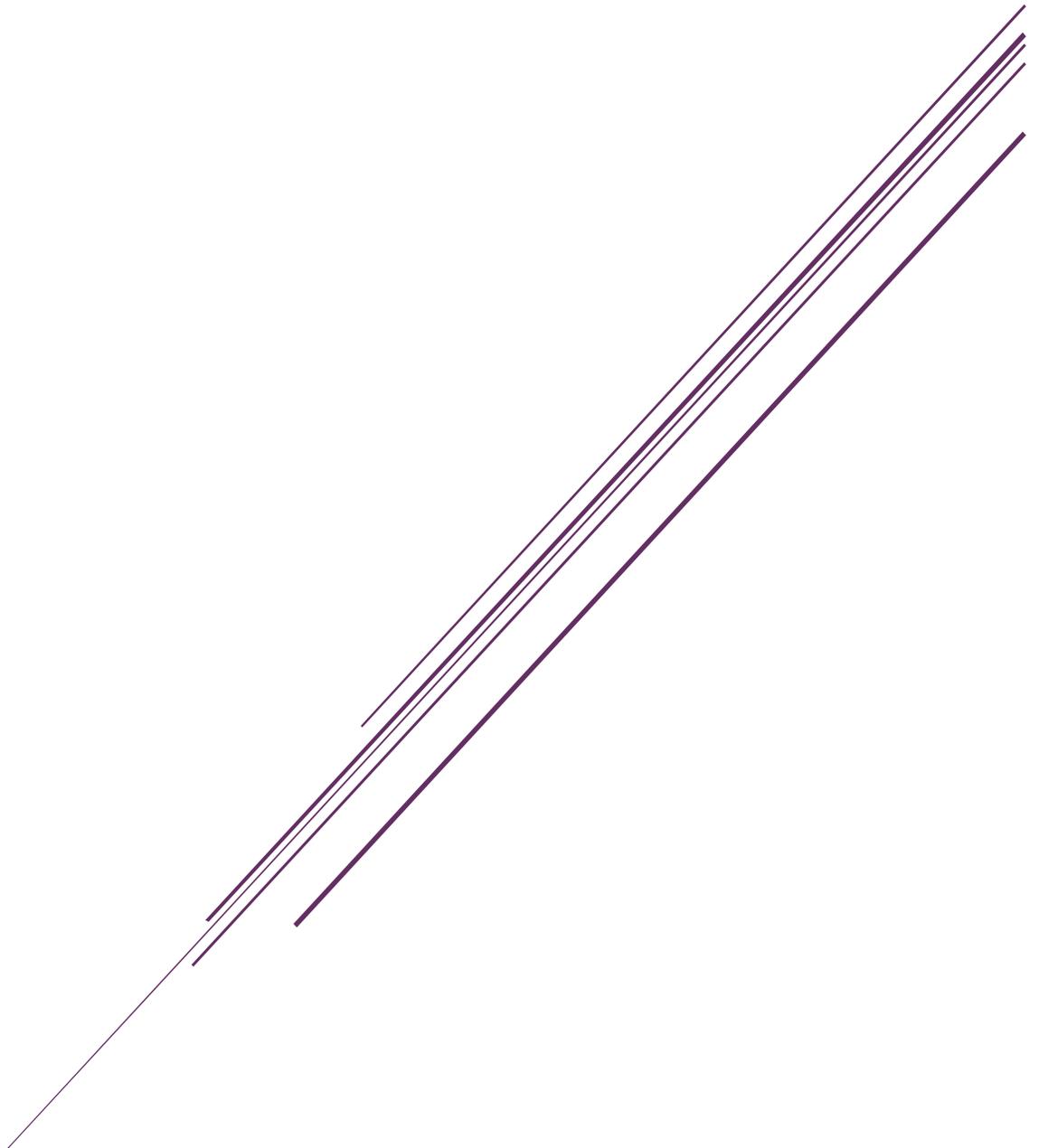


# FINAL SUMMATIVE ASSESSMENT OF THE DICE PROJECT

March 2023

Prepared for Durham University



<b>1. INTRODUCTION.....</b>	<b>3</b>
<b>2. PROJECT CONTEXT.....</b>	<b>6</b>
<b>3. PROJECT PROGRESS.....</b>	<b>16</b>
<b>4. PROJECT DELIVERY AND MANAGEMENT .....</b>	<b>25</b>
<b>5. PROJECT OUTCOMES AND IMPACT .....</b>	<b>50</b>
<b>6. VALUE FOR MONEY .....</b>	<b>72</b>
<b>7. CONCLUSIONS AND LESSONS LEARNED .....</b>	<b>76</b>
<b>APPENDIX 1: ACKNOWLEDGEMENTS.....</b>	<b>81</b>
<b>ABOUT IDEAS FOR CHANGE CONSULTING .....</b>	<b>83</b>

## 1. Introduction

Durham Internship and Collaborative Enterprise (DICE) is a collaborative project between Durham University and Business Durham, the economic development arm of Durham County Council. The project began in May 2018 and was initially due to complete in December 2020. In April 2020, a project change request was approved expanding and extending the project activity until June 2023 with final project closure in September 2023.

The project aimed to boost the number of start-ups and support small and medium sized enterprises (SMEs) by addressing market failures leading to under-investment in activities that would stimulate productivity and growth.

The DICE project offered an integrated package of support including advice, workshops and incubation space for start-ups and graduate internships for SMEs. The Project also facilitated access to the University's knowledge, networks and expertise for ambitious science and technology SMEs within NETPark<sup>1</sup>. The key impacts from this project are anticipated to be; improved business innovation and sustainability through knowledge transfer into SMEs; graduate retention in Durham and the local area and an increase in the number of scalable start-ups in the area.

### 1.1 Summative Assessment aims and objectives.

In September 2020, Durham University appointed Ideas for Change Consulting to produce an independent, Interim Summative Assessment of the DICE project which concluded in January 2021.

In October 2022, Ideas for Change Consulting began the evaluation process for the independent Final Summative Assessment of the DICE project. This is the report on the findings. The Final Summative Assessment reviews the project's progress, performance and impact from its inception in 2018 right through to December 2023, with a forecast assessment of where the project is likely to be in June 2023 when all delivery will have been completed.

The assessment involves evaluating overall performance, effectiveness, and assessing the impact of the project in line with the guidelines set out in Annex F of the guidance note ESIF-GN-1-034.

The key requirements set out for the assessment are listed below:

- a) Establish whether the project has met its quantitative objectives.
- b) Establish whether there has been an increase in the number of Durham University graduates starting a business and whether they are based in County Durham.
- c) Establish whether there has been an increase in the number of Durham University graduates staying on in the North East region.

---

<sup>1</sup> NETPark stands for North East Technology Park and is one of the UK's leading science parks

- d) Establish the level of collaboration between Durham University, SMEs, and Business Durham, in particular the linkages that have been made between the start-up enterprise activity and the incubator support and how successfully this has worked.
- e) Identify what has worked in service delivery, what the unique aspects of this programme have been and the lessons learned among the management and delivery teams.
- f) Identify key areas of success and potential future areas of development and delivery.

As part of the extension funding approval, a specific condition has been applied to the project focused on productivity improvements. This condition is set out below;

'The proposed interventions aim to increase productivity of the intended beneficiaries thus helping to address the productivity gap between the County's least and most productive companies.'

A further requirement of the Summative Assessments is to articulate the growth impact achieved through the ERDF supported project interventions.

This report will cover all these areas, setting them out in the format outlined by the referenced guidelines above. (Context, Progress, Delivery and management, Outcomes and impact, Conclusions and lessons learned).

The project extension also, introduced a fourth strand to the existing three elements (enterprise, incubation and internship). This was to develop a business support offer through the newly built business incubator Orbit. Orbit is a Durham University incubator and business space within the University Enterprise Zone<sup>2</sup>(UEZ) at NETPark. The business support offer available to all NETPark residents includes access to flexible or collaborative workspaces, workshops and networking events and access to the University's knowledge and expertise. This fourth strand came on stream in 2021 and has been reviewed for the first time as part of this Final Summative Assessment.

## 1.2 Assessment methodology

The assessment methodology comprised of a number of activities which are set out below;

**Initial project familiarisation, desk research.** An inception meeting was held in October 2022 with the DICE project team to begin the Final Summative Assessment. The meeting took place at the Orbit offices. New members of the project team, Abir Van-Hunen, the Project Development and Delivery Manager and Donna Carr, the DICE Project Manager, were present in addition to Laura Dorian, who has now been promoted to Senior Manager (Work based Learning and Employer Engagement) The meeting took place at the Orbit offices, which provided a good opportunity to have a tour of the new facilities. The proposed methodology and timeline were reviewed with minor adjustments made.

---

<sup>2</sup> Announced by the UK government in 2019, University Enterprise Zones are specific geographical areas in the UK where Universities and businesses work together to increase local growth and innovation.

Key documents were identified to be reviewed and a shared space was established to upload all documents. Key documents included; An Action Plan outlining the implementation of the recommendations from the Interim Summative Assessment; beneficiary data; latest claims; case studies; and the AGCAS awards which the project won for building effective partnerships.

**Stakeholder Interviews.** Online and telephone interviews were conducted with twenty project stakeholders and included eight beneficiaries from all strands of the project. Stakeholders comprised of the following groups;

- Management and steering group (4)
- Funding and compliance team (1)
- Project delivery team (7)
- Project beneficiaries (8)

A detailed list of stakeholder partners and beneficiaries is provided in Appendix 1. The semi-structured interview questionnaires designed during the Interim Summative Assessment process were reviewed and amended before they were used for the stakeholder holder interviews.

**Online beneficiary surveys.** The online surveys previously designed during the Interim Summative Assessment phase were reviewed and amended. The Covid-related questions were viewed as no longer appropriate and a few additional questions around impact were added. A fifth online survey was designed specifically for Orbit beneficiaries. Each survey had been designed to target the different beneficiary groups described below;

- SMEs that participated in the SME Internships Programme
- Interns who participated in the SME Internships Programme
- Start-ups that accessed the Durham City Incubator (DCI)
- Students and alumni who accessed enterprise support at Durham University
- SMEs that accessed the business support services from Orbit.

The surveys went live at the end of November 2022 and remained open throughout January 2023. Follow-up reminders were used to improve and incentivise the response rate and proved successful. Table 1 shows the response rate for each survey.

**Table 1: Survey response rates for beneficiary groups within DICE**

No	Beneficiary Groups within DICE	Responses out of total	Response Rate (%)
1	SMEs that participated in the SME Internships Programme	21/44	48
2	Interns who participated in the SME Internships Programme	23/58	40
3	Start-ups that accessed DCI	27/49	55
4	Students and alumni who accessed enterprise support at Durham University	23/58	40
5	SMEs that accessed Orbit support services	11/16	69

**Analysis and synthesis of findings.** All the information from the research activity has been analysed and synthesised, plugging gaps in data and information as they emerged. All findings are reported in this Final Summative Assessment.

## 2. Project Context

### 2.1 Introduction

This section considers the economic and policy context in which the DICE project was designed and implemented. It explores the nature of the market failures identified, the project objectives and the rationale for the delivery approach. It reviews the links between the project inputs, activities, outputs, outcomes and impacts and assesses the appropriateness of the project's design. The section is based around the logic model for the DICE project which is summarised in Figure 1 found at the end of this section.

#### 2.1.1 Project context.

The DICE project emerged out of on-going discussions between Durham University and Business Durham, an established partnership with common objectives. Both partners were keen to increase start-ups and support SMEs within the area. A Memorandum of Understanding (MoU) had already been signed between the two organisations, recognising the need to work together to benefit Durham.

A key challenge for County Durham was the lower start-up rates when compared to the regional average and the smaller number of high growth businesses in the region. The University was looking for a way to contribute to this agenda and simultaneously enhance the employability of their students. Both partners were keen to see more graduate retention or 'stickiness' to the local area.

The rationale for both partners was that increasing University talent retention would not only impact positively on generating high growth start-ups, but also improve business performance in the region and boost productivity levels. In 2016 a report entitled 'So Much More' had been produced by BIGGAR Economics. This emphasised the fundamental importance of the University to the future prosperity of the region generating in £1.1 billion GVA for the UK economy.

Several national, regional and local studies at that time, identified the need to address the challenges to support entrepreneurship and improve SME performance. The European Structural and Investment Funds (ESIF) business case for DICE references the *Industrial Strategy Green Paper*, supporting the role of universities in the growth and prosperity of the nation as well as the North East Strategic Economic Plan which identifies the need for the region to support spin outs and graduate start-ups and retain graduate talent locally. Stakeholders interviewed also mentioned the Higher Education Innovation Fund (HEIF) focused on supporting and developing a broad range of interactions between Higher Education Providers and the wider world to benefit the economy and society. In addition, the County Durham Economic Strategy had also identified similar needs around enterprise, start-ups and the need to improve SME performance.

In 2018, when the ERDF call for projects in support of Priority Axis 3: *Enhancing the competitiveness of small and medium sized enterprises* was issued, Durham University in partnership with Business Durham successfully responded. The DICE project delivered under the following investment priorities: -

- (i) **Investment Priority 3a:** Promoting entrepreneurship, by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators.
- (ii) **Investment Priority 3c:** Supporting the creation and the extension of advanced capacities for products, services and development.

The DICE project is an integrated enterprise support offer and internship service to Durham University students, graduates and SMEs from within the County Durham area.

The project is currently delivering four strands of support;

- Enterprise support for students and graduates
- An SME Internships Programme, placing skilled students/graduates into internships with local SMEs for up to 12 months.
- An enterprise incubator and associated intensive and bespoke support.
- A University incubator and business space providing science and technology businesses with access to the University's knowledge, networks and expertise.

## 2.2 Market failures

The ESIF business case for the DICE project identified some of the key market failures holding back entrepreneurship and SME competitiveness in County Durham. These market failures are identified and described here, together with an explanation of how the DICE project addresses them.

### Information failures

Information asymmetries can be a significant barrier to start-ups and growth SMEs. Many businesses under invest in business advice when information about support is hard to access or of variable quality. Businesses also tend to under invest in resources that will help them to scale up, because they are unclear about how to access these resources, concerned about the quality of the advice or unclear about the direct benefits the support will have on their business performance.

Each strand of the DICE project addresses information failures. For example, enterprise support for students makes information, advice and guidance for start-up available on campus, by providing enterprise animation, workshops, and one-to-one start-up advice. Durham City Incubator (DCI) extends that support through the provision of incubator space and wrap-around support. Through the subsidised Internships Programme there is an opportunity for an SME to take on an intern and be supported with product/process and service improvements and access to new markets. Orbit, also aims to reduce information asymmetries, by providing access to the University's expertise, knowledge and networks to accelerate growth. There is also a lack of awareness amongst Durham University students of some of the advantages and benefits of working within an SME. (For example, the closeness to the decision-making process when compared with working for a large corporate. The DICE project also looks to address these information failures.)

### Merit goods

These are goods or services that are regarded by society or government to deserve public finance as they often benefit not only the service users but also generate what are termed in economics as 'positive externalities' such as employment and innovation leading to economic development.

DCI could be described as a merit good as the service user (SME) is unable to pay for the full cost of provision but if the service is provided, it will have a positive impact on the local economy over the long-term. The SME Internships Programme would also fit in to this category, with a subsidised service on offer due to the positive externalities generated within the local economy. Enhancing the capability and productivity of the SMEs within County Durham, leads to wider multiplier impacts which enhance both the economic and social wellbeing of the area. Examples of these positive externalities might be more money circulating locally, increased high quality employment and increased visibility for the area as local businesses thrive. (For example Low Carbon Materials, a local Durham business was one of only two UK businesses short-listed for the Earth Shot Prize, a prestigious global competition which aims to repair our planet.)

### Equity

Market failures can exist on equity or fairness grounds when existing market provision leads to an 'unacceptable' distribution of services. A publicly funded intervention can be justified to address the balance

This applies to the DICE SME Internships Programme which offers a 50% subsidy to take on an intern. Large corporate businesses can afford to take on interns and carry them for a longer period before they are able to reap the benefit from their talents and skills. The DICE project enables SMEs to access similar talent by levelling the playing field in a number of ways including: reducing the cost; assisting with recruitment; and lowering the risks of recruitment if the intern is not a suitable candidate.

## 2.3 Project rationale

A combination of factors influenced the rationale for the project. These were (i) the identified strategic need to address lower start-up rates and a smaller number of high growth companies in County Durham, (ii) the established partnership between the University and Durham County Council with common strategic objectives and (iii) internal organisational drivers to further enhance the employability of students and improve graduate retention as well as the alignment to the ESIF call for proposals under Investment Priority 3.

The rationale for the development of each strand within the offer is described below.

**Internship strand.** Other universities within the region and across the UK were already operating successful subsidised Internships Programmes at the time meaning that the impact of schemes had already been demonstrated on business performance.

The Internships Programme offered through DICE is an adaption of these existing schemes to the needs of SMEs and it was designed to offer greater focus with its project-based emphasis and greater flexibility including shorter internships.

**Enterprise and City Incubation strand.** The University was keen to promote entrepreneurship by strengthening and focusing its start-up offer and encouraging the

exploitation of new ideas and the creation of sustainable businesses. Ensuring there was strong connectivity between the University's support offer and DCI was seen as an important aspect of developing strong and sustainable start-ups.

A feasibility study, operational plan and business plan all confirmed the need and viability of the City Incubator offer and the need to accelerate the pace, and scale of start-ups in Durham. They highlighted that business incubators foster innovation and accelerate entrepreneurship thus contributing to improving SME competitiveness.

**University incubator and business space.** In 2020 the fourth and final complementary strand of the DICE offer went live with the opening of Orbit. The physical space addresses an identified infrastructure deficit in the North East and is funded by Research England. Orbit will provide business support to science and technology companies to build their capabilities and accelerate the pace of business growth. The ERDF funded element of support through DICE is the business support offer, designed to facilitate SMEs to access knowledge, expertise and networks.

Importantly, the partnership approach with Durham County Council ensures that existing business support activity is not duplicated but enhanced by the proposed provision.

These four strands combined to provide an integrated package of high quality support which would benefit SMEs through business improvement projects and increase and accelerate the number of high growth start-ups in the area. The DICE project would also benefit Durham University students by offering them a chance to see first-hand the benefits of working in an SME which would hopefully result in improved graduate retention in the area.

## 2.4 Project delivery model

**Key features.** The key features of the DICE project delivery model are outlined below;

- Centralised overall project management for the programme, with all delivery leads reporting on a regular basis on outputs and spend.
- An integrated package of enterprise and SME support with three distinct but complementary strands working together to achieve the project's objectives (with a fourth strand introduced at a later stage).
- Demand-led, bespoke and responsive nature of all strands of support.
- Flexibility within the model, relating to achieving outputs, outcomes and impacts.
- Collaborative partnership with Business Durham to ensure that the support offer was fully integrated with wider support.

**Changes to the delivery model.** During the life of the project there were a few changes and developments to the delivery model which are outlined here.

- There was a small change to the geographical area covered by the project to include a limited number of beneficiaries from the Durham area covered by the Teesside postcode as this had been ineligible before.

- Whilst not listed as a key feature within the original design of the DICE project, all delivery leads invested time and effort to build positive relationships with the SMEs and start-ups.
- The flexibility and scope within the DICE project did require some teasing out and clarification by the Project Manager in discussion with the Funding and Compliance team. Once there was complete clarity on what was possible, the Project Manager found innovative ways of presenting the programme to SMEs which led to take up steadily rising.
- Since the project change request in March 2020, there is now very good alignment between project delivery and project design.

The project delivery model has worked very well, especially for the strands that were part of the original design and have had the full project period develop, adjust and evolve. The fourth strand which was introduced later is developing well, but still needs time to embed within the programme and further develop, adjust and evolve. It is evident that with all four strands, the University has considered the existing delivery landscape and developed a complementary project. The collaborative approach, integrated service and built-in flexibility and responsiveness are also very strong features which have helped to successfully deliver the project objectives.

## 2.5 Project objectives.

The project objectives included in the ESIF business case are set out below;

- To increase the number of Durham University graduates choosing to stay in the region.
- To enhance the number of graduates starting new businesses
- To grow a sustainable SME base in Durham
- To increase growth and development in established SMEs who benefit from an internship and from enterprise growth support linked with the University's knowledge and expertise.
- To increase the level of entrepreneurship within the University
- To facilitate collaborative working between Durham County Council, the University, business support organisations and SMEs in Durham

## 2.6 Project activities and targets.

The ESIF business case and the project logic model set out the core activities as:-

- Provide structured enterprise awareness sessions and support for undergraduates and graduates.
- Deliver three, six or twelve month Internships with local SMEs.
- Develop an Enterprise incubator with intensive and bespoke support.
- Deliver bespoke growth support to SMEs interested in increasing links with Durham University.

It was anticipated that these project activities would lead to the forecast outputs set out in Table 2 and described in the ESIF business case. Table 2 provides both the original target outputs when the project completion date was December 2020 and the

revised outputs, which include the extension period for the project and additional activity with the new project completion date of June 2023. Since the previous interim report there have been two further Project Change Requests (PCR), and this has resulted in revisions of the total outputs forecast for the project.

**Table 2: Description of outputs**

Code	Output Description	Original No	Revised No
C1	Number of enterprises receiving support	56	138
C2	Number of enterprises receiving grants	56	118
C4	Number of enterprises receiving non-financial support	56	85
C5	New enterprises supported	25	65
C8	Employment increase in supported enterprises	13	52
C28	Number of enterprises supported to introduce new to the market products	10	33
C29	Number of enterprises supported to introduce new to the firms products	31	46
P11	Potential entrepreneurs assisted to be enterprise ready	60	130
P13	Enterprises receiving information, diagnostic and brokerage support	61	124
C6	Private investment matching public support to establish grants	£85,000	£234,698

Source: ESIF Business Plan for DICE original numbers and PCR 7 for Revised numbers

The targets set out are appropriate, realistic and evidence-based building on learning from similar programmes and activities running across the North East. It is expected that the project will perform well against its targets (see section 3) A key contributory factor is the hard work by delivery leads to raise awareness and promote the programme to ensure SMEs and start-ups access the services.

