

**Newable**

# **Summative Assessment of the South East Gateway to Trade Project**

Final Report

November 2021




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Final Report

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Reviewed and approved by:	
Signature(s):	
Name(s):	Graham Russell
Job Title(s):	Chief Executive
Date:	November 2021

AMION Consulting is the trading name of AMION Consulting Limited  
Registered Office: Langtons, The Plaza, 100 Old Hall Street, Liverpool L3 9QJ  
Company No: 3909897  
Tel: 0151 227 5563  
This document including appendices contains 53 pages  
Ref: C:\Users\Tim Sullivan\Documents\Summative Assessment of the South East Gateway to Trade project - FINAL REPORT.docx



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## Executive Summary

### Introduction

AMION Consulting, in association with Spirul, was appointed to carry out a summative assessment (hereafter called 'evaluation') of the South East Gateway to Trade (SEGT) project on behalf of Newable. The project is part-funded by the European Regional Development Fund (ERDF) and the evaluation has therefore been carried out in an ERDF compliant manner.

### Context to the SEGT project

The SEGT project provided support to SMEs in the Buckinghamshire Thames Valley, Coast to Capital, Enterprise M3, Solent, South East and Thames Valley Berkshire Local Enterprise Partnership (LEP) areas in relation to trading in overseas markets. As a result of the Covid crisis, the support provided was restricted to one-to-one support from International Trade Advisors (ITAs), online workshops and masterclasses, one meet the expert event and support in developing international trade action plans.

The objectives of the project were: to raise awareness and increase the uptake of international business support among SMEs in the six LEP areas who want to succeed in doing business in overseas markets; to help overcome the significant barriers to new and emerging market opportunities that SMEs face; to strengthen the international trade capacity and capability of existing entrepreneurs; and to create sustainable jobs.

The project aimed to support 198 businesses and create 50 jobs.

The project retained its consistency with a range of policies and strategies at the national and sub-national levels that were applicable at the time of its inception, including the government's Export Strategy and Industrial Strategy and the growth strategies of the six LEPs. It also retained its consistency with the changing policy and strategy environment. For example, it was consistent with 'Build Back Better', which is the government's updated growth plan. This consistency resulted from the project's focus on supporting businesses to grow through addressing barriers to trade and assisting with entry into export markets.

The main economic issues of relevance to the project were:

- relatively low employment growth across the six LEP areas compared to the national average;
- relatively low unemployment in the six LEP areas compared to the national average;
- high Gross Value Added (GVA) across the six LEP areas and a GVA growth rate similar to the national average; and
- decreasing exports from the region.

The rationale for intervention with regard to the SEGT project is largely based on information failure and the risks involved in trying to enter overseas markets as, without support, SMEs are often unwilling to invest in attempting to break into new markets.

## Project progress

The project was funded by ERDF, with match funding provided by Newable. The project is expected to be delivered for an overall ERDF cost of £1.25 million. The project is expected to achieve all of its target outputs by project closure, with a number having already been achieved or exceeded.

Table ES1 provides summary details of spend and output performance.

Table ES1: Spend and output performance						
Indicator	Target	Performance at time of evaluation (Q3 2021)		Projected performance at project closure (Q4 2021)		Overall assessment
		Number	% of target	Number	% of target	
ERDF revenue expenditure	£1.25 million	£1.24 million	99%	£1.25 million	100%	Expected to be achieved
C1: Enterprises receiving support	198	198	100%	198	100%	Target already achieved
C4: Enterprises receiving non-financial support	198	198	100%	198	100%	Target already achieved
C8: Employment increase in supported enterprises	50	86	172%	86	172%	Target already exceeded
C29: Enterprises supported to introduce new to the firm products	6	3	50%	6	100%	Target expected to be achieved
P13: Enterprises receiving information, diagnostic and brokerage support	14	52	371%	52	371%	Target already exceeded

## Management and delivery

The SEGT project was well managed and delivered, with a strong team in place and ITAs who were highly experienced and able to respond to individual business needs.

Beneficiary satisfaction levels were high, with relatively low percentages of survey respondents expressing any dissatisfaction with any of the types of support provided.

The main strengths of the project, as identified through consultations, included the strong relationship between Newable and the DIT, the knowledge and experience of the ITAs and the support in developing tailored Action Plans. From the beneficiary perspective, the main strengths were the support from the ITAs, the quality of workshops and masterclasses and the opportunity to meet contacts.

Areas for improvement identified by consultees included the need to bring completely new beneficiaries into the project rather than beneficiaries of previous Newable projects, the need for more flexibility regarding the number of hours of support needed and the need for more detailed beneficiary feedback to ensure activities remain relevant to evolving circumstances. Among beneficiaries, issues included the difficulty in applying learning due to Brexit and the Covid crisis, the need for more introductions and some of the support not being relevant to the particular activities of the business.

### Outcomes and impacts

The SEGT project has had positive impacts in terms of increasing export sales among beneficiaries, with consequential impacts in terms of employment and GVA. These impacts are expected to become stronger over the next few years. In addition, the project played a very important role in safeguarding jobs during the Covid crisis. Table ES2 sets out the employment and GVA benefits associated with the project.

<b>Table ES2: Summary of employment and GVA benefits</b>		
<b>To Project close</b>	<b>Gross</b>	<b>Net additional</b>
Jobs created	86	78
Jobs safeguarded	348	315
GVA	£4,231,904	£4,345,184
<b>To 2030</b>	<b>Gross</b>	<b>Net additional</b>
Jobs created	674	610
GVA	£172,464,372	£177,080,933

The project also delivered a range of other benefits including:

- addressing barriers to international trade, such as a lack of overseas contacts and the difficulty in identifying overseas customers;
- increased awareness of the benefits of international trade among beneficiaries;
- strengthened international trade skills among beneficiaries;
- improved understanding of the overseas market for their goods and services among beneficiaries;
- improved product or service quality to meet overseas requirements; and
- increase in the number of overseas contacts among beneficiaries.

## Value for money

The SEGT project had processes and procedures in place to ensure that it was delivered in an economical manner, such as through procurement processes which were compliant with ERDF regulations.

The project has also been highly successful in meeting its objectives. For example, it has overachieved in relation to job creation and performed well in terms of assisting businesses to overcome the various barriers to international trade faced.

By project closure, the SEGT project is expected to have an ERDF cost per business assisted of £6,313, an ERDF cost per gross job of £14,535, an ERDF cost per net additional job (allowing for leakage, deadweight, displacement and multipliers) of £16,026 and a return on investment of 3.5:1.

The long-term value for money of the project will be substantially greater. By 2030 the ERDF cost per gross job is forecast to fall to £1,855, the ERDF cost per net additional job is forecast to fall to £2,049 and the return on investment is forecast to increase to 141.7:1.

## Lessons and recommendations

A number of lessons and recommendations have been identified for future support initiatives. Elements of good practice which should be continued on future initiatives include:

- to maintain the relationship with the DIT, which ensures that access to ITA knowledge and expertise is available to beneficiaries;
- to ensure that ITAs continue to work together to ensure that each beneficiary is provided with the best possible support;
- to continue providing support which is tailored to the needs of individual businesses;
- to continue providing access to DIT representatives in overseas markets, thereby providing opportunities for beneficiaries to learn about these markets and make overseas contacts;
- to continue providing tailored Action Plans for beneficiaries as these allow businesses to focus on specific activities which would maximise the benefits to the business, identify sources of help and identify their strengths and weaknesses; and
- to continue using the same systems in relation to compliance checking and administration as these are familiar to everyone working on the project and will ensure a smooth transition to future projects.

Recommendations for consideration on future initiatives include:

- to reduce the number of beneficiaries on projects who have attended previous Newable international trade projects, thereby allowing more new beneficiaries to participate. Alternatively, to deliver two projects, one for experienced exporters and one for businesses new to international trade;



- to allow some flexibility with regard to the number of hours of support needed as some beneficiaries may not need the full 12 hours of support or are unable to commit to 12 hours due to other priorities;
- to request more detailed feedback from beneficiaries regarding the content of some workshops and masterclasses in order to ensure that the programme of support evolves with the changing economic and business environment. Although feedback is requested, more detailed responses would allow for a greater assessment of future needs;
- to focus more on supporting businesses into overseas supply chains rather than looking for direct contact with large businesses;
- to reduce the amount of paperwork for all team members along with beneficiaries;
- to allow some flexibility regarding ‘undertakings in difficulty’ as some of these may have the potential to grow through access to overseas markets but cannot currently be supported. There should be some consideration of individual business’ circumstances for any future project;
- to focus more on non-EU countries. Following Brexit and the associated need for growth in other overseas markets, any future initiative should provide greater focus on entry into and growth in non-EU markets; and
- to focus more on particular sectors rather than entry into particular markets.

# 1 Introduction

## 1.1 Overview

AMION Consulting, in association with Spirul, was appointed to carry out a summative assessment (hereafter called ‘evaluation’) of the South East Gateway to Trade (SEGT) project on behalf of Newable. The project is part-funded by the European Regional Development Fund (ERDF) and the evaluation has therefore been carried out in an ERDF compliant manner.

## 1.2 Purpose of the report

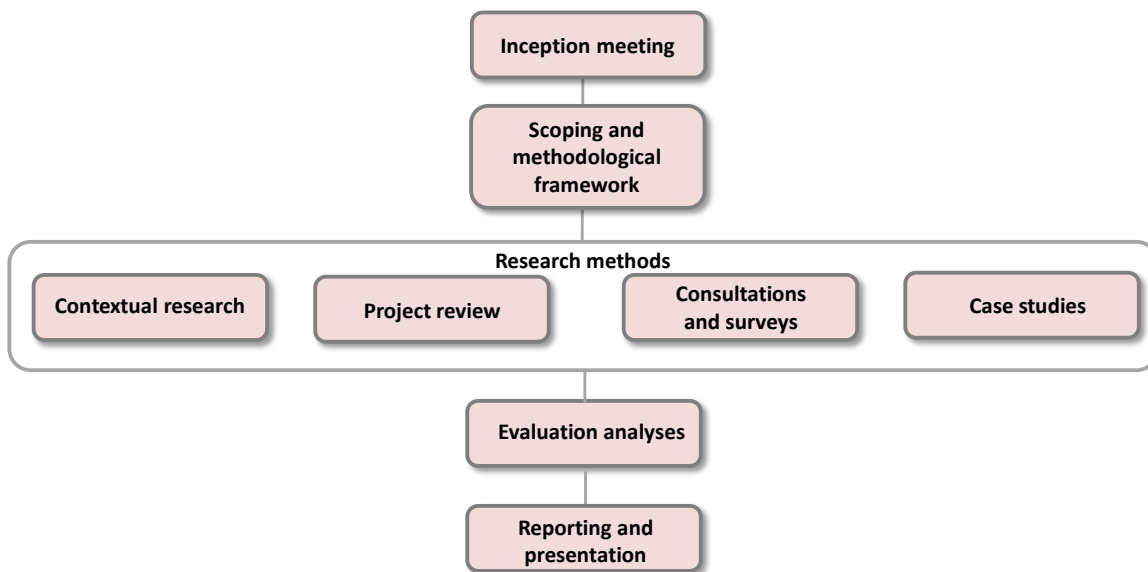
The main purposes of this report are:

- to assess the performance of the project in relation to its outputs and expenditure;
- to assess the strengths and weaknesses of the project;
- to determine the impacts, wider benefits and value for money of the project; and
- to identify lessons and recommendations for future activity.

