

Final Summative Assessment of the University of Exeter Enterprise Zone project

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INSIGHTS THAT MAKE A DIFFERENCE



Introduction

The final summative evaluation of the University of Exeter Enterprise Zone (UEEZ) Business Accelerator Programme was undertaken between November 2022 and May 2023.

Funded by European Structural Investment Funds, the UEEZ aimed to accelerate the development of innovative STEM start-ups and SMEs across Exeter and Devon.

The report is founded on extensive qualitative and quantitative research including a review of financial performance; monitoring and evaluation data; 25 one to one interviews with stakeholders and project staff; and an online client survey.

The following executive summary is a precis of the full report. To request the report in its entirety, please email

setsquared@exeter.ac.uk





Project Context

The project responded to a Call under Priority Axis 3: Enhancing the Competitiveness of Small and Medium Sized Enterprises.

Delivered by SETsquared Exeter, it represented an extension and development of an earlier successful project funded by Research England Development.

Following a project change request, the £1.2m Programme ran between April 2021 to 31st May 2023: a relatively short timescale for the range and depth of intensive support delivered.

Of course, much has changed since the application for funding was first submitted. There have been 3 Prime Ministers, a global pandemic and the worst UK recession since the second world war.

This context has deepened the challenges facing both national and local economies and created a challenging environment for success. But the core issues remain as pertinent as ever and there is an urgent need to improve the UK's productivity and innovative potential. This theme is a key thread of the Industrial Strategy, the Business Productivity Review and 2021 Plan for Growth.

The need for action is evident from local data and in the Heart of the South West, labour productivity is amongst the lowest in the country, the sub-region has a below average proportion of high growth firms together with a below average percentage of firms classed as 'innovative active'.

To tackle these issues, the UEEZ project had a number of objectives:

- To improve the business environment for innovative, Devon-based, start-ups and SMEs that have the aspiration and potential to achieve high growth.
- To accelerate their development through the provision of expert business acceleration support.
- To enhance the cohesion and collaboration within the regional innovation ecosystem.

In our view, the UEEZ project was well designed to meet an identified need. The original rationale for intervention remains relevant today and will continue to be so in the immediate future



Project Progress

Against this challenging backdrop, the project met or exceeded half of its target outputs.

The shortfall against the target for 96 enterprises receiving non-financial support (C1) has in turn, affected progress against targets for C2 and C4.

High quality job creation (C8) and the launch of innovative new products and services (C28) have been a successful feature of the output achievement, contributing directly to the LEP’s strategic ambitions.

By the project close £1,077,929.50 will have been spent against the ERDF expenditure profile. This is £144,171.96 or 12% under budget.

Running barely over 2 years and with a slow start to recruitment, inevitably this has had knock on budgetary impacts.
The limited timescale has also meant that recruitment and retention have been issues with the loss of, or delays in recruiting key personnel.



		Achievement to Q1 23 plus forecast achievements to end Q2 23 (shown in brackets)	Target	Achievements and forecasts as % of target
C1	Enterprises receiving support	67 (85)	96	88%
C2	Enterprises receiving grants	2 (11)	14	79%
C4	Enterprises receiving non-financial support	38 (75)	82	91%
C5	New enterprises supported	29 (34)	31	110%
C6	Private investment matching public support to enterprises (grants)	£2,320 (£25,679.90)	£38,080	67%
C8	Employment increase in supported enterprises	26.2 (31.2)	30	104%
C28	Enterprises supported to introduce new to the market products	20 (22)	19	116%
P11	Potential entrepreneurs assisted to be enterprise ready	38 (44)	20	220%

Covid-19 also had an impact on spend, reducing the ability to hold face to face events.

The pandemic also had a significant impact on outreach work which was a key part of the project.

Partners’ premises were closed down and the absence of events reduced the opportunity for networking and engagement.

Despite these difficulties, there was widespread agreement amongst stakeholders that the UEEZ has enhanced the workings of the local innovation ecosystem. It has brought partners together and provided a very different kind of support than has previously been available.

More broadly, it was felt that the local support infrastructure is under-developed and concern was expressed that the momentum developed through this project is at risk without further investment in the type of support activities that have been delivered through the UEEZ project.



Project Outcomes and Impact

The context, the short timescale for delivery and the hence the short time which has elapsed since clients embarked on the UEEZ project mean that the assessment of impact has to be treated with caution.

Findings are based largely on the UEEZ Client Survey 2023 which achieved a 74% response rate, but this represents only 34 firms.

Respondents were able to identify significant impacts arising from their participation, with the vast majority identifying benefits in terms of:

- Confidence (84% said that the project had had 'a lot' or 'a great deal' of impact)
- Awareness of support (82% said 'a lot' or 'a great deal')
- Skills (82% said 'a lot' or 'a great deal')
- Aspirations (82% said 'a lot' or 'a great deal')
- Understanding of business management (74% said 'a lot' or 'a great deal')

"I found the support around setting up a business incredibly helpful, particularly our ability to access SETsquared's network to receive advice as well as discuss issues we were experiencing with the team."

Client

In terms of specific outputs, for many clients it was 'too early to say'. To date, the most significant impacts were increased collaboration (58%) and the ability to secure investments for R&D (58%). As a result of the support, two thirds of businesses had moved up a development stage.

Analysis of outputs and outcomes in relation to the project's logic chain show it to have been overwhelmingly successful in meeting its objectives.

Data from the CRM system show that firms involved in the project have raised £2.5m of investment since they joined. The totals ranged from £10,000 to £750,000, with an average of £70,371, although most clients did not raise any investment by the time they had completed the project.

A further £1.2m was raised from grant aid. Again, most firms did not secure any grant aid, but of those that did, the amounts raised ranged from £5,200 to £0.5m averaging £33,243 per business.

In total, beneficiary businesses raised a total of £3.7m income over the baseline position.

According to the monitoring information 31.2 FTE jobs have been or will be created by May 31st 2023 by businesses that have been supported.



Project Outcomes and Impact

Strategic Added Value is broadly the added value realised through co-ordinating and influencing activities that result in project outcomes being delivered by others, in addition to outcomes directly delivered through funded activities.

We consider that the project has generated strategic added value through its support to partners and their engagement with the project. In turn, this has strengthened the local innovation ecosystem.

Furthermore, SSQ has played an important role in delivering against the university's strategic ambitions set out in its Strategy 2030 and around its 'vortex' ambitions, contributing to the university's achievements in many ways.

Although estimates should be treated with caution, it is estimated that allowing for deadweight and leakage the project has generated 28.4 jobs and £5m GVA.

"To have to have a resource like this in the South West is really, really invaluable and I've been incredibly impressed with the programme." **Stakeholder**