There are a number of significant points to note on the outputs;

- **C4 Number of enterprises receiving non-financial support.** The contribution to this output from the SME Internships Programme had to be removed as it was confirmed that interns supporting SMEs as part of their internship could not be classified as non-financial support.
- **C8 Employment increases in supported enterprise.** After the Interim Summative Assessment, communication with the former Ministry of Housing Communities and Local Government<sup>3</sup> (MHCLG) and an audit inspection confirmed that relevant monitoring data had to form part of the evidence requirement. This meant that 70 previous outputs were ineligible and removed from the project.
- **P13 Enterprises receiving information, diagnostic and brokerage (IDB).** Initially it was thought that students receiving enterprise support could contribute to this output, however on reviewing the evidence required it was

<sup>3</sup> MHCLG has now become the Department of Levelling up, Housing and Communities (DLUHC)

decided that this output would be delivered through actual businesses supported rather than student enterprises.

## 2.7 Context changes during project delivery and impacts.

**Covid-19 pandemic and its longer-term impact.** In March 2020, the UK went into a national lockdown as the government responded to the Covid-19 Pandemic. As a result, all management and operational staff delivering this project began working from home. The impact of the pandemic on all aspects of delivery was significant and every strand of delivery activity has had to be adapted for online delivery. Some interns had to be furloughed during the period whilst others had to review their activities and move to working remotely. Enterprise support moved online as did the incubation programme. The project delivery team were able to adapt to these changes remarkably well and continue to deliver strongly on all project strands, experimenting and innovating with what worked best online. The Interim Summative Assessment for DICE reported in detail on these changes.

On reflection, there have been some positive and negative impacts. A key positive impact, which has proved to be transformative has been the streamlining and shift to online of much of what previously had to be physical paperwork for administrative purposes. (For example, the move from wet signatures to electronic ones) This has led to a significant reduction in paperwork which has been transformative for the project delivery.

Project leads reported in stakeholder interviews they welcomed being able to return to face-to-face delivery in the main. However there has also been a shift to hybrid working among teams as a result and this is proving effective and efficient.

The main impact on the performance of the project has been that some intensive outputs which require supporting beneficiaries with a minimum of 12 hours of support. have proved to be harder to achieve.

Other impacts were that the pandemic led to an under-spend in marketing and events. This under-spend has now been addressed and as evident from Section 3 on Project Progress, the DICE project is now on track to complete on time and within budget.

**Strengthening of relationship between the University and the Durham County Council.** Over the lifetime of the project, there has been a steady and accelerated strengthening of the relationship and the strategic closeness of the University and Durham County Council. This is reflected in the renewal of the MoU first established in 2017 but now with much more specific detail around enterprise and business support collaborative activity. The Economic Development Objective specifically refers to DICE strands within it.

*“Raise an enterprising and entrepreneurial culture supporting the development of incubator space for University student and staff spinouts, through Durham City Incubator (DCI) and the University Enterprise Zone (Orbit).”*

and...

*“Build sustainable mechanisms to foster stronger relationships between the University and local businesses to improve productivity, through close working of the University Partnerships and Engagement Team and the Business Durham Operations Team.”*

**Growing strategic importance of enterprise and business support within the University.** The MoU statements demonstrate that the University has taken a strategic decision to invest more in student enterprise. Stakeholder feedback demonstrates that there is strong support at a senior level within the University and this is helping to transform the enterprise support landscape, pushing enterprise higher up the University's agenda. DICE enterprise activity has been able to flourish within this positive ecosystem for enterprise.

The DICE project has contributed to the strengthening of the partnership by providing evidence of the success of collaboration which has enhanced the enterprise and business support offer to local SMEs and start-ups.

## Summary for Section 2: Project Context

- The DICE project emerged out of a combination of three factors; (i) the strategic need to strengthen the enterprise and business support offer, (ii) a well-established partnership, and (iii) the arising investment opportunity through the ESIF call which fully aligned with what partners were looking to achieve around entrepreneurship and SME competitiveness.
- Market failings that needed to be addressed were focused on information failures around business and start-up advice and guidance, Merit goods, where the market has failed to provide incubators and accelerator programmes and Equity where SMEs need subsidy to access high quality Internships Programmes.
- There is a strong rationale for the project as a response to these market failures and clear evidence of need based on research and existing tried and tested programmes.
- The project is well designed, with built in flexibility to allow delivery leads to be responsive to demand.
- Initial geographical coverage proved to be slightly confining but this has been favourably resolved.
- The project objectives clearly link back to the project rationale. The project targets are appropriate and realistic.
- The longer term Covid-19 pandemic has been positive helping to digitise administrative requirements and transitioning to a hybrid way of working. On-line delivery is now a demand led service that is offered alongside face-to-face delivery for some activities.
- The project pivoted during the pandemic to on-line delivery and as a result remains on track to complete on time, on budget and fulfilling its output requirements.
- There have been two key changes to output forecasts for C4 and C8 due to eligibility for the former and evidence requirements for the latter.

**Figure 1: Summary of the DICE Logic Model**

**Context**

The region lags others in business start-up rates and conversion to high growth businesses. Durham University's graduates could be encouraged to stay in the region to develop start-up businesses. At present this is not happening, and those who do start businesses are not sufficiently supported or monitored. Durham University will lead this project in collaboration with Durham County Council. The project will increase new startups in underrepresented sectors such as financial, service, technology and digital sectors

**Market failure assessment**

The project addresses information failures in the start-up market which are reducing the levels of potential entrepreneurial activity. Information failures within SMEs of the capabilities and impact students and graduates make on business performance. This has also led to merit good failures where demand for Internships is low due to underestimating of benefits and inability to pay the market rate.

**Intended Impacts**

Increase in graduate retention rates.  
 Increase in GVA.  
 Increase in sustainability of businesses in Durham.

**Project rationale**

The project is delivering intensive incubator support, on site growth support and also intensive support through internships which will lead to a more sustainable impact on the businesses of County Durham. Partnership with County Durham County means that existing business support is not being duplicated but enhanced. Other universities offer internships programmes and these have proven to be popular and have helped local businesses. Business incubation is also a long-established process with evidenced success.

**Project objectives**

To increase the number of Durham University graduates choosing to stay in the region.  
 To enhance the numbers of graduates starting businesses  
 To grow a sustainable SME base in County Durham  
 To increase growth/development in SMEs who benefit from an internship and from enterprise growth support linked with the University's knowledge and expertise  
 To increase University entrepreneurship levels  
 To facilitate collaborative working between Durham County Council and Durham University, business support organisations and SMEs in Durham.

**Project outcomes**

Increase in enterprising activity in the University environment.  
 Increase in growth capacity of SMEs who had an intern or access support from Orbit.  
 Increase in the number of new start-ups in Durham  
 Better understanding of SME needs in Durham, especially in terms of academic support that can be offered.  
 Understanding of success factors behind internship converting to a job.

**Project inputs**

ERDF grant- £1,579,124  
 Durham County Council - £321,251  
 SME contributions £234,198  
 Durham University £497,301

**Project activities**

Structured enterprise awareness sessions and support for undergraduates and graduates  
 Internships Programme with local SMEs  
 Develop enterprise incubator with intensive and bespoke support.  
 Deliver bespoke growth support to small business interested in increasing links with Universities.

**Project outputs**

C1 Enterprises receiving support = 138  
 C4 Enterprises receiving non-financial support = 85  
 C2 Enterprises receiving grants = 118  
 C5 New enterprises supported = 65  
 C8 Employment increase in supported SMEs = 52  
 C28 Enterprise supported to introduce new to market products = 33  
 C29 Enterprises supported to introduce new to firm products = 46  
 P11 Potential entrepreneurs assisted to be enterprise ready = 130  
 P13 Enterprises receiving information, diagnostic and brokerage support = 124  
 C6 Private investment matching public support to enterprises (grants) = £234,698



## 3. Project progress

### 3.1 Introduction

This section considers the progress of the project assessing delivery against its expenditure and outputs. The assessment is based on information provided in the latest ERDF claim form (October to December 2022) submitted in January 2023. This final report reviews actual progress to date and forecasts performance to the end of the project. Project performance to date has been informed by discussions with the Funding and Compliance team, DICE project team as well the most recent claim. The spend and outputs in this section incorporate project variations to date. This section will also consider the key factors that have had an impact on project progress.

### 3.2 Spend and outputs.

Table 3 summarises actual performance against expenditure and output targets at the end of December 2022. It is anticipated that the project will be on track to deliver a green rated performance against expenditure and spend. Detailed assessment of each performance indicator is provided further on in this section.

**Table 3: Spend and output performance (December 2022)**

Indicator	Targets		Actual performance at December 2022 <sup>4</sup>		Forecast performance at June 2023		Overall Assessment
	Original	Adjusted PCR7	No	% of Target	No	% of Target	
<b>Expenditure</b>							
<b>Total Project Cost</b>	<b>£1.021</b>	<b>£2.632</b>	<b>£2.081</b>	<b>93%</b>	<b>£2.385</b>	<b>91%</b>	
Capital expenditure (£m)							
Revenue expenditure (£m)	£1.021	£2.632	£2.081	93%	£2.385	91%	
<b>Outputs</b>							
C1: Number of enterprises receiving support	56	138	114	95%	136	99%	
C2: Number of enterprises receiving grants	56	118	102	103%	116	98%	
C4: Number of enterprises receiving non-financial support	56	85	69	94%	89	105%	
C5: Number of new enterprises assisted	25	65	58	89%	69	106%	
C6: Private investment matching public support to enterprise (£'s)	£85,000	£234,698	£247,672	137%	£249,500	106%	
C8: Employment increase in supported enterprises	13	52	36.44	70%	52.87	102%	
C28: Number of enterprises supported to introduce new to the market products	10	33	29	88%	40	121%	
C29: Number of enterprises supported to introduce new to the firm products	31	46	50	114%	66	143%	
P11: Entrepreneurs assisted to be enterprise ready	60	130	137	110%	137	105%	
P13: Entrepreneurs receiving information, diagnostic and brokerage	61	124	94	80%	124	100%	

<sup>4</sup> Claim 4 of 2022 (October to December 2022)

### 3.3 Factors influencing performance by indicator and assessment of current position

#### 3.3.1 Project expenditure in December 2022

£'s million		
Actual	Target	Variation
2.081	2.245	-0.164
93% of target		
Current Rating		

Actual project expenditure is 93% of forecast expenditure in December 2022. The position remains almost the same as at the time of the Interim Summative Assessment, which was 94%.

The reason for this persistent but small underspend is because the project got off to a slow start and subsequent spend was slower in the first few quarters. Actual spend began to catch up with forecast spend for the project in the months preceding the Covid-19 pandemic. The impact of the measures introduced to combat Covid-19 resulted in a reduction in expenditure caused by reduced salary spend as interns had to be furloughed, as well as a reduction in spend on professional services. Travel and marketing spend was halted altogether during this period.

The Interim Summative Assessment Report recommended that project meetings included a regular review of project expenditure to help get the project back on track. The DICE team did incorporate a finance review as a standing agenda item where they considered ways of addressing underspend and this appeared to have a positive impact on reducing underspend each quarter in 2021.

In 2022 several staff changes resulted in project underspend rising again while recruitment and selection took place to fill the vacancies. The staff changes, which include key staff members, are described in more detail in section 4. It also took longer than expected to recruit for the post of Orbit Manager and due to personal circumstances, the post had to be recruited for twice. The current Orbit Manager has been in post since January 2022.

Recently due to a member of staff leaving the project early and a fewer number of internships starting than predicted, the project forecasts at completion have had to be slightly revised down and the project is due to complete at 91% of its target expenditure.

This means the project will achieve an amber status on completion coming within 9% of its final expenditure forecast. This must be seen as a good result for a six-year long project which continued to deliver throughout the pandemic and is on track to achieve all its outputs.

### 3.3.2 Project outputs

The following section assesses project performance at the end of December 2022 for all outputs, comparing actual performance against target performance for each output. A summary table is provided for each output with a RAG rating for each output.

#### C1: Number of enterprises receiving support.

Actual	Target	Variation
114	120	-6
95% of target		
Current Rating		

There has been an improvement since the Interim Summative Assessment Report in the actual position moving from 91% to 95% in December 2022.

Whilst DICE beneficiaries benefit significantly from the collaborative design of the support model, there has also been a downside in having multiple strands of support within one project. This is due to the restrictions placed on being able to make multiple claims for each business. For C1 outputs and related subset outputs this 'clash' has occurred on several occasions between the Internships, DCI and the Orbit strand.

Despite this issue, it is predicted that the project will achieve green status with a performance rating of 99% at project end.

#### C2: Number of enterprises receiving grants.

Actual	Target	Variation
102	99	+3
103% of target		
Current Rating		

The project is ahead (103%) on its C2 outputs in December 2022. This is a significant improvement from the Interim Summative Assessment where it was behind (89%). Recommendation 2 of the Interim Report has been implemented recommending the project should look at ways of minimising the administration and verification time-lag for grants. This has been addressed with paperwork for onboarding SMEs and the results speak for themselves.

While performance is ahead of target, there have been difficulties in delivering this output and other subset outputs under the internship strand due to the associated £1K grant spend requirement. This has happened in instances where the internship ends earlier than planned due to reasons like 'academic pressures.' There are six such internships where the support was provided but could not be claimed as an output as the £1K grant spend was not reached. Unfortunately, these outputs could not be claimed in lieu as C4 outputs either.

#### C4: Number of enterprises receiving non-financial support

Actual	Target	Variation
69	73	-4
94% of target		
Current Rating		

This output was ahead of target in October 2020. Following discussions with the former MHCLG, now the Department of Levelling Up, Housing and Communities (DLUHC), it was confirmed that support provided by interns could not be counted within this output. As this indicator is a subset of C1, non-financial support provided to the SME is required to fulfil the criteria of being either: consultancy support; information and diagnostic advice and guidance; or financial assistance for investment that results in the production of goods and/or services. The outputs for C4 are now derived from DCI and Orbit. The project is still performing well against this target and it is anticipated that final performance rating for this output will be green.

#### C5: Number of new enterprises assisted

Actual	Target	Variation
58	65	-7
89% of target		
Current Rating		

Performance was behind the forecast position in December 2022. The DICE delivery team are confident they will be able to catch up and forecast to achieve green status for this output by the project close. This is because there are seven more outputs to achieve over the next two quarters and a new cohort of six enterprises is in current in DCI.

#### C6: Private investment matching public support to enterprise.

Actual	Target	Variation
£247,672	£180,583	+67,089
137% of target		
Current Rating		

The project is currently ahead of target by 37% and has already exceeded the overall project end target by 5%. This is a significant change from the interim position where a time lag was impacting on what could be claimed against the output. The DICE project team have implemented Recommendation 2 of the Interim report which was focused on finding ways to eliminate time lags caused by verification without compromising the quality of verification and the results have been very positive. Furlough within private sector organisations provide to be a barrier to claiming private sector match-funding and this is no longer an issue.

### C8: Employment increase in supported enterprises

Actual	Target	Variation
36.44	52	-15.56
70% of target		
Current Rating		

The project was performing ahead of target until written confirmation in January 2022 from the former MHCLG, set out the requirement for individual job details for any new jobs created from the baseline figure. This requirement has led to 70 claimed outputs only having partial evidence and so had to be withdrawn from the C8 output count. The project team are currently working very hard with the delivery leads to ensure that a green rating is achieved for the project on completion and it is very likely that this will be achieved despite the current red rating.

### C28: Number of enterprises supported to introduce new to the market products.

Actual	Target	Variation
29	33	-4
88% of target		
Current Rating		

Performance was behind the forecast position in December 2022. A new DCI cohort of six enterprises was recruited in November 2022 and once the Incubator Programme is underway, it is very likely that these six start-ups will contribute towards the project achieving its final output and it is anticipated that the project will have a green status at project close.

### C29: Number of enterprises supported to introduce new to the firm products

Actual	Target	Variation
50	44	+6
114% of target		
Current Rating		

The project was exceeding forecast performance in December 2022 and has already achieved the end of project target. It is anticipated that the project will continue to deliver outputs exceeding its end of project target by 43%.

### P11: Entrepreneurs assisted to be enterprise ready.

Actual	Target	Variation
137	124	+13
110% of target		
Current Rating		

Actual performance was ahead of forecast performance in December 2022. As with C29, the project has already achieved and gone beyond the end of project target.

Events such as Game Change are an important contributor to this output continuing and will continue to run beyond the life of the project, delivering successful outcomes for students and demonstrating the longevity and impact of such activities.

**P13: Entrepreneurs receiving information, diagnostic and brokerage.**

Actual	Target	Variation
94	117	-23
80% of target		
Current Rating		

This output had a red rating in December 2022 achieving 80% of its target. This output is lagging because of the impact of the Covid-19 pandemic. To achieve the outputs, it is required that Information, Diagnostic and Brokerage (IDB) interventions need to be 3 hours long. Since the pandemic, there is a preference for this type of activity to take place online by the beneficiary and this has led to difficulties in fulfilling this requirement.

Gathering the evidence for this output has a been slower and more difficult to pull together but the team remain confidence that this output will achieve a green rating by project end.

In summary, the DICE project is set to perform very well against forecast expenditure and outputs and this is to be commended given the challenges presented by the pandemic to project delivery.

### 3.3.3 Negative impacts on project performance

- **Slow start to project implementation.** The project was slow to get off the ground, while it was recruiting staff and setting up processes and systems for delivery. This was especially true for both DCI and Internships Programmes which were being developed from a standing start.
- **A route to market had to be developed from scratch for the Internships Programme.** Originally, it was thought that the DICE project route to market would be through the existing business support network. This route was ineffective, so the DICE project team decided to build direct relationships with SMEs. While this took time, it was successful in developing a strong pipeline of demand for the Internships Programme.
- **Breaking into the market was harder than anticipated.** The business support network was familiar with an existing Internships Programme with North East coverage. Initially this led to a reluctance from other support providers to engage with the DICE project despite there being a strong product differentiation.
- **Narrower geographical coverage.** The project initially had a narrower geographical coverage which did not include the Durham area that had a Teesside postcode. This was initially being covered by a Teesside Internships

Programme which subsequently ended. A project change request from DICE widened the coverage of the DICE project to encompass these postcodes helping to increase the number of SMEs engaging.

- **Impact of Covid-19 and associated regulatory requirements.** Covid-19 pandemic has impacted on the overall performance of the programme. Some planned activity could not go ahead or had to be adapted. and this impacted on project output performance.
- **Time lags in claiming outputs and expenditure.** In some instances, perceived underperformance against outputs and finance was due to the time taken to verify outputs and finances. These have now been addressed.
- **Delayed start to Orbit.** There were delays in the launch of Orbit due to the Covid-19 pandemic. Two project managers were recruited and subsequently left for alternative employment, which has impacted on project delivery, expenditure and outputs. The project has recruited its third manager in January 2022. Orbit is now on course under its new Project Manager who is steadily making progress and is confident of catching up by the end of the project
- **Staff turnover and sickness.** There have been staff changes within the project since the Interim Summative Assessment. These are described in more detail in Section 4 and include senior members of staff at both a strategic and operational level. This has had an impact on project performance. First in terms of project expenditure while vacancies were recruited for, and secondly in term of project performance while new staff come up to speed and got to grips with the project requirements. During this period a key member of staff working on project administration was off for four months. Their essential workload was picked up by others within the team, but some development activities had to be put on hold accordingly. These challenges are not surprising given the duration of the project. However, they have been concurrent which proved very challenging. The impact of this, could have been much greater had it not been for the staff commitment to ensure project continuity and as smooth a transition as possible.

Despite the many challenges, the project remains on track to deliver all of its outputs and outcomes by June 2023. There are also many factors in project design, development and implementation that have impacted positively on performance which are listed below.

### 3.3.4 The key factors that have impacted positively on performance are;

- **Good project management.** There are strong systems of governance and management in place within the project that are detailed in Section 4. Overall project management has been very effective. There has been good communication during transition periods. The project manager has a detailed understanding of the project's associated outputs and outcomes. There are good working relationships with all the delivery managers and a shared understanding and willingness to support each other. There are also good

working relationships with the Funding and Compliance team ensuring that high quality and timely information, advice and assistance has been provided. The project has performed well throughout the turbulence of the pandemic and other challenges.

- **Proactive delivery leads with good levels of interaction between services.** Delivery leads for each project strand have been focused on tailoring support to their beneficiary group. There is also evidence of collaborative activity with delivery leads attending and speaking at each other's events. Some beneficiaries have benefitted from multiple DICE strands enhancing the level of support received.
- **Excellent ability to adjust and adapt services.** Beneficiaries commented on the rapid and smooth transitions made by the DICE project to delivering activities online. This was the case for all strands of the service, with delivery leads keeping in close touch with service users to ensure they did not feel isolated. Post pandemic, most services have reverted to in-person delivery, however the option of online services now remains. The project has adjusted to hybrid working smoothly.
- **Going digital.** A key factor which has enhanced project performance is switching to digital paperwork. This has significantly improved project performance and improved the environmental credentials of the project. Data can now be reviewed across the project teams in real time and digital signatures have reduced time lags.
- **Implementation of recommendations from the Interim Summative Assessment.** Soon after the Interim Summative Assessment for DICE was completed, the DICE project team developed an action plan to implement the recommendations. This has led to a positive impact on two of the outputs where performance has improved as time-lags in verification paperwork have reduced.