## 1.3 The evaluation approach and framework

Figure 1.1 outlines the main components of the approach to the evaluation.

**Figure 1.1: Approach to the evaluation**



The main research stages were as follows:

- (i) *Contextual research* – this included a review of relevant strategies and policies at the national and sub-national levels, including the Export Strategy and the Strategic Economic Plans of the six relevant Local Enterprise Partnerships (LEP). It covered strategies and policies in operation at the time of the project’s inception and those which have come into operation since then. An assessment of the economic context has also been carried out.
- (ii) *Project review* – this was based on documentary evidence provided by Newable, including the Funding Agreement, and discussions with the project team.
- (iii) *Business survey* – Spirul carried out a survey of 28 businesses which have, over the course of the project, benefited from support. This equated to 14% of the overall number of beneficiaries. These surveys were carried out in order to determine the impact of the project on business performance (including turnover and jobs). They also identified elements of the project which participating businesses felt worked well or could have been improved, barriers to international trade faced by beneficiaries and the types of support businesses would like to be provided with in future.
- (iv) *Consultations* – these were carried out with the project team in order to determine views of the project. A list of consultees is provided in Appendix A.
- (v) *Case study* – a detailed discussion was held with one beneficiary business to investigate in more detail the strengths, weaknesses and impacts of the project.

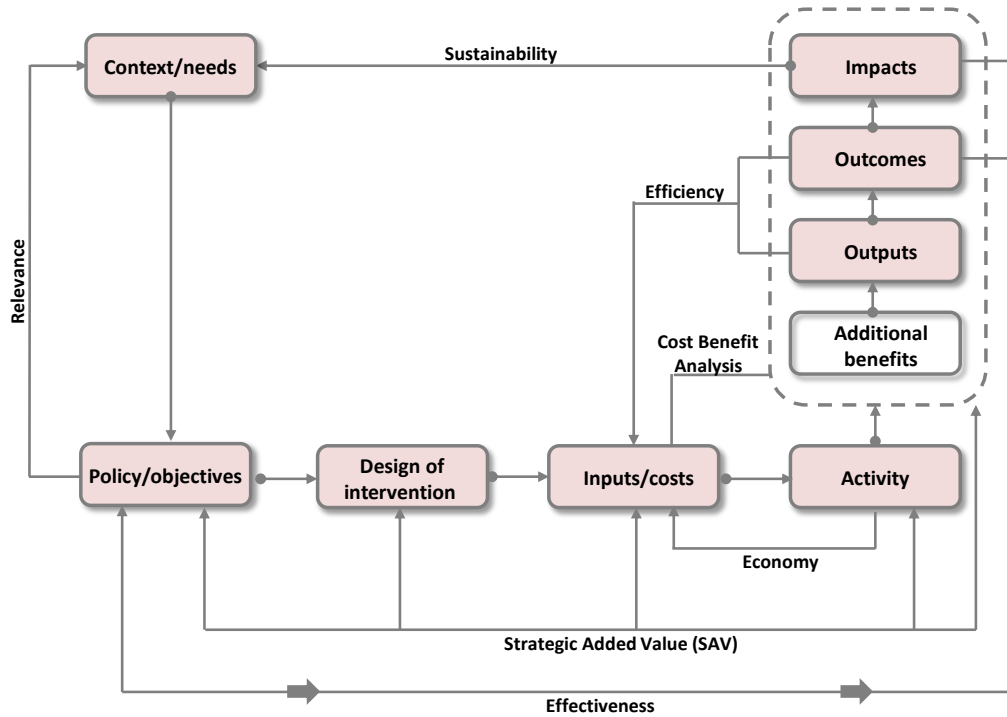
The evaluation has been carried out in a manner that is consistent with guidance such as HM Treasury’s ‘Green Book’ and ‘Magenta Book’ on appraisal and evaluation in Central Government<sup>1</sup> and the guidance on carrying out summative assessments prepared by the Ministry for Levelling Up, Housing & Communities (MLUHC).

The evaluation addresses and analyses a number of critical issues, which are set out within the evaluation framework diagram (see Figure 1.2).

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<sup>1</sup> The Green Book: Appraisal and Evaluation in Central Government (HM Treasury, 2007)

Figure 1.2: Evaluation Framework



## 1.4 Structure of the report

The report continues in six sections, as follows:

- Section 2 - sets out the context to the project, including a description of the project;
- Section 3 - reviews the progress of the project in relation to output and expenditure targets;
- Section 4 - assesses the management and delivery of the project;
- Section 5 – provides an assessment of the outcomes and impacts of the project;
- Section 6 - provides an assessment of value for money; and
- Section 7 - presents the conclusions of the report and sets out the lessons and recommendations learned from the evaluation.

## 2 Context to the SEGT project

### 2.1 Introduction

This section sets out the background to the project, along with its objectives. It also sets out the logic chain for the project.

### 2.2 The SEGT project

#### 2.2.1 *Overview*

The project was developed to support sustainable business growth among small and medium sized enterprises (SMEs) by improving their understanding of international opportunities and increasing their trading skills by removing the barriers they face when entering new global markets, such as lack of skills, complexity of regulatory environments and cultural and financial challenges.

The project provided support to SMEs in the Buckinghamshire Thames Valley, Coast to Capital, Enterprise M3, Solent, South East and Thames Valley Berkshire LEP areas interested and motivated to start exporting and to accelerate the growth of existing exporters through expanding in existing markets or entering new markets.

Initially, the project aimed to provide support through a range of activities, including:

- one-to-one support from International Trade Advisors (ITAs);
- access to trade missions;
- events and workshops, including international trade workshops, masterclasses on subjects such as market research, meet the expert events and meet the buyer events;
- seminars; and
- access to exhibitions.

As a result of the Covid crisis, it was not possible to deliver many of the planned events and activities. One-to-one support from ITAs was provided, along with online workshops and masterclasses and one meet the expert event.

A key aspect of the project was assisting beneficiaries in developing bespoke action plans to help develop market-entry strategies, establish up-skilling requirements and ensure each organisation has a detailed and flexible plan for entering new or existing markets.

ITAs also assisted SMEs by diagnosing their needs and, if appropriate, directing them to other support provision.

### 2.2.2 *Aims and objectives*

The overall aim of the project was to enhance the competitiveness of SMEs in the six LEP areas by increasing their capacity and growth capability to successfully access new opportunities in international markets, resulting in new export contracts and an increase in productivity and jobs.

The objectives of the project were:

- to raise awareness and increase the uptake of international business support among SMEs by connecting them to the mainstream international business support services;
- to help overcome the significant barriers to new and emerging market opportunities that SMEs face, such as: reluctance to engage; poor market information; and global competitive pressures;
- to strengthen the international trade capacity and capability of existing businesses by providing them with at least 12 hours of support; and
- to create 50 sustainable jobs.

### 2.2.3 *Targets*

Table 2.1 sets out the targets for the project.

Table 2.1: SEGT project – targets	
Output indicator	Target
C1: Enterprises receiving support	198
C4: Enterprises receiving non-financial support	198
C8: Employment increase in supported enterprises	50
C29: Enterprises supported to introduce new to the firm products	6
P13: Enterprises receiving information, diagnostic and brokerage support	14

## 2.3 Economic context

### 2.3.1 *Overview*

In relation to economic factors, the main issues of relevance to the project were:

- jobs and unemployment in the six LEP areas;
- Gross Value Added (GVA); and
- the area’s export performance.

These issues are covered in the sub-sections below.

### 2.3.2 *Employment and unemployment*

Between 2016 and 2019, employment across the six LEP areas increased by 1.4% to 4,510,000. This rate of growth was below the rate for England of 3.1%. All six LEP areas individually had employment growth rates below the national average, as shown in Table 2.2.

<b>Table 2.2: Employment</b>			
<b>LEP area</b>	<b>2016</b>	<b>2019</b>	<b>Percentage change</b>
Buckinghamshire Thames Valley	244,000	250,000	2.5%
Coast to Capital	717,000	733,000	2.2%
Enterprise M3	773,000	776,000	0.4%
Solent	532,000	535,000	0.6%
South East	1,656,000	1,683,000	1.6%
Thames Valley Berkshire	527,000	533,000	1.1%
<b>Total for six LEP areas</b>	<b>4,449,000</b>	<b>4,510,000</b>	<b>1.4%</b>
England	26,330,000	27,154,000	3.1%

Source: Business Register and Employment Survey (BRES), Nomis

Unemployment in all six LEP areas is relatively low compared to the rate for England of 5.7% in July 2021. South East LEP has the highest rate among the six LEPs (5.0%), with Enterprise M3 having the lowest rate (3.2%). The rates in all of the LEP areas and nationally have risen significantly since the start of the Covid crisis in 2020 (source: claimant count, Nomis).

### 2.3.3 *GVA*

Between 2016 and 2019, the combined GVA of the six LEP areas increased by 10.8% to £298,632 million. This rate of growth was slightly below the rate for England of 11.0%. Among the six LEPs, only Coast to Capital and Solent had GVA growth below the national average, as shown in Table 2.3.

<b>Table 2.3: GVA (£ million)</b>			
<b>Area</b>	<b>2016</b>	<b>2019</b>	<b>Percentage change</b>
Buckinghamshire Thames Valley	£14,431	£16,224	12.4%
Coast to Capital	£43,402	£46,624	7.4%
Enterprise M3	£52,319	£58,304	11.4%
Solent	£29,758	£32,193	8.2%
South East	£88,507	£98,946	11.8%
Thames Valley Berkshire	£41,188	£46,341	12.5%
<b>Total for six LEP areas</b>	<b>£269,605</b>	<b>£298,632</b>	<b>10.8%</b>
England	£1,533,146	£1,702,078	11.0%

Source: GVA figures, ONS

In 2019, GVA per person employed across the six LEP areas was £66,216. This was 105.6% of the figure for England of £62,682. Between 2016 and 2019, GVA per workforce job across the six LEP areas increased by 9.3% compared to a national increase of 7.6% (source: ONS GVA figures and BRES).

