs are experiencing to ensure Base Camp support is aligned to overcome these barriers.

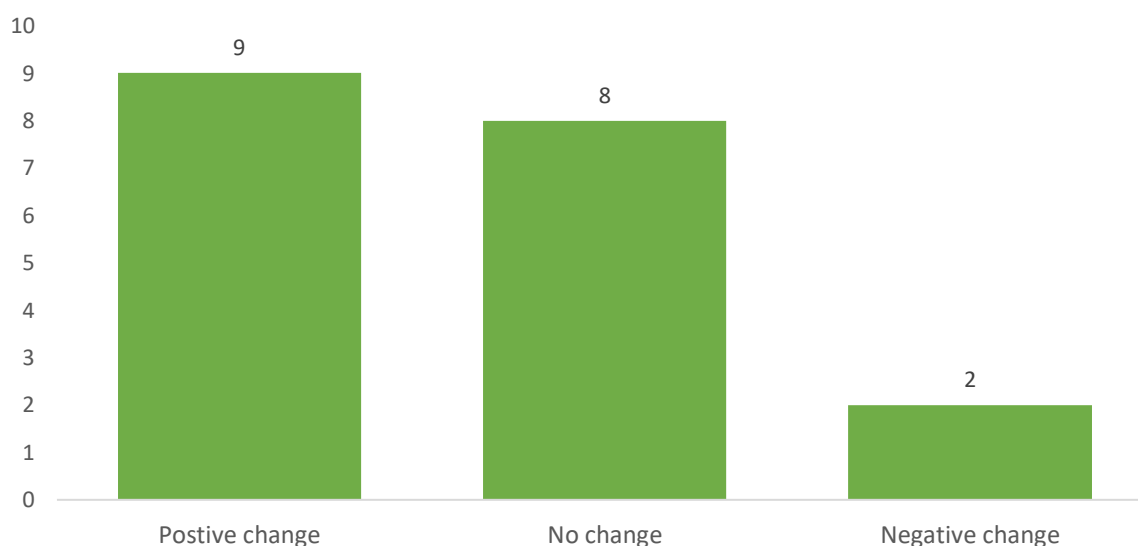
Only three barriers to growth were identified across two SMEs, which were quality/suitability of business plan; skills to access external finance and funding; and quality of innovation processes. In each of these cases, the SMEs indicated that these were now less of a barrier to growth and the Base Camp had played a small role in this.

The small sample means these findings should be treated with caution, however, they do suggest that the Base Camp support may be having less of an impact in supporting SMEs to overcome barriers to growth than the other two project elements. Base Camp was designed and implemented much more recently than the other two projects which are both well established. However, ongoing appraisal of the Base Camp support may be valuable as it is rolled out to more SMEs.

6.1.2 Impact on Employment²⁰

Figure 6.5, below, shows the changes to employment levels seen in SMEs since accessing the SIH support. It shows positive changes have occurred in nine SMEs, while four SMEs indicated that they had been able to safeguard jobs as a result of the support received.

Figure 6.5: Changes to employment in the last 12 months



Source: Beneficiary Survey n=19

²⁰ Employment and turnover impacts are given as broad indicators of the impact of the support at this interim stage. More detailed economic modelling will be carried out in the final summative assessment report.

SMEs were asked to indicate the extent to which these increases in employment were attributable to the SIH project and six of the nine felt the increase was at least partially due to the SIH project.