### Summary for Section 3: Project Progress

- Project expenditure will receive an amber rating at the close of the project, a few percentage points away from receiving green status.
- In December 2022, the project had exceeded its total forecast performance for three outputs. These are private sector match-funding, supporting the introduction of new to the firm products and assisting entrepreneurs to be enterprise ready.
- The project is on track to achieve forecast performance for the number of enterprises that have received support and within that the number that have received grants.
- Areas where the project is behind are enterprises receiving non-financial support and numbers of enterprises introducing new to the market products. However, none of these amber areas are of concern and it is anticipated will achieve the forecast performance.
- Significant factors that have hindered project progress are: the slower than anticipated start to project implementation across all strands; address the huge impact of Covid-19; and staff changes resulting in vacancies for key staff in the latter half of the project.
- Positive impacts on performance are: strong and effective overall project management, and good delivery leads; exemplary levels of interaction between strands; and an excellent ability to adapt and adjust the programme pre and post pandemic
- Overall, the project is still on track to deliver all its outputs by June 2023.

## 4. Project Delivery and Management

### 4.1 Introduction

This section of the report will look at the overall project management, project delivery, and the quality of activities delivered. It will also review how well the project has integrated horizontal principles such as environmental sustainability and equality and diversity and how they have helped to shape delivery. Evidence for this section has come from stakeholder interviews, reviewing minutes of meetings and presentation slide packs and the DICE ESIF business plan.

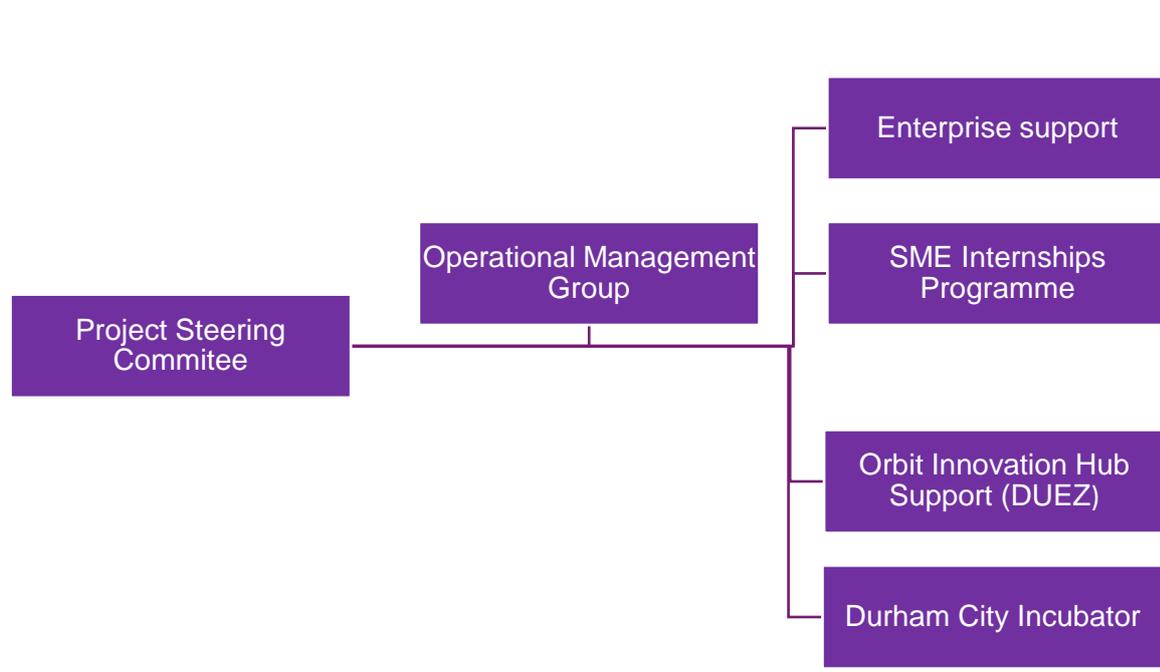
### 4.2 Project governance and management

There are different layers of oversight within the DICE project. Many of the governance and management processes that were put in place at the start of the project have been effective and remain. Figure 2 illustrates the governance structures for the project. There have been some changes which are described here.

As intended in the DICE ESIF business plan, the project has established a Project Steering Committee whose membership is set out in Table 3 and includes representation from the University and Durham County Council. There is an Operational Management Group comprised of project management and delivery staff to oversee and direct project performance. (See Table 4)

The DICE Project Manager oversees all strands of the project and leads the delivery of the SME Internships Programme. The act as chair for both the Operational Management Group and the Project Steering Committee. The Enterprise Co-ordinator, the Centre Manager at Orbit and the DCI Manager are responsible respectively for the other three strands of DICE.

**Figure 2: DICE Governance and Management**



**4.2.1 Project Steering Committee.** The Project Steering Committee is made up of representation from the two Durham University departments, Careers and

Enterprise and Research and Innovation Services and Durham County Council's ERDF project team as well as Business Durham, where DCI is located.

The Steering Committee's role as stated in the ESIF business case is to monitor, evaluate and advise the project. It also ensures that DICE activities are appropriately linked back into their day-to-day roles, ensuring that any collaborative opportunities are maximised. The Steering Committee meets quarterly and meetings are minuted. Individual representatives of the steering group are set out in Table 4.

**Table 4: Project Steering Committee Membership in 2023**

No	Name	Role	Organisation/Team
1	Donna Carr	DICE Project Manager	Durham University Careers and Enterprise
2.	Laura Dorian	Acting Director Career and Enterprise	Durham University Careers and Enterprise
3	Gemma Niles	ERDF Project Administrator	Durham University Careers and Enterprise
4	David Allenson	Orbit Centre Senior Manager	Durham University, Research and Innovation Services
5	Christina Munn	Marketing and Comms Manager	Durham University, Research and Innovation Services
6	Abir Van-Hunen	Project Department and Delivery Manager	Durham University, Research and University Services
7	Karl Gardner	Economic Development Senior Manager	Durham University, Research and Innovation Services
8.	Catherine Pearson	Funding and Programmes Team Leader	Durham County Council
9.	Leon Howe	DCI Manager	Durham County Council, Business Durham
10.	Pam Reynolds	DCI Incubation Officer	Durham County Council, Business Durham

A review of a sample of the Project Steering Committee meetings confirms that there is good attendance with about 8-9 people present in the sample of minutes reviewed and there is representation from both organisations across all the relevant teams. A review of minutes demonstrates the project leads update each other on quarterly activity, highlight successes and raise any issues. Less time is allocated to discussing strategic issues. (For example, future funding of the programme through UK Shared Prosperity Funds and agreed actions relating to this).

**4.2.2 Operational Management Group.** The Operational Management Group is a small internal group that meets monthly. This Group has an internal focus and reviews project progress and implementation in granular detail. Its membership comprises of University representatives from within the Project Steering Committee. The ESIF business case states that the purpose of this group is to report monthly on activities, outputs and outcomes and undertake strategic planning. Group membership is provided in Table 5.

**Table 5: Operational Management Group**

No	Name	Role	Organisation/Team
1.	Donna Carr	DICE Project Manager	Durham University Careers and Enterprise
2.	Laura Dorian	Acting Director Career and Enterprise	Durham University Careers and Enterprise
3.	Gemma Niles	ERDF Project Administrator	Durham University Careers and Enterprise
4.	Rachel Bickerdike	Enterprise Development Officer	Durham University, Careers and Enterprise
5.	Abir Van-Hunen	Project Development and Delivery Manager	Durham University, Research and Innovation Services

A review of a sample of minutes of the Operational Management Group, confirmed meetings are well attended.

**4.2.3 Strategic governance for DICE.** The Interim Summative Assessment suggested the DICE project could be strengthened by widening representation of the Project Steering Committee to include strategic partners. Strategic representatives such as the North East Local Enterprise Partnership (NELEP) were identified, but then implementation of this recommendation was overtaken by the development of a Steering Group to oversee the implementation of the MoU between the University and Durham County Council. For each objective of the MoU there is a corresponding Working Group. Objective 1, focused on Economic Development is the Working Group where strategic discussions about the DICE project would now take place. Table 6 lists the membership of the Strategic Management Board.

**Table 6: MoU Steering Group**

Durham University		Durham County Council	
Name	Role	Name	Role
Claire O'Malley	Pro Vice Chancellor (Global)	Amy Harhoff	Director of Regen. Economy & Growth
Richard Baker	Director Commercialisation and Economic Development	Sarah Slaven	Managing Director Business Durham
Karl Gardiner	Head of Economic Development	Graeme Smith	Durham University Account Manager
Pro. Jane Stewart	Executive Dean for Arts and Humanities	Alison Clark	Head of Culture, Sport and Tourism

The leads for the Objective 1 Working Group are Richard Baker for Durham University and Sarah Slaven for Durham County Council.

The identification that the DICE project is one of the University and Durham County Council's strategic projects to be included within the MoU Steering group is testament to how well the project has been integrated into both organisations.

It is worth noting that both DCI and Orbit also operate their own steering groups which provide another layer of governance and management that stretches beyond the scope of DICE.

Stakeholder interviews with senior strategic staff from both the University and Durham County Council confirm that they are very satisfied with the management and governance of the DICE project and as a result have applied a lighter touch of strategic involvement.

As three of the DICE strands focus on enterprise, high growth start-up and commercialisation, there is a small risk that the SME Internships Programme lacks a dedicated strategic champion to sustain it beyond the programme. This is particularly important as the DICE project draws to a close and new funding opportunities through for example UKSPF might choose to fund business support and enterprise separately.

In summary, stakeholders confirm the governance for the DICE project is supportive and the meetings are chaired well. Members are kept on task and focused. A stakeholder interviewed described the meetings as having 'a good level of rigour'. There is also good connectivity of the different project strands. Project leads work collaboratively to solve issues arising in the different strands ensuring the best possible outcomes for the project performance and its beneficiaries.

**4.2.4 Project management team and delivery staff.** Since the Interim Summative Assessment there have been a few staff changes within the project including core staff such as the DICE Project Manager who has had an internal promotion, as the Project Development and Delivery Manager.

During the recruitment process, the roles were still covered by the project team and apart from one or two minor comments from service users, it appears that these changes and transitions have been managed well.

The first Orbit Manager left their post and was replaced two months later. Again from the service user perspective, this does not appear to have caused any significant issues. There have also been changes within the Strategic Team with Karl Gardiner as the new Head of Economic Development.

There has also been four months absence due to sickness for a core member of staff, the project administrator within the team.

There appear to be two reasons for the potential negative impact on the project of these issues to have been limited. Departing staff are still within the University and so the knowledge and experience of project design and delivery remains accessible. In the case of the previous Project Manager, Laura Dorian this is particularly the case as she is Acting Director within the same department and retains strategic management and oversight of the project.

The second reason is that the newly appointed Project Manager and Project Development and Delivery Manager have rapidly got to grips with the project, identifying what needed to be done in the final phase of the project.

Amongst stakeholders there remains a wide and consistent view that the project's solid performance is directly attributable to the project management team and delivery staff.

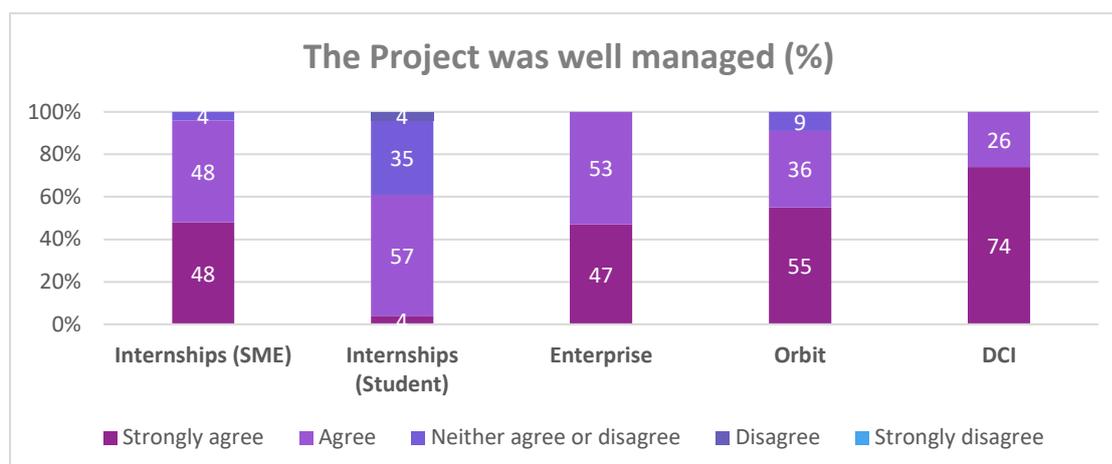
The project delivery leads are highly regarded by stakeholders internally and externally who state that they believe they are the key reason for the project's good performance.

The project management team and delivery staff are also working very well and in close collaboration with the Funding and Compliance team. Stakeholder interviews have highlighted key features representative of a well-managed project.

#### **4.2.5 Key features of the DICE project that represent good management.**

- The Project Manager struck the right balance with the delivery leads, by providing a framework of requirements but freedom within that framework. The DICE Project Manager had direct experience of being a delivery lead for the SME Internships Programme, which provided useful experience to draw from.
- Stakeholders often commented on how delivery leads had gone above and beyond their roles to ensure delivery was of a high standard.
- Good communication exists within the project at all levels evidenced by the regular Steering and Operational meetings, and by the delivery team stating they feel supported.
- There have been several staff changes, however this has been managed smoothly and the evidence from the online survey and beneficiary interviews indicates that the impact on beneficiaries has been minimal.
- The administrative paperwork has been streamlined and kept as simple as possible for the beneficiaries. Although there is scope to further develop this side for a future project.
- There are good tracking systems in place for all project targets.
- Overall, governance and management systems have worked well. They provided the overall framework and set the direction of travel but then subsequently delivery leads were allowed to develop, innovate and design services according to the needs of beneficiaries within this framework.

**Chart 1: Beneficiary perspective on how well each DICE strand was managed**



Source: Online Surveys targeting each beneficiary group for November 2022

Chart 1 is the first of a series of charts in the report which displays the outcomes from five beneficiary surveys described in the assessment methodology (Section 1.2) Beneficiaries were asked for their level of agreement with the statement set out in Chart 1.

In full agreement with the statement were beneficiaries accessing the student enterprise and DCI strands. 96% of SMEs on the Internships Programme and 91% of Orbit beneficiaries agreed. There was a smaller percentage of student interns that were in full agreement with the statement. (61%) with a higher percentage that were neutral. (35%)

In summary most stakeholders and beneficiaries agreed the project has been managed well, with good levels of overall governance and operational management.

### 4.3 Engagement and selection of beneficiaries

This section considers how the project engaged with and selected its beneficiaries. Methods of engagement are reviewed and target beneficiaries are compared with those described within the ESIF business plan. The data utilised is the online surveys and monitoring data.

**4.3.1 Methods of engagement, awareness raising and marketing.** There have been several ways in which the four project strands have been promoted including;

- Awareness raised through the respective websites.
- Press and PR in local and regional news.
- Promoted through North East business support agencies.
- Advertising campaigns such as the 'Think Big, Choose Small' campaign promoted on the campus plasma screen and via posters.
- Presenting at various societies within the University.
- A regular newsletter to engage students in enterprise activity
- Case studies promoting good news stories with the local media.
- Presenting at and attending conferences and events.

- Extensive networking within the business support community and internally within the University and Durham County Council

Chart 2 illustrates the most popular ways in which DICE beneficiaries found out about the different strands of the project.

**SME Internships Programme.** The Careers and Enterprise team provided the most likely route in for both SMEs (43%) and students accessing the SME Internships Programme. Students were most likely to have viewed a specific internship opportunity. (57%)

19% of SMEs had also accessed the programme after a colleague or friend had recommended it. This is a good indicator that the programme is well known and valued within the SME network.

**Enterprise support.** The most popular way of accessing enterprise support at Durham University was through attendance at an event or through the Career and Enterprise team.

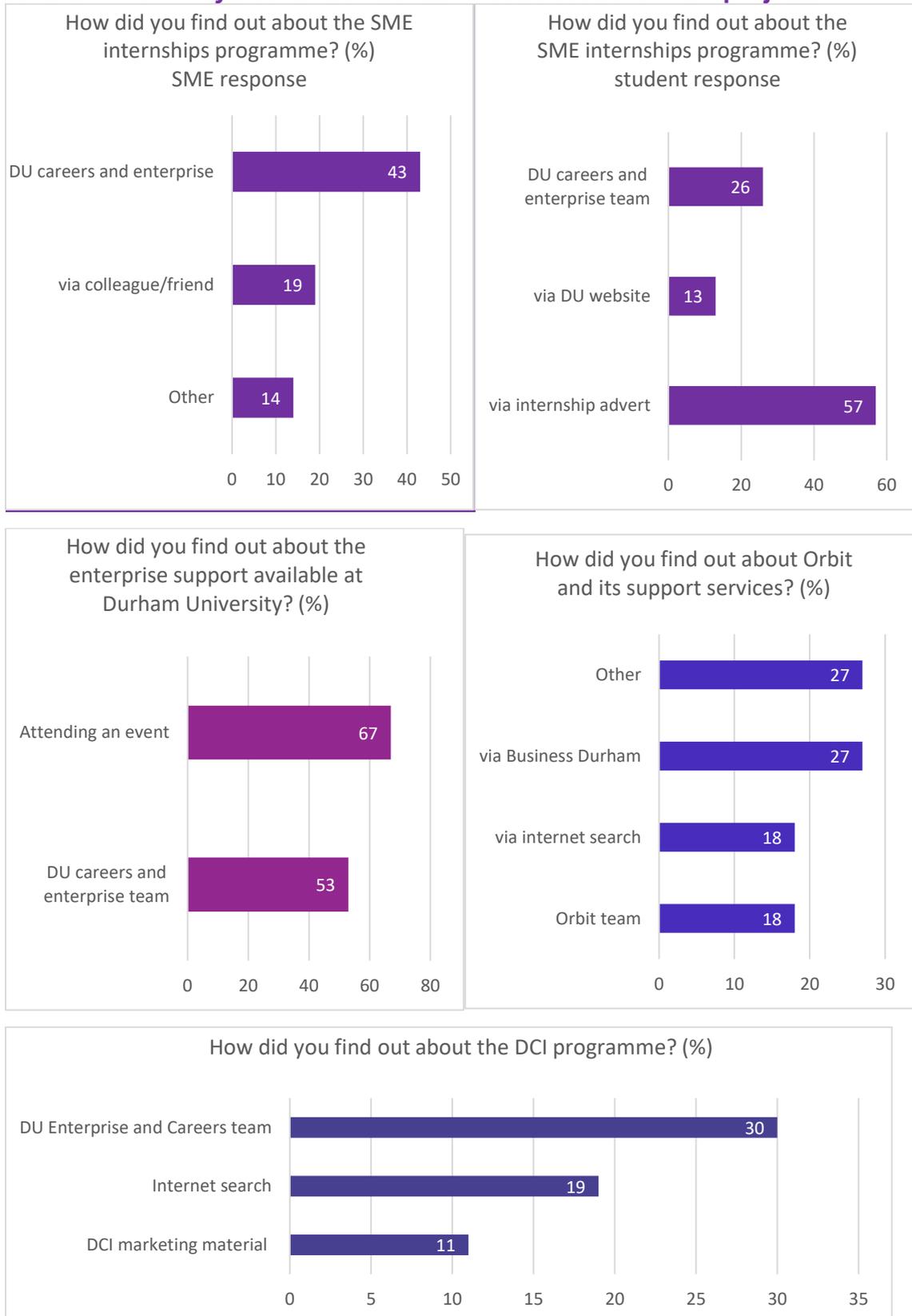
**Orbit support.** Beneficiaries found out about Orbit services through a spread of channels. Business Durham was one of these channels. (27%) This is indicative evidence of the MoU between Durham University and Durham County Council in action where the Council's economic development service is a key pathway into Orbit.

Other routes to find out about the service were all via different connections with the University. The Orbit team and through an internet search were the second most frequent ways of finding out about the offer.

It should be noted that Orbit is managed through Durham University's Research Innovation Services rather than the Careers and Enterprise Team and this would explain why the service was not accessed via the team.

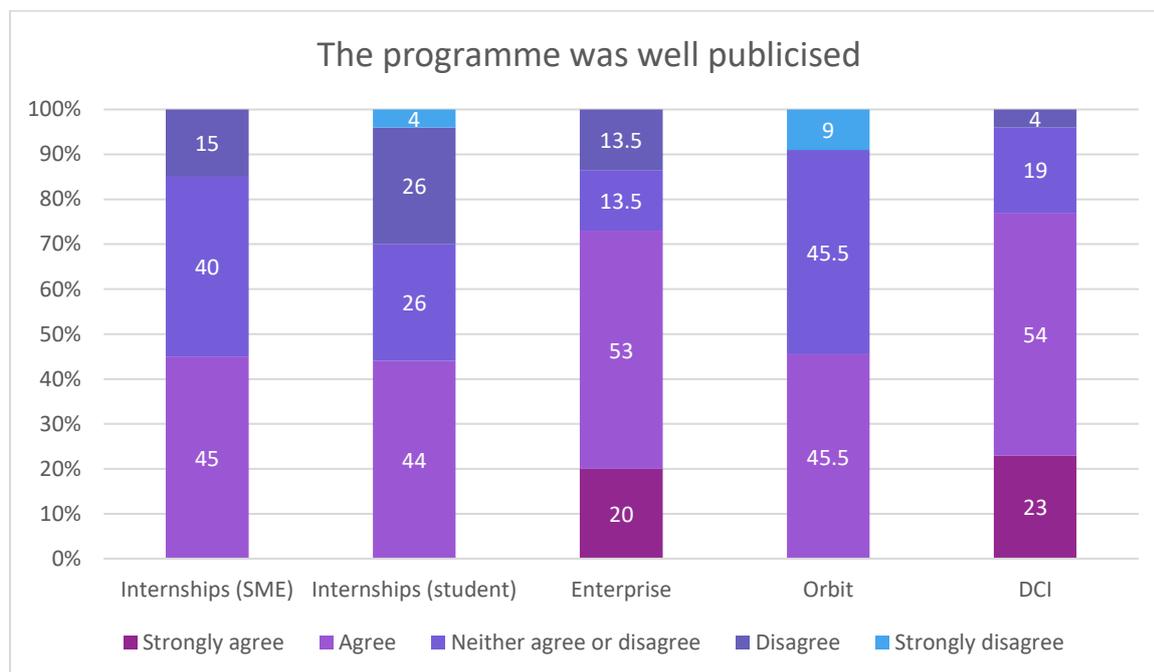
**DCI Support.** 30% of DCI beneficiaries had found out about the programme through the Durham University Careers and Enterprise team. A significant proportion (19%) had also found out about the DCI from an internet search, whilst a smaller percentage (11%) had accessed support after seeing some marketing material.

