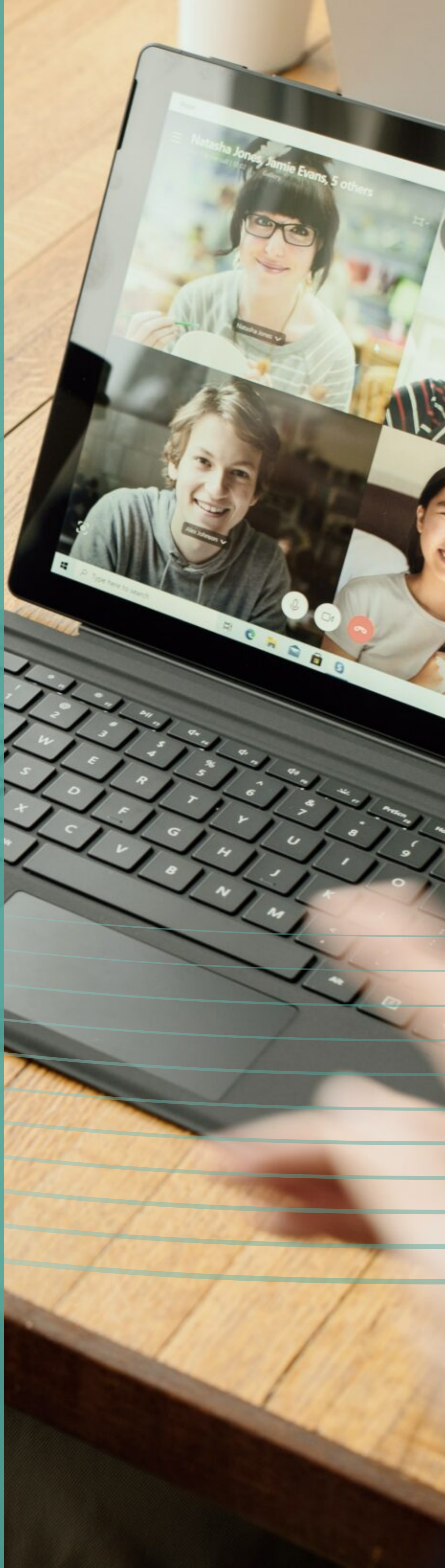
# EVALUATION OF THE DEVON COVID-19 ECONOMY AND BUSINESS RECOVERY FUND




MAY 2023

ASH FUTURES

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Devon County Council

This light touch independent evaluation of the Devon Economic Recovery Programme has showed that **it played an important role in helping the Devon economy recover from some of the worst impacts of the pandemic.** The programme was purposefully designed to have a focus on the longer-term recovery of the local economy, rather than it acting as an emergency response. In that context, the projects that were subsequently developed needed to complement the more immediate and short-term focused support – such as the furlough scheme - that flowed from the UK Government at that time. This was not an easy task, as the situation throughout 2020 and 2021 was highly dynamic and volatile.

However, this evaluation concludes that **by focusing on longer-term strategic objectives and aspirations**, and combining this with intelligence around some of those areas and communities that were hardest hit by the economic impact of the pandemic restrictions, **it has been able to respond to the fall-out of the pandemic well**. Our view is that the programme has been well designed, and that the multi-partner approach across 'Team Devon' has played an important role. The quick establishment of these multi-partner discussions as soon as the pandemic hit, quickly led to the formulation of priorities through the Devon Economic Recovery prospectus, and the subsequent financial commitment provided by Devon County Council. This financial commitment by the DCC – at a time when local authorities remain under significant financial pressure – should not be understated or overlooked.