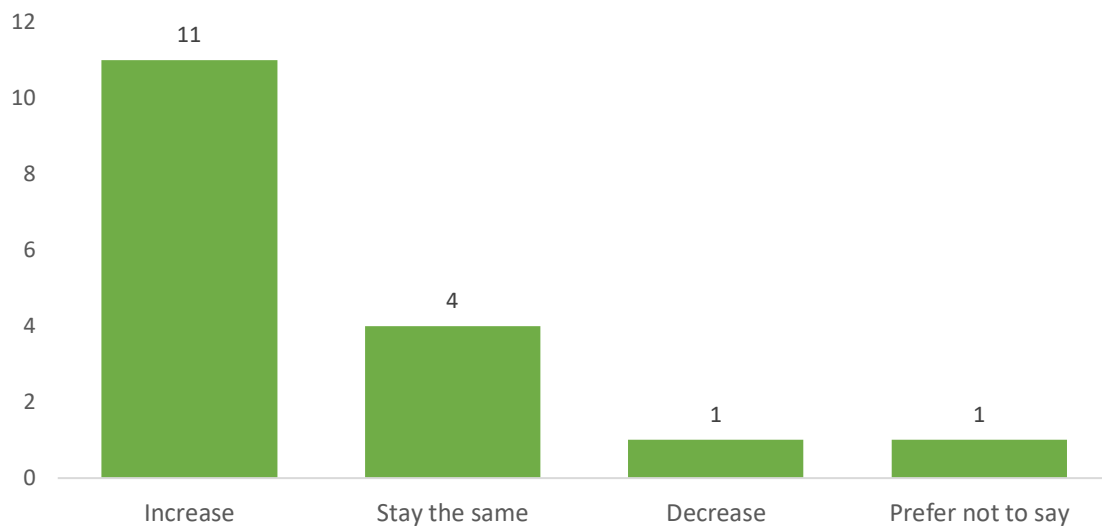
Often increases in employment can take time to occur and ten SMEs said they expected to see an increase in employment over the next twelve months. Of these, eight indicated this increase was related to the support received through SIH in some way.

Of the ten SMEs expecting to see an increase in employment, four accessed MCIL support, four KRISP support and two Base Camp support, reflecting a relatively even split across the three project elements.

6.1.3 Impact on Turnover

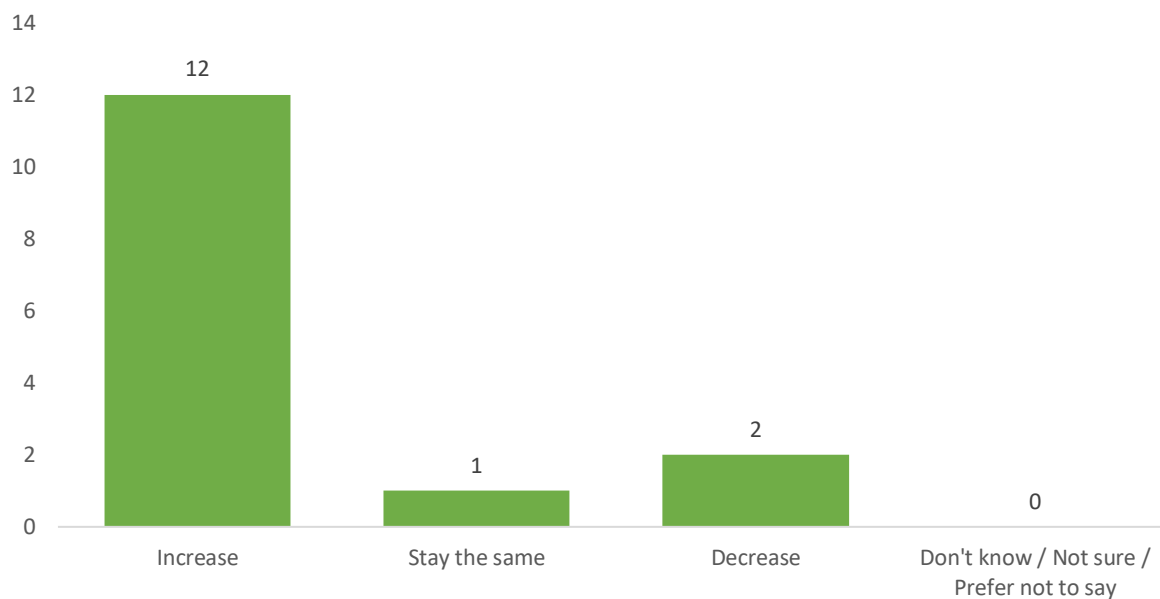
Eleven SMEs indicated that they had seen an increase in their turnover since accessing the SIH support and seven of these felt that the change was at least partly attributable to the SIH project.