<b>Table 2.4: GVA per person employed</b>			
<b>Area</b>	<b>2016</b>	<b>2019</b>	<b>Percentage change</b>
Buckinghamshire Thames Valley	£59,143	£64,896	9.7%
Coast to Capital	£60,533	£63,607	5.1%
Enterprise M3	£67,683	£75,134	11.0%
Solent	£55,936	£60,174	7.6%
South East	£53,446	£58,791	10.0%
Thames Valley Berkshire	£78,156	£86,944	11.2%
<b>Total for six LEP areas</b>	<b>£60,599</b>	<b>£66,216</b>	<b>9.3%</b>
England	£58,228	£62,682	7.6%

Source: GVA figures (ONS), BRES

#### 2.3.4 *Export performance*

Between 2018 and 2020 the value of goods exported from the South East to all parts of the world decreased by 20.8% to £37,227 million. Over the same period the value of goods exported from England as a whole decreased by only 13.4% (source: regional trade statistics, uk trade info).



## 2.4 Strategic policy context

In undertaking the evaluation, consideration has been given to whether or not the project has retained its consistency with the policies and strategies with which it was originally aligned and with the changing policy and strategy environment. Table 2.5 sets out the level of consistency of the project with various strategies and policies at the national and sub-national levels.

Table 2.5: Strategic context	
National Policy	
<i>Policies, plans and strategies in operation at the outset of the project</i>	
<p>Industrial Strategy White Paper (Department for Business, Energy and Industrial Strategy, 2017)</p>	<p>The Strategy identified the importance of exports to the UK economy and emphasised the country’s failure to take advantage of its export potential. The Strategy aimed to remedy this by:</p> <ul style="list-style-type: none"> <li>• providing better support for medium sized businesses to access new markets and export more;</li> <li>• identifying smaller businesses with the potential to succeed and grow as exporters; and</li> <li>• better signposting to local sources of information.</li> </ul> <p>The SEGT project has been consistent with the Industrial Strategy as it has identified and supported SMEs with export potential.</p>
<p>Export Strategy – Supporting and Connecting Businesses to Grow on the World Stage (Department for International Trade (DIT), 2019) – <b>still in operation</b></p>	<p>The Strategy aims to ensure that the UK is able to access a greater proportion of world trade to drive growth, productivity and prosperity. Among the objectives of the Strategy are:</p> <ul style="list-style-type: none"> <li>• to connect UK businesses to overseas buyers, markets and each other;</li> <li>• to help businesses access the right information, advice and practical assistance; and</li> <li>• to encourage businesses that can export but have not started or are just beginning.</li> </ul> <p>The SEGT project is supportive of the objectives as it puts SMEs in the six LEP areas in contact with overseas buyers, provides trade-related information to businesses and encourages overseas trade among businesses with no or little track record in this field.</p>

<i>Policies, plans and strategies currently in place</i>	
Build Back Better: Our Plan for Growth (HM Treasury, 2021)	<p>The Plan emphasises the important role of exports in the growth of the UK’s key sectors and technologies and therefore commits to supporting UK business to make the most of the opportunities that come with exporting.</p> <p>The SEGT project has been consistent with the Plan as it has identified and supported SMEs with export potential.</p>
<b>Sub-National Policy</b>	
<i>Policies, plans and strategies in operation at the outset of the project – all currently still in operation</i>	
Buckinghamshire Thames Valley Strategic Economic Plan (SEP) (2016)	<p>The SEP identifies a weakness in the local economy in relation to its international trade performance and addressing this issue is one of the SEP’s strategic priorities.</p> <p>The SEGT project has therefore assisted the LEP in tackling one of the area’s weaknesses.</p>
Coast to Capital SEP (2018)	<p>The SEP identified a need for improved business support in the C2C area to boost ambition, with a particular focus on exporting. The SEP prioritises the growth and development of medium-size businesses in the area through active support and promotion, including support to grow exports.</p> <p>The SEGT project has therefore been consistent with the updated SEP as it has supported SMEs to become more confident in relation to trading in overseas markets.</p>
Enterprise M3 SEP (2018)	<p>The SEP sets out an ambition for an average growth rate of 4% per year to 2030 and identifies the area as having an internationally-facing business base, with higher export levels than neighbouring areas.</p> <p>The SEP states that the LEP and its partners will intensify their international activities and boost efforts by companies in the area to reach new international markets.</p> <p>The SEGT project has been consistent with the SEP as it has supported SMEs in their international trade activities.</p>
Transforming Solent Growth Strategy (2017)	<p>The revised Strategy identifies a need to develop, coordinate and deliver a new trade and investment strategy to promote Solent business across the globe. It also prioritises supporting businesses to export and grow.</p> <p>The SEGT project has supported the Strategy by carrying out activities which can inform a new trade strategy and by supporting export growth across the LEP area.</p>

<p>Smarter, Faster Together – Towards a Local Industrial Strategy (South East LEP, 2018)</p>	<p>The LEP’s economic priorities are set out in this document. The Strategy recognises that exporting correlates with higher productivity. The Strategy also recognises that the proportion of firms in the LEP area that export is relatively low. As a result, among the priorities set out in the Strategy is increasing exports from the area.</p> <p>The SEGT project has therefore retained its consistency with the LEP’s priorities.</p>
<p>Thames Valley Berkshire SEP 2015 to 2021</p>	<p>The SEP sets out an international programme which includes supporting more businesses to engage in export activity.</p> <p>The SEGT project has supported the SEP by supporting businesses in the LEP area in their internationalisation efforts.</p>

Table 2.5 shows that at the time it was approved, the SEGT project was highly consistent with national and sub-regional policies. It maintained this consistency through the evolving policy environment.

## 2.5 Market failure

The rationale for public sector intervention will normally involve justifying an activity in terms of its expected impact on economic efficiency, or in terms of stated Government policy objectives (such as social objectives) or some combination of the two. Where markets fail to work perfectly, resource allocation does not occur relative to the marginal cost of provision. The correction of market failures leads to improvements to the supply side of the economy and increases productive capacity. In the case of economic development projects such as this, the rationale will often be based upon the correction of a market failure or missing market issue<sup>2</sup> and/or the enhancement of the quality of life of disadvantaged groups (equity).

The rationale for intervention with regard to initiatives such as the SEGT project often relates to the nature of export activities. SMEs are often unwilling to invest time and financial resources significantly into targeting export markets due to issues such as the risk of failure. Public sector intervention can, to an extent, negate this risk and therefore make exporting more attractive to SMEs.

Another market failure of relevance to the project is asymmetric information. In the case of the SEGT project, SMEs may have limited knowledge of overseas markets and, for example, regulatory issues in these markets. Hence, export levels are sub-optimal. Intervention through initiatives such as the SEGT project remedy this market failure by bringing SMEs and experts in international trade together.

A number of other market failures are of relevance to the project. These are:

- Information failures and risk – for SMEs, exporting is by definition an uncertain business. There may be concerns relating to, for example, whether their products meet overseas

<sup>2</sup> Market failures can arise as a result of externalities, imperfect information, market power and public goods.

standards, whether there will be a market demand in international markets or whether indigenous businesses in overseas markets provide a similar product. In attempting to enter overseas markets an SME is spending a considerable proportion of its budget in an area in which the returns are uncertain. Working with Newable allows SMEs to utilise external expertise, making exporting less of a risk.

- Externalities - another key reason for encouraging exporting in SMEs is the existence of positive externalities. When firms make decisions regarding investment in any activity they do so based on the expected return to their organisation only. They may or may not recognise that others also benefit, such as suppliers, customers, competitors, even other companies in other sectors and society in general. However, as those outside the organisation cannot be made to contribute directly towards the cost of the investment the firm does not value these benefits regardless of their scale or scope. Where the benefits to the organisation are considered too few relative to the cost to the organisation no investment will take place even if the benefits external to the organisation would be sizeable. The public sector, however, on behalf of society in general, recognises the wider benefits of SMEs investing in export markets and therefore through support such as that provided through the SEGT project contributes directly to the cost of the investment. Particular externalities relating to the project are:
  - improving the image of the South East as a business centre – the project has the potential to showcase the quality of products and services provided by businesses from the six LEP areas in overseas markets; and
  - enhancing the reputation of UK businesses – by providing opportunities for businesses to showcase their products and services, the project has the potential to enhance the UK’s reputation.

## 2.6 Project logic chain

Logic chains are an essential element of the approach to assessing projects. The use of logic chains can assist in demonstrating how activities, and the inputs these entail, deliver key outputs and outcomes and how they contribute to wider priorities and target impacts. In particular, the development of logic chains can serve as a useful framework for assessing:

- the causal connections between inputs, activities, outputs, outcomes and impacts – this is important in determining the extent to which benefits are attributable to the project or programme;
- the rationale for the intervention by consideration of its context – in terms of, for example, contextual economic and market conditions and the extent to which they are having adverse consequences for overall levels of investment and the competitiveness of the area; and
- the intervention’s design – in other words, the relevance of the chosen activities to the achievement of the desired outcomes.

As part of the evaluation, a hypothetical logic chain was developed for the project, as shown in Table 2.6.