Having stated this, it is equally important to recognise that the programme could only realistically have a defined impact in the context of two major external factors:

- First, simply the scale of the impact of the pandemic on the local economy. Its impact on businesses was all-encompassing, and some aspects continue to this day. We feel it is realistic to recognise that the programme could only do so much in the face of the pandemic and associated restrictions.
- Second, the scale of the UK Government response through the various grants and loans that were available to businesses. This evaluation has undertaken some further work on the scale of financial support that was provided to Devon businesses through the various support schemes during 2020 and 2021. Whilst highly welcome, the c£6m that was committed by DCC needs to be set in the context of these much larger schemes – most of who were designed to keep businesses afloat at the time, rather than necessarily focusing on longer-term recovery.

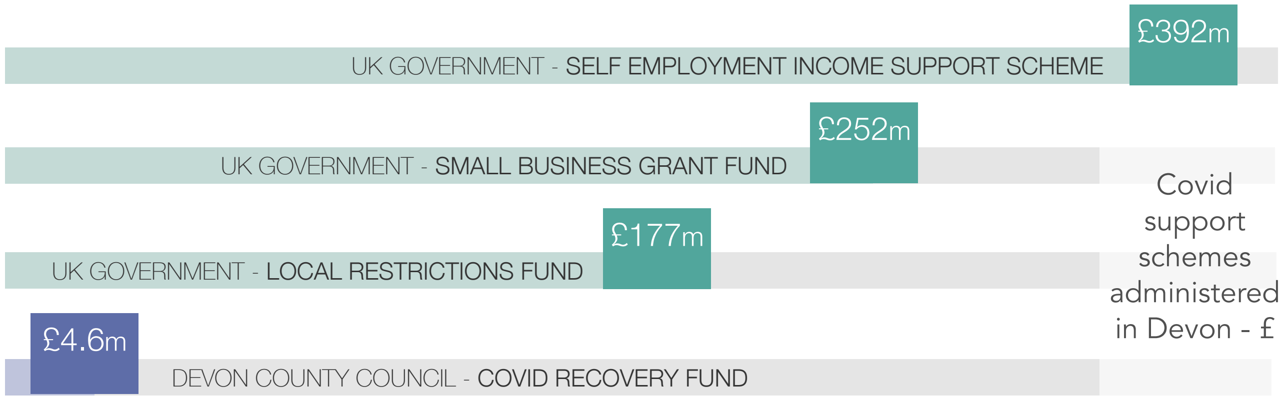
Our view is that **the strategic focus of the programme has helped it 'punch above its weight' in terms of funding provided.** The programme's activities had clear alignment with wider economic objectives around supporting rural and coastal communities, developing the low carbon economy and supporting those individuals most disadvantaged. The support provided by DCC officers alongside the funding appears to have played an important role.

This evaluation has received enough qualitative feedback from our sample of consultations to be confident that the programme has had a positive impact on those businesses and individuals that have received support through the programme. Given the wide-ranging nature of the programme – encapsulating 21 individual projects – and the scope of this evaluation it was not possible to quantify this impact in any robust manner. Nevertheless, our view is that **the programme has played a positive role in the post-pandemic recovery of the Devon economy**. In that sense, it has achieved (if not exceeded) the original purpose behind the DCC financial commitment.