**Chart 2: Main ways beneficiaries found out about the DICE projects**



Source: Online beneficiary surveys conducted from November 2022

**Chart 3: Beneficiaries views on how well the programme was publicised (%)**



Source: Online Beneficiary Surveys conducted from November 2022

Chart 3 shows the extent to which beneficiaries agreed that the programme was well publicised.

**SME Internships Programme.** Similar percentages of SMEs (45%) and students (44%) participating in the Internships Programme thought the programme was well publicised. 15% SMEs and 26% of students disagreed with the statement. Despite the efforts that the Careers and Enterprise team have made to raise awareness, there remains capacity to do more to raise awareness with SMEs. Some of the student respondents are no longer on campus so would not be aware of the promotional activity.

**Enterprise support.** 73% of beneficiaries receiving enterprise support agreed that the programme had been well publicised.

**Orbit support.** 45.5% of beneficiaries receiving support from Orbit agreed that the programme had been well publicised.

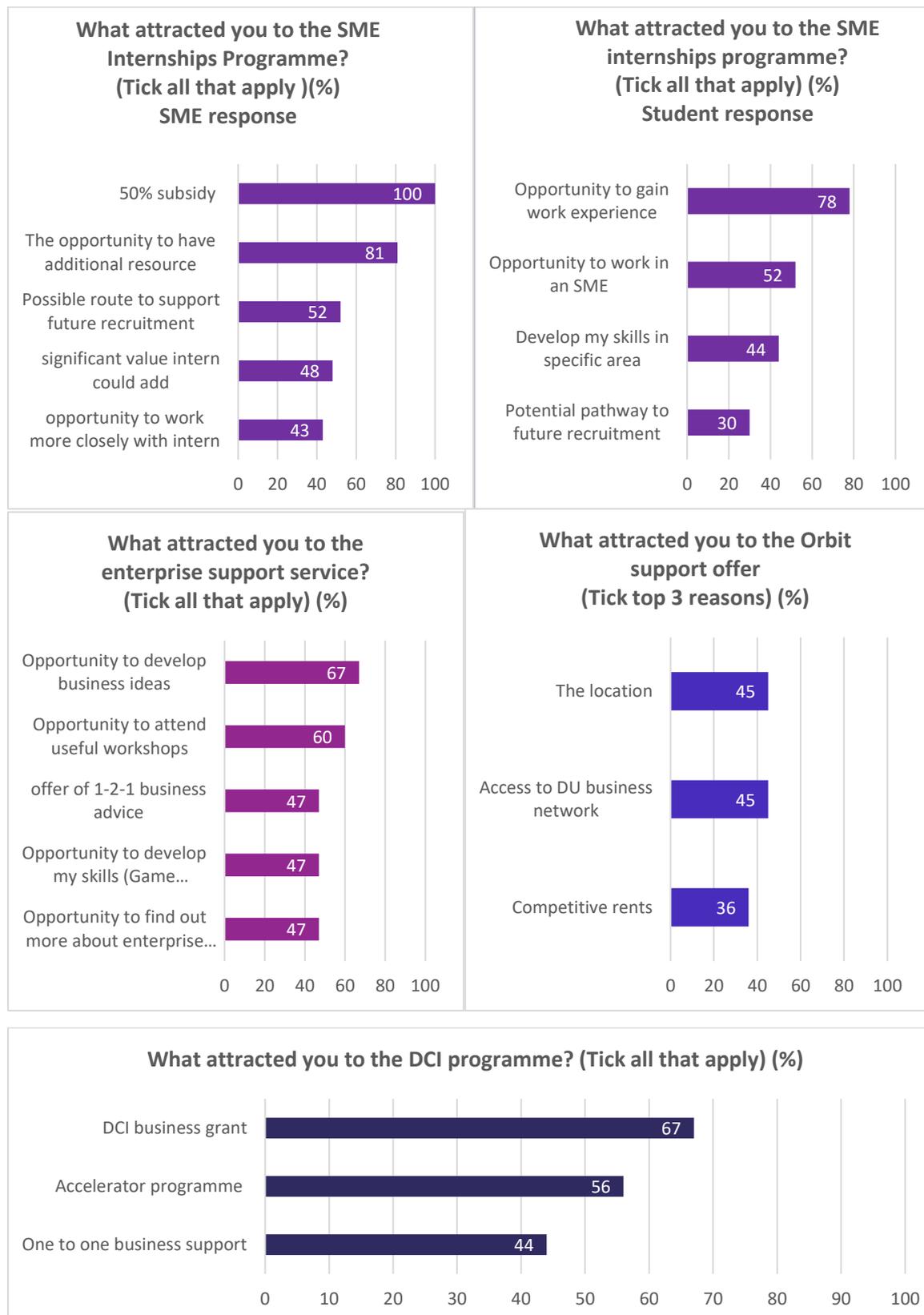
**DCI support.** 77% of beneficiaries receiving DCI support agreed that the programme had been well publicised.

Chart 4 looks at the top responses of the key features within each DICE strand which initially attracted beneficiaries.

**SME Internships Programme.** All SME beneficiaries responding to the survey stated the financial subsidy was the initial attraction. This was followed by the opportunity to have an additional resource within their business. (81%) For student interns, the initial attraction was the valuable work experience gained (78%) as well

as the opportunity offered to understand more about what working in an SME is like. (52%)

**Chart 4: What initially attracted you to the programme? (Top responses)**



Source: Online beneficiary surveys conducted from November 2022

**Enterprise support.** For the Enterprise strand, survey respondents were split across a few features. Accessing support to help develop their business idea was the most frequently mentioned feature. (67%) with a close second being the opportunity to attend workshops (64%).

**Orbit support.** The location and the opportunity to access Durham University networks were the key feature that first attracted Orbit beneficiaries.

**DCI support.** Beneficiaries were initially attracted to the business grant feature (67%), the incubator programme (56%) and the offer of one to one business support. (44%)

**4.3.2 Selection of beneficiaries.** This section reviews how each strand of the project's beneficiaries as identified in the ESIF business case were selected.

**SME Internships Programme.** The direct beneficiaries of the programme were SMEs wishing to move into new markets and develop new products located within the County Durham area. Indirect beneficiaries are the Durham University Interns who are placed within the SMEs.

A review of the project monitoring data confirms that 100% of direct beneficiaries fit the geographical eligibility criteria. Recruitment has primarily been through the Durham University Careers and Enterprise team proactively targeting SMEs. Word of mouth within the SME network itself seems to have also had an impact with 19% of eligible SMEs finding out about the programme in this way.

All SMEs were engaged in activity focused on product development, accessing new markets, improving efficiencies and looking to develop and grow.

To select the right student intern for the programme, the Careers and Enterprise team and the SME work together at varying levels, led by the SME's needs. A robust recruitment process was established to ensure that both student and SME were the right fit. Student interns were Durham University Alumni or undergraduates. Evidence from the online surveys found that 65% of respondents were students at Durham University while 35% were graduates.

**Enterprise support.** Beneficiaries were anticipated to be enterprising Durham University students interested, exploring ideas and developing their start-up business.

A review of monitoring data confirms that 100% of beneficiaries accessing the support are Durham University students or graduates. The online enterprise survey responses show that 67% are domestic students and 33% are international students. This confirms the eligible beneficiaries have been attracted to the programme.

**Orbit support.** Target beneficiaries for this strand were primarily science and technology companies located within NETPark. A review of Orbit beneficiaries responding to the survey found that 82% are science and technology businesses, the remaining businesses are in professional services providing support to science and technology businesses.

**DCI support.** The target beneficiary groups to access DCI support were student or graduate entrepreneurs developing scalable start-ups from Durham University or New College Durham, Durham residents and those looking to set up in Durham. Target sectors included professional, financial services, technology, IT and digital.

There is a robust selection process that takes place every six months to access support which involves an online application, followed by a short-listing process and then a pitch event to a panel of judges. The panel assesses the business against key criteria which include scalability, the business model and innovation of product/service or process.

The panel includes the DCI Manager and representatives from the DCI Steering Group. To date eight cohorts and 62 businesses have completed and a ninth cohort is in the incubating stage. Interviews with stakeholders confirm that eligible and appropriate businesses have been selected.

**Chart 5 DCI Beneficiaries by Sector (%)**

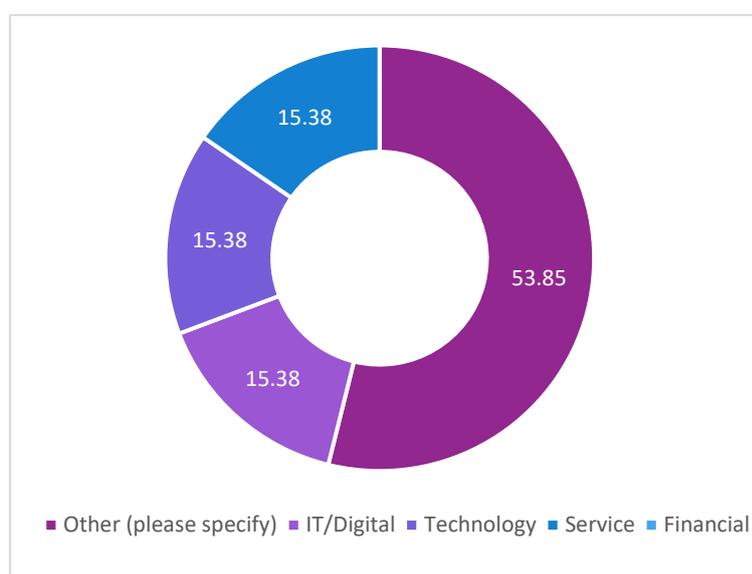


Chart 5 shows the sector breakdown of DCI start-ups that responded to the survey. Almost all of the businesses within the 'Other' category could be classed as within the service sector but have not perceived themselves as within the sector. Examples include recruitment and consultancy, educational publishing and environmental services.

Source: DCI Online beneficiary survey November 2022

It can be confirmed that 94% of the start-ups still fall within the preferred sector set out in the original ESIF business case.

The review of beneficiaries accessing the different strands of the DICE project confirm that they fully match the targeted beneficiary groups as described in the ESIF Business Plan.

**4.3.3 Ease of Access.** Beneficiaries' views on how easy the support was to access were sought and their responses are summarised in this section.

**SME Internships Programme.** 90% of SME beneficiaries and 87% of student interns agreed the support was easy to access.

**Enterprise support.** 93% of students and graduates accessing enterprise support found it easy to access.

**Orbit support.** 74% of Orbit beneficiary survey respondents agreed that the process of becoming an Orbit member was clear and transparent.

**DCI support.** As the DCI Accelerator programme is a competitive process, respondents were asked how clear and transparent the application process was.

93% of DCI beneficiary survey respondents strongly agreed or agreed that the application process to the DCI programme was clear and transparent.

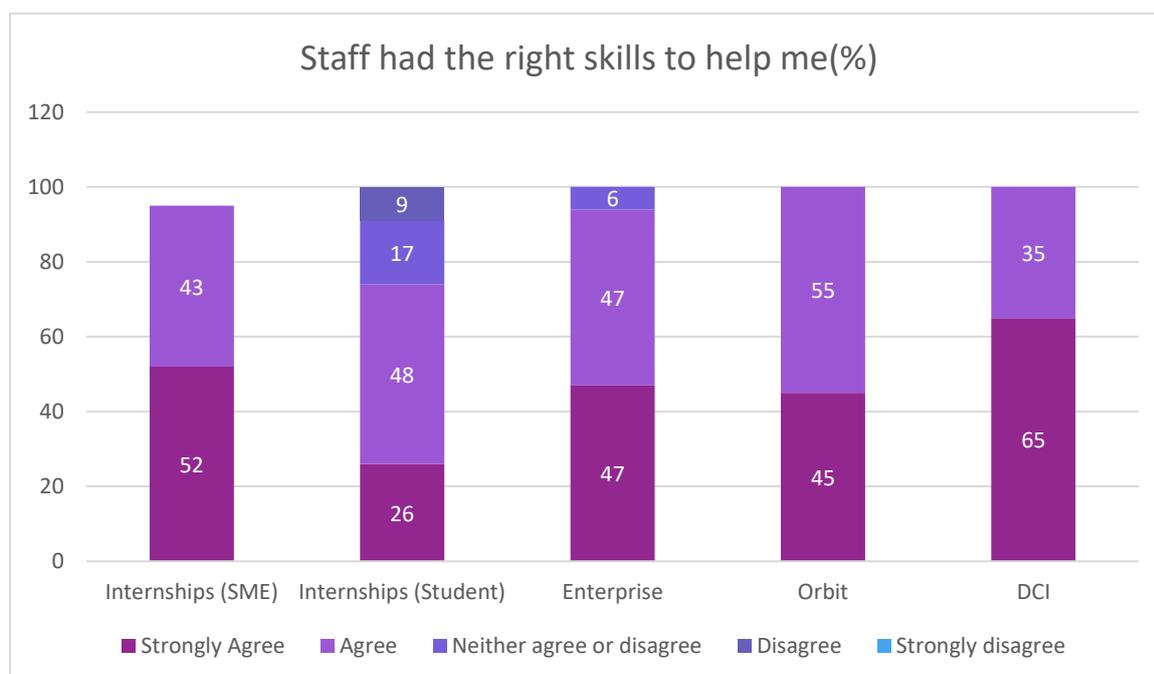
Overall beneficiaries agree that support is easy to access.

#### 4.4 Quality of delivery

This section reviews the quality of delivery, based on feedback from both beneficiaries and stakeholders and a review of project content and other documentation. Online survey analysis provides beneficiary perceptions of the quality of delivery.

**4.4.1 Staff skills.** Beneficiaries were asked to what extent they agreed with the statement "Staff had the right skills to help me."

**Chart 6: How appropriate were staff skills to support beneficiaries?**



Source: Online beneficiary surveys conducted from November 2022

**SME Internships Programme.** Staff were held in high regard with 95% of SMEs agreeing that staff had the right skills to help (52% strongly agreeing and 43% agreeing). The corresponding figure for student interns was 74% of student interns agreeing of which 26% were in strong agreement that staff had the right skills to help.

**Enterprise Support.** 94% of enterprise students agreed that staff had the right skills to help, of which 47% were in strong agreement.

**Orbit and DCI support.** All Orbit beneficiaries and DCI beneficiaries responding to the survey were in full agreement that staff had the right skills to help.

Stakeholder and beneficiary interviews fully corroborate the survey evidence. It is commendable that many beneficiaries felt that staff had gone above and beyond what was expected of them in terms of support, often mentioning the names of staff members who had really made an impact. (See quotes from beneficiaries in figure 3)

Several examples were provided across all four strands of high quality delivery content which had been tailored to the needs of the beneficiaries. These are listed below.

- Beneficiaries mentioned the 'Students' Expectations' document and structured workbooks provided by staff to help set internship targets and goals and to measure progress. SMEs were provided with useful templates and guidance.
- Beneficiaries also specifically mentioned the high quality of the Game Changer Event and the energy and buzz it generated.
- DCI beneficiaries praised the high quality support provided by the Delivery Manager as well as the time and effort dedicated to getting to know the business and the tailored support offered.
- Regarding Orbit, one SME founder commented that the support received was so beneficial it felt like it was an extension of their business team.

**4.4.2 Quality and benefits of the support.** Chart 8 illustrates beneficiaries' responses to how well the project has met their business needs.

**SME Internships Programme.** 81% of SMEs stated it had met their business needs.

Where beneficiaries stated that the need had not been met, the reasons given included a candidate having to leave the programme early or where there were weekly hour restrictions on the intern. The quote below is from an SME whose need had not been met.

*"The candidate was excellent and beyond our expectations, unfortunately they left the programme early due to other commitments."*

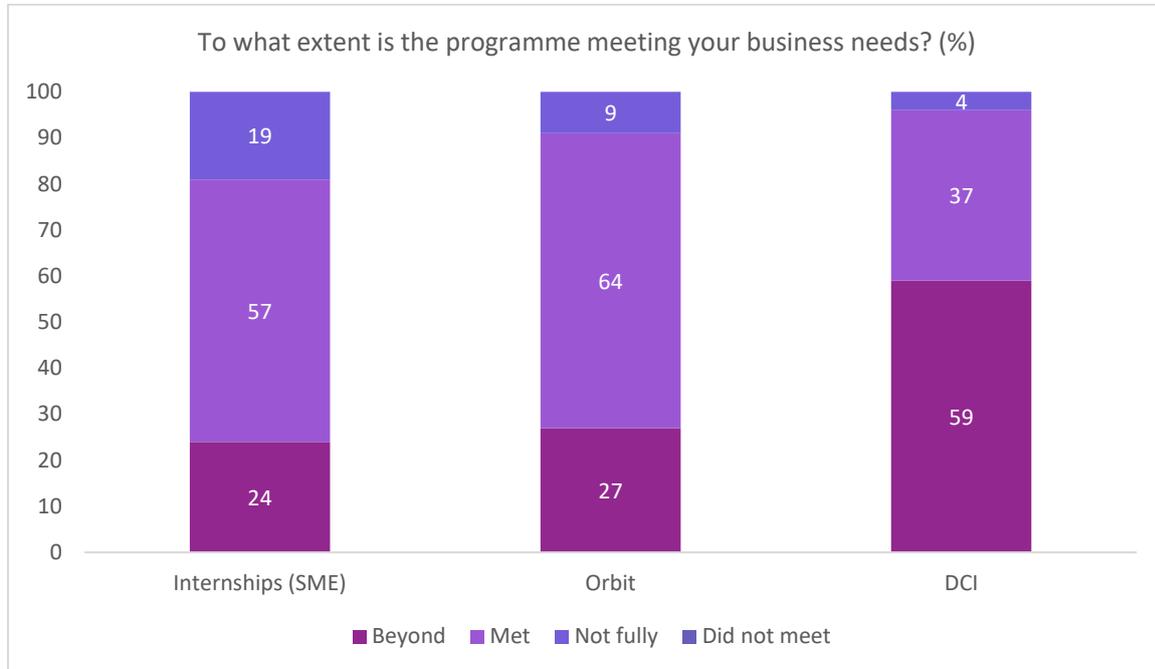
**Orbit support.** 91% of Orbit members stated that support had met their business needs.

The reasons provided for not meeting need within the Orbit strand included the lack of availability of lab space and difficulty in booking rooms remotely. The quote below is from an Orbit SME whose need had not been met.

*"Orbit is an excellent office facility. We could not hope for better. But as a tech start-up we need lab space, and there is none available. It has met the business need so far, but as we expand, we will need to look elsewhere due to the lack of lab space."*

**DCI support.** 96% of DCI start-ups stated their needs had been met or exceeded.

**Chart 7: Beneficiaries views on how the business is supporting their needs? (%)**

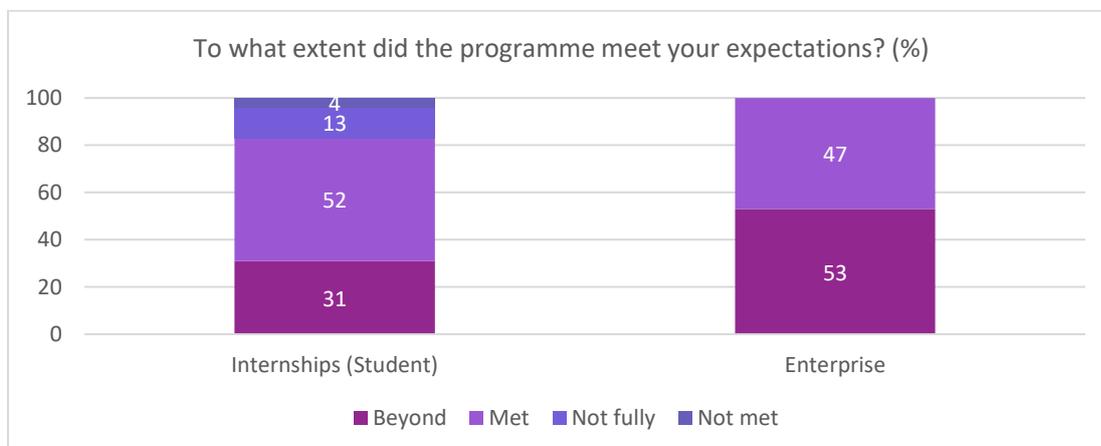


Source: Online beneficiary surveys conducted from November 2022

In summary, the evidence demonstrates that the DICE project has delivered high quality business support which has effectively met the needs of its beneficiaries.

Chart 8 illustrates how support has met the expectations of interns and those **accessing enterprise support**.