Table 2.6: SEGT project – logic chain	
Contextual conditions	<ul style="list-style-type: none"> <li>• relatively low employment growth across the six LEP areas compared to the national average</li> <li>• relatively low unemployment in the six LEP areas compared to the national average</li> <li>• high GVA across the six LEP areas and a GVA growth rate similar to the national average. High GVA per person employed</li> <li>• decreasing exports from the region</li> </ul>
Policy context	<p><b>Initial context</b></p> <ul style="list-style-type: none"> <li>• Industrial Strategy</li> <li>• Export Strategy</li> <li>• Strategic Plans of the six LEPs</li> </ul> <p><b>Current context</b></p> <ul style="list-style-type: none"> <li>• Build Back Better</li> <li>• Export Strategy</li> <li>• Strategic Plans of the six LEPs</li> </ul>
Objectives	<ul style="list-style-type: none"> <li>• to raise awareness and increase the uptake of international business support among SMEs in the six LEP areas by connecting them to the mainstream international business support services</li> <li>• to help overcome the significant barriers to new and emerging market opportunities that SMEs face</li> <li>• to strengthen the international trade capacity and capability of 198 existing businesses</li> <li>• to create 50 sustainable jobs</li> </ul>
Inputs	<ul style="list-style-type: none"> <li>• funding from ERDF and Newable</li> <li>• human resources from Newable and DIT</li> </ul>
Activities	<ul style="list-style-type: none"> <li>• one-to-one support from ITAs</li> <li>• workshops and masterclasses</li> <li>• meet the expert event</li> <li>• action planning support</li> </ul>

Outputs	<ul style="list-style-type: none"> <li>• 198 businesses receiving support</li> <li>• 50 jobs in supported businesses</li> <li>• 6 businesses supported to introduce new to the firm products</li> <li>• 14 businesses receiving information, diagnostic and brokerage support</li> </ul>
Outcomes	<ul style="list-style-type: none"> <li>• businesses becoming more confident about trading in overseas markets</li> <li>• more businesses trading in overseas markets</li> <li>• increased value of exports to overseas markets</li> <li>• barriers to trading in overseas markets addressed</li> </ul>
Impacts	<ul style="list-style-type: none"> <li>• increased GVA in the six LEP areas</li> <li>• jobs created and safeguarded in the six LEP areas</li> </ul>

## 2.7 Summary

The SEGT project provided support to SMEs in the Buckinghamshire Thames Valley, Coast to Capital, Enterprise M3, Solent, South East and Thames Valley Berkshire LEP areas in relation to trading in overseas markets. As a result of the Covid crisis, the support provided was restricted to one-to-one support from ITAs, online workshops and masterclasses, one meet the expert event and support in developing international trade action plans.

The objectives of the project were: to raise awareness and increase the uptake of international business support among SMEs in the six LEP areas who want to succeed in doing business in overseas markets; to help overcome the significant barriers to new and emerging market opportunities that SMEs face; to strengthen the international trade capacity and capability of existing entrepreneurs; and to create sustainable jobs.

The project aimed to support 198 businesses and create 50 jobs.

The project retained its consistency with a range of policies and strategies at the national and sub-national levels that were applicable at the time of its inception, including the government’s Export Strategy and Industrial Strategy and the growth strategies of the six LEPs. It also retained its consistency with the changing policy and strategy environment. For example, it was consistent with ‘Build Back Better’, which is the government’s updated growth plan. This consistency resulted from the project’s focus on supporting businesses to grow through addressing barriers to trade and assisting with entry into export markets.

The main economic issues of relevance to the project were:

- relatively low employment growth across the six LEP areas compared to the national average;
- relatively low unemployment in the six LEP areas compared to the national average;
- high GVA across the six LEP areas and a GVA growth rate similar to the national average; and
- decreasing exports from the region.



The rationale for intervention with regard to the SEGT project is largely based on information failure and the risks involved in trying to enter overseas markets as, without support, SMEs are often unwilling to invest in attempting to break into new markets.

## 3 Progress of the project

### 3.1 Introduction

This section provides details of project performance in relation to expenditure and outputs and also sets out forecasts for expenditure and outputs at project closure.

### 3.2 Funding

The project is funded by the ERDF, with match funding being provided by Newable. ERDF provided 50% of the overall funding. All of the funding is revenue-related.

Table 3.1 sets out the funding profile for the project, including funding to the third quarter of 2021 and the forecast funding expected at project closure.

<b>Table 3.1: Funding profile</b>			
	<b>ERDF</b>	<b>Newable</b>	<b>Total</b>
Contracted	£1,250,000	£1,250,000	£2,500,000
To Quarter 3 2021	£1,238,154	£1,238,153	£2,476,307
Forecast for project completion	£1,250,000	£1,250,000	£2,500,000

### 3.3 Outputs

By the end of the third quarter of 2021 the project had achieved its targets in relation to overall businesses supported and exceeded its target for jobs created and businesses receiving information, brokerage and diagnostic support. The target for businesses supported to introduce new to the firm products was yet to be achieved but is expected to be reached by project closure.

Table 3.2 sets out the performance of the project in relation to outputs.



<b>Table 3.2: Output performance</b>			
<b>Indicator</b>	<b>Target</b>	<b>Number to Q3 2021</b>	<b>Forecast for project closure</b>
C1: Enterprises receiving support	198	198	198
C4: Enterprises receiving non-financial support	198	198	198
C8: Employment increase in supported enterprises	50	86	86
C29: Enterprises supported to introduce new to the firm products	6	3	6
P13: Enterprises receiving information, diagnostic and brokerage support	14	52	52

### 3.4 Summary

The project was funded by ERDF, with match funding provided by Newable. The project is expected to be delivered for an overall ERDF cost of £1.25 million. The project is expected to achieve all of its target outputs by project closure, with a number having already been achieved or exceeded.

Table 3.3 provides summary details of spend and output performance.

<b>Table 3.3: Spend and output performance</b>						
<b>Indicator</b>	<b>Target</b>	<b>Performance at time of evaluation (Q3 2021)</b>		<b>Projected performance at project closure (Q4 2021)</b>		<b>Overall assessment</b>
		<b>Number</b>	<b>% of target</b>	<b>Number</b>	<b>% of target</b>	
ERDF revenue expenditure	£1.25 million	£1.24 million	99%	£1.25 million	100%	Expected to be achieved
C1: Enterprises receiving support	198	198	100%	198	100%	Target already achieved
C4: Enterprises receiving non-financial support	198	198	100%	198	100%	Target already achieved
C8: Employment increase in supported enterprises	50	86	172%	86	172%	Target already exceeded
C29: Enterprises supported to introduce new to the firm products	6	3	50%	6	100%	Target expected to be achieved
P13: Enterprises receiving information, diagnostic and brokerage support	14	52	371%	52	371%	Target already exceeded

## 4 Project management and delivery

### 4.1 Introduction

This section presents a review of the management and delivery of the project. This has been informed by a review of documentary evidence and consultations.

### 4.2 Management and delivery

#### 4.2.1 *Project Manager*

The Project Manager was responsible for, for example:

- ensuring that targets were met and objectives achieved;
- ensuring that the project was delivered within budget;
- ensuring that all project activity and expenditure were compliant with regulations;
- ensuring that the project remained consistent with the aims of Newable, DIT and other stakeholders; and
- reporting to Newable, DIT and other stakeholders.

#### 4.2.2 *ITAs*

ITAs were the main point of contact for beneficiary businesses and supported beneficiaries in developing export activities and Action Plans. This support was specific to the needs of the client and included:

- diagnosing business needs;
- market-related information;
- information about support available;
- help in preparing export strategies and assessing routes to market;
- helping clients become aware of cultural differences in overseas markets;
- finding other sources of support in specialist areas;
- identifying sources of funding, such as DIT's Internationalisation Fund;
- helping clients build on leads, for example through more focused marketing; and
- facilitating contact between clients and overseas experts and DIT offices.

ITA Team Leaders were responsible for communicating project-related information to ITAs (including through weekly ITA meetings) and checking monthly performance in relation to targets and resources.

ITAs also played a key role in identifying businesses eligible for the project and bringing those businesses into the project.

#### 4.2.3 *Project Co-ordinator*

The Project Co-ordinator provided support to the Project Manager and ITAs. This included:

- checking whether SMEs applying for support were eligible for the project;
- processing applications for support; and
- preparing quarterly claims.

### 4.3 Project marketing

The project was promoted through various channels including Newable's website. Much of the beneficiary interest was generated through existing relationships with ITAs. ITAs also used their contacts with business bodies such as the Chambers of Commerce to generate interest.

In relation to informing beneficiaries about events and other support available, communication from ITAs was the most successful approach. Social media and e-newsletters were also used with some success.

### 4.4 Supporting businesses during the Covid crisis

All of the support was provided online during the Covid crisis (with some discussions between ITAs and clients being held by telephone). Meetings with clients and between team members were held through Microsoft Teams and workshops and masterclasses were held online.

For many beneficiaries, a consequence of the Covid crisis was that participating in online workshops and masterclasses was less of a priority, so the number of participants may not have been as high as would otherwise have been the case.

It was also more challenging for businesses to engage with overseas buyers during the crisis, thus making it more difficult to conclude deals.

Overall, however, the project is considered to have performed as well as possible throughout the crisis and the support provided will ensure that beneficiaries recover more quickly as the economy recovers.

### 4.5 Strengths of the project and areas for consideration

A number of strengths of the SEGT project were identified during the consultations. These included:

- the strong relationship between Newable and the DIT, which ensured that both partners worked together to address beneficiary needs and that roles and responsibilities were clear. Among the ITAs, there is a view that without Newable the support provided would not have been available as there would have been no available funding;

- the knowledge and experience of the ITAs ensured that beneficiaries could draw on substantial expertise;
- the ITAs asked each other for advice and suggestions in responding to beneficiary needs, thus ensuring that beneficiaries were provided with the best possible support;
- the project responded well to the Covid crisis and continued to provide high-quality support, with many beneficiaries progressing into overseas markets despite the difficult conditions;
- the project was well promoted, both by Newable and the ITAs;
- the project provided support which was needed by businesses, including access to ITAs and training in international trade issues;
- the individual support provided by ITAs was, to a very great extent, tailored to the individual needs of the business;
- the project allowed businesses to make contact with DIT representatives in overseas markets, thereby providing opportunities to learn about these markets and make overseas contacts;
- the project was successful in breaking the perceived barriers to international trade faced by beneficiaries;
- the development of tailored Action Plans for beneficiaries allowed businesses to focus on specific activities which would maximise the benefits to the business, identify sources of help and identify their strengths and weaknesses; and
- the project used the same systems as previous Newable international trade projects, for example in relation to compliance checking and administration. Therefore, everyone working on the project understood the processes, thus ensuring a smooth transition from previous projects.

