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Evaluation of the County Durham UKSPF Programme

Final Evaluation - Executive Summary

May 2025

Durham County Council

County Durham Economic Partnership
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Date of document: 8th May 2025

Version: 1

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Executive Summary

Introduction

This report presents the findings from the Final Evaluation of the County Durham UK Shared Prosperity Fund (UKSPF) Programme, building on the Interim Evaluation submitted in October 2024. Durham County Council commissioned Wavehill in March 2024 to conduct a comprehensive evaluation of the programme.

The evaluation primarily examines the partnership approach used to deliver the County Durham UKSPF Programme. This sits alongside a broader suite of evaluation activities, including the national place-level evaluation for the Ministry of Housing, Communities, and Local Government (MHCLG) where Durham is one of 35 case study areas, and individual project-level evaluations. Rather than duplicating these efforts, this programme-level evaluation provides additional insights into the effectiveness and impact of the partnership model.

Programme Overview

UKSPF is a £2.6 billion investment programme of the UK Government. It is designed to reduce regional inequalities by supporting local economic growth, skills development, and community resilience. Replacing the European Structural and Investment Fund (ESIF), UKSPF provides funding to local authorities across the UK to deliver locally designed interventions under three key priorities: **Community and Place, Supporting Local Business, and People and Skills**. A core aim of the Programme is to empower local stakeholders to design and implement projects that address specific economic and social challenges in their areas.

In April 2022, Durham County Council (DCC) was allocated £30.8 million for local investment through UKSPF, and a further £2.8 million to fund Multiply, the UK Government's adult numeracy programme, as well as £3.5m through the Rural England Prosperity Fund (REPF). The County Durham UKSPF Programme is managed by Durham County Council as the Accountable Body, and governed by the County Durham Economic Partnership (CDEP) Board.

In County Durham, the UKSPF programme has been delivered through a **partnership-led model**, bringing together local government, businesses, and the voluntary and community sector to maximise impact. The programme has funded a diverse portfolio of projects aligned with the UKSPF's core priorities, supporting business growth, workforce development, community regeneration, and infrastructure improvements.

A key feature of the County Durham approach has been its emphasis on **partnership and collaboration**, ensuring that funding is effectively targeted and coordinated with wider economic strategies. This evaluation assesses the effectiveness of this partnership approach, exploring its role in enhancing delivery, increasing local engagement, and driving long-term impact.

Strategic Added Value Framework

The evaluation framework uses the Strategic Added Value (SAV) model to assess the wider benefits a programme generates beyond direct project outcomes. This methodology is consistent with that used in the Interim Evaluation. The SAV model is particularly useful to assessing the value of a partnership approach. It focuses on how interventions enhance coordination, influence decision-making, build capacity, and strengthen partnerships to create impacts over the longer term. The evaluation is framed by a set of research questions, which explore:

- The effectiveness of collaboration and whether that leads to better outcomes for County Durham.
- How the partnership enhances strategic alignment with local and national priorities.
- Long -term benefits beyond direct funding, such as strengthened networks, efficient use of resources available in the county, shared knowledge, and increased stakeholder engagement.

Overview of the Partnership Approach

The partnership model aimed to build on County Durham's extensive history of regional development collaboration while taking advantage of the flexibility offered by the UKSPF programme. It facilitated cross-sector cooperation, aligning businesses, voluntary organisations, and public sector partners to ensure funding reached the right places and interventions complemented other funding streams. This approach was designed to maximise the impact of the investment, and address persistent local challenges in a streamlined and strategically targeted manner.

Rationale for the partnership approach

The partnership approach builds on the strong foundation left by the legacy of decades of ESIF delivery in County Durham. This enabled Durham County Council to mobilise quickly to ensure a broad, coordinated response to the key UKSPF challenges as set out by MHCLG: building pride of place and increasing life chances.

Reflecting on experience of delivering European Regional Development Fund (ERDF) and European Social Fund (ESF) programmes, the County Durham Economic Partnership and Durham County Council recognised that single-sector approaches were often inefficient, leading to competition between providers, duplication of activities, and resource inefficiencies. They realised early on that collaboration across sectors would enable the County Durham UKSPF programme to leverage the strengths, skills, and knowledge of different stakeholders within County Durham to enhance impact and create sustainable investments aligned to the needs of local communities across the County.

