

Durham Business Growth Programme

2023-2025

Final Evaluation Report - Executive Summary

11 March 2025

Executive Summary

Introduction:

Thrive Economics was commissioned by Durham County Council to undertake an evaluation of the Durham Business Growth Programme. The programme was supported by the United Kingdom Shared Prosperity Fund (UKSPF) and the Rural England Prosperity Fund (REPF)

The evaluation has been delivered in two phases.

- Interim Evaluation, covering the period up to the end of March 2024.
- Final Evaluation, covering the period up to the end of March 2025.

This report presents the findings of the final evaluation.

The Durham Business Growth Programme:

The end of European business support funding and development of a strong national focus on place-based growth created a new strategic landscape, and County Durham responded creatively by developing an integrated delivery model aimed at making the business support ecosystem easier to navigate and more responsive to sectors that have not previously been able to access support.

The Business Growth Programme was an £8.16 million programme of business support delivered through a partnership of local business support providers. It delivered support to Durham based businesses through three activity strands:

1. Engagement and Relationship Management (Business Durham).
2. Productivity and Growth Support (RTC North).
3. Business Grants (UMi Commercial).

The programme has been open to all County Durham businesses, including those who have not been eligible for support under previous EU funded programmes. Support began with a business review and action planning, with tailored support delivered in the form of workshops, masterclasses and events, digital health checks, energy audits, carbon reduction plans, productivity and growth support and sector specific advice from industry experts.

The programme aimed to reach over 900 businesses, provide grant funding to 250, and support 100 to develop carbon reduction plans. The programme sought to support the growth and productivity of the county's businesses, safeguarding 1,083 jobs, creating 193 new jobs, and significantly reducing carbon emissions.

Strategic alignment:

The programme was aligned well with the overarching UKSPF and REPF priority of Supporting Local Business and with key UKSPF interventions linked to helping businesses to start, sustain, grow, and innovate.

Business support is strategically important for County Durham. Analysis of economic data demonstrates the need to increase business growth and improve productivity. Business density

has remained stubbornly low during the programme delivery period and in 2022 County Durham's GVA per capita figure was 59.3% of the England average, at £20,173, compared to £33,976 for England overall, indicating a large gap in prosperity levels.

Programme governance:

Programme governance was provided by a Steering Group of key local stakeholders focussed on the strategic delivery of the programme and its integration into the wider business support ecosystem and UKSPF programme. Operational oversight of the programme was achieved through the Programme Management Group comprising the programme partners, and a Delivery & Operations Group which brought together the day-to-day management of the programme. Programme governance was well designed and effective. Partners highlighted that the integrated Delivery & Operations Group was particularly effective in developing a shared understanding of business needs and co-ordinating the delivery of support.

Programme delivery:

The short UKSPF delivery period created pressure to establish the new partnership model quickly. At the same time, the partnership faced a range of issues, including the need to complete EU funded business support programmes, appoint staff into the new structure, establish new systems and processes, and market the new business support system to local businesses. The partnership has been effective in dealing with these early issues and despite some early delays in the programme's expenditure and performance, momentum was built. It is clear from feedback from businesses that the programme has delivered high-quality business support and grant funding that has been highly valued. It is also clear that the partnership approach to delivery was effective, with each partner demonstrating strong commitment to a one team approach.

Performance on targets:

As at the end of December 2024, the programme had achieved expenditure of £3,860,706 against a baseline spend target of £6,916,199. An examination of cost headings shows the largest shortfall was in relation to revenue grants (18% of lifetime budget spent). At the point that this report was completed the programme had a forecast of £4,311,153 in the period from January to March 2025, which, if achieved, would result in total programme spend of £8,171,859 which exceeds the original total target of £8,160,000.

The performance on output targets at the end of December 2024 is lower than the programme team would have desired. The programme had reported 73 grants issued by the end of December 2024 against a lifetime target of 250 which represents just 29% of the full target. However, the programme is forecast to achieve 72% of the lifetime target by March 2025.

The performance on outcome targets by the end of December 2024 was also lower than anticipated. The programme had only reported against the improved productivity target by December 2024, but was focussed on collecting outcome data from January to March 2025. The programme is forecast to ultimately exceed all outcome targets.

Feedback from supported businesses:

A bespoke online survey was issued to 542 businesses in January 2025. 118 responses were received which equates to a response rate of 22%. 40% of the businesses that completed the survey had not engaged with any business support including grant funding before engaging with the Durham Business Growth Programme.