**Chart 8: To what extent is the support meeting your expectations.**

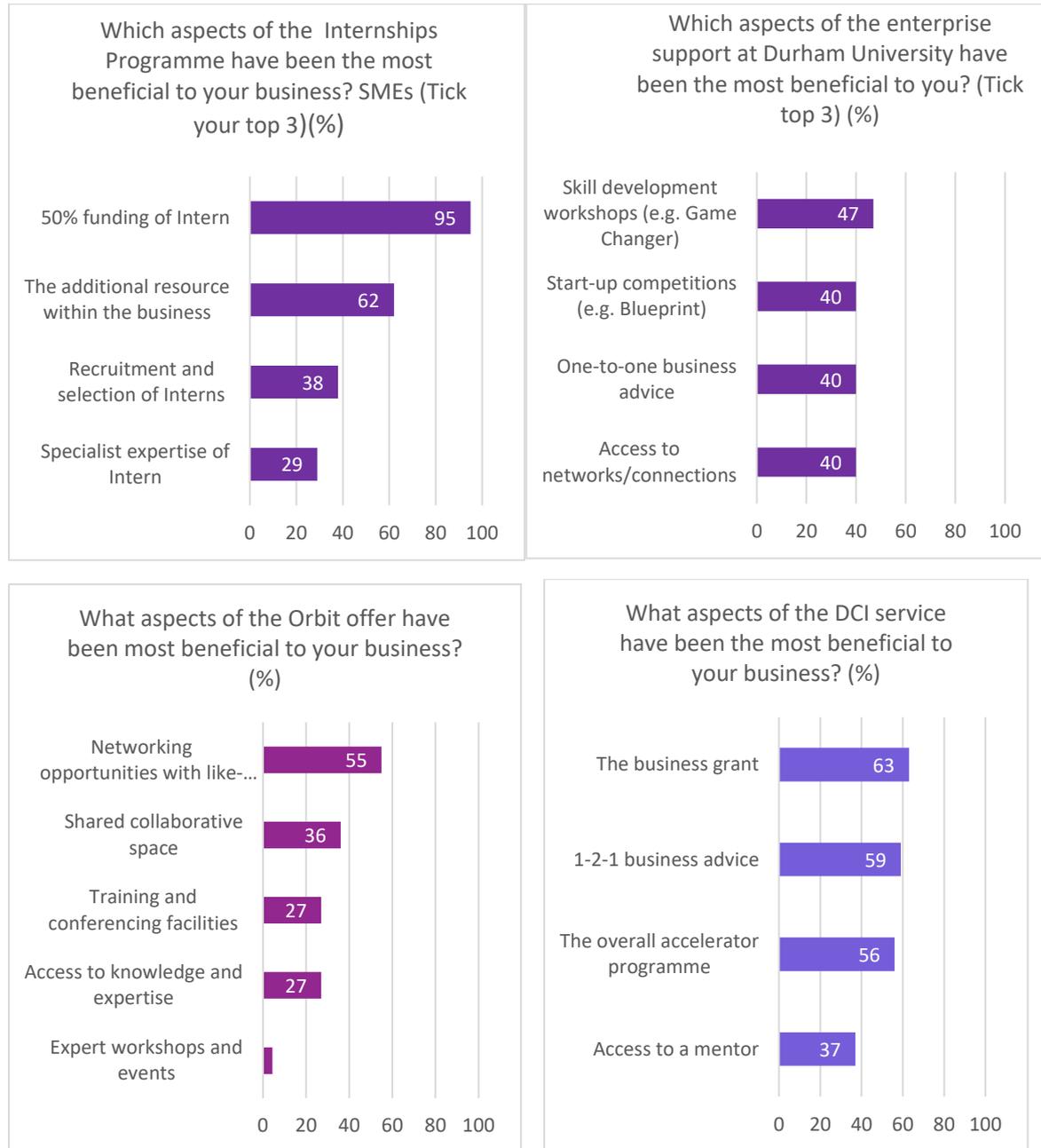


Source: Online beneficiary surveys conducted from November 2022

83% of interns and 100% of enterprise students felt their expectations had been exceeded or met.

Chart 9 demonstrates the key features within the programme that were found to be the most beneficial.

### Chart 9: Most beneficial aspects of the service



Source: Online beneficiary surveys conducted from November 2022

**SME Internships Programme.** 95% of SMEs responding found the fifty percent subsidy for interns most beneficial. A related feature was having an extra resource within the business (62%) Having support with recruitment and selection was also considered to be an important aspect for a significant minority. The specialist expertise provided by the interns was also valued.

**Enterprise support.** 47% found the skill development workshops one of the most beneficial aspects of support. Start-up competitions such as Blueprint, one-to-one advice and access to networks and connections were also viewed as important features by 40% of the respondents.

**Orbit support.** Members stated that the networking opportunities with like-minded businesses was one of the most beneficial to their business (55%)

**DCI support.** The business grant (63%), one-to-one support (59%) and the overall accelerator programme (56%) were viewed to be the most beneficial features.

**Recommending the DICE project.** The average overall recommendation rate is 94%.

- 95% of respondents on the SME Internships Programme would recommend.
- 87% of student intern respondents would recommend.
- 87% of student respondents accessing enterprise support would recommend.
- 100% of Orbit respondents would recommend.
- 100% of DCI survey respondents would recommend.

In summary the skills of the staff teams were highly regarded by all beneficiaries responding to the survey. Stakeholders thought that the project content and delivery had been of a high quality and tailored to the needs of the beneficiaries.

It is clear from the evidence that financial support has been key in initially attracting SMEs and DCI beneficiaries to the project and has also been regarded as one of the most beneficial aspects. This highlights that an element of financial support should continue to be a key feature of similar projects in the future.

The skills development workshops such as the Game Changer event were identified as one of the most beneficial features of enterprise support by beneficiaries.

Orbit beneficiaries were initially attracted to the location and chance to network and connect with like-minded business and the latter was also identified as the most beneficial feature of the support.

Figure 3 provides a flavour of respondents' views on the different strands of the DICE project.

Figure 3: Beneficiaries comments on the DICE project	
<p><i>"Fantastic! Such a positive experience. As I said before we would do it again....we have worked with some very talented young people and hopefully -helped them along in their careers too! We certainly believe this to be true from their feedback. Please do keep in touch about future opportunities. Best wishes."</i></p> <p style="text-align: right;"><b>SME beneficiary</b></p>	<p><i>"Very much enjoyed the blueprint challenge and the game changer for post graduates."</i></p> <p><i>"Great support offered by the enterprise support programme! Thank you so much. 😊"</i></p> <p><i>"Very grateful for the opportunity! It was a great job to fit around my studies – I just wish more people understood how beneficial it is!"</i></p> <p style="text-align: right;"><b>Enterprise and student interns</b></p>
<p><i>"Fantastic programme of support from Leon, it really helped me find direction with my business and develop as an individual. Pivotal and</i></p>	<p><i>"Orbit has been a great support to our business through workshops and business links with the University, it is professionally run and has an</i></p>

*instrumental part of my business, at the tough start up stage the directions and guidance offered are very helpful."*

*DCI incubatee*

*impressive array of technology companies and individuals as members offering links to business and academia."*

*Orbit tenant*

Source: Beneficiary interviews and online surveys conducted in November 2022

## 4.5 Improvements to the delivery model

Overall, stakeholders and beneficiaries have confirmed that the delivery model works well and has met business needs and beneficiary expectations. It focuses on suggested adjustments and improvements to the delivery model. It should be noted that the suggestions for improvements are sometimes the views of just one or a handful of respondents and so should be reviewed and considered within this context. However, they have been included as they provide some interesting observations and useful ideas to incorporate into future projects.

### 4.5.1 SME Internships Programme

- **Marketing channels could be made to work harder.** The DICE marketing material and website have generated a small reach. 14% of SMEs found out about DICE by contacting the University directly. There is scope to make some of the marketing channels work harder and more effectively for the project.
- **Streamlining administration.** 14% of participating SMEs found the paperwork difficult or very difficult. One SME commented that the paperwork required was disproportionate to the benefit received and there was potential for the process to be simplified, while another thought that the requirement for payslips was intrusive.

One suggestion to simplify the process was through the establishment of an online portal for employers to login and deposit all the required documents to reduce the time spent on e-mails. Such a system would speed up the onboarding and application process.

- **50% subsidy.** This was seen as an important element of the support and is recommended as a key feature in future programmes. One beneficiary suggested that even if the funding ratio was smaller, the programme would still be beneficial to them. (For example, if the level of subsidy was 40%)
- **Contacting interns.** There were rare occasions when the internship had gone wrong or when it simply had not lived up to the student's expectations. On some occasions students left the internship without informing the DICE project team. Currently the DICE project team contact the intern during the first day, after a week and at the 'midpoint' of the placement. Building in more 'check ins' would be helpful, but of course this must be weighed against the staff and administrative resource such measures would require.
- **Promote knowledge share between academics and SMEs.** Creating opportunities for SME beneficiaries to engage with academics would provide useful ways for knowledge exchange. This would better help to prepare

students for the world of work within SMEs where more cost-effective systems, tools and approaches are used.

#### 4.5.2 Enterprise programme

- **Raising awareness of the enterprise support offer across the University.** One beneficiary suggested providing information at the Freshers Fair to raise awareness of the enterprise support offer from the beginning of the University experience. Another suggested more could be done to improve awareness across all the University departments. This is a view which has been raised on a number of previous occasions.

#### 4.5.3 DCI programme

- **Change to the structure of the DCI programme.** One suggestion was for a 12-month programme, with the first six months operating as it currently does and then a further six months where support would be the workspace facility and mentorship. The new in-coming cohort would benefit from the experience of the out-going cohort as they would still be in the building.
- **Workspace at Salvus House.** One beneficiary suggested the need for a rethink of the workspace element of DCI in the context of the transformation of the world of work and the introduction of hybrid working. They noted that the workspace at Salvus House was not being utilised to its full potential by beneficiaries.
- **Delivery content.** One beneficiary suggested bringing greater focus to the Speaker sessions by reducing their duration. Another suggested a broader range of expertise should be provided through mentors and workshops to meet the needs of a diverse range of start-ups. There was also a suggestion to provide more content on company finance and include more information on Corporation Tax, profit and loss and other aspects of accounting.
- **Missing social layer.** One beneficiary suggested a social element was missing within the offer and that there should be more opportunities for cohort members to network and get to know each other.
- **Life after DCI.** There were two suggestions made about life beyond the DCI. The first was for further start-up funding based on the milestones or progress achieved. The second was to establish a structured DCI Alumni group to maintain the connections after participants leave the incubator.

#### 4.5.4 Orbit

- **Administrative improvements.** One beneficiary suggested that making the Orbit rooms bookable via calendar remotely would be a significant improvement.
- **Technology improvements.** It was suggested that ensuring that Orbit had Mac compatible systems would ensure the facilities would be used more.

- **Packages of support and offers.** One beneficiary suggested the Orbit team could do some deals with local hotels to get corporate price breaks for clients visiting from outside the area.
- **Lab space.** An improvement suggested by one survey respondent was that more lab space would be useful.
- **A showcase to display work.** Another suggestion was for Orbit to have a showcase display of work currently done and past achievements of Orbit members to raise awareness of the innovation and talent within the space.
- **Knowledge transfer between University and the SME.** A problem for Orbit identified by an SME beneficiary was balancing the needs of SMEs with immediate timelines against those of academics used to delivering against longer timeframes. This mismatch of expectations appeared to be a key barrier in delivering knowledge exchange and expertise between universities and SME communities. Resolving this issue would lead to highly valued service. One suggested option was to work with SMEs on their longer term rather than immediate priorities.
- **Commercialisation opportunities.** An SME beneficiary noted that there were significant opportunities for the University to collaborate and commercialise intellectual property developed within SMEs. The suggestion was for Orbit to facilitate the involvement of students from within the University to work on science led start-up businesses with research needs. This could perhaps be an opportunity for all strands of DICE to get involved and jointly develop a new project.
- **Localising the supply chain.** One SME beneficiary suggested support to localise their supply chain would be useful, if the Orbit team could identify suitable suppliers in County Durham or the North East.
- **SME relocation incubator.** One SME looking to fully establish at Orbit, suggested that an SME relocation incubator, to further support the relocation would be very useful. The focus would then be on SMEs that did not currently have networks and connections in the region. Related to this requirement was a suggestion for the establishment of a shared professional services cluster that could provide relocating SMEs with a package of services around HR, legal, payroll and so on. This would accelerate the process of relocation and help SMEs to quickly establish themselves in the area.

## 4.6 Horizontal Principles

This section considers how well the project integrated the two ERDF cross-cutting principles of equality and diversity and sustainable development and the extent to which these principles have informed delivery.

### 4.6.1 Equality and Diversity

The DICE project operates within Durham University's Equality and Diversity Framework which has five underpinning values of equality and diversity; mutual respect; transparency; fairness; communication and opportunity.

Each strand of the DICE project has been promoted as widely as possible to all its target groups, holding true to these values to ensure that support and activities are accessible to everyone.

A review of evidence from the DICE project as part of this final evaluation has demonstrated the following:

**Improving female participation within DICE.** The Enterprise team have been monitoring data and this shows that female attendance across all their workshops, including the Game Changer event, is 44% with 237 women attending compared to 295 men. For one-to-one advice, a typical academic year shows there are about 14 women receiving support and 25 men. This is a percentage of 36% which indicates an improvement from the Interim Summative Assessment at 30%.

Wider enterprise activity also indicates that things are changing, for example four out of the six finalists for Blueprint Start-up Challenge, a University business planning competition, were female. The Durham Venture School a start-up programme for graduates had female participation rates of 60%. The Enterprise team are confident they are we;; on track to achieving gender parity across most of their programme.

A review of the DCI cohorts also demonstrates progression towards parity with participation doubling in the latter half. Early cohorts (one to three) had much lower percentage of female participants averaging just 16%. The latest DCI cohorts (six to eight) are averaging 36% female participation.

The DCI Manager has worked closely to support female start-ups to think about applying for a place at DCI and encouraging them to focus on scalability. There continues to exist a significant gender scaling gap, with only four percent of UK scaleups having a female founder according to author Charlotte Raypens.<sup>5</sup>

A review of the SME Internships Programme found that 45% of interns were female and 41% were male with 14% who preferred not to say. The categories collected are ERDF definitions and not those of the University. A review of the female/male split of jobs created found that 34% were female and 44% male with 22% who preferred not to say.

A review of the Orbit members found 28% were female. A review of attendance at Orbit- based events found that female attendance at events has increased over the period 2021 to 2023 from 31% to 42%. The Orbit Centre Senior Manager works closely with other staff members to consider if there has been any unconscious gender bias and the increasing female attendance at events shows improvements. However, the lower number of female representation is representative of the wider environment in NetPark generally.

Some examples which demonstrate how the programmes have been considering equality and diversity are listed below;

---

<sup>5</sup> Why fewer women scale (and what we should do about it) <https://www.nesta.org.uk/blog/why-fewer-women-scale-and-what-we-should-do-about-it/>

- **Women Entrepreneurs Network idea explored.** An initiative which is currently on hold is the proposal to establish a Women Entrepreneurs Network. This proposal was due to go live in July 2022, but is on hold until more research is undertaken about the shape and form of the network based on feedback from women participating in the Enterprise programme.
- **Presenting the DICE project to various University societies.** The Project Manager has delivered several presentations at a diverse range of society meetings to raise the profile of the programmes on offer to a wide range of students.
- **Specific support for students with disabilities and International students to access the SME Internships Programme.** The Project Manager worked closely with an SME to ensure that student with disabilities could access the programme, helping them to address and overcome any barriers.
- **Written guidance for SMEs.** With regards to international students the Project Manager has written specific guidance notes for SMEs to help them put the right paperwork in place and has supported students to access appropriate visas to work.
- **Attention to terminology.** The Enterprise team has paid special attention to the terminology used around start-up, choosing alternative words to ambitious, high growth and enterprise which are known to put some people that might be considering enterprise - off particularly women.<sup>6</sup>
- **Feedback and development.** The DCI Manager provided feedback and support to a female founder who was unsuccessful to help improve the scalability of the business. The founder returned with a stronger more ambitious plan and was successful in being recruited.
- **Addressing issues at management meetings.** Gender equality and wider diversity issues have been discussed at recent management and operational meetings to explore the best ways to address these issues.

**4.6.2 Respecting the principle of sustainable development.** The DICE project operates within the University Framework, committed to promoting environmental sustainability. The project has adhered to sustainable development principles to make the most effective and efficient use of all resources.

The Covid-19 pandemic has had a transformative impact on the way in which the project operates. There has been a transition to a hybrid working environment and this has significantly reduced the amount of travelling to work and to meetings with a corresponding reduction in the carbon footprint of the project. While all the programmes are now delivered in-person again, there will still be much more virtual activity when compared to pre-pandemic levels. Evidence from stakeholder and

---

<sup>6</sup> Women's talk, why language matter to female entrepreneurs.  
<https://www.theguardian.com/women-in-leadership/2016/jun/29/womens-talk-why-language-matters-to-female-entrepreneurs>

beneficiary interviews indicates that there is a preference for a blended delivery approach.

There are other changes that have taken place during the lifetime of the project which demonstrate the project has been promoting environmental sustainability. Some key activities are listed here.

- **Project administration and switch to digital.** Early on in the project, there was a move from a paper-based administration to a digital one. This included the adoption of digital signatures. These measures significantly reduced the amount of printing and photocopying required. It also improved effectiveness as the Funding and Compliance team have real time access to all the DICE monitoring and paperwork and so do the project and delivery leads engaged in the project.
- **Project activity, marketing and promotion.** All project delivery leads have been conscientious in reducing the amount of paperwork that has been produced. The 'Think Big, Choose Small' campaign and the SME Internships were promoted via plasma screens in the University and via social media.

In addition, the project is supporting beneficiaries that are themselves engaged in sustainable developments;

- **Game Changer events linked to the UN Sustainable Development Goals (SDG's).** The Game Changer event demonstrates the way in which the DICE project has embedded sustainable development principles and made them an integral part of their delivery. Game Changer itself has been designed to inspire early-stage purpose driven innovation. Students work in teams to tackle a challenge themed on one or more of the UN SDGs. Using Design Thinking the students explore and define problems, ideate and prototype before then pitching their ideas in a competition. 900 students have participated since its launch. Through this programme, Durham University is helping to develop and encourage the growth of purpose driven ventures with high potential.
- **Start-ups tackling the world's biggest problems.** The Game Change event has been very effective as an animation tool and has generated many start-ups that have developed innovative concepts aimed at tackling some of the world's biggest problems, such as: plastic pollution; hunger caused by the effects of climate change; health and wellbeing; and sustainable consumption. Some of these start-ups have competed on national and global stages for the most prestigious environmental prizes. (For further information on the impact of Game Changer please refer to Section 5 on outcomes and impact.)
- **Applications to Social Impact Fund.** Inspired by the Game Changer event, students have been applying to the Social Impact Fund to secure funding to develop enterprising projects that address at least one of the UN's sustainable development goals.

- **Sustainability Internships Project.** Modelled closely on DICE, the project offered 100% funding for Internships aimed at meeting the UN Sustainable Development Goals. The project was only deliverable because DICE had already established the processes and paperwork that were closely replicated and used for this project. SME beneficiaries were made aware of this opportunity and some successfully accessed the funding. This was made possible primarily because of the established close links with the University.
- **Developing new products and improving productivity for local SMEs.** Most of the SMEs on the Internships Programme fall within the professional, scientific and technical sector or the information and communication sector. Many of these SMEs are using advanced technologies which inevitably are more effective and reduce costs whilst delivering better outcomes.
- **DCI beneficiaries reducing environmental impact.** Most DCI start-ups fall within the IT, digital, technology and financial sectors, all of which have a low carbon footprint. Of the participants engaged in manufacturing activity, most have been identified as green manufacturers, focused on developing products and services that will help to reduce environmental impact. Examples include: repurposing undesirable plastic into an aggregate for concrete; support with food waste management; and support to make green investments.
- **Green credentials of Orbit SMEs.** Orbit members and companies located in NETPark are primarily science and technology-based businesses involved in developing cutting edge products and services. Many of these businesses are also environmental innovators. For example, Intelligent Gels creating biodegradable and sustainable gel products.
- **Sustainability at Orbit.** Orbit is working hard to ensure they promote sustainable practices and have shown that they are always open to new ideas. Orbit provides recycling bins in the kitchen area and there are many parts of the building where the lights are on movement detectors. Members and Durham University staff are encouraged to use the meeting rooms which are set up for video calls to minimise unnecessary travel. EV chargers are available across NETPark. Orbit support is virtually paperless and includes PDF docusign being used for member agreements. Members are supported and encouraged to adopt the same green principles.

## Summary for Section 4: Project Delivery and Management

- The project is well managed and good governance is in place to oversee project performance. Strategic overview has been integrated into the University and Durham County Council's MoU steering group.
- Project management of DICE is regarded very highly by both stakeholders and beneficiaries alike. An effective balance has been struck between providing the right framework and motivation and freedom for delivery leads to get on with delivery.
- There has been high staff turnover within the project, but any negative impacts have been minimised. Overall beneficiaries view the project as being well managed.
- The three DICE strands which focus on enterprise, high growth start-up and commercialisation have a dedicated strategic champion within the University. There is a small risk that the SME Internships Programme, which lacks a dedicated strategic champion, is less likely to be sustained beyond the project as a result.
- Beneficiaries recruited come from the target groups described in the original ESIF Business Plan.
- Most beneficiaries found out about the programme through the Careers and Enterprise team. A minority of beneficiaries felt the programme wasn't well publicised, marketing channels such as the website did not appear to have strong reach.
- All delivery leads are perceived by beneficiaries and stakeholders as going 'above and beyond' in providing support which was viewed to be of high quality.
- Financial subsidies were viewed as a key attraction and benefit for the Internships Programme and DCI.
- Good progress has been made towards widening female participation.
- The project has been developing systems and processes to increase its sustainability and many of the SME beneficiaries are innovating and developing sustainable businesses.
- Suggestions for improvements were one-off but very valuable, for the internships and enterprise there were suggestions to increase awareness and reach. For DCI suggestions included lengthening the programme and creating something for post incubator. Suggestions for Orbit included additional services ranging from an SME Inward Investment incubator to support to relocate supply chains.
- Overall beneficiaries were very satisfied with the project and on average 94% of DICE beneficiaries across all strands would recommend the project.

