



Yorkshire Innovation Fund Final Evaluation Report **Executive Summary**



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Executive Summary

This independent evaluation was conducted in two stages by Carney Green (www.carneygreen.com) following an open call for tender.

This report provides findings from the final evaluation of the Yorkshire Innovation Fund (YIF). The YIF Project, part-funded by the European Regional Development Fund (ERDF), was designed to support Yorkshire and Humber Small and Medium Sized Enterprises (SMEs) to work with local universities to help develop ideas, grow their businesses and create new employment opportunities through the provision of research and development and innovation (R&D&I) services.

The YIF included three main products:

- Small Innovation Project (SIP) – up to £10k support, for example working on a prototype new product or service to grow existing customers and attract new ones.
- Research and Development Project (RDP) – up to £31k support, for example developing a new, improved product, service or production and delivery process.
- Strategic Intervention (SI) – for companies with similar R&D&I needs, for example geography, technology and sector, to work together with one or more universities.

The Project also had a Graduate Research and Development and Innovation Placement (GRDIP) product at its outset. However, early in the Project it became evident that the GRDIP product was not required and it was therefore removed as a product.

The YIF Project was led by the University of Bradford working within a consortium of eleven partner universities, ten of which were delivery partners at the outset.

The evaluation incorporated a review of the Project's processes and impacts, as well as assessing performance against contracted funding targets. In total 156 individuals were consulted (see Appendix I for details). The evaluation included the following research activities, which occurred via an interim evaluation (August-December 2014) and a final evaluation (May-August 2015):

- Detailed discussions with 32 project beneficiaries, three of which were consulted at both interim and final stage (18 of these became case studies, which are detailed in a separate document).
- An online survey completed by 62 project beneficiaries.
- Discussions with three non-beneficiary businesses (businesses that provided an initial interest in the project but did not ultimately take part).
- Consultation with each of the ten YIF local delivery teams, as well as with Knowledge Transfer Directors (or equivalent) and academics from nine of the delivery partners.
- Consultation with YIF Central (the project management team), members of the YIF Appraisal Panel, representatives of the YIF Steering Group and Management Group, the promotional and business engagement partner, and commercial due diligence partner.
- A review of project documentation and data.
- The development, and testing of, a series of project impact indicators.

The following section provides a summary of headline findings under a series of themes.

Project start-up period

The YIF Project started approximately a year later than originally planned. This period of delay, which centred on negotiations between the Department for Communities and Local Government (DCLG) and the Consortium, led to a series of difficulties for the Project's management function and delivery partners. These included:

- A shorter delivery period, meaning the Project was unable to commit all of its originally contracted funds.
- A reduced period of time for planning the Project, for example to pilot project guidelines, processes and templates.
- The need to engage businesses quickly, reducing planning around promotional strategies.
- A shorter time period to work with businesses and therefore to identify and evidence outputs.

Project management

The overall project management structure was appropriate to the focus and design of the project. Although a relatively complex and layered structure involving YIF Central as the project management function, local delivery teams and academics, it ensured strong overall project management. It also enabled clear links between YIF Central and the delivery partners as well as between the local partner delivery teams and the academics providing the direct support to businesses. The co-ordination role played by the local delivery teams was particularly important.

The YIF Project, due to its complexity and large number of partners, was a difficult intervention to manage, exacerbated by the delays to the start of the Project. The project management approach was extremely robust and compliance-focused, ensuring all activity was eligible. Delivery partners had access to a wide range of guidance and support, although initial delays in the Project meant the absence of a full project guidelines document at the outset.

Overall, partners recognised the hard work and rigorous approach undertaken by YIF Central, although some raised concerns that this was too stringent, requesting enhanced decision-making at a local level and a more collaborative approach. Although a difficult balance to strike, ultimately the role of YIF Central included quality assurance of the overall contract.

Project promotion and engagement

Engagement of businesses was effective overall, with 215 Business Assists completed in less than two years. Promotion and business engagement improved over the course of the YIF Project. The initial concept of an external organisation facilitating a co-ordinated yet partner-specific approach to promotion was appropriate. However, this had minimal success and partners primarily undertook their own promotional activity, with some initially focusing on businesses they already had relationships with.