Figure 6.6: Changes to turnover in the last 12 months



Over the next twelve months, twelve SMEs indicated that they expected their turnover to increase and of these, ten indicated that this increase was at least in part related to the support received through the SIH project. Six of these SMEs had received support through MCIL, four had received support through KRISP and two Base Camp, again reflecting a relatively even split across the project elements (based on the number of respondents that had participated in each).

Figure 6.7: Expected change to turnover in the next 12 months



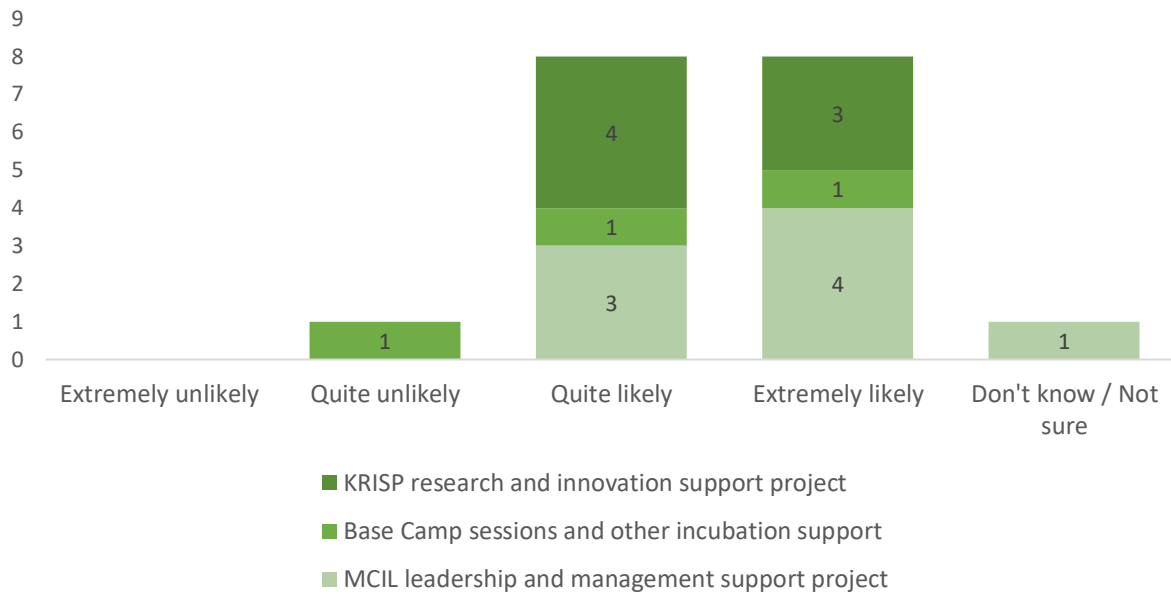
Source: Beneficiary Survey n=15

6.2 Wider Programme Outcomes

In addition to overcoming barrier to growth and emerging impacts on employment and turnover, progress can be seen in SMEs' attitude to business support. Propensity for businesses to access support was identified as a key market failure in the original ESIF bid.

Figure 6.7, overleaf, shows responses when businesses were asked about the likelihood of accessing business support if they encountered a barrier to growth in the future. Overall, responses were positive with almost all SMEs indicating they were quite likely or extremely likely to access business support in the future. The only SME that indicated they were unlikely had accessed the Base Camp support.