Areas for consideration identified during the discussions included:

- the number of repeat beneficiaries. As a result of ITAs using existing relationships with businesses to bring beneficiaries into the project, beneficiaries from previous Newable international trade projects were provided with further support through the SEGT project. This may have resulted to an extent from the need to achieve targets for businesses supported during a difficult period, but maximising the number of completely new beneficiaries should be a priority on any future project;
- related to the above, given the level of interest from repeat clients, some consideration should be given to delivering separate projects for experienced exporters and for businesses new to international trade;
- some businesses did not require the full 12 hours of support or were unable to commit to 12 hours of support due to other priorities during the Covid crisis. There should be more flexibility in terms of the number of hours on any post-ERDF project;

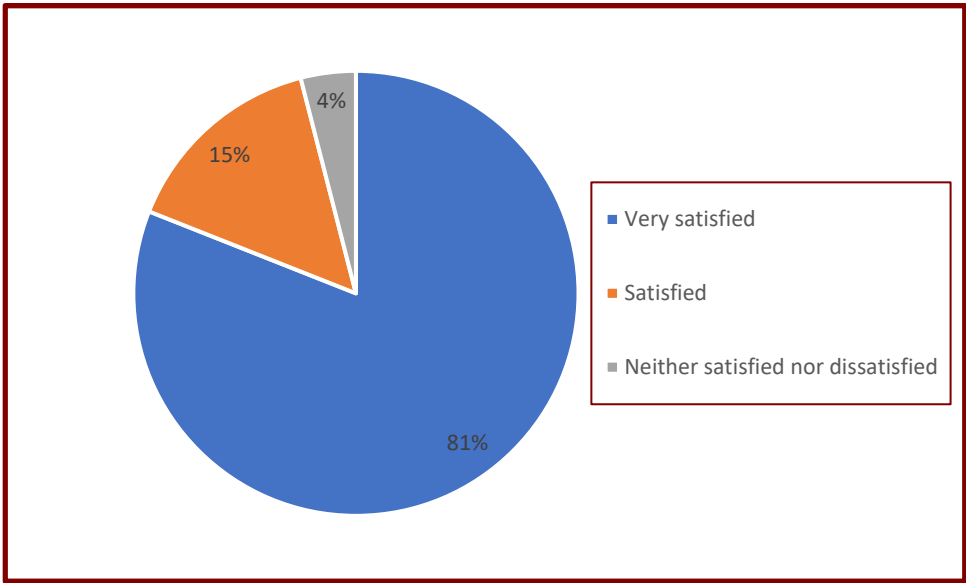
- the workshop and masterclass offer has remained broadly similar on a number of Newable’s recent international trade programmes. It may be beneficial to request more detailed feedback from beneficiaries regarding subject matter and the content of some workshops and masterclasses as, given the changing economic and business environment, a revision of the offer may be required. Although feedback is collected, some consideration should be given to the collection of more detailed responses to enable the overall offer to be revised;
- there should be greater focus on beneficiaries engaging with overseas supply chains rather than with large overseas businesses as many opportunities lie within the supply chains of large businesses rather than directly with those businesses;
- the amount of paperwork was challenging for both ITAs and beneficiaries and may have deterred some businesses from engaging with the project. It should be noted that one of the aims of the successor funding stream to ERDF, the Shared Prosperity Fund, is to reduce the administrative burden associated with ERDF funding. Newable and its partners should look at ways in which administrative processes and requirements can be reduced on future projects;
- the project was unable to engage with ‘undertakings in difficulty’ although some of these businesses may have had the potential to grow through access to overseas markets. Some flexibility and consideration of individual business’ circumstances should be considered for any future project;
- there should be greater focus on non-EU countries. The EU was the geographical area in which beneficiaries of the project were most successful in either increasing their exports or in market entry. Following Brexit and the associated need for growth in other overseas markets, any future initiative should provide greater focus on entry into and growth in non-EU markets; and
- any future project should have a greater focus on particular sectors rather than entry into particular markets. International exhibitions and other events tend to be related to particular sectors rather than particular markets and therefore a sector-focused project would be more consistent with these events.

## 4.6 Beneficiary views

### 4.6.1 *One to one support from ITAs*

Satisfaction levels for one-to-one support from ITAs were very high, with 96% of survey respondents who received this support being either very satisfied or satisfied with the support received and none being dissatisfied, as shown in Figure 4.1.

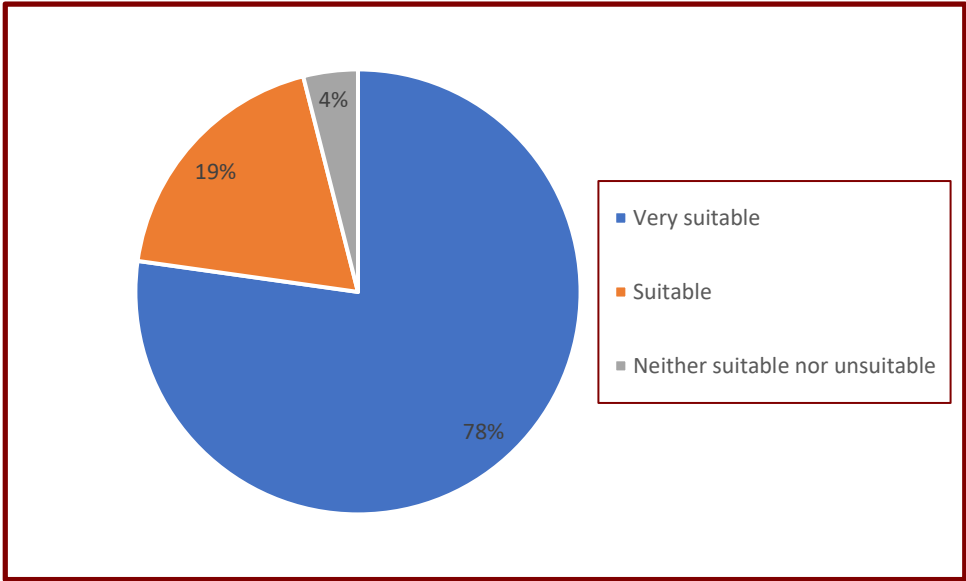
**Figure 4.1: One-to-one support from ITAs – beneficiary satisfaction levels**



Source: beneficiary survey, 2021

Suitability levels for one-to-one support were also high, with 97% of survey respondents who received this support finding it to be either very suitable or suitable to their needs and none finding the support to be unsuitable, as shown in Figure 4.2.

**Figure 4.2: One-to-one support from ITAs – suitability levels**

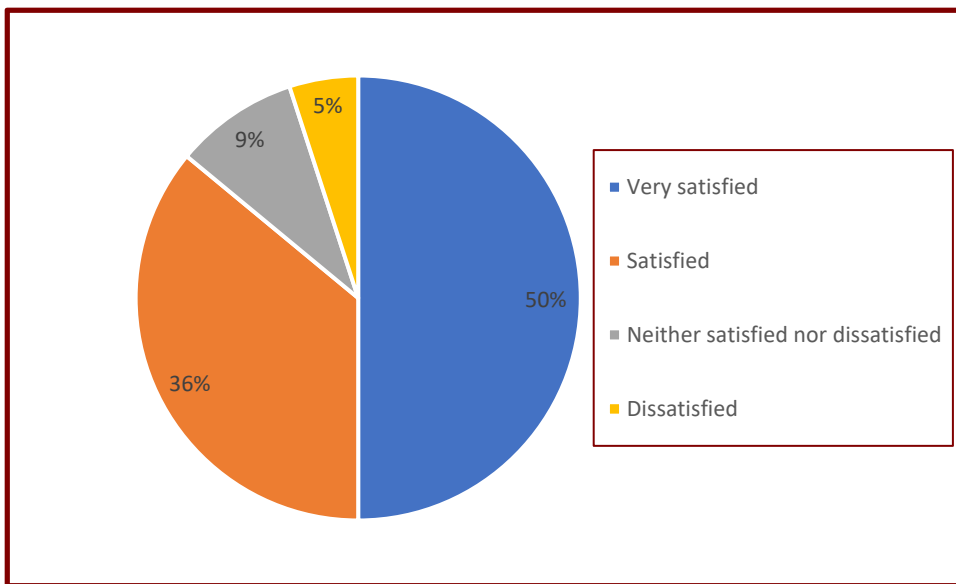


Source: beneficiary survey, 2021

4.6.2 Workshops

Satisfaction levels for workshops were also very high, with 86% of survey respondents who attended workshops being either very satisfied or satisfied with the support received and only 5% being dissatisfied, as shown in Figure 4.3.

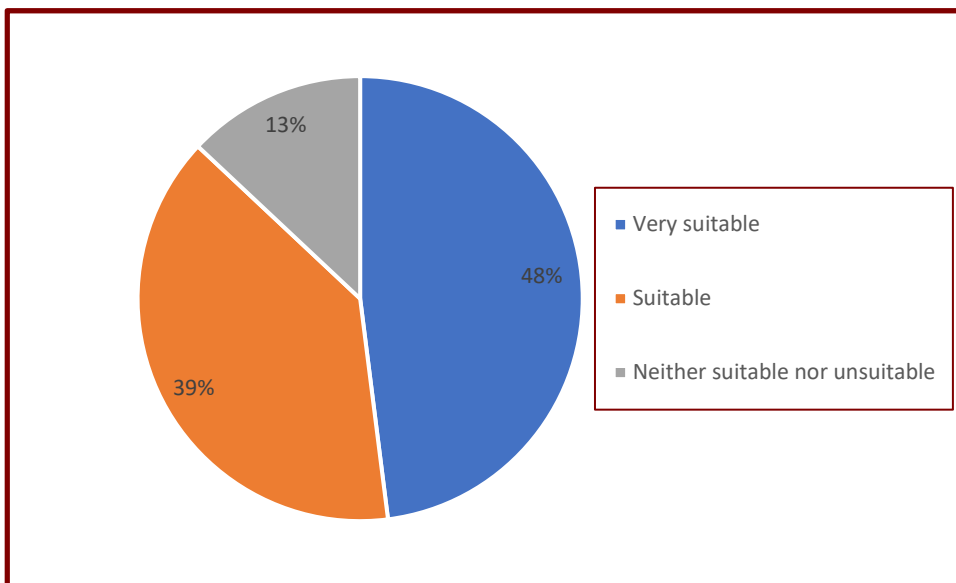
**Figure 4.3: Workshops – beneficiary satisfaction levels**



Source: beneficiary survey, 2021

Suitability levels for workshops were also high, with 87% of survey respondents finding them to be either very suitable or suitable to their needs, as shown in Figure 4.4.