## 5. Project outcomes and impact

### 5.1 Introduction

This section reviews project outcomes and assesses overall project impact. It is split into several sections, first assessing the project against the five intended outcomes then reviewing project impact using the measures set at the project design stage and articulated in the project logic model. This includes gross and net additional benefits and strategic added value.

### 5.2 Outcomes and impact for beneficiaries

The DICE project and its four specific strands have been designed to help SMEs develop new products and explore new markets: by supplying interns as a resource; providing support to Durham University students exploring business ideas; providing intensive support to start-ups likely to develop and grow their business in County Durham; and finally through the project's fourth strand providing wrap around business support as well as knowledge transfer and knowledge exchange between the University and science and technology based companies located at NETPark.

The key intended outcomes and anticipated impacts of the project as stated in its logic model are set out in Table 7, together with proposed ways of measuring them.

**Table 7: Project intended outcomes and impacts**

Intended Outcome	How is it measured?
Increase in enterprising activity in the University environment	Record of activities taken place, surveys of student awareness of self-employment in Durham as an option
Increase in growth capacity of SMEs who have an intern	Baseline of growth capacity, turnover, employee numbers and assessment of barriers to growth, then again after intervention.
Increase in number of new startups in Durham	Application data compared with final data
Better understanding of SME needs in Durham, especially in terms of academic support that can be offered	Survey, focus groups, analysis of data of SMEs assisted broken down by sector and size.
Understanding of success factors behind internship converting to a job	Interviews with SMEs and interns
Intended Impacts	
<ul style="list-style-type: none"> <li>• Increase in graduate retention rates</li> <li>• Increase in GVA</li> <li>• Increase in sustainability of businesses in County Durham</li> </ul>	

### 5.3 Progress towards achieving outcomes

There were no quantitative targets set for the project outcomes as outlined in Table 5. This section will review progress against each of these outcomes using available qualitative and quantitative data.

**5.3.1 Outcome 1. Increase in enterprising activity within the University environment.** Enterprise support activity within the University has been transformed during the project period. There has been a significant change in the level of ambition of student and graduate enterprise. Each of the University's key performance indicators for enterprise show improvements. The University now has the Venture Lab, a dedicated space for entrepreneurship providing a physical focal point from which a range of services enabling entrepreneurship can be delivered. The investment, outcomes and impact of entrepreneurial activity described in Figure 4 encompasses the University investment and resources that stretch well beyond the DICE project. However, it can be said that the on-going investment from the DICE project for business advice, workshops and the Game Changer events have seeded the wider entrepreneurial activity that has developed within the University. Figure 4 demonstrates year-on-year overall performance of Durham University's student and graduate enterprise activity. The rise in the number of students engaged with enterprising activity through Venture Lab has increased by 165% and the increase in the number of start-ups created over the period is 127%.

**Figure 4: Excerpt from Durham University Student and Graduate Enterprise and Impact Report**

## Impact

The impact achieved by Venture Lab is evidenced through data collected for five student and graduate enterprise key performance indicators, as presented in the table below:

**Table 1: Key Performance Indicators for Student and Graduate Enterprise at Durham University.**

Metric	2018/19	2019/20	2020/21	2021/22
Number of students engaged in Venture Lab extracurricular activity	370	551	770	982
Number of startups created with Venture Lab support	15	27	21	34
Combined External Investment Raised of Active Firms*	£252,500	£786,900	£6.6 million	£15.1 million
Combined Annual Turnover of Active Firms	£0	£564,000	£1.2 million	£2.1 million
Number of jobs created	10	22	75	106

\*This is a cumulative total taken from investment raised throughout the lifespan of startups supported by Venture Lab.

Source: Durham University Student and Graduate Enterprise Impact Report.

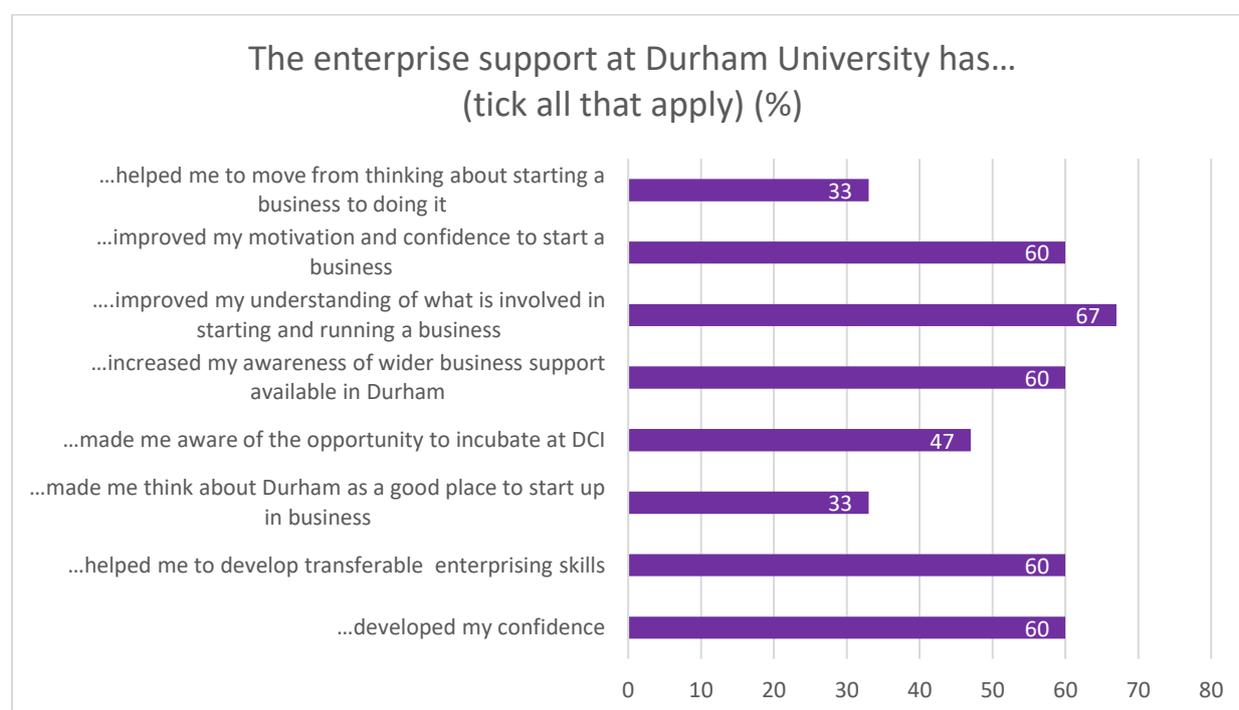
The University's Game Changer programme is an innovation challenge themed around the UN's Sustainable Development Goals (SDGs). It has been recognised by the UN in its 2021 publication of 21 SDG good practices which have the potential to be scaled locally. It has also been recognised as the first of its kind in the higher education sector. The programme has achieved more than 900 students participating since 2019.

The Blueprint start-up challenge, a long-standing start-up competition for high potential ventures, has seen a 96% increase in the number of applications between 2019 and 2022. Three of the prize winners have gone on to raise over £1million in external funding for their purpose driven ventures.

Several students who have taken part in the challenge have gained national and international accolades and recognition for their business. This includes being short-listed for The Earth Shot prize, Global Student Prize, Forbes 30 and Women in Innovation.

Chart 10 illustrates the impact of enterprise support strand of the DICE project on beneficiaries responding to the survey. 67% of beneficiaries improved their understanding of what is involved in starting and running a business. 60% of beneficiaries stated they had improved their motivation and confidence to start a business, increased their awareness of wider business support available in County Durham and helped them to develop transferable skills.

**Chart 10: Ways in which enterprise support through DICE has sparked enterprise activity within students and graduates at Durham University.**



Source: Beneficiary online survey November 2023

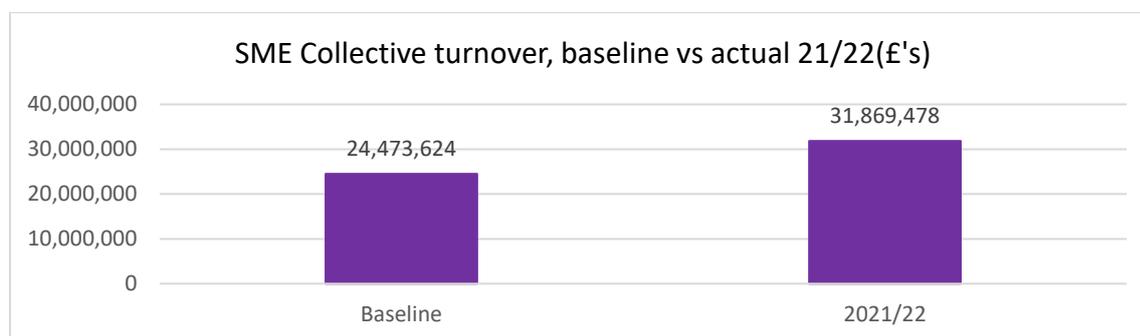
### 5.3.2 Outcome 2 Increase in growth capacity of SMEs who have an intern or access support from Orbit.

This section assesses if there has been an increase in the growth capacity of SMEs participating in the SME Internships Programme or accessing support from Orbit.

#### SME Internships Programme

Chart 11 sets out the collective turnover for the SME beneficiaries responding to the survey. There were 20 SMEs that supplied turnover data to compare with their baseline data and the chart shows that for these SMEs there has been an increase of £7.39 million, which is a 30% increase in turnover.

**Chart 11: Collective turnover for SMEs on the Internships Programme 2021/22 compared with baseline year.**



Source: Monitoring and online survey data

To ensure that this increase in turnover was not down to growth in one or two participating SMEs, the spread of growth was also reviewed. Table 8 presents the spread of turnover growth across all 20 SMES responding to this question.

**Table 8: Spread of turnover growth for SMEs responding to the beneficiary survey**

% of Turnover Growth	Number of SMEs	% of Total SME respondents
<0	5	25
0-49	7	35
50-100	3	15
>100	5	25

Source: Monitoring and online survey data

As can be seen from the table, 75% of SME respondents experienced growth at some level with only 25% experiencing a fall in their turnover over the period. 40% of responding SMEs had experienced significant growth of 50% or more.

The online survey found that 20% of SMEs stated that having an intern through the SME Internships Programme had helped them secure new business. 45% stated they did not know yet, so it is likely that some of these SMEs may well secure new business in the future.

Chart 12 sets out in more detail the different ways in which interns have helped the business to grow. 55% of SMEs responding, stated that interns had helped them to develop new products and services. Interns are also contributing to productivity improvements within SMEs, 35% of SMEs stated they had helped introduce new efficient processes within the business and 25% stated they had helped to develop better management processes and skills.

### Chart 12: SME views on how interns have supported their business to develop and grow.



Source: Online beneficiary survey conducted from November 2023

There has been a collective increase in employment experienced by SMEs participating in the Internships Programme as a direct result of the programme to 109. This is evidenced by the employment increase in supported enterprises output (C8) as set out in table 3 of 39. Also included here are the 70 evidenced jobs created that were not claimed by the project due to incomplete evidence which can be utilised for the purpose of job creation and GVA estimates.

From the sample of just 20 companies participating in the SME Internships Programme, the forecast change in employment for year 2023 and their baseline year is 142. This is an estimated increase in overall employment of 51% which is very encouraging.

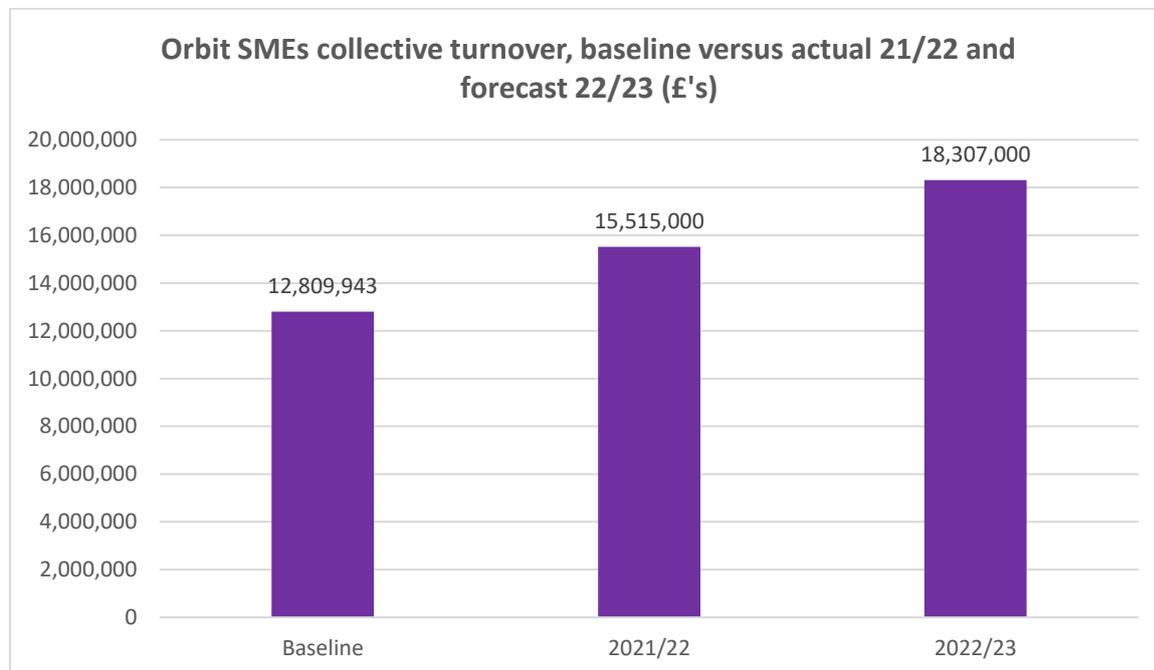
Survey data found that the SME Internships Programme has also made a difference to graduate employment within SMEs with 62% of SME respondents stating they had decided to take on a new member of staff as a direct result of the support they had received from the SME Internships Programme.

### Orbit support.

Chart 13 sets out the collective turnover for SME beneficiaries accessing Orbit support and responding to the survey. The chart illustrates turnover for six beneficiaries that supplied turnover data in 21/22 to compare with their baseline

data. For these SMEs there has been an increase of £2.7 million, which is a 21% increase in turnover since baseline. Collective forecast turnover for these six companies is set to increase again between 21/22 and 22/23 by a further £2.79 million. (18% increase)

**Chart 13: SMEs accessing Orbit support baseline compared with actual turnover in 2021/22 and forecast turnover in 2022/23**



Source: Monitoring and online survey data

Orbit beneficiaries responding to the survey also identified other ways in which Orbit had supported their business, all of which are strongly related to improving growth capacity within SMEs.

55% of SMEs accessing Orbit support stated it had to bring in valuable expertise and specialist knowledge.

36% of SMEs accessing Orbit support stated it had supported them in establishing links with Durham University.

27% of SMEs accessing Orbit support stated it had helped them to access additional funding.

### 5.3.3 Outcome 3 Increase in the number of new start-ups in Durham

As a result of the transformation of enterprise activity outlined in Outcome 1 within Durham University, there has been an 127% increase in the number of start-ups generated by the enterprise programme from 15 in 2018/19 to 34 in 2021/22 (See Figure 4).

It is worth noting that the scale and ambition of the start-ups that are coming through the enterprise support team has rapidly shifted upwards too. During the period 2019 to 2022 cumulative investment raised is £15.1 million (See Figure 4)

The success of these purpose driven start-ups emerging out of the University is also evidenced in the achievements they have accumulated. Examples of which include the following:

- Winning national and international awards.
- Contributing to important conversations through presenting at COP26 and All Party Parliamentary Groups.
- Featuring in Forbes and Wired Magazine.
- Appearing on BBC's Dragons Den.
- Being selected for some of the world's most high-profile accelerators.
- Establishing commercial partnerships with world leading organisations such as IBM and Mastercard.
- Securing highly competitive Innovate UK grants.

Several Durham University start-ups have developed innovative concepts aiming to tackle some of the world's biggest problems such as plastic pollution, hunger caused by the effects of climate change; and health and wellbeing and sustainable consumption.<sup>7</sup>

As mentioned in Outcome 1 these results are part of a much larger scale of programmes and activities than being solely attributed to the DICE enterprise programme, however DICE investment has made an important contribution to seeding this activity.

29% of enterprise support beneficiaries stated they would be staying on in Durham to start a business or look for work. A further 21% were undecided.

Beneficiaries from the DCI incubator many of whom are from Durham University have also contributed to the number of scalable starts locating in Durham. 44% of DCI start-ups surveyed stated that the programme had made them decide to locate their business in Durham with a further 20% yet to decide.

#### **5.3.4 Outcome 4 Better understanding of SME needs in Durham.**

Data from the online survey in Chart 9 section 4, demonstrates that the DICE project has successfully met the needs of its SME beneficiaries.

An average of 86% of SME beneficiaries from the SME Internships Programme and Orbit stated the support was meeting and exceeding their needs.

An average of 98% of SME beneficiaries from the SME Internships Programme and Orbit stated that they would recommend the support.

Further evidence that demonstrates the University has improved their understanding of SME needs is provided below;

- The SME Internships Programme's financial subsidy has been confirmed as vital to recruiting an intern and is a core part of the offer. The subsidy has a levelling up effect as taking on a graduate does have an initial cost implication before the graduate is able to make a positive impact. With large companies there are available resources to underwrite this cost which are not available

<sup>7</sup> Taken from Durham University Students and Graduates Impact Report 2019-2022

within SMEs. DICE's successful demonstration of this approach has led to the University implementing similar grant-led internship projects.

- The flexible, short-term focused internship offer itself is a unique selling point of the programme which is strongly aligned with SME needs. The Project Manager has worked closely with the SMEs to understand their needs and worked with the Funding and Compliance team within the University to understand eligibility to develop this offer.
- Reducing the risks of recruitment by enabling SMEs to 'try before you buy' has been confirmed as a valuable feature of the internship offer.
- A better understanding of SMEs cost barriers to recruitment and advertising within the University has been identified as important. This understanding has led to some of these barriers being removed enabling SMEs to have more equitable access to Durham University students.
- Launching the well-researched 'Think Big, Choose Small' campaign demonstrated a detailed understanding of SMEs and helped to encourage more graduates to think about SME internships.
- 47% of SME beneficiaries responding to the survey stated that they had connected to other business support services and 10% had gone on to secure funding from other internships programmes as a result of support from the Careers and Enterprise team
- The Orbit support team closely consult with their SME members on workshop and event content and this has helped the University to develop their understanding of SME needs.

**5.3.5: Outcome 5 Understanding success factors behind internship converting to a job.** The success factors that contribute to converting an internship to a job depend strongly on the skills and contribution the intern is able to make within the SME. Chart 13 demonstrated that interns were contributing across the business through efficiency improvements and product and service development. The value of the intern's contribution is evidenced by the high percentage of SMEs deciding to employ after the internship. For student interns, conversion rates are a result of their increased awareness of what opportunities are available, building confidence and gaining skills that make students more employable. The survey results described here are strong evidence that the DICE project understands these factors and has fully achieved this outcome.

- 62% of SMEs responding to the survey stated they had decided to take on a new member of staff as a direct result of the support received from the programme.
- 83% of interns surveyed felt more confident about applying for other work opportunities. This is an excellent result.
- 74% of interns surveyed stated they had helped their business to develop a new product or service.
- 95% of interns surveyed stated they felt more employable because of the SME Internships Programme.

Key features that have contributed to these achievements are highlighted below;

- **Successful brokering and matching service that has been provided.** The Project Manager has worked closely with the SMEs on the programme to understand their needs, help them define and scope their project and provide support in recruitment and selection, where required, including participating in the interview process. At the same time, DICE has been able to work closely with potential candidates, offering them support with their CVs and interview techniques. This tailored service simultaneously supporting both SMEs and interns has contributed very positively to the conversion rate.
- **A supportive environment to trial employment.** The internship offers a clear space for employer and intern to build relationships and understand each other alongside the support of the University.
- **Quality of the interns has exceeded SME expectations.** Interns have been able to demonstrate that they can add value to business development growth and help to secure new business. Interns' capabilities and skills have on the whole exceeded SME expectations. Several SMEs interviewed commented on this, a quote from one of the businesses that had taken on three interns and is doing the same this year sums it up well;

*"We have found the programme very beneficial, and the intern we secured has been an excellent addition to our staff team."*

In conclusion, the project has fully achieved this outcome.

## 5.4 Gross Value Added (GVA) and Net additional impact

This section looks at the gross and net additional impact of the DICE project, using Gross Value Added. (GVA) This is an economic productivity metric that is routinely used to measure the contribution made to an economy by an individual producer, industry, sector or region. GVA is calculated for the project in December 2023 and also forecast at project end.

### 5.4.1 GVA for the project by December 2023

The impact of the DICE project on GVA to date can be estimated based on the number of gross full-time equivalent (FTE) jobs created. For this measure, project data reported for employment creation within SME beneficiaries is used. The SME Internships Programme and Orbit are the two contributing strands to employment creation.

The total figure for employment creation is 106.44 and is made up of 36.44 jobs claimed through the project for output C8 which is 'Employment Increase in supported enterprises' as well as 70 jobs that were not able to be claimed under C8. This was due to incomplete evidence to meet the threshold for the C8 output definition but nonetheless they have been confirmed by the SME as jobs created. (It is felt that this is a better representation of the number of jobs created as there was

only one small element of evidence that prevented them from being counted within the C8 outputs.)

The survey response data has also found that within 20 companies there had been an increase in employment of 52% and this further indicates that this estimate is reasonable and possibly conservative.

It should also be noted that there has been employment creation through DCI, however, the beneficiary survey conducted as part of the evaluation did not provide consistent data sets that could be compared with baseline data so has not been included here. The DCI beneficiary survey did provide forecast employment creation data which has been used to calculate forecast GVA at project end. (See section 5.4.2)

This data has been converted to GVA by taking the average GVA per job figure for County Durham which in 2020 was £46,245<sup>8</sup>.