Figure 6.7: Likelihood of accessing business support if encountering a barrier to growth in the future



Source: Beneficiary Survey n=18

Delivery staff consultations highlighted several wider impacts of the SIH project. Firstly, for the Research and Innovation Associates whom are also students at the University that are engaged through the KRISP programme who get the opportunity to work with businesses on live projects. It was suggested this opportunity complemented their formal university education and provided additional experience.

It was also noted that the SIH support creates valuable opportunities for peer-to-peer learning and networking which has led to SMEs collaborating or going into business together. Delivery staff also gave examples of where the SIH support had enabled SMEs to access other sources of funding including successful research bids.

Mondrem Ltd.

- MCIL
- Incubation
- KRISP

Mondrem is a not-for-profit organisation who work with services to help them become more efficient and better places to work. They offer a range of products and toolkits that are geared towards improving professional satisfaction, career development, continuous process and technological improvement and customer experience.



After finding out about the range of support opportunities that universities can provide for small businesses, the company director sought to work with Keele University to support the growth of the organisation. Mondrem were looking to develop a new software product and they felt being based within the Smart Innovation Hub would be beneficial in providing the opportunity to interact with academics and businesses and provide access to graduates to help with recruitment.

Alongside the incubation support, Mondrem have also carried out a KRISP project which was beneficial in supporting the development of their new software. The director accessed the MCIL support and alongside the leadership skills gained, the process helped to develop his network. The direct benefits to the organisation have been the speed in which they have been able to grow and the improved confidence the support has given them.

“The support has given validation to our ideas which in turn has given us confidence to make some of the bigger business decisions.”

The opportunities that have been presented from being located within the Smart Innovation Hub have been valuable for Mondrem. They felt that there was an openness when talking to people and lots of opportunities to collaborate with suppliers, potential partners and academics.

“There is easy access and fewer barriers when talking to someone within the Hub, almost as if you are not being treated as an outsider.”

The organisation have developed a good relationship with the university outside of the Smart Innovation Hub having also engaged with the internship programme. Of the ten interns that have worked there, seven have progressed into a permanent role.

The director commented that there had been tangible benefits to the organisation, however, found the coordination between different departments within the University and avenues of support slightly disjointed and that more could be done to improve signposting to support.

Thrive & Shine

- KRISP

Founded in 2019, Thrive & Shine work with businesses and organisations to help them identify and understand stress levels and stress triggers which impact on employees. They provide their clients with management solutions that help to reduce stress in the workplace and develop a culture of employee wellbeing.



The Thrive and Shine director was recommended the Smart Innovation Hub support by a friend and colleague and was interested in exploring how the support could help her audit her business and identify way in which it could grow. Following contact with the university, KRISP was identified as the most appropriate form of support for the business' need.

One of the main objectives of the KRISP project was to make better use of clinical data so that Thrive and Shine could respond and adapt their offer to the latest clinical findings. Prior to this, only anecdotal evidence or evidence from Human Resources could be accessed and having access to the latest clinical data would provide commercial advantage for the organisation. An academic and student research associate was allocated to support the work to help research clinical data on mental health to identify what social issues are at play that have a negative impact on employees mental health.

The director was very positive about the support she received and the impact it had on her business commenting that this level of research and access to the clinical data would not have been possible without KRISP. She felt the communication was effective even during the COVID-19 lockdown when all contact switched to virtual.

“It was a brilliant experience and I gained a lot from it. The KRISP manager was great and the academic support I received was very encouraging.”

The support has benefitted Thrive and Shine who are the first organisation to develop a workplace audit for employee wellbeing. They now have two new services and a new product to offer clients.

“Up to now businesses have to rely on HR or Government data; we are the first innovator in this area which is a great USP for our business.”

In addition, the director commented that she had also learnt a great deal on general business workings and feels she is now a better negotiator, salesperson and promoter of the business.

Staffs Tech Ltd.

- MCIL

Staffs Tech Ltd. provide ICT solutions to the education sector including both onsite and remote support. The director first approached Keele in order to develop his network, meet other directors and businesses, understand how others run their businesses and how they overcome challenges.