**Figure 4.4: Workshops – suitability levels**



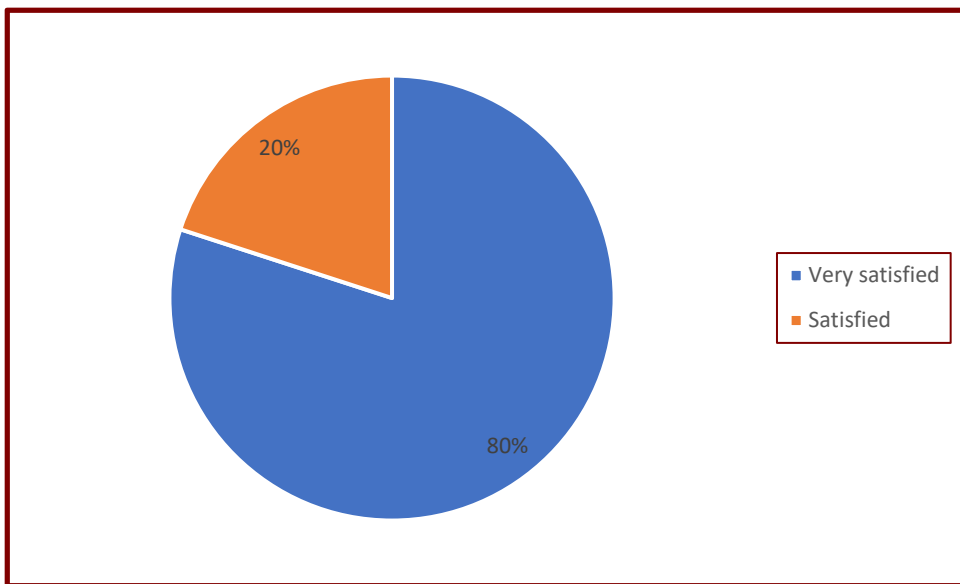
Source: beneficiary survey, 2021



### 4.6.3 Masterclasses

Satisfaction levels for masterclasses were very high, with all survey respondents who attended masterclasses being either very satisfied or satisfied with the support received, as shown in Figure 4.5.

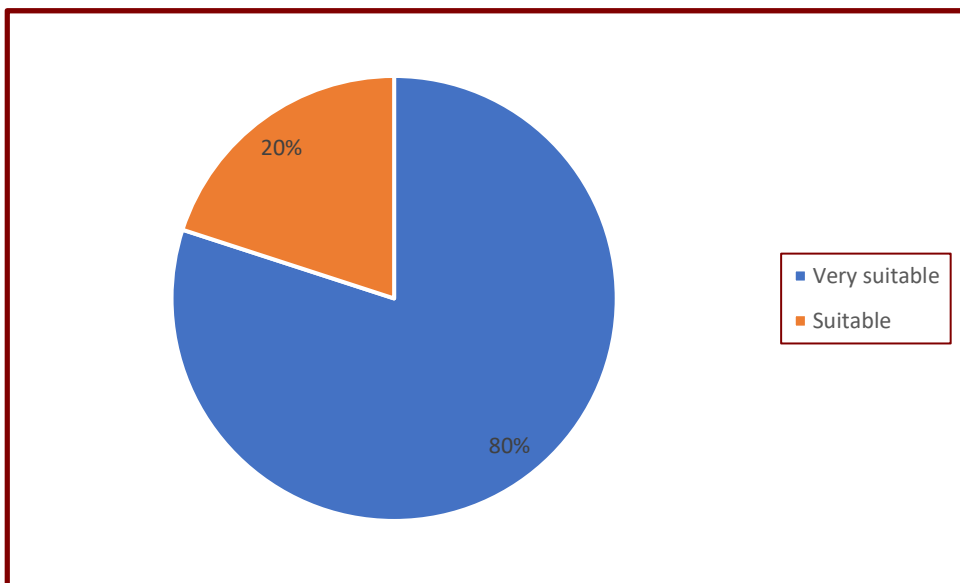
**Figure 4.5: Masterclasses – beneficiary satisfaction levels**



Source: beneficiary survey, 2021

Likewise, all survey respondents who participated in masterclasses found the support to be either very suitable or suitable to their needs, as shown in Figure 4.6.

**Figure 4.6: Masterclasses – suitability levels**

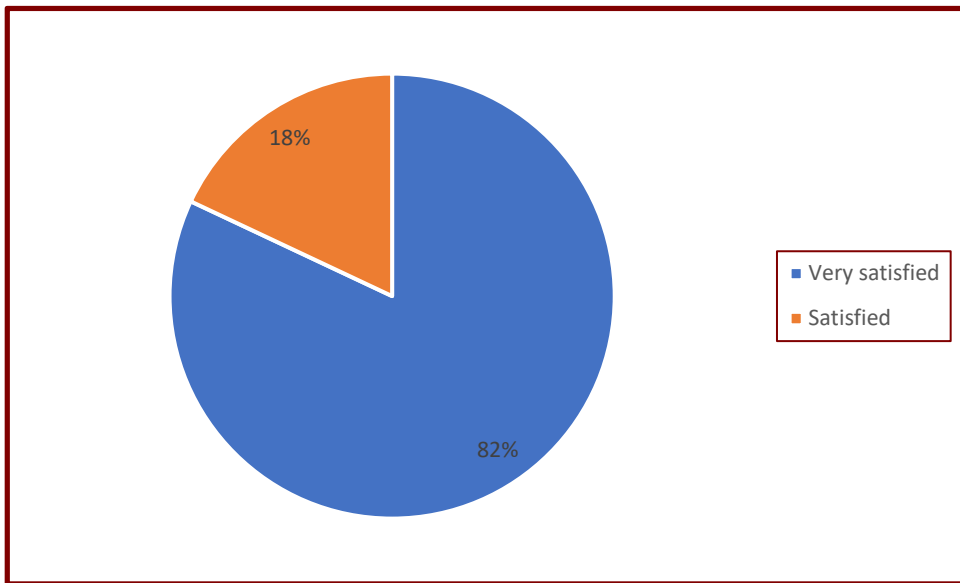


Source: beneficiary survey, 2021

**4.6.4 Meet the expert event**

Satisfaction levels for the meet the expert event were very high, with all respondents who attended the event being either very satisfied or satisfied with the event, as shown in Figure 4.7.

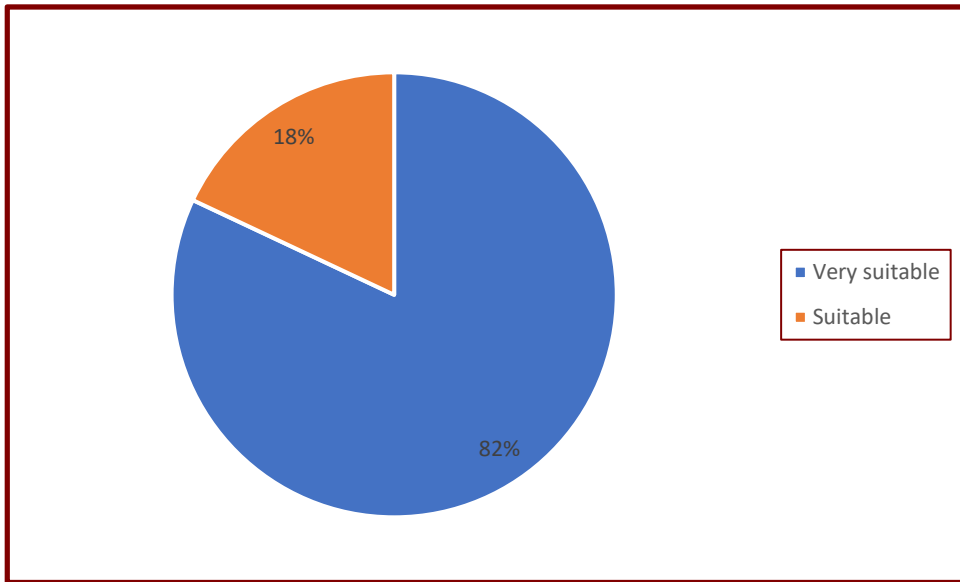
**Figure 4.7: Meet the expert event – beneficiary satisfaction levels**



Source: beneficiary survey, 2021

Suitability levels for the event were also very high, with all survey respondents who attended the event finding it to be either very suitable or suitable to their needs, as shown in Figure 4.8.

**Figure 4.8: Meet the expert event – suitability levels**



Source: beneficiary survey, 2021

#### 4.6.5 *The value of action planning*

24 survey respondents (86% of the total) confirmed that they had been supported through the development of an International Trade Action Plan. 23 of these 24 businesses (96%) stated that the action planning approach had been helpful in developing their export strategies.

#### 4.6.6 *Strengths and areas for improvement*

The main strengths identified by survey respondents were the support provided by the ITAs, the quality of workshops and masterclasses and the opportunity to meet contacts. Table 4.1 sets out the main strengths of the project identified by survey respondents.

<b>Table 4.1: Strengths identified by survey respondents</b>		
	<b>Number of respondents</b>	<b>Percentage of respondents</b>
Support from the ITAs, including their knowledge and experience	15	54%
Quality of workshops and masterclasses	5	18%
Opportunity to meet contacts	5	18%
Broad range of information provided	4	14%
Tailored to individual company needs	2	7%

Source: beneficiary survey, 2021

In relation to areas for improvement, the most commonly identified issues were the difficulty in applying learning due to Brexit and the Covid crisis and the need for more introductions to contacts. It should be noted that 11 respondents (39%) could not identify any areas for improvement. Table 4.2 sets out the areas for improvement identified by survey respondents.

Table 4.2: Areas for improvement identified by survey respondents		
	Number of respondents	Percentage of respondents
Difficult to apply learning because of Brexit and Covid	3	11%
Need for more introductions to contacts	3	11%
Support provided not suitable for the business' line of work	2	7%
Quality of workshops	2	7%
Support was too generic - needed to be more focused on individual needs	2	7%
Need for a longer support programme	1	4%
Dislike of online provision	1	4%
Lack of promotion of the project	1	4%
Lack of communication about workshops and events	1	4%
Support not aimed at newer businesses	1	4%

Source: beneficiary survey, 2021

## 4.7 Summary

The SEGT project was well managed and delivered, with a strong team in place and ITAs who were highly experienced and able to respond to individual business needs.

Beneficiary satisfaction levels were high, with relatively low percentages of survey respondents expressing any dissatisfaction with any of the types of support provided.

The main strengths of the project, as identified through consultations, included the strong relationship between Newable and the DIT, the knowledge and experience of the ITAs and the support in developing tailored Action Plans. From the beneficiary perspective, the main strengths were the support from the ITAs, the quality of workshops and masterclasses and the opportunity to meet contacts.

Areas for improvement identified by consultees included the need to bring completely new beneficiaries into the project rather than beneficiaries of previous Newable projects, the need for more flexibility regarding the number of hours of support needed and the need for more detailed beneficiary feedback to ensure activities remain relevant to evolving circumstances. Among beneficiaries, issues included the difficulty in applying learning due to Brexit and the Covid crisis, the need for more introductions and some of the support not being relevant to the particular activities of the business.

## 5 Project outcomes and impacts

### 5.1 Introduction

This section sets out the benefits attributable to the SEGT project. These include quantifiable benefits such as jobs created as well as wider benefits such as changes in attitudes towards international trade.

### 5.2 Jobs created and safeguarded

#### 5.2.1 *Jobs currently created and to project closure*

Project monitoring indicates that 86 jobs had been created to the end of the third quarter of 2021. This is not expected to change by project closure.