Blanket or generic promotion of innovation support by universities was not as effective as first anticipated and was not widely adopted apart from to raise the overall profile of the Project. A more focused and proactive approach, targeted at specific sectors, was more effective. The promotion of the Project as a whole improved with the engagement of a public relations (PR) expert in 2015. They provided valuable promotional support with regard to developing a more effective YIF Twitter account, targeting specific audiences with bespoke approaches and developing project case studies. In hindsight this approach would have been beneficial from the outset of the Project, helping to ensure a clearer YIF brand and greater clarity of the products available to businesses.

The use of the term *Fund* within the Project's title was unhelpful to its promotion, creating false expectations among some businesses.

Barriers to participation

The research identified several perceived barriers to businesses engaging in the YIF Project and with universities more generally. These mainly related to perceptions of universities among businesses, for example that universities worked at a slower speed than businesses. Another barrier was identifying and accessing support within universities. The YIF Project, through the co-ordination role of the YIF local delivery teams and the focus on specific products, helped to alleviate this barrier by providing a clear means of engaging with universities. However, there were examples where partners faced difficulties engaging appropriate academics. Some partners therefore sought to engage academics by using YIF as the starting point for longer-term working relationships with businesses.

SMEs also referred to a lack of capacity to work on interventions which would take them away from their core activity. The YIF Project helped to alleviate this barrier by demonstrating potential benefits for businesses and providing free (in financial terms) support.

ERDF projects provide a range of challenges related to the strict guidelines around eligibility and subsequent paperwork. Although these are difficult to avoid, greater clarity and responsiveness from DCLG to queries could have reduced these challenges. The delays in providing clarity and confirmation created knock-on effects for delivery partners.

Project application and appraisal process

Overall, the application process was robust. The application forms were amended on several occasions, mainly to ensure eligibility was met following examples of ineligible applications. Detailed guidelines were provided by YIF Central. Beneficiaries and partners commented that applications were developed jointly.

There was a perception among university partners and beneficiary businesses that the SIP and SI application approach was less extensive than the RDP application process. This was mainly because the beneficiary businesses were not required to attend the YIF Appraisal Panel, although it should be recognised that the same level of robustness was required for SIPs and SIs through the local appraisal panels but without the beneficiary businesses attending. Several businesses also reported that the RDP forms were more time-consuming than the SIP forms; this reflected the larger financial value of support provided within the RDPs.

The YIF Appraisal Panel added further robustness to the application process. While this was welcomed there were concerns that attendance at Panel meetings by beneficiary businesses was not always necessary for smaller RDPs.

Project delivery

The support provided through the YIF Project was well received by beneficiaries. This primarily related to the direct expertise provided by academics, although positive comments regarding the co-ordination role of the YIF local teams were also provided. Although there were three specific products within the YIF Project, there was flexibility within the delivery of these products rather than a defined client journey. This was welcomed, particularly by businesses.

The design of the YIF Project sought to create a funnel of products whereby the SIPs enabled engagement of large volumes of businesses to undertake short, sharp support, for example by

solving specific problems. These worked well and helped to engage businesses that were new to the universities. The RDPs, designed to have a lower volume of businesses but higher value support, were also relatively successful. The SIs were designed to provide longer-term support focused around a specific sector, technology or geography. This was a positive concept but was ambitious and ultimately required more effective clarification of the offer available, as well as a minimum two-year delivery period. Although the SIs provided valuable support, the specific application of the support was in most cases not dissimilar to SIP or RDP provision, although it is recognised that it focused on specific areas of expertise.

Outcomes and impacts

The evaluation utilised a series of impact indicators, both for beneficiary businesses and university partners, to identify impacts achieved. These, together with wider consultation, demonstrated a range of positive impacts emanating from the YIF Project.