The business was also experiencing challenges around recruitment and attracting good staff. One of the areas the business wanted to explore was the benefits of promoting and developing internal staff over hiring externally.

The director attended the MCIL course and accessed the ongoing mentor support. This included weekly meetings with the mentor and other businesses' directors and provided the opportunity for each to discuss issues in an open forum.

With the support of the Keele mentors, the director took the decision to restructure the business which included changing the roles of some members of staff. This has led to the creation of new business and directly impacted on their bottom line. Off the back of a recommendation from their Keele mentor, Staffs Tech Ltd. have also taken on three apprentices which is something the business would not have previously considered. This has benefited the business as the apprentices have provided a different perspective of the business and the director believes these appointments will provide long-term benefits for the organisation.

"We have secured new deals thanks to the restructuring of the staff member from Network Manager to Business Development Manager; this person is more productive in their new BDM role and is successfully securing new business for us."

The director highlighted the benefits of their improved network following MCIL and how they are now able to contact other business owners for learning, support and insight. They felt the support had impacted positively on their own confidence and skills as a business leader. The company had a positive experience of the MCIL programme and spoke highly of the mentor support commenting that the mentors were accessible, responsive, listened well and provided valuable ideas for the business.

"As a director I was always doing a million things; I have realised that I need to slow down, focus on specific tasks and delegate more, ensuring that staff have specific roles and objectives to focus on. I have generally looked at the business differently since my involvement with Keele."

7 Conclusions and Recommendations

This section of the report looks to summarise the findings against the five summative assessment themes, as set out below and in the ERDF summative assessment guidance and provides recommendations for future project delivery.

7.1 Conclusions

7.1.1 Project Relevance and Consistency

With levels of RD&I in the region particularly low, and latest data showing this trend has continued, the SIH project is well-aligned to regional priorities in supporting SMEs to engage and invest in research and innovation activities and remains as relevant now as it was when the initial ESIF application was submitted.

The COVID-19 pandemic in particular has presented additional challenges to businesses and to scheme delivery within the SSLEP area, however the SIH support has responded effectively to enable scheme continuation and provided the opportunity for businesses to access support they need in order to innovate and grow against a challenging economic backdrop.

7.1.2 Progress Against Contractual Targets

The challenges presented by the COVID-19 pandemic in particular, have impacted on the project's ability to deliver against its contractual output targets. As such, the project is currently behind its projected outputs at this stage of delivery.

Despite this, the project was able to switch to remote delivery quickly and remodel the support to appeal to SMEs looking for business support opportunities following the pandemic and this has meant that good progress was still made against output targets. The project extension means that SIH has the opportunity to make up the deficit in outputs.

It is also notable that although number of enterprises supported is currently lower than originally expected by this stage (41 percent of target achieved), the proportion of those businesses achieving outcomes such as new to the firm and new to the market products is higher than might have originally been expected and these indicators are already both considerably progressed against targets (respectively at 93 percent and 71 percent of targets already achieved).

7.1.3 Delivery and Management Performance

Evidence from the beneficiary survey suggests that all three elements of project support are being delivered to a high standard and beneficiaries are satisfied with the support they received. There are well established systems and processes in place and the business journey from identification of support needs to delivery of support is effective.

The marketing and promotion of the SIH project appears to have been effective so far, however, delivery staff indicated that there is still work to be done here to improve how the support is communicated to potential beneficiaries. This will become even more crucial as the number of SMEs the project works with increases and the pool of potential SMEs reduces.

The capital build part of the project was very positive, with the building having been completed on time and on budget, and having achieved full occupancy, despite the challenging delivery climate.

One of the slightly less well rated aspects of delivery was the amount of support received (particularly for the KRISP and Base Camp elements), with respondents indicating that they would have valued more intensive support from both project elements.