The additionality of the project in relation to jobs has been assessed through assumptions in relation to leakage, displacement, multiplier effects and deadweight. The adjustments made to allow for additionality are based upon the responses to the surveys and standard benchmarks:

- leakage – survey data indicates that 11.8% of employees of beneficiary businesses reside outside of the six LEP areas;
- displacement – survey data indicates that 15.6% of gross jobs created have resulted from activity which has been displaced elsewhere in the six LEP areas;
- multiplier effects – a multiplier of 1.45 has been used. This is consistent with the mean figure for 'Support for Internationalisation of Business' initiatives as set out in 'Research to Improve the Assessment of Additionality' (BIS, 2009); and
- deadweight – the survey indicates that 16.1% of the gross jobs created would have been created without the support provided.

Table 5.1 sets out the number of net additional jobs created by the project to the end of the third quarter of 2021.

Table 5.1: Net additional jobs at Q3 2021	
	Jobs (monitoring-based)
Gross jobs created	86
Leakage (11.8%)	10
Gross local direct effect	76
Displacement (15.6%)	12
Net local direct effect	64
Multiplier effect (45%)	29
Total gross local effect	93
Deadweight (16.1%)	15
<b>Total net additional job created</b>	<b>78</b>

Note 1: Figures subject to rounding.

The project had therefore created 78 net additional jobs to the end of the third quarter of 2021.

### 5.2.2 *Forecasts for future jobs created*

Many of the benefits associated with the project will be delivered in the future as beneficiaries expand their number of overseas contacts and become established in overseas markets. A forecast for the employment impact to 2026 has therefore been carried out. 2026 is the final year in which survey beneficiaries identified that employment impacts would be generated. The survey indicates that the number of gross jobs created may increase to 674 by 2026.

Table 5.2 shows that the SEGT project is forecast to create 610 net additional jobs by 2026.

Table 5.2: Net additional jobs to 2026	
	Jobs
Gross jobs created	674
Leakage (11.8%)	80
Gross local direct effect	594
Displacement (15.6%)	93
Net local direct effect	502
Multiplier effect (45%)	226
Total gross local effect	728
Deadweight (16.1%)	117
<b>Total net additional job created</b>	<b>610</b>

Note 1: Figures subject to rounding.

### 5.2.3 *Jobs safeguarded*

The SEGT project was delivered during a very difficult period for many businesses, with the international trade challenges posed by Brexit being compounded by the difficulties created by the Covid crisis. For this reason, it is also important to consider the impact of the project in terms of jobs safeguarded. Survey data indicates that 348 gross jobs were safeguarded among the 198 beneficiary businesses as a result of the support provided.

Table 5.3 shows the number of net additional jobs safeguarded by the project.

Table 5.3: Jobs safeguarded	
	Jobs
Gross jobs safeguarded	348
Leakage (11.8%)	41
Gross local direct effect	307
Displacement (15.6%)	48
Net local direct effect	259
Multiplier effect (45%)	117
Total gross local effect	376
Deadweight (16.1%)	60
<b>Total net additional job safeguarded</b>	<b>315</b>

Note 1: Figures subject to rounding.

The number of jobs safeguarded by the project during the Covid crisis greatly exceeds the number of jobs created. This demonstrates the value of the project in maintaining employment during a very difficult period for businesses.

## 5.3 Overseas sales impact

### 5.3.1 *Turnover*

Survey data indicates that to the third quarter of 2021 the project had generated £12.9 million in turnover among the 198 beneficiaries. The project is forecast to generate a combined discounted turnover increase of £524.2 million by 2030, the final year in which turnover increases are expected to arise.

### 5.3.2 *Markets*

Among the eight survey respondents who stated that the project had already delivered benefits to the company, five (63%) had experienced an increase in sales to the European Union as a result of the support provided.

Table 5.4 shows the markets in which these eight businesses had experienced sales increases.

Table 5.4: Markets in which exports have increased	
	Number of respondents
European Union	5
USA and Canada	3
Asia	3
Australia and New Zealand	2
Africa	2
Non-EU countries in Europe	1

.Note: Respondents could state more than one area

Among the eight respondents, five (63%) stated that some of these markets were new to the company. All of the businesses which identified Asia and Australia and New Zealand as markets in which exports have increased are exporting to these parts of the world for the first time, as are one of the businesses with increased exports to the European Union and one with increased exports to the USA and Canada.

## 5.4 GVA impact

### 5.4.1 Impact to end of Quarter 3 of 2021

The turnover increase to quarter 3 of £12,862,929 equates to a gross GVA figure of £4,231,904 (based on a GVA to turnover ratio for the South East of 32.9% from the annual business survey).

Net additional GVA has been calculated by adjusting for displacement, deadweight and multipliers, for which the rates identified in Section 5.2.1 have been applied. As GVA is a workplace-based measure, no allowance for leakage has been included.

Table 5.5 sets out the gross and net additional GVA generated by the project to the end of the third quarter of 2021.

Table 5.5: Gross and net additional GVA to Q3 2021	
	GVA
Gross GVA	£4,231,904
Displacement (15.6%)	£660,177
Net local direct effect	£3,571,727
Multiplier effect (45%)	£1,607,277
Total gross local effect	£5,179,004
Deadweight (16.1%)	£833,820
<b>Net additional GVA</b>	<b>£4,345,184</b>

Note: Figures subject to rounding



The project had therefore generated over £4.3 million in net additional GVA by the third quarter of 2021.

#### 5.4.2 *Forecasts for future GVA created*

The discounted turnover increase among beneficiaries of £524,207,818 by 2030 equates to a discounted GVA figure of £172,464,372.

Table 5.6 sets out the gross and net additional GVA to 2030.

Table 5.6: Gross and net additional GVA to 2030	
	GVA
Gross GVA	£172,464,372
Displacement (15.6%)	£26,904,442
Net local direct effect	£145,559,930
Multiplier effect (45%)	£65,501,968
Total gross local effect	£211,061,898
Deadweight (16.1%)	£33,980,966
<b>Net additional GVA</b>	<b>£177,080,933</b>

Note: Figures subject to rounding

The project is therefore forecast to generate over £177 million in net additional GVA by 2030.

## 5.5 Impact on cross-cutting themes

The project supported the cross-cutting themes of the 2014-20 ERDF programme. For example:

- beneficiaries were selected for the support based solely on their suitability for support and their readiness for overseas trade, with no consideration given to issues such as gender, race or disability;
- all beneficiaries were required to provide an up-to-date equality policy to evidence their commitment to equal opportunities;
- a number of beneficiary businesses were supported by the project to export low carbon goods and services; and
- the project had safeguarded over 300 gross jobs by project close. Some of those people whose jobs were saved by the project may otherwise have struggled to find alternative employment and drifted away from the labour market. The project may therefore have prevented a number of people from becoming socially excluded.

## 5.6 Wider benefits

### 5.6.1 Addressing barriers to international trade

The SEGT project has been successful at addressing the barriers to international trade faced by beneficiary businesses. The most common barrier was a lack of overseas contacts or networks, with 25 of the 28 respondents (89%) facing this barrier.

Table 5.7 sets out the main barriers and the extent to which the SEGT project has addressed these.

<b>Table 5.7: Barriers to international trade</b>		
<b>Barrier</b>	<b>% of respondents identifying as a barrier</b>	<b>Very effective / effective at addressing barrier</b>
Lack of overseas contacts or networks	89%	84%
Identifying potential customers	82%	78%
Overseas regulatory and administrative procedures	61%	94%
Lack of knowledge or awareness of overseas opportunities	57%	88%
Lack of understanding of foreign business cultures	46%	92%
Language barriers	43%	75%

Source: Beneficiary survey, 2021

Note: the second column shows the percentage of respondents identifying a barrier. The final column shows the percentage of those identifying a barrier who felt that the project had addressed this. Respondents could identify more than one barrier.

### 5.6.2 Awareness of the benefits of international trade

The support received through the project has had a positive impact in terms of increasing the awareness of the benefits of international trade among beneficiaries, with 58% of survey respondents feeling more aware, as shown in Table 5.8.

<b>Table 5.8: Increased awareness of the benefits of international trade</b>		
	<b>Number of survey respondents</b>	<b>% of survey respondents</b>
A lot more aware	8	29%
More aware	8	29%
No change	12	43%

Source: Beneficiary survey, 2021

### 5.6.3 *Enhanced international trade skills*

25 of the 28 survey respondent (89%) believe that the support received has enhanced their international trade skills.

### 5.6.4 *Other wider benefits*

The SEGT project has delivered a range of wider benefits to project beneficiaries. Table 5.9 sets out the main wider benefits delivered. Note that the figures are the percentages of the eight survey respondents who stated that the project had delivered benefits to date.

<b>Table 5.9: Wider benefits</b>	
<b>Wider benefit</b>	<b>% of respondents</b>
Gained a better understanding of the overseas market for the company's product or service	100%
Increased the value of export deals with existing customers	88%
Accessed funding from public sources	88%
Improved product or service quality to meet overseas requirements	88%
Increased the number of overseas contacts	88%
Signed export deals with new contacts	75%
Invested in training in overseas business cultures	50%
Opened overseas offices	38%
Benefited from private investment	38%
Invested in new equipment to increase production	25%
Invested in innovation or registered on an innovation support programme to improve productivity	25%
Invested in language training	13%

Source: Beneficiary survey, 2021

## 5.7 Summary

The SEGT project has had positive impacts in terms of increasing export sales among beneficiaries, with consequential impacts in terms of employment and GVA. These impacts are expected to become stronger over the next few years. In addition, the project played a very important role in safeguarding jobs during the Covid crisis. Table 5.10 sets out the employment and GVA benefits associated with the project.

<b>Table 5.10: Summary of employment and GVA benefits</b>		
<b>To Project close</b>	<b>Gross</b>	<b>Net additional</b>
Jobs created	86	78
Jobs safeguarded	348	315
GVA	£4,231,904	£4,345,184
<b>To 2030</b>	<b>Gross</b>	<b>Net additional</b>
Jobs created	674	610
GVA	£172,464,372	£177,080,933

The project also delivered a range of other benefits including:

- addressing barriers to international trade, such as a lack of overseas contacts and the difficulty in identifying overseas customers;
- increased awareness of the benefits of international trade among beneficiaries;
- strengthened international trade skills among beneficiaries;
- improved understanding of the overseas market for their goods and services among beneficiaries;
- improved product or service quality to meet overseas requirements; and
- increase in the number of overseas contacts among beneficiaries.