- **Enabling new or enhanced interactions between businesses and universities:** This occurred through a series of pull factors including a clear product to access, a low risk opportunity to engage, and a clear entry point to the university. Around 45-50% of beneficiaries had not previously worked with universities.
- **Creating a mechanism for longer-term collaborative working between businesses and universities:** 41 out of 215 beneficiaries had already commenced additional non-YIF activity with the university partner. Examples included KTPs, joint bids for additional funding, and funded research.
- **Transferring knowledge into businesses and helping to embed innovation within them:** The evaluation's impact indicators found that 15 of 20 beneficiaries consulted had experienced enhanced knowledge within their organisation while the majority of those consulted had already, or were expected to, increase their annual spend on R&D&I.
- **Facilitating product development activity:** This was widespread within the SIP products and included market research and feasibility linked to product identification, support to create new products, and product testing, validation and feasibility. Of the survey of 62 respondents 34 had developed new products, processes or services through the YIF Project.
- **Providing various positive impacts to universities:** Delivery partners referred to the development of improved links with businesses, the potential to contribute to government policy or other key research activity, the opportunity to undertake more practical activity, the development of new course content, and positive experiences for graduates.

Performance against project targets

The Project performed well against its main ERDF output target to provide a minimum of 12 hours' support to 225 businesses, achieving 96% of this target and therefore assisting 215 of businesses within a period of under two years. The Project also performed relatively well against its Jobs Safeguarded target, safeguarding nearly 50 roles. However, the YIF Project performed poorly against its targets for Jobs Created and GVA, achieving only 23% and 20% of the revised targets respectively. A series of factors were cited by consultees in relation to these targets, including:

- The time required for Jobs Created and GVA to be achieved and evidenced being longer than the reporting period for ERDF outputs and results, particularly given the shorter delivery period of the Project.

- A reticence from some beneficiary businesses to sign documents and to provide financial information.
- R&D&I provision not being aligned with the creation of jobs or increased turnover in the short-term. For example, increased automation through innovation may actually lead to a reduction in jobs.

Recommendations

A series of considerations are outlined below.

- There is an appetite, based on consultation with a range of stakeholders, for additional business-university collaboration.
- The importance of an initial planning period at the outset of a project is vital. This includes time for the project management team to develop guidelines, processes and templates prior to delivery commencement, as well as time to disseminate and pilot these guidelines among partner organisations. The involvement of the project management team in the planning and design of interventions is desirable.
- Large and complex projects such as the YIF require a minimum three year delivery period to provide a wide range of support mechanisms and to identify outputs, results and impacts.
- Delivery partners should always take responsibility for eligibility of the businesses they work with, but at the same time there should be recognition that the Lead Contractor, in the case of the YIF the University of Bradford, holds the contract with DCLG and therefore manages overall risk.
- It would be beneficial to the project management, delivery partners and businesses if DCLG was able to provide more timely responses, and greater clarity, to questions asked by projects.
- There is a need for more appropriate output and result indicators to be devised for projects. Current indicators are relatively crude and are inappropriate for R&D&I projects.
- Longer-term monitoring beyond the life of existing projects, for example a year after completion, would help to identify more realistic outputs, results and impacts.
- While it is understood that academics can be busy and difficult to engage, wherever possible there is a need to identify their likely availability and commitment with regard to such interventions at the outset of the project.
- Any future intervention similar to the YIF Project should not include the use of the word *Fund* in its title.
- There should be clarity for future projects on the extent to which they should focus upon engaging businesses that are not or have not recently engaged with universities, or whether the project would be designed to enhance existing relationships.
- For a clearer offer to be made to regional businesses, there is a requirement for increased partnership working in terms of identifying the specific available expertise within each partner university. Ideally, an external body or lead organisation, with knowledge of the different expertise available within each partner university, should have sufficient resource to co-ordinate links between businesses and entry points at the participating universities.
- Future project promotion should focus upon a direct and personalised approach to specific sectors that have been identified as appropriate for the intervention's support. To effectively

promote to these specific SMEs a research resource would need to work closely with partners to help identify the businesses.

- Alongside the direct approach outlined above, promotion should also be supported by the engagement of a PR expert to develop wider awareness of the intervention using a clear brand and focused product offer through social media and case studies.
- Where possible it would be advantageous to simplify the application process. For all products the greater use of electronic submissions within the application process should be encouraged, although it is recognised that the use of hard copy submissions was stipulated by DCLG not by the YIF Project itself.
- Future projects could explore a simplified method, in application terms, of moving from one product to another (e.g. from a SIP to an RDP), particularly if this is within the same university.

If you would like a copy of the full evaluation report please email: yif@bradford.ac.uk