**Table 9: Gross actual GVA based on jobs created in SMEs from baseline to current year**

Total Jobs Created	106.44
GVA per job	£46,245
<b>Total actual GVA (gross)</b>	<b>£4,922,318</b>

Based on the data above, the project had generated at least £4.9 million of GVA by December 2023.

The former Department for Business and Innovation Skills (BIS) developed a guidance paper in 2009 on improving the assessment of net additionality referred to from here on as BIS guidance<sup>9</sup>). This report suggests that when estimating the impacts of public sector investment, it is important to consider the extent to which benefits generated persist over time. Where support has developed the capacity of a business, it may enable the organisation to sustain or continue to achieve further benefits in the future. BIS guidance suggests that individual enterprise support programmes may generate benefits within one year but that they may persist for up to three years in total.

It has therefore been assumed, that the annual gross GVA impacts of the programme will persist for three years in total (the first year, plus a further two years). Considering persistent effects, the **total gross GVA impact of the programme is £14.36 million which must be considered as a commendable result.**

#### 5.4.2 Forecast GVA at project close (June 2023)

In addition to the 106.44 jobs created by December 2023, the project is forecast to create an additional 16.43 jobs through its C8 output. Data from the DCI beneficiary survey based provided by 25 SMEs evidenced 15 jobs will be created through the start-ups in the Incubator. This is an additional 31.43 jobs by the end of the DICE

<sup>8</sup> Durham County GVA per job in 2020 was £46,245 using ONS data provided by Durham Insight

<sup>9</sup> BIS RDA Evaluation: Practical Guidance on Implementing the IEF 2009

project, taking total job creation to 137.87. If all these jobs are created the total annual GVA generated would increase to £6.38 million and the total gross GVA impact, including persistent effects, would increase to £18.7 million.

### 5.4.3 Net additional impact for the project by December 2023

This section will estimate the additionality of the project by measuring the impact that has occurred directly because of the project, and discarding impact that would have happened anyway, happened elsewhere or displaced what was going to happen anyway. It looks at the different factors affecting additionality and takes account of each one.

- **Deadweight effects.** This refers to the proportion of outputs/outcomes that would have happened anyway if the project had not gone ahead.

Feedback from the survey analysis found that 24% of SMEs stated they would have achieved the same outcomes without help or with help from another business support organisation, so a deadweight effect of 24% has been applied.

- **Leakage effects.** The number or proportion of outputs that benefit those, outside of the intervention target group.

Analysis of SME beneficiary data confirms that all beneficiaries are located within the geographical target area and meet the SME eligibility criteria, so no leakage impact has been applied.

- **Displacement effects.** This is the number or proportion of outputs that have resulted in reduced outputs elsewhere in the target area. For example, supporting one business to develop a new product might take market share from another business in the same area.

The majority of SMEs engaged in the SME Internships Programme fall into the Professional, Scientific and Technical or Information and Communication Category. Evidence from stakeholder interviews confirms that many of the SMEs are servicing global and national markets as well as local, meaning displacement effects are likely to be moderate. The remaining 32% of SMEs fall in categories that are likely to service more local markets. Accordingly, a displacement effect of 13.2% has been applied for displacement. This has been derived by taking the 12.2% displacement effect recommended by BIS<sup>10</sup> for the promotion of development of science, R&D and innovation structure projects and combining it with the 15.5% recommended displacement effect for 'Other' projects within the business and development competitiveness theme. The two effects have been combined in the same proportions as the sector split in the DICE project and the result 13.2% has been applied as the displacement effect.

- **Economic Multiplier effects.** This refers to further economic activity in the form of jobs, expenditure or income which is associated with local income and local supplier purchases.

---

<sup>10</sup> BIS Research to Improve the Assessment of Additionality, 2009

Research conducted by BIS in 2009 suggests that the mean average multiplier at a sub-regional level is 1.20 for business development programmes that are focused on promotion and development of science, R&D and innovation infrastructure and the suggested multiplier for 'Other' business development programmes is slightly higher at 1.28. Using the same methodology as for displacement a multiplier of 1.22 has been applied to the DICE project.

Table 10 sets out the gross impact of the project adjusting for additionality in December 2022.

**Table 10: Gross and net additional impact for turnover, employment and associated GVA in December 2022.**

Impact indicator		Impact area: County Durham	
		Measure	Adjustment
Employment: FTEs	Gross Impact	106.44	
	Deadweight/reference case	81	24%
	Displacement	70.3	13.2%
	Leakage	70.3	0%
	Multiplier	84.5	1.2
	Net Additional	<b>84.5</b>	
GVA: £m (annual)	Gross Impact	£4.9m	
	Deadweight/reference case	£3.7m	24%
	Displacement	£3.2m	13.2%
	Leakage	£3.2m	0%
	Economic multiplier	£3.8m	1.2
	Net additional	<b>£3.8m</b>	

From Table 10 the following can be stated.

#### **GVA and net additional impact of the DICE project in December 2022.**

- The gross employment impact of the DICE project is 106.44 FTE jobs and the **net additional employment impact is 84.5 FTE jobs.**
- The annual gross GVA impact of the DICE project is £4.9 million and the **net additional annual GVA impact is £3.8 million.**

#### **GVA and net additional impact of the DICE project including persistent effects**

As described in section 5.4.1, BIS guidance<sup>11</sup> suggests that when estimating the impacts of public sector investment, there is a need to take into consideration persistence of benefits over time and the suggestion as guidance that benefits are likely to persist for up to 3 years in total. This has been applied to the DICE projects GVA impacts below;

<sup>11</sup> BIS RDA Evaluation: Practical Guidance on Implementing the IEF 2009

- The total gross GVA impact of the DICE project in December 2022 (including persistent effects) is £14.4 million and the **net additional GVA impact of the DICE project (including persistent effects) is £11.1 million.**

#### 5.4.4 Forecast gross and net additional impact for employment for the project at project completion (June 2023)

Table 11 sets out the gross impact of the project adjusting for additionality at June 2023.

**Table 11: Forecast gross and net additional impact including forecast employment and GVA by June 2023**

Impact indicator		Impact area: County Durham	
		Measure	Adjustment
Employment: FTEs	Gross Impact	137.87	
	Deadweight/reference case	104.78	24%
	Displacement	90.94	13.2%
	Leakage	90.94	0%
	Multiplier	109	1.2
	Net Additional	<b>109</b>	
GVA: £m (annual)	Gross Impact	£6.38m	
	Deadweight/reference case	£4.84m	24%
	Displacement	£4.2m	13.2%
	Leakage	£4.2m	0%
	Economic multiplier	£5.04m	1.2
	Net additional	<b>£5.04m</b>	

From Table 11 the following can be stated.

#### Forecast GVA impact of the DICE project in June 2023.

- The gross employment impact of the DICE project is 137.87 FTE jobs and the **net additional employment impact is 109 FTE jobs.**
- The annual gross GVA impact of the DICE project is £6.38 million and the **net additional annual GVA impact is £5.04 million.**

#### Forecast GVA impact of the DICE project in June 2023, including persistent effects.

- As described in section 5.4.1, BIS guidance<sup>12</sup> suggests that when estimating the impacts of public sector investment, there is a need to take into consideration persistence of benefits over time and the suggestion as guidance that benefits are likely to persist for up to 3 years in total. This has been applied to the DICE projects GVA impacts below;

<sup>12</sup> BIS RDA Evaluation: Practical Guidance on Implementing the IEF 2009

- The total gross GVA impact of the DICE project (including persistent effects) is £18.7 million and the **net additional GVA impact of the DICE project (including persistent effects) is £14.8 million.**

### 5.5 Increase in graduate retention rates

A key anticipated impact for the DICE project, as set out in its logic model is that the project will contribute to an improvement in overall graduate retention rates. This is a complex area to assess as According to a study of 2000 graduates conducted by Liberty Living,<sup>13</sup> there are many factors that influence graduate retention rates, including family proximity, the opportunities available including, the availability of jobs, graduate schemes and internships, the cost of living and house and rental prices and personal relationships.

This section uses destination data from 2019 to paint a picture of graduate retention rates at the start of the project. It describes activities engaged in to encourage graduates to think about working within SMEs, including North East SMEs and reviews student intern survey responses relating to the effect the project has had on their decisions to stay in the North East.

Using destination data from Durham University the following points provide an indication of graduate retention in 2018, the year that the DICE project began.

- **Gap between viewing and applying found.** The Careers and Enterprise Team data analysis for the period September to December 2018 found that opportunities advertised in the North East had the highest engagement in terms of views. However, it was opportunities listed outside the North East that had the highest average number of applications. There appears to be a gap between viewing North East opportunities and applying for them, indicating there might be a barrier to retention that would be useful to further understand.
- **Durham students less 'sticky'.** In 2019, data for Durham University students found that only 8% were looking for their first job at their place of study. The overall UK figure is 20% of students planning to look for their first job in the place of study.
- **Culture of thinking large employer first.** Research gathered by Durham University also confirmed the strong focus amongst Durham University students on gaining employment within a large corporate or international company. In 2022, 44% of Durham University students<sup>14</sup> were searching for a role in a large company.

The DICE project has engaged in several activities to showcase local SMEs and encourage students to think about working in SMEs.

- **Think Big, Choose Small SME Careers Week.** This took place in February 2023 and is a further development of the 'Think Big, Choose Small' campaign developed earlier in the project which focused on raising awareness of the benefits of working in an SME. The Careers Week showcases the breadth of

<sup>13</sup> Liberty Living (student accommodation providers) 2019 study of 2000 graduates.

<sup>14</sup> Ciblyl Research

opportunities for students and graduates within small and medium sized businesses. A key event within the Careers Week was the SME Careers Fair with several SME beneficiaries from the DICE project attending to promote recruitment opportunities to students and graduates.

- **Sharepoint resources 'Work at an SME'**. A range of resources are now available to students and graduates who are considering working at an SME. These include learning resources, case studies, blogs and videos. The work in this area will continue beyond the DICE project.

Results from the interns' beneficiary survey are highlighted below and where possible comparator data from earlier years is provided.

- 56% of interns surveyed stated that the programme had increased their awareness of the opportunities available in the local area.
- 39% of the interns surveyed stated they had gained employment as a direct result of participating in the programme with a further 17% commenting that they 'did not know yet' The ESIF business plan anticipates a conversion rate of 35%. The survey evidence indicates that this conversion rate has been surpassed. This is much higher than the 2018-19 destination data for Durham University students that reported 21.8% of graduates stayed on in the North East. It is also higher than the corresponding 24% figure that was reported in the DICE Interim Summative Assessment report in 2020 for interns surveyed.
- 18% of interns will be staying on in Durham to look for employment because of the SME Internships Programme. 50% were still undecided at the time of the survey.
- 29% of students responding to the survey who had engaged in enterprise support as part of the DICE project stated they would stay on in Durham to start a business or look for work. 50% were still undecided.
- 44% of DCI beneficiaries stated that the support received had been a deciding factor in locating their business in Durham. This is an increase from the DICE Interim Summative Assessment report.

## 5.6 Increase in sustainability of businesses in Durham

The DICE project has increased sustainability of businesses in several ways. The following points capture both improvements in sustainability within businesses and also how businesses supported are tackling world problems and are providing sustainable solutions.

- The offer of subsidised internships for SMEs has enabled them to engage further in product and service development and in exploring new markets. These activities support business development and growth and innovation, all of which contribute to business sustainability.

- Interns have also worked on projects that provide efficiency and process improvements, leading to increased productivity, stronger and more sustainable businesses.
- SMEs have access to graduates they would not have had without the programme which has lowered the risk of investing in graduate recruitment. SMEs engaged through the Internships Programme have commented on the high-quality talent, and the added value that students have made to the business.
- By linking early-stage ideation and early-stage animation with addressing the UN sustainable development goals, the enterprise support provided ensures that sustainability is at the heart of their start-up support from the beginning.
- The business advice provided by the Enterprise team helps students to build a more robust business model by actively encouraging stronger market research. There is a strong emphasis placed on developing high potential purpose driven start-ups from the outset.
- A few beneficiaries from across the DICE project have developed innovative concepts aiming at tackling some of the world's biggest problems such as plastic pollution; hunger caused by the effects of climate change; and health and wellbeing and sustainable consumption.
- 55% of Orbit beneficiaries responding to the online survey stated that they had been introduced to valuable networks and contacts. According to the British Business Bank, networking is a valuable activity for business leaders allowing them to meet similar businesses, make connections, find new suppliers and win new customers, which are all important when creating a sustainable business.
- 27% of Orbit beneficiaries had been helped to access additional funding which is another important way in which support has helped to increase the sustainability of SMEs supported.
- DCI's focus on sectors such as digital, IT, professional and financial services is weighted towards sectors that are environmentally sustainable. A further focus on scalability means that greater scrutiny is given to the proposed business model and how the business will be able to generate revenue, profits and achieve its goals.
- Scale-ups supported by DCI have increased their awareness of what support is available and been able to connect with that support. This has improved the sustainability of the business. It is easy for start-ups to feel overwhelmed and have information overload, so the timing of when support is provided is vital.

### **5.7. Environmental, social and other economic benefits**

This section brings together some of the wider environmental, social and other economic benefits generated by the project during its lifetime. It is worth noting that the project will continue to generate further impact as part of its legacy. This section

aims to provide a flavour of the nature and diversity of impact that the DICE project has had to date.

### 5.7.1 Building effective and sustainable partnerships

- **Winner of the AGCAS award for Building Effective Partnership.** In July 2021, the DICE project won the Building Effective Partnerships AGCAS award where they successfully demonstrated how the project had addressed the key challenges facing County Durham and contributed to regional growth through improving business innovation, increasing graduate retention and the number of scalable start-ups in the region. They successfully demonstrated that these had been achieved through facilitating collaborative, developmental partnerships.

The judges' comments are presented below;

*"The Durham collaboration had direct workforce development impacts through working with SMEs and new enterprise, influencing students to think differently about their future, and an element of innovation that made it stand out. They provided a lot of evidence of their work with SMEs in the region and their project has potential for further scale in the future. Durham was the standout submission, with proven, measurable impact."*

- **Nominated for the AGCAS awards for Excellence for Equality, Diversity and Inclusivity Award 2023.** Durham University's Enabling Opportunities Programme has been nominated for these awards and though this is not directly funded by the DICE project, members of the DICE project team have supported delivery. The nomination is a fantastic recognition of the work that the DICE project team are doing strategically to improve access to work experience, develop employability and raise confidence of underrepresented students at Durham.
- **MoU for the strategic partnership with Durham County Council.** In March 2022, Durham University refreshed its MoU with Durham County Council which has been in place since 2017. They agreed to continue to work collaboratively and to further develop a common understanding of each other's organisations. They also undertook to establish areas where there is mutual benefit in working together to support each organisation's strategic aims and optimally leverage their combined activities. Within the MoU the first objective focused on economic development and specifically references DICE strands.

### 5.7.2 Helping to rethink and transform start-up support services in Durham.

- **Establish and trial DCI.** The DICE project has successfully enabled the establishment of DCI and its wrap-around support for incubating start-ups. Durham County Council has committed to continuing DCI beyond the DICE project and securing resources to embed it further within the start-up support infrastructure within the County.

- **Contributed to the Enterprising Durham Framework development.** At a more strategic level and linked to the MoU the project delivery team leaders have contributed to a significant rethink and a reshape of start-up provision across the County.

#### Recognised for excellence in work-based learning.

- **Forage Work Experience Award.** Durham University was named as one of the top universities in the UK for work-based learning, with a new award from leading job simulation platform Forage. The award was presented to the Careers and Enterprise Team and recognises the University's position at the forefront of work-based learning and its commitment to helping set students up for career success.
- **Boosted employability skills and capabilities of interns.** Following on from (v) there is clear evidence from the DICE project that interns' employability skills have been boosted. 90% of interns felt they were more employable as a result of the programme.
- **Enhanced the skills and capabilities of founders and potential entrepreneurs.** The DICE project has also helped to improve the skills and capabilities and develop the mindset, motivation and confidence of its beneficiaries. A beneficiary provided a valuable insight commenting that there is a wider value in this support as even if the business fails, the founder still has the skills and tools to continue their enterprise journey, developing high value scalable businesses in the future.

#### International recognition for design thinking best practice

- **Created Internationally recognised programmes.** The Game Changer event inspires early stage purpose driven innovation and has been extremely popular and successful with Durham University students. The programme has also been recognised by the United Nations as best practice. A toolkit has been created to enable other institutions to run the programme which has been sent to over 50 universities worldwide.

#### Highly commended for the Sustainability Internships programme

- Durham University was 'highly commended' in the 'Greener Business' category of the County Durham Environment Awards, for the Sustainability Development Internships programme which took place during Summer 2022 (with the support of the Durham University Sustainability team). The commendation recognised the real impact on students and participating businesses. DCI beneficiaries were able to benefit from the Sustainability Internships programme.

#### Building Sustainability within SMEs

- **Improved R&D capabilities amongst SMEs.** DICE, through both the Internships Programme and Orbit is enabling SMEs to engage in further R&D activities. 55% of SMEs on the Internships Programme cited 'the

intern helped them to develop new products or services’ as one of the most beneficial aspects of the programme.

## 5.8 Strategic Added Value

Strategic Added Value (SAV) was a concept first developed for Regional Development Agencies (RDAs) to help them to demonstrate how projects and programmes they developed had helped to leverage funding and influence stakeholder's behavioural decisions and outcomes in ways that might not have otherwise occurred.

Table 12 sets out some key ways in which the project has delivered SAV using the headings from the RDA Analytical Framework for assessing SAV<sup>15</sup> describing each category of SAV. The table draws from what has already been mentioned in other parts of the report and are, therefore presented in bullet format here.

**Table 12: How DICE has contributed to Strategic Added Value (SAV)**

No.	SAV Area	Description	Activity (Examples)
1	Strategic Leadership and Catalyst	Articulating and communicating regional development needs, opportunities and solutions focused on enterprise and SME support to partners and stakeholders in the region and elsewhere.	<ul style="list-style-type: none"> <li>• MoU Between Durham University and Durham County Council, the first objective is on economic development and DICE is one of the strategic projects that demonstrates the partnership.</li> <li>• DICE has helped to seed the transformative changes in pace and scale of enterprise activity at the University.</li> <li>• DICE has won numerous awards which have helped to raise profile and communicate challenges as well as showcase solutions.</li> </ul>
2	Strategic Influence	Carrying out or stimulating activity that defines the distinctive roles of partners, gets them to commit to shared objectives and to behave and allocate their funds accordingly.	<ul style="list-style-type: none"> <li>• County Durham's new inclusive economic strategy has 5 pillars, elements of the productivity pillar have been influenced by DICE strands such as DCI and support to specific sectors.</li> <li>• There are some significant capital investments currently taking place in County Durham for example Aykley Heads Development and Milburngate in the City again elements of these will have been influenced by DICE strands.</li> <li>• Orbit – getting the Innovation Hub up and running and attracting SMEs to it was a strategic project with shared objectives.</li> <li>• Helping to rethink and reshape enterprise in the County through contributions to Enterprising Durham Framework development</li> </ul>

<sup>15</sup> Northern Rock Foundation Fact Sheet Facilitating and Enhancing Impact, the role of the grants programme manager.

3	Leverage	Providing financial and other incentives to mobilise partner and stakeholder resources, equipment, people as well as funding.	<ul style="list-style-type: none"> <li>• Investment raised by student and graduate enterprises is £15.1 million over past 4 years.</li> <li>• Project development activities described in strategic influence section value up to millions of pounds, built upon the foundations of activities inspired by DICE. Eg. Aykley heads, Millburngate business support activities</li> <li>• UK Shared Prosperity Funds. The DICE team have contributed to shaping the development of an Enterprising Framework for Durham outlining the type of activities required for effective enterprise and startup support in the area. It is hoped that Durham County Council will use the Enterprising Framework Findings to inform activity funded through UKSPF as well as other funds.</li> </ul>
4	Synergy	Using organisational capacity, knowledge and expertise to improve information exchange and knowledge transfer and co-ordination and/or integration of the design and delivery of interventions between partners;	<ul style="list-style-type: none"> <li>• Orbit supports SMEs to access the expertise, knowledge and networks within the University.</li> <li>• Game Changer toolkit – enables 50 universities across the world run the programme.</li> <li>• DCI and Durham University Enterprise support work closely together which enhances the offer available to graduates and students.</li> <li>• SME Internships Programme has provided interns for Orbit SMEs and DCI startups which maximises the benefits of the programme.</li> <li>• 50% of SMEs accessing Orbit services have a greater awareness and access to science and technology-based businesses.</li> <li>• 33% of SMEs on the Internships Programme had no previous connections to Durham University and 47% have been provided through DICE with opportunities to connect with other business support organisations.</li> </ul>
5.	Engagement	Setting up the mechanisms and incentives for more effective deliberative engagement of stakeholders in the design and delivery of regional and sub-regional priorities and programmes	<ul style="list-style-type: none"> <li>• The already established MoU is a good example of this and now has a steering group.</li> <li>• There are a number of steering groups associated with DICE strands that bring key partners together including the University, County Council and New College Durham</li> <li>• Better understanding of SME need at the University through engagement with both the Internships Programme and Orbit.</li> <li>• Greater involvement of SMEs in careers fairs and other opportunities</li> </ul>

## 5.9 Collaborations and linkages

As part of this Summative Assessment, the University was keen to explore the impacts that the DICE project has had on improving collaborations and linkages between the 'triple-helix' partnership of the University, Durham County Council through Business Durham and SMEs. The triple-helix model of innovation refers to a set of interactions between academia, industry and government to foster economic and social development. They were also keen to assess how successfully the Enterprise team and DCI have worked together. This section draws from evidence elsewhere to review these areas.