## 6 Value for money

### 6.1 Introduction

This section sets out an assessment of the value for money of the project. It comprises an analysis of economy, effectiveness and efficiency.

### 6.2 Economy

The SEGT project was delivered economically. For example, all procurement followed public sector regulations and all salaries were at market rates.

### 6.3 Effectiveness

The SEGT project has contributed to the delivery of the objectives of a number of strategies and policies, as shown in Section 2.4 of this report.

Table 6.1 sets out an assessment of the extent to which the project met its original objectives.

Table 6.1: Effectiveness of the SEGT project		
Objective	Achievement of the objective to date	Comments
To raise awareness and increase the uptake of international business support among SMEs in the six LEP areas by connecting them to the mainstream international business support services.	vVV	The project has successfully engaged with businesses to promote international trade and has signposted businesses to other support providers as necessary.
To help overcome the significant barriers to new and emerging market opportunities that SMEs face.	vVV	Table 5.7 shows that the project has successfully addressed a number of barriers, including a lack of overseas contacts and identifying potential customers.
To strengthen the international trade capacity and capability of existing businesses.	vVV	89% of survey respondents stated that the project had strengthened their international trade skills.
To create 50 sustainable jobs.	vVV	The project has exceeded its target for job creation, with 86 jobs created by the third quarter of 2021 and 674 jobs forecast to be created by 2026.

v = minimal achievement

vV= moderate achievement

vVV = significant achievement

## 6.4 Efficiency

### 6.4.1 To project closure

An assessment of the efficiency of the project in relation to outputs and outcomes projected for the end of the project has been carried out. This is presented in Table 6.2.

Table 6.2: ERDF value for money of the project to project closure		
		ERDF
A	ERDF cost (£)	£1,250,000
B	Businesses assisted	198
C	Gross jobs created	86
D	Net jobs created	78
E	Gross jobs safeguarded	348
F	Net jobs safeguarded	315
G	Net GVA increase (£)	£4,345,184
H=A/B	ERDF cost per business assisted	£6,313
I=A/C	ERDF cost per gross job created	£14,535
J=A/D	ERDF cost per net job created	£16,026
K=A/E	ERDF cost per gross job safeguarded	£3,592
L=A/F	ERDF cost per net job safeguarded	£3,968
M=G/A	Ratio of GVA increase to ERDF cost	3.5:1

### 6.4.2 To 2030

An assessment of the efficiency of the project in relation to outputs and outcomes projected for 2030, the final year in which benefits were identified, has also been carried out. This is presented in Table 6.3 and shows significant improvements in cost per job and the GVA to funding ratio.

Table 6.3: ERDF value for money of the project to 2030		
		ERDF
A	ERDF cost (£)	£1,250,000
B	Gross jobs created	674
C	Net jobs created	610
D	Net GVA increase (£)	£177,080,933
E=A/B	ERDF cost per gross job	£1,855
F=A/C	ERDF cost per net job	£2,049
G=D/A	Ratio of GVA increase to ERDF cost	141.7:1

## 6.5 Summary

This section has demonstrated that the SEGT project had processes and procedures in place to ensure that it was delivered in an economical manner, such as through procurement processes which were compliant with ERDF regulations.

The project has also been highly successful in meeting its objectives. For example, it has overachieved in relation to job creation and performed well in terms of assisting businesses to overcome the various barriers to international trade faced.

By project closure, the SEGT project is expected to have an ERDF cost per business assisted of £6,313, an ERDF cost per gross job of £14,535, an ERDF cost per net additional job (allowing for leakage, deadweight, displacement and multipliers) of £16,026 and a return on investment of 3.5:1.

The long-term value for money of the project will be substantially greater. By 2030 the ERDF cost per gross job is forecast to fall to £1,855, the ERDF cost per net additional job is forecast to fall to £2,049 and the return on investment is forecast to increase to 141.7:1.

## 7 Conclusions and lessons learned

### 7.1 Introduction

This section sets out the main conclusions of the evaluation. It also identifies a number of lessons that can be learned from the project and recommendations for future activity.

### 7.2 Conclusions

The SEGT project has had a positive impact in terms of facilitating the export growth of businesses from the six LEP areas through the provision of support such as mentoring from ITAs, workshops and masterclasses. These were all delivered online due to the Covid crisis.

The project has, to date, resulted in a significant employment increase, with the number of jobs created expected to increase substantially by 2026 as a result of the support provided. Furthermore, the project has had a strong impact in relation to safeguarding jobs during the Covid crisis. It has also increased turnover among beneficiaries with further increases forecast. These are expected to translate into substantial GVA benefits over the next few years. The project has also delivered a range of wider benefits including improved understanding of overseas markets, access to funding among beneficiaries and improved product or service quality. In addition, the project has improved international trade skills among beneficiaries, increased awareness of the benefits of international trade among beneficiaries and addressed the various barriers to trade faced by beneficiaries.

The project has been successful in responding to the needs of businesses by providing individual support from ITAs, support in developing Action Plans along with the provision of workshops and masterclasses. This has resulted in high satisfaction rates among beneficiaries with the services provided.

The project has been well-managed and delivered by a dedicated team, with ITAs developing strong relationships with beneficiary businesses. This has ensured that the project has been delivered smoothly, especially given the difficult circumstances associated with the Covid crisis.

The project has been effective in meeting its own objectives. Over the next few years, when businesses supported by the project grow further as a result of the support provided, the cost per net job created and the return on investment will improve substantially.

Taking into consideration the challenging economic and business environment in which the project was delivered, the SEGT project has performed well compared to Newable's previous project delivered across a broadly similar geography, the South East International Business Growth (SEIBG) programme. Table 7.1 shows the efficiency of both initiatives.



Table 7.1: ERDF value for money of the SEGT and SEIBG projects				
	To project close		Long term	
	SEGT	SEIBG	SEGT	SEIBG
ERDF cost per business assisted	£6,313	£3,800	£6,313	£3,800
ERDF cost per gross job created	£14,535	£9,135	£1,855	£955
ERDF cost per net job created	£16,026	£10,556	£2,049	£1,105
Ratio of GVA increase to ERDF cost	3.5:1	1.2:1	141.7:1	44.4:1

Table 7.1 shows that, despite the challenging environment in which the SEGT project operated, it had a better return on investment than the SEIBG programme.

Although the SEIBG programme had a lower ERDF cost per gross job created and net additional job created, it should be noted that the SEGT project exceeded its target of 50 jobs created, with 86 actually being created to project closure. The SEIBG programme also performed well in relation to job creation, but only achieved its target of 208 rather than exceeding it.

### 7.3 Lessons learned and recommendations

A number of lessons and recommendations have been identified for future support initiatives. Elements of good practice which should be continued on future initiatives include:

- to maintain the relationship with the DIT, which ensures that access to ITA knowledge and expertise is available to beneficiaries;
- to ensure that ITAs continue to work together to ensure that each beneficiary is provided with the best possible support;
- to continue providing support which is tailored to the needs of individual businesses;
- to continue providing access to DIT representatives in overseas markets, thereby providing opportunities for beneficiaries to learn about these markets and make overseas contacts;
- to continue providing tailored Action Plans for beneficiaries as these allow businesses to focus on specific activities which would maximise the benefits to the business, identify sources of help and identify their strengths and weaknesses; and
- to continue using the same systems in relation to compliance checking and administration as these are familiar to everyone working on the project and will ensure a smooth transition to future projects.

Recommendations for consideration on future initiatives include:

- to reduce the number of beneficiaries on projects who have attended previous Newable international trade projects, thereby allowing more new beneficiaries to participate. Alternatively, to deliver two projects, one for experienced exporters and one for businesses new to international trade;

- to allow some flexibility with regard to the number of hours of support needed as some beneficiaries may not need the full 12 hours of support or are unable to commit to 12 hours due to other priorities;
- to request more detailed feedback from beneficiaries regarding the content of some workshops and masterclasses in order to ensure that the programme of support evolves with the changing economic and business environment. Although feedback is requested, more detailed responses would allow for a greater assessment of future needs;
- to focus more on supporting businesses into overseas supply chains rather than looking for direct contact with large businesses;
- to reduce the amount of paperwork for all team members along with beneficiaries;
- to allow some flexibility regarding 'undertakings in difficulty' as some of these may have the potential to grow through access to overseas markets but cannot currently be supported. There should be some consideration of individual business' circumstances for any future project;
- to focus more on non-EU countries. Following Brexit and the associated need for growth in other overseas markets, any future initiative should provide greater focus on entry into and growth in non-EU markets; and
- to focus more on particular sectors rather than entry into particular markets.



## Appendix A: Consultees

Consultations have been carried out with:


- Nikki Godley (Project Manager)
- Gill Tranter (Project Co-ordinator)
- Estelle Dingley (ITA)
- Hazel O'Boyle (ITA)
- Teju Akande (ITA)
- John Goldsbrough (ITA)
- Jim King (ITA)



## Appendix B: Example Topic Guide

1	Could you your role in the SEGT project?
2	Do you think the management and delivery arrangements for the project are appropriate and could they be strengthened?
3	What do you consider to be the strengths and weaknesses of the project?
4	Is there anything on the project that could be done differently next time?
5	What do you think the impact of the project has been in South East?
6	How well do you think the project responded to the Covid crisis?
7	Are there any other comments you would like to make?

## Appendix C: Case Study

<p><b>Stateside Skates</b></p>	
<p>Stateside Skates is a company based in Amersham in Buckinghamshire which designs, manufactures and distributes high-quality action sports products such as roller skates, skateboards and scooters. The company has 25 employees and was created in 1981. 90% of the company's turnover is generated in the UK and European markets.</p> <p>The company heard about the SEGT project from one of the ITAs with whom they had an ongoing relationship (Angus Murray) and joined the project as they were looking to break into the US market.</p> <p>Stateside Skates received market research support through the project. The company was put in contact with OCO Global's US office who carried out research on the sector and created a database of about 30 companies in the US who could be approached to discuss partnering arrangements.</p> <p>The company has yet to receive any direct benefits from the support but is now more confident of expanding into the US market as they have a better understanding of businesses to approach and how to engage with them. The company has been approached by a US company looking for a distribution partner in the UK through OCO's network of contacts. Furthermore, the company feel that they are more confident about breaking into other markets as the process followed in relation to market research can be replicated for other markets.</p> <p>The main strengths of the project according to Stateside Skates are the people working on the project, who are considered to be very knowledgeable and good at communicating with beneficiaries about the support available. The project has also provided the company with networks of businesses they could potentially work with.</p> <p>On reflection, the company would have liked to have joined the project six months earlier. If so, more direct benefits in terms of overseas sales would have already been achieved.</p>	