Key features of the County Durham partnership approach

The County Durham UKSPF governance and management processes were designed to ensure accountability, transparency, and effective programme delivery. DCC acted as the Lead Local Authority (LLA), overseeing financial compliance, programme reporting, and claims processes.

A structured governance framework was established, with the CDEP Board providing strategic oversight and the Technical Funding Group (TFG) offering technical guidance on strategic fit and deliverability.

A key strength of the governance model was its adaptability, balancing financial oversight with delivery flexibility. The use of contracts for services and grant funding agreements (GFAs) allowed tailored approaches based on project needs. The governance structure also prioritised streamlined reporting to reduce administrative burdens on the delivery partners, while maintaining robust oversight.

Informal and ad hoc connections between stakeholders further enhanced partnership working, helping to bring forward new ideas and practical solutions to local challenges.

Alignment with the Inclusive Economic Strategy

The Inclusive Economic Strategy (IES), developed in 2022, provides a strategic framework for achieving a sustainable and inclusive economy in County Durham by 2035. It was informed by the 2021 Economic Review and extensive stakeholder consultation. The IES focuses on five pillars: People, Productivity, Places, Promotion, and Planet ensuring that economic growth benefits all communities while supporting a just green transition.

The timing of the UKSPF Programme provided a good opportunity for rolling it out alongside the development of the IES, and in this way it became UKSPF became a natural mechanism for delivering IES objectives. This alignment ensured that funding decisions were evidence-based, strategically coordinated, and responsive to local needs.

Progress since the Interim Report

The commitment of the County Durham UKSPF Programme delivery team's commitment to learning and willingness to continual develop and refine processes has been exemplified by their approach to evaluation. In appointing an evaluator already prior to the final year of the UKSPF programme, with the clear remit of "evaluation partner" and "critical friend" demonstrates their strong commitment to the continuous process of learning and adaptation.
The Interim Evaluation, submitted in October 2024, included a set of recommendations for the remainder of the programme and beyond.

Following this, and subsequent to an update to the CDEP Board, the Vice Chair (who also serves as Chair of the Technical Funding Group), the Chair of the County Durham Economic Partnership (CDEP), and the MD of Business Durham met to review the recommendations and identify which should be taken forward.

They categorised them into three groups:

- **Short-term actions**: Recommendations that could be implemented in the near term.
- **Long-term considerations**: Insights that would be valuable for shaping future funding programmes and strengthening the partnership ("moving from the specific to the general").
- **Already addressed or misaligned**: Recommendations that were either already in place or not aligned with the partnership's strategic vision.

The full set of recommendations can be found in **Annex F** of the Final Evaluation Report.

To take forward in the near term

There is insufficient time to develop activities to support the delivery of the transition-year UKSPF programme (2025/26), as its timescales are too short to allow for meaningful improvements to the approach for delivering the UKSPF Programme 2022–25. However, the CDEP is currently revising its plan for delivering the IES, and the following recommendations provide additional topics for consideration in this process.

- **Recommendation 3:** Enhancing engagement with new/ less involved (potential) stakeholders.
- **Recommendation 8:** Develop a cross-cutting theme of Environment

- **Recommendation 5:** Measuring impact of the partnership approach over the long-term:
- **Recommendation 7:** Robust assessment of evidence of Economic and Social Impact:
- **Recommendation 10 & 11:** Further collaboration with environmental and green business sectors, and combining resources.

Ongoing communication with wider stakeholders, including businesses in the County, was identified as a priority for the Board, under the active leadership and encouragement of the Chair. With that in mind, the Chair has been discussing with the marketing professionals at Durham County Council the options for developing and implementing a more formal communications plan, and this work is now under development.

Regarding engagement with new or less-involved stakeholders, the CDEP intends to adopt a similar approach to that used in developing the IES when refreshing its delivery plan. This will involve a consultative process, which previously engaged over 100 partners in the development of the IES. While many of those original partners are expected to re-engage, the second consultation process will also serve as an entry point for new partners or those who were less involved in the first round.

For measuring social and economic impacts and conducting a longitudinal evaluation of the partnership approach, the CDEP chairs have engaged Durham University, a CDEP member. There is potential to translate academic research into practical application, and this avenue is currently being explored.

Active discussions are also underway with the Chair of the Environment and Climate Change Partnership (ECCP), who is a member of the TFG, about developing "environment" as a cross-cutting theme.

As a result of this collaboration, support to businesses in implementing sustainability plans and business models has been developed and introduced. This support extends beyond capital improvements to physical assets (such as installing solar panels) and includes embedding sustainability within business operations, from supply chains to consumer engagement.