On the Base Camp project element, although respondent numbers to the survey were very low, the responses indicated that this project element may not currently be fully effective in identifying and responding to the barriers faced by businesses supported. More work may be needed to better understand the needs of businesses seeking support from this project element to ensure that the design of this project element addresses the key barriers to growth being faced by beneficiaries.

7.1.4 Outcomes, Impacts and Value for Money

There is clear evidence to indicate SMEs have overcome a wide range of barriers to growth following engagement with the SIH support. There is emerging evidence that the support has impacted positively on beneficiary businesses' turnover and employment levels. A more comprehensive appraisal of the economic impact of the project to the sub-region will be carried out during the final summative assessment phase alongside a VfM assessment.

Wider benefits highlighted through consultations and case studies included the positive effect of the support on beneficiaries' propensity to engage more with business support in the future, improved confidence levels in many of the supported businesses, and the benefits gained by RD&I Associates, for whom engagement with the project had complemented well their formal education and helped them gain more industry experience.

7.2 Recommendations

On the basis of the evaluation work undertaken, the following recommendations are suggested for the SIH project:

1. Future operations should continue to develop effective monitoring and promotional approaches to each of the strands of support offered through the SIH support. This will ensure there are good pipelines of businesses for the support and contribute towards the accelerated progress against outputs that is needed if the project is to meet its contracted targets by the end of the delivery period. In particular, this should consider:
 - a. Development of case study materials and use of this in communications, to help explain the benefits to potential beneficiaries
 - b. Reviewing the nature of supported beneficiaries in this current project as well as from earlier phases of MCIL and KRISP to analyse the nature of businesses accessing support (by size, sector, area) and developing a stronger understanding of the type of business most attracted to each support element, which could aid targeting
 - c. Reviewing the extent to which the project is targeted at priority sectors set out in the Local Industrial Strategy, in alignment with the original rationale for the project, focused on supporting those local priority sectors
 - d. Better co-ordinating the promotion of the MCIL and KRISP elements (as well as the Boot Camp) as a single project, rather than promoting each individually.
2. Future operations should ensure effective feedback loops are in place to help with identifying the common barriers to growth incubation businesses are experiencing. Base Camp support should be reviewed and adjusted if needed, to ensure it is fully aligned to the needs of targeted SMEs.
3. Further consideration should be given as to whether it is possible to increase the amount of input provided through the KRISP and Base Camp project elements, both of which participants indicated would benefit from more intensive support. Further engagement could also be undertaken with beneficiaries to understand what scale of input businesses feel might be optimal for these project elements.
4. The team should further explore opportunities to engage wider business support partners in the region, including the growth hub and other providers. This can help both increasing referrals of businesses from other providers into the SIH project, but also improving knowledge of the SIH team about the wider business support offer, recognising that the barriers faced by businesses may be wide ranging, and that accessing complementary support offerings alongside SIH may be important to help maximise the benefits arising for business beneficiaries.

Appendix 1: Consultees

The following project stakeholders were consulted as part of the interim evaluation.

Name	Role	Organisation
Andrew Bowker	SIH Project Manager	Keele University
Ann Pittard	Director of Engagement and Partnerships	Keele University
Dr Colin Rigby	KBS Academic - project support - KRISP / R&I	Keele University
David Lowe	Entrepreneur in Residence - MCIL / ILP	Keele University
Emma Bonfiglio	Research & Innovation Advisor - KRISP / R&I	Keele University
Grant Leboff	Consultant / speaker on MCIL / ILP	Sticky Marketing Club Ltd.
Les Jones	Consultant / speaker on MCIL / ILP	Outside the Square Ltd.
Mark Dimmock	Programme Coordination Officer	Keele University
Nick Gostick	SIH Director	Keele University
Philippa Chapman	Research & Innovation Advisor - KRISP / R&I	Keele University
Rob McKay	Innovation & Leadership Development Manager	Keele University

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