The survey results provide a positive picture of the effectiveness of the programme, with 77% of survey respondents satisfied or very satisfied with support. Survey feedback was highly positive about:

- How promptly they were contacted by an Adviser during the engagement process (86% agreement).
- The relevance and thoroughness of the Business Review (90% agreement).
- The relevance of workshop topics and the expertise of individuals delivering them (91% agreement).
- The quality and professionalism of group sessions delivered as part of the productivity support (100% agreement)
- The professional expertise of individuals delivering specialist support (100% agreement).

The professional and care with which businesses were treated by all members of the partnership is a strong theme that emerged from quantitative and qualitative evaluation research.

Programme impacts:

The business survey suggests the programme has had a significant positive impact on the resilience and growth of County Durham's businesses. Key findings include:

- Businesses better understand the local business support ecosystem. Nearly 7 in 10 agreed that they have gained '*stronger connections with business support providers*'.
- Businesses now have a stronger understanding of how to become more productive with 6 in 10 businesses agreeing that they have gained a '*stronger understanding of how to make our business more productive*'.
- Businesses now have a stronger understanding of how to achieve growth with nearly 6 in 10 businesses agreeing that they have gained a '*stronger understanding of how to grow our business*'.

In terms of the impact on jobs:

- **36% of supported businesses reported that the programme had helped them to safeguard existing jobs and on average each of these firms safeguarded 6.2 full-time equivalent (FTE) jobs.**
- **15% of businesses said they had created new jobs as a result of the support received and on average each of these firms created 2.8 FTE jobs.**

Overall conclusions:

The evaluation's key conclusions are that:

- The programme's partnership approach has been effective in keeping the business support landscape in County Durham as streamlined as possible. Each partner has demonstrated strong commitment to making the partnership effective and the programme has developed a strong delivery model which should be maintained.
- The quality of support delivered through the programme has been very high as evidenced by strong levels of business satisfaction with most elements of support. There is insufficient survey evidence to rigorously test satisfaction with every element of support and the programme team may wish to conduct further research on elements including the Energy Efficiency Audit and Decarbonisation Plan.

- The programme has delivered a wide range of benefits with some of the strongest outcomes relating addressing gaps in knowledge amongst businesses. Businesses report having a greater understanding of available support, and of how to grow their business and make them more productive.
- In relation to jobs the programme appears to have had a much larger influence on safeguarding existing employment rather than creating new jobs. As shown above, 36% of supported businesses have on average safeguarded 6.2 jobs whereas just 15% of supported businesses have created jobs (2.8 FTE on average). However, the survey only requested data on jobs created to date, and it appears highly likely that supported businesses will go onto create additional jobs in the future.

The infographic on the following page provides a visual summary of the programme's key features and the evaluations key findings.

Durham Business Growth Programme

Objectives:

- To assist businesses to increase productivity and achieve growth.
- To support businesses that have not traditionally engaged with business support.
- To encourage and de-risk business investment through grant funding.
- To test a new partnership model of integrated business support.

Inputs:



- £6.56m UKSPF
- £1.60m REPF
- Match-funding from businesses
- Delivery partner capacity & expertise

Support provided:



- Business review and action planning.
- Workshops & events.
- Digital healthchecks.
- Energy audits and plans.
- Productivity support
- Specialist growth support.
- Capital and revenue grants.

The following results are based on a bespoke survey completed by 118 businesses.

75%

Businesses
with less than
10 staff

50%
50%

B2B Businesses
B2C Businesses

40%

Businesses that had not
accessed support or grant
funding previously

How satisfied were businesses with the engagement process?

Easy to contact:

82% AGREE

Easy to register:

86% AGREE

Contacted promptly:

86% AGREE

How satisfied were businesses with the support provided?

Business review
was thorough



Workshop topics
were relevant



Workshop
presenters were
experts



Digital Health
Check helped us
reflect



Energy audit was
thorough



Productivity
group sessions
were high quality



The specialist
support was
professional



Quick revenue
grant funding
decision



What are the main benefits that businesses have gained?

Stronger connections
to support providers

69% AGREE

Stronger understanding of how
to increase productivity

61% AGREE

Stronger understanding of how
to grow business

58% AGREE

What impacts
has the
programme
delivered?

1,618

Full-time jobs safeguarded,
protecting:

£43,267,457
of Gross Value Added

305

New jobs,
creating:

£8,141,726
of Gross Value Added

£6.29

of Gross Value Added

For
every:

£1
spent delivering the
programme