### 5.9.1 Has DICE improved the level of collaborative activity within the triple helix partnership?

- Enhanced collaborative activity in strategic project development.** The DICE project has cemented the process of joint work between Durham University and Business Durham. As described in 5.8 *Strategic Added Value* the two organisations have on-going ambitions to work together in the future to support start-up and scale up activity and evidence of this is set out in their MoU. If these ambitions are realised both organisations will have helped to leverage significant investment, both capital and revenue for high growth start-ups. ORBIT located in NETPark is a good example of a triple helix project as is the Aykley Heads development. These developments have provided and will continue to provide science and technology focused SMEs with state-of-the-art facilities and wrap-around services catering to their particular needs. Through the governance structures of the overall DICE project and various DICE strands the University and Durham County Council have had a focus to demonstrate how their strategic ambitions work on the ground.
- Sharing clients across the DICE strands.** There have been many examples where clients have benefitted from multiple strands within the project. A clear pathway was envisioned between enterprise support within the University and DCI (described further in the next section). There has also been collaborative activity within Orbit and the SME Internships Programme where organisations like Coltraco have worked with the University to take on interns.

### 5.9.2 Have the linkage between start up enterprise activity and the incubator support worked successfully?

- University Enterprise and DCI.** Links between start-up enterprise activity and the incubator support are working extremely well. It was envisaged as more of a linear process with some students who had received enterprise support moving on to the DCI. Instead, it appears that the offers sit alongside each other with students and graduates accessing both services simultaneously. A review of the DCI cohorts reveals that 60% are Durham University graduates. It had been a concern during concept stage that the two offers might not be able to connect as well, but in fact quite the opposite has happened. This is largely due to project staff who have worked hard to develop strong working relationships. They work extremely well together and, consequently, have maximised the offer for the benefit of their clients.

## Summary for Section 5: Project outcomes and impact

- There has been a transformation in enterprise activity and enterprise ambition at Durham University since the DICE project began. The number of students engaged in enterprise activity has increased by 165% since 2018 and the number of start-ups has doubled. This is the result of a much wider investment, but the DICE project has seeded this change.
- DICE has contributed to SME growth and sustainability, with increases in collective turnover and employment. Collective turnover data for 20 SMEs on the Internships Programme found a 30% overall increase. The interns have contributed to this growth by supporting innovation and helping to develop new products and services.
- The DICE project is contributing to graduate employment with 62% of SME beneficiaries surveyed, stating they had decided to take on a new member of staff as a direct result of the support received from the programme.
- Total net additional GVA impact generated for the project to date based on survey and monitoring data, is £3.8 million. This results in a net additional GVA of £11.1 million when you include persistent effects.
- Total forecast net additional GVA impact generated at project close in June 2023 is estimated to be £5 million. This results in a net additional GVA of £14.8 million when you include persistent effects.
- The DICE project is having a positive impact on graduate retention with 39% of interns stating they had gained employment as a direct result of their participation in the project. This has exceeded what had been hoped for in the original business plan which had been set at 35%
- 18% of students on the Internships Programme 29% of enterprise students and 44% of DCI beneficiaries have decided to stay on in Durham.
- Business sustainability has improved through SME focus on developing new products, services, exploring new markets and efficiency improvements which have resulted in growth for the participating SMEs.
- Linking early-stage ideation with the UN Sustainable Development Goals has ensured that sustainability is at the heart of the enterprise start-up offer and this has already helped to generate many sustainable and ethical start-ups.
- DICE has received international recognition for Design Thinking best practice and additionally has been recognised for excellence in partnership working.
- There have been Strategic Added Value gains through DICE too. The partnership between the University and Durham County Council has been greatly strengthened and enhanced. There is also increasingly closer integration of the enterprise and incubation strands.

## 6. Value for money

This section considers if the DICE project has been good value for money by first looking at cost effectiveness as measured by cost per job and the return on investment (ROI).

### 6.1 Cost effectiveness of the DICE project

This section examines the cost effectiveness of the DICE project in December 2022 by reviewing the cost per job and return on investment.

#### 6.1.1 Actual cost per job in December 2022

Cost effectiveness of the DICE project up until December 2022 has been calculated in Table 13 below. The total number of jobs created by the project by December 2022 is 106. The total public sector expenditure defrayed by December 2022 is £1,833,328.

**Table 13: Cost per job in December 2022 (Actual)**

Cost per job in December 2022 (Actual)		£'s
Total Public Sector Expenditure	1,833,328	
Total number of jobs	106	<b>17,224</b>
RDA Average inflation adjusted		20,106
% of average		<b>86</b>

This gives a **cost per job figure of £17,224** for the DICE project to date.

It is difficult to find comparable current data, but the closest available data is the cost per net job average for the RDA business development and competitiveness interventions (inflation adjusted) and this is £20,106<sup>16</sup>. Using this data, it can be said that DICE's cost per job compares favourably delivering a lower than average cost per job figure.

#### 6.1.2 Forecast cost per job at the end of the project (June 2023)

The cost effectiveness of the DICE project at project close has been calculated using the same methodology as in 6.1.3. The total number of jobs created by the project is forecast to be 138. The total public sector expenditure at project close is forecast to be £2,135,500.

**Table 14: Cost per job in June 2023 (Forecast)**

Cost per job in June 2023 (Forecast)		£'s
Total Public Sector Expenditure	2,135,500	
Total number of jobs	138	<b>15,489</b>
RDA Average inflation adjusted		20,106
% of Average		<b>77</b>

<sup>16</sup> Value of £14,221 in 2009 adjusted for inflation up to 2022 to arrive at current price estimate. Average CPI inflation rate of 2.7% pa 2009 to 2022 ONS

This gives a **cost per job figure at project close of £15,489** further reducing the cost per job of the DICE project by 9%.

## 6.2 Return on Investment (ROI)

This section measures estimated ROI for the DICE project in December 2022 with and without persistent benefits. Estimates are provided for what ROI will be at the end of the programme using forecast of public sector expenditure at the end of the programme.

### 6.2.1 ROI for the DICE project in December 2022

ROI for DICE has been calculated for December 2022 with and without persistent benefits as set out in Table 15.

**Table 15: ROI for DICE project in December 2022 (Actual)**

VfM in December 2022 (Actual)	Vfm	
Total Public Sector Expenditure	1,833,328	
Total net additional GVA	3,800,000	<b>2.07</b>
Total net additional GVA with persistent benefits	11,100,000	<b>6.05</b>

Total net additional GVA for the project without persistent benefits is £3.8 million, and this is divided by the total public sector expenditure defrayed in December 2022. (£1,833,328)<sup>17</sup>

Based on performance to date the ROI is positive at 2.07:1. For every £1 of public sector investment £2.07 of net additional GVA is generated.)

Taking into account persistent benefits<sup>18</sup>, GVA Impact is £11,100,000, based on performance to date the ROI is 6.05: 1. **For every £1 of public sector investment, £ 6.05 net additional GVA has been generated.**

### 6.2.2 ROI for the DICE project in June 2023 (Forecast)

**Table 16: ROI for DICE project in June 2023 (Forecast)**

VfM in June 2023 (Forecast)	Vfm	
Total Public Sector Expenditure	2,135,500	
Total net additional GVA	5,040,000	<b>2.36</b>
Total net additional GVA with persistent benefits	14,800,000	<b>6.93</b>

Table 16 sets out the final forecast outturn for ROI with and without persistent benefits. The ROI without taking into account persistent benefits in June 2023 is forecast to be 2.36:1. So for every £1 of public sector investment, the DICE project is forecast to generate £2.36 worth of net additional GVA. With persistent benefit this figure is 6.93:1. So it is forecast that for every **£1 of public sector investment**

<sup>17</sup> This is in accordance with BIS guidance

<sup>18</sup> As per BIS guidance

**in the DICE project, £6.93 worth of net additional GVA benefit will have been generated.**

### 6.3 Wider reflections on Value for Money (VfM).

The value for money assessments of the project only captures one facet of the value and impact of the project and that is through its employment creation, excellent though it is. It is worth noting here that 95% of the SME beneficiaries from the Internships Programme saw the project as delivering value for money for their business.

The ROI calculations do not capture all of the DICE project's the value for money, for example only some of the jobs created through DCI have been captured within the forecast figure and none of the jobs created through the enterprise support strands has been captured. However as evidenced throughout the report both strands have delivered strong value for money, key evidence has been brought together and presented here.

- The Enterprise strand of DICE has seeded a transformation in enterprise support at the University. Enterprise support has grown from strength to strength and the University has been able to support the creation of purpose driven ambitious start-ups that are making a significant social and economic impact.
- The 56 start-ups in the first seven cohorts going through the accelerator programme at DCI collectively raised £15.6 million of investment to date.
- Baseline data for 19 DCI companies found their collective turnover had risen from £144,200 to just over a £1 million pounds in 2021/22. Forecast turnover for this same sample is forecast to double in 2022/23.
- Low Carbon Materials a start-up company founded by three chemistry PhD students from Durham University received help from enterprise support and DCI and since then have continued on to the world stage. Last year the business was short-listed for the international earth shot prize in the Fix our climate category. Impossibrew, another DCI business, appeared on Dragons Den and won the High Growth award at the North East Start-up Awards. These individual examples begin to demonstrate the enormous value of the enterprise support provided.
- The other element to DICE not captured in value for money calculations is the significant knowledge transfer that is only just beginning at Orbit. SMEs such as Coltraco based at Orbit have identified the significant opportunities for commercialisation between academics and SMEs like them. The Orbit team is working hard to find routes and pathways to enable that to happen.
- The project has been managed very well and effectively, with low staffing costs and half of the ERDF grant going directly out to beneficiaries as a financial subsidy or delivery.
- 95% of SMEs on the Internships Programme that responded to the survey stated the project had delivered value for money for their business.

## Summary for section 6: Project Value for Money

- The DICE project cost per job is estimated to be £17,224 and compares well with cost per job average figures for the Region (inflation adjusted) of £20,106, it is forecast that this figure will reduce further to £15,489 at project close.
- Actual ROI including persistent benefits in December 2022 is for every £1 of public sector benefit there has been £6.05 worth of additional GVA generated.
- Forecast ROI including persistent benefits at the project end is for every £1 of public sector there will be £6.93 of additional GVA generated.
- 95% of survey respondents accessing the SME Internships Programme thought the project had provided value for money for their business.
- A few companies supported by DCI and the enterprise stands have continued to receive international and national awards of excellence and are set on a pathway to scale significantly.
- The Enterprise strand of DICE has seeded a transformation in enterprise support at the University.
- Knowledge transfer between the University and SMEs facilitated through Orbit is beginning to establish itself with significant potential impacts for the economy.

## 7. Conclusions and lessons learned.

### 7.1 Conclusions

This Final Summative Assessment has provided evidence to demonstrate that DICE has been a highly successful project. It is a well-designed and well delivered project that has withstood the significant external impact of the Covid-19 pandemic. It has performed strongly and is on track to deliver significant outcomes and impact for County Durham.

Importantly, the project has strengthened and enhanced the partnership between Durham University and Durham County Council and is one of their early demonstrator projects - providing a focus and building relationships between the organisations at all levels.

The project design and rationale are sound with a clear link between the rationale, aims, objectives and activities within the logic model.

The business support combination of internship, innovation, incubation and enterprise is powerful. The connectivity between these strands should be sustained in future projects as there is markedly more economic and social benefit to be gained from the strands working together.

The project is very well managed and good governance is in place to oversee project performance. Strategic overview has been integrated into the University and Local Authority MoU steering group.

The project is set to achieve its expenditure and all its outputs and, in some instances, has exceeded performance.

The people behind the project have been its greatest strength, each going above and beyond to ensure that the project delivers high quality impacts.

Most Beneficiaries thought the project was well publicised but a sizeable minority of mainly student interns felt more could have been done to publicise the programme.

Financial support in the form of a subsidy or grant for the SME Internships Programme and DCI respectively are key aspects of support, that have helped to engage and attract beneficiaries to the project. They were also most frequently seen as one of the most important features of the support.

The project team have been able to work within the project design to build in flexibility for delivery leads to be responsive to demand. This has not always been easy to achieve as tensions exist between being responsive and working within ERDF rules and guidance. Staff knowledge and capabilities have been central in enabling this to happen.

The project has helped to change the University's relationship with the local SME community through the Internships Programme. Students and graduates have been valuable assets within the SMEs, contributing to growth within the businesses. In

turn, Durham University students and graduates have gained significantly from the experience too.

DICE has seeded a transformation in enterprise activity within the University, supporting the development of more ambitious, purpose driven start-ups.

Durham City Incubator has provided a unique accelerator programme in the County for start-ups to test out and develop their new ideas.

Orbit has shown what is possible in knowledge exchange when SMEs and the University collaborate.

DICE has contributed to SME growth and sustainability with increases in turnover and employment for beneficiaries of the SME Internships Programme and Orbit.

Net additional GVA impacts generated from increased employment within SMEs participating in the Internships Programme and through Orbit are estimated at £3.8 million for the project in December 2022. When you consider the persistent effects of these employment increases over three years that increases to a GVA value of £11.1 million.

Project return on investment including persistent effects in December 2022 is for every £1 of public sector investment, there has been £6.05 worth of benefits

Other benefits include improved sustainability within businesses, international and national recognition for best practice and some of the start-ups competing on the world stage for prizes and gaining access to renowned accelerator programmes.

The integrated design of the project combining internship, incubation, innovation and enterprise is excellent. Some strands have connected more naturally than others. For example, enterprise and incubation appear very integrated. Other strands such as innovation that came on stream later are connecting well with internships and have potential to also connect well with incubation. There remains unrealised potential which in time could develop into a strong support eco-system of its own.

## **7.2 Key lessons learned for policy makers, project delivery teams and for those developing future projects like this.**

The strong rationale, effective partnership and good project design has proved an important feature of DICE's success, enabling the project to withstand the Covid-19 pandemic and still be on track to achieve all its outputs.

A good quality team, with strong project leads, committed to achieving the overall project objectives is another key component to the project's success.

The Covid-19 pandemic did impact on project spend and the delayed delivery of outputs in the short-term, but the project was able to recover and catch up in the latter half. There were some positive longer-term impacts of the pandemic too, the key one being the digitising of administrative requirements, in particular the acceptance of electronic signatures by the Managing Authority has been extremely beneficial.

Policy makers should take note that there are some in-built inflexibilities within ERDF that have sometimes prevented the support offer from being as dynamic and responsive as the project team would have liked.

While DICE beneficiaries have benefitted from the collaborative design of the support model, these benefits have not been incentivised by policy makers as multiple strands of support within one project cannot be claimed more than once. This actively discourages the enhanced benefits experienced from integrated support.

There are significant benefits from the integrated support offer, however they have yet to be fully realised and explored. There is potential for more connectivity between innovation, incubation, enterprise and internship. There is a danger this might be lost as new funding streams coming online might split support to existing businesses from start-up support though a positive impact could still be achieved through separate funding streams if the University facilitated the interconnectivity.

While most beneficiaries surveyed thought the project was well publicised, there was a significant minority of beneficiaries, mainly the interns that felt that this was not the case. Marketing channels such as the website did not appear to have strong reach.

Fewer women benefitted from the programme than men except for the SME Internships Programme, however evidence shows that the project was learning and adapting throughout its lifetime with positive results.

Linking early-stage ideation with the UN SDGs has ensured that sustainability is at the heart of the enterprise start-up offer and this has helped to generate many sustainable and ethical start-ups.

### 7.3 Recommendations

**Recommendation 1:** To build on the momentum DICE has created, it is important for the University to look at ways of sustaining the project whilst future funding opportunities are sought.

**Recommendation 2:** There are greater potential benefits to be gained by preserving the integrated design of the project. If this is not possible due to the nature of future funding, connectivity between the strands should still be maintained through internal mechanisms.

**Recommendation 3:** It is important to ensure that the success of each of strands within the DICE project is built upon through the MOU Steering Group and in other ways. This is particularly true of the internships element which appears to lack a strategic champion within the University.

**Recommendation 4:** A future evolution of the DICE project should explore ways of making website and marketing material work effectively to ensure increased reach for the project.

**Recommendation 5:** Financial support and subsidy should be an integral part of a future internships or incubation support offer.

**Recommendation 6:** A review of all suggested improvements to the delivery model should be undertaken to integrate relevant suggestions into a future model and/or explore the possibility of some improvements being stand-alone projects. (For example, consider the idea of an SME inward investment incubator or providing support with localising supply chains.

**Recommendation 7:** Approaches taken, and lessons learned on increasing female participation should be shared within the project and externally to help develop this area further.

**Recommendation 8:** It is recommended that the outcomes and impact findings are shared widely across Durham University and Durham County Council to raise awareness and understanding of the project results and to ensure they are utilised to secure further funding.

## Summary for Section 7: Conclusions and Lessons Learned

### Conclusions

- The Final Summative Assessment demonstrates that DICE has been a highly successful, well designed, and well delivered project. It has performed strongly and is on track to deliver all its outcomes and significant impact for County Durham.
- The project is well managed and good governance is in place to oversee project performance.
- The project has strengthened and enhanced the partnership between Durham University and Durham County Council.
- The business support combination of internship, innovation, incubation and enterprise is powerful, connectivity between these strands should be sustained as there is more economic and social benefit to be gained in this way.
- The people behind the project have been its greatest strength, each going above and beyond to ensure the project delivers high quality impacts.
- Financial support in the form of a subsidy or grant for the SME Internships Programme and DCI are key aspects of the support that have helped to engage and attract beneficiaries to the project.
- The project has helped to change the University's relationship with local SMEs helping them to grow through the Internships Programme. It has seeded a transformation in enterprise activity within the University, provided County Durham with a unique City Incubator and show-cased the impact of knowledge exchange and transfer between the University and SMEs through Orbit.
- There has been net additional GVA impacts generated from increased employment and including persistent effects of £11.1 million. With a positive Return on Investment including persistent events of £6.05 for every £1 spent of public sector investment.

### Key lessons learned.

- Policy makers should take note that there are some in-built inflexibilities within ERDF that have sometimes prevented the support offer from being as dynamic and responsive as the project team would have liked.
- Rules preventing a beneficiary from being counted more than once if they access multiple strands of support actively discourages the enhanced benefits experienced from integrated support and this should be addressed by future Policy makers and funders.
- There are significant benefits from the integrated support offer, however they have yet to be fully realised and explored.

## Appendix 1: Acknowledgements

Thank you to all the stakeholders listed below that gave their time to discuss and reflect on the DICE project with me. Thank you for sharing your views and providing valuable insights about the performance, progress and impact of the project.

	Name	Organisation	Job Title	Role within DICE
1.	Catherine Richardson	Durham University	Head of Careers and Enterprise	PI for DICE, with overall responsibility for the project
2.	Tim Hammond	Durham University	Director of Commercialisation and Economic Development/Deputy to the Director of RIS (Research and Innovation Services)	Durham City Incubator (DCI) oversees the strategic direction and development of the Incubator Strand
3.	Laura Dorian	Durham University	Acting Director Career and Enterprise	Durham University Careers and Enterprise
4.	Donna Carr	Durham University	DICE Project Manager	Durham University Careers and Enterprise
5.	Abir Van-Hunen	Durham University	Project Development and Delivery Manager	Durham University, Research and University Services
6.	Marek Tokarski	Durham University	Enterprise Senior Manger	Delivery PM for the Student Enterprise strand
7.	Rachel Bickerdike	Durham University	Enterprise Manager	Delivery of the Student Enterprise Strand
8.	Paul Stafford	Durham University	Enterprise Manager	Delivery of the Student Enterprise Strand
9.	Charles Wainwright	Addisson/Wainwright Partnership	External Business Advisor	Sub contracted to provide 121 support for students interested in starting up a business delivered as part of the enterprise strand
10.	David Allenson	Durham University	Orbit Centre Senior Manager	Responsible for the Orbit Centre support services including knowledge transfer and running of the Centre.
11.	Leon Howe	Business Durham part of Durham County Council	DCI Manager	Responsible for delivering the Incubator support strand of the project
12.	Sarah Slaven	Business Durham, part	Managing Director	DCI Board, oversees the strategic direction and

		of Durham County Council		development of the Incubator Strand
13.	Peter Morrison	New College Durham	Vice Principal Higher Education, Lifelong learning and International Studies	DCI Board, oversees the strategic direction and development of the Incubator Strand
14.	Benjamin Cowan	Coltraco	Deputy Head of Research	SME beneficiary located at Orbit
15.	Paula Rosenburg	Signature	Business Services Manager	SME beneficiary on Internships Programme
16.	Matt Jaworski	Adopter	Co-founder	DCI beneficiary
17.	Alexis Lamb	Lexi Menswear	Founder	Enterprise Strand beneficiary (+DCI)
18.	Dr Kelly Hendeson	Addressing Domestic Abuse	Managing Director	Enterprise Strand beneficiary
19.	Stephen Phillips	Elvet Recruitment	Director	DCI beneficiary
20.	Laura Rimmer and Gavin Snowball	Dynamic Transport Planning	Directors	SME beneficiary on Internships Programme
21.	Henri Kinniburgh	My Wellbeing Analytics	Founder	SME beneficiary of Orbit



## About Ideas for Change Consulting

Ideas for Change Consulting is an economic development consultancy based in North East England working with organisations who are developing alternative solutions to persistent economic, social and environmental challenges. Our services include, evaluations, feasibility studies, market insights, impact analysis, business and strategic planning, capacity building, facilitation and project management.

Sanjee Ratnatunga, the company's founder has 25 years of experience working as an economic development practitioner in the North East of England. Sanjee works closely with Academia, Industry, Government and NGO's and has an excellent reputation for bringing an open, inclusive and collaborative approach to all her project work.

For further information please contact

Sanjee Ratnatunga

E: [Sanjee@ideasforchangeconsulting.co.uk](mailto:Sanjee@ideasforchangeconsulting.co.uk)

T: 07795 290 664

[www.ideasforchangeconsulting.co.uk](http://www.ideasforchangeconsulting.co.uk)