To take forward in future

Three recommendations could be useful over the longer term:

- **Recommendation 1:** Improve accessibility of application materials;
- **Recommendation 2:** Further improve transparency in decision-making.

- **Recommendation 9:** Improve signposting mechanisms for other sources of funding.

These recommendations each pertain to the design and implementation of a new funding programme, particularly routes to entry and engagement with suppliers. At time of writing, there has not yet been any indication from UK Government of future funding plans following the 2025/26 transition year. However, these recommendations may be useful in future.

Not planned to take forward

One recommendation is already in place, and another is not aligned with the strategic vision of the existing partnership.

- **Recommendation 4:** Ensure the strong partnerships are sustained long-term.
- **Recommendation 6:** Develop strategies for private sector engagement.

The recommendation to explore the use of partnership agreements is unlikely to add value to the existing model, which is already strong and well-established. Additionally, introducing formal agreements could reduce the flexibility and adaptability of the partnership, which are key strengths identified in the evaluation.

Private sector engagement is already a strategic priority for the CDEP. The Chair of the CDEP brings extensive knowledge and expertise in this area, which is a key asset to the partnership. Rather than engaging with individual businesses, the CDEP has deliberately structured private sector representation to provide a unified voice. This approach aligns with the partnership's core principle: **"the whole is greater than the sum of its parts."**

The partnership already includes strong private sector representation, with organisations such as the **Federation of Small Businesses (FSB), the North East Chamber of Commerce, Durham Business Group, Visit County Durham, and the Engineering and Manufacturing Network** contributing a collective business perspective for County Durham. Additionally, the CDEP Chair regularly engages with businesses on an individual level, allowing him to track emerging trends, challenges, and key developments that may have wider implications for the business community.

Final evaluation: Key findings

The partnership model has been implemented through strong collaboration between diverse organisations, enhancing programme impact by pooling expertise and resources. Stakeholders highlighted that this approach led to better coordination, deeper community engagement, and more targeted interventions.

Implementation and delivery

Resource blending across sectors allowed for maximised funding, as seen in the Welcome Spaces initiative within the Community Infrastructure programme, which combined UKSPF funding with public health and voluntary sector contributions, and resources were shared across other UKSPF projects by the Poverty

Action Co-ordinator. Similarly, projects like Aycliffe Hall within the Community Infrastructure project demonstrated the value of in-kind contributions from businesses rooted in the local community.

Regular engagement with voluntary, community, and social enterprise (VCSE) organisations ensured that funding was directed based on local evidence and need. However, while the governance structure facilitated collaboration at a strategic level, operational coordination was sometimes limited due to time constraints and delivery pressures.

Strategic Added Value

The partnership has provided strategic added value by facilitating synergy, improving intelligence-sharing, and enhancing decision-making. The collaborative model enabled a flexible and responsive approach, particularly in employment and community infrastructure initiatives. The partnership also strengthened investment by aligning UKSPF funding with external sources, including Section 106 contributions, the Police and Crime Commission, and public health budgets, enhancing the sustainability of the programme's legacy.

Stakeholders reported confidence in the partnership's leadership and governance structures, which led to inclusive decision-making and reduced duplication of efforts. This contributed to high levels of trust across the partnership. However, it is important to note that further long-term monitoring is needed to assess the full effectiveness of the model.

Performance

The evaluation finds that the County Durham UKSPF Programme has demonstrated a strong overall performance against targets both financially and in terms of delivery. The final programme spend slightly exceeded the allocated budget (by 2%), which reflects effective and flexible financial management. This meant that the funding allocation was fully utilised.

The Programme has overachieved against output and outcome targets across the three investment priorities. Notable successes include strong performance for community engagement, employment support, and business engagement which have all considerably exceeded output targets. Outcome deliver has also considerably exceeded expectations, particularly within Communities and Place and People and Skills. Here it is also important to note that some outcomes will continue to emerge over time, as outputs mature.

Emerging benefits and impacts

Early findings suggest that the programme is already providing economic and social benefits for County Durham. The partnership facilitated targeted support for rural and peri-urban areas, ensuring equitable distribution of benefits beyond urban centres. Investments in business growth, community hubs, and public realm improvements have been aligned with local priorities.

While some projects are still in early stages, the collaborative ethos and resource-sharing have laid the foundation for broader economic and social impacts that extend beyond individual project outcomes. However, operational constraints (mostly connected to the short timescales of the UKSPF programme) have sometimes hindered deeper collaboration across initiatives, highlighting a need for ongoing facilitation and support beyond the lifecycle of the UKSPF programme.

Conclusions and Reflections

The County Durham UKSPF programme was underpinned by strong principles of flexibility, trust, local decision-making, value for money, and equity. These principles were maintained through transparent governance and collaboration, allowing interventions to be closely aligned with community needs. However, short timescales limited deeper integration across projects.

The partnership demonstrated strategic added value through leadership, strategic influencing, and leveraging resources. The collaborative model facilitated alignment with broader economic goals and efficient use of funding. While resource leveraging was successful, challenges arose from the lack of capacity-building support and uncertainties around long-term funding, which hindered sustainability. For future phases, a strategy to address capacity-building needs from those new to working in partnership could be developed. There is also the need to ensure that new partner relationships and collaborations are sustained beyond the Programme lifecycle.

The lessons learned emphasise the importance of trust, local autonomy, and flexibility in overcoming the challenges of short-term funding.

Lessons learned

The lessons learned emphasise the importance of trust, local autonomy, and flexibility in overcoming the challenges of short-term funding. The evaluation identified some key lessons that can help inform the design and delivery of future funding programmes, in three categories:

- **Do More:** Approaches that are working well, and can be expanded further;
- **Do Less:** Activities or processes that proved less effective or created challenges; and
- **Keep Doing:** What has worked well and should be sustained over the longer term.

Do more

More capacity building and structured support for partners: Provide additional support for delivery partners from the beginning, particularly for organisations new to delivering projects in partnership. This could involve, for example, support for developing joint information sharing systems to help reduce administrative burdens throughout the project delivery period. Some funding could be allocated towards capacity-building for delivery partners.

More market shaping activities: Provide more resource for market shaping activities, which could help strengthen the local market and supply chains. This could include supplier engagement events to ensure that new and external suppliers better understand local needs and priorities.

Deeper and more coordinated support for collaboration across projects: Increase capacity for engagement across projects which have overlapping goals. Ensure that there is sufficient capacity or external support for cross-project collaboration will enable projects to be more effectively aligned and provider greater impacts.

Long-term Monitoring: Many Programme impacts, particularly in employability and energy efficiency, will take time to fully materialise. Future partnerships should build in mechanisms to track long-term outcomes beyond immediate delivery periods.

Do less

Reduce reliance on emails for communication and refine communication channels: Build up a shared document system, for example using Teams channels and Sharepoint sites for sharing documentation across partners, reducing the need for emails. A dashboard system, such as using PowerBI, could provide a useful visual tool for all partners to be able to check at a glance key metrics for each project (for example, spend profiles, progress against targets, and key achievements).

Keep doing

Strategic thinking over short-termism: UKSPF's short-term funding constrained long-term planning, and the evaluation evidence shows that there is a general need for more stable, flexible funding models to allow for strategic, sustained impact rather than 'lurching from fund to fund.'

However, the approach taken in County Durham clearly reflected a long-term strategic view, rather than favouring a short-term, "quick win" solution to delivering project activities. This was strengthened by the successful strategic alignment UKSPF activities with the longer term vision for County Durham set out in the IES.

Continuing to support informal connections: The organic connections that arose through informal conversations between partners yielded some interesting ideas. These connections may lead to innovative ways of working, new projects, and help to strengthen the partnership's spirit of collaboration. The approach allows for a context sensitive delivery, while continuing to maintain high levels of trust and cooperation between different sectors.

Continue to support ethos and culture of continuous learning: The culture of continual learning demonstrated by the partnership was facilitated by regular engagement, open discussions, and high levels of trust between partners. This adaptive "test and learn" approach should be maintained, to ensure that programme delivery processes remain adaptable to challenges and changing external contexts.

Inclusive stakeholder engagement: The inclusive approach to engaging a broad range of stakeholders has worked well. Regular engagement should remain a core part of the approach, ensuring that the input from a broad range of stakeholders across sectors continues to shape development and delivery of funding programmes.

Efficiency in Funding Allocation: Minimal management fees (well under 4% of the budget, potentially even under 1%) allowed for maximum investment in project activities rather than administrative tasks. Future partnerships should continue this focus on ensuring that resources reach communities rather than being absorbed by administrative costs.

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