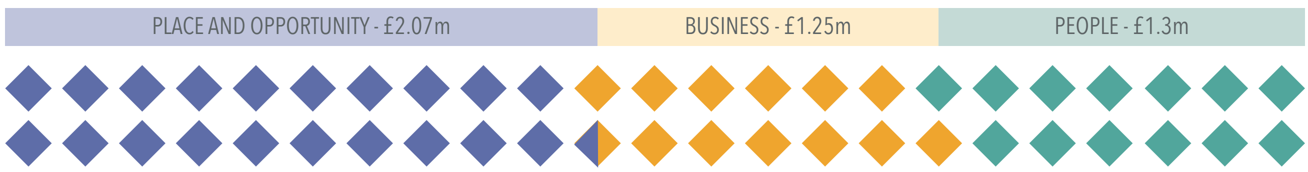
# DEVON COVID RECOVERY FUND

# ACHIEVEMENTS

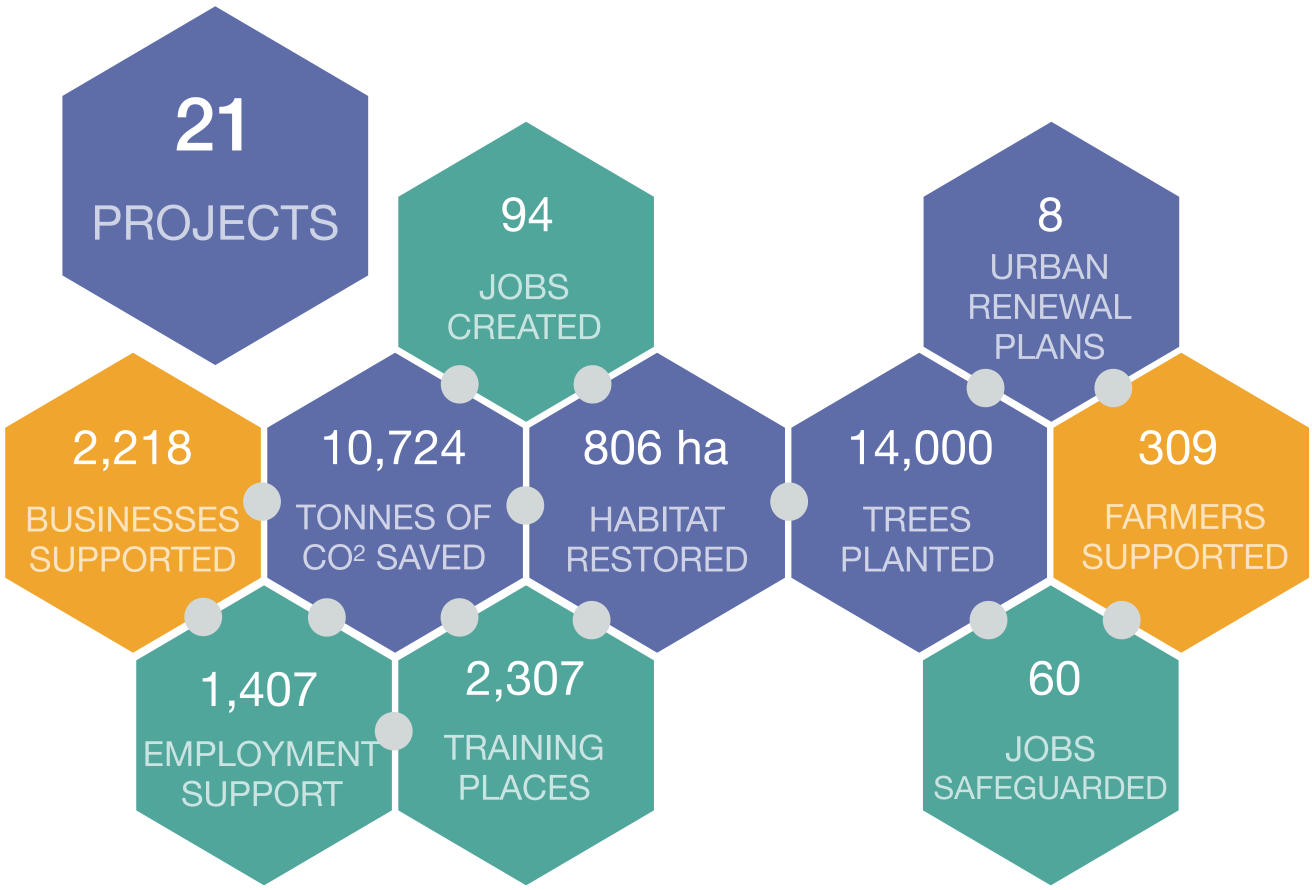
MAY 23




THE UK GOVERNMENT SCHEMES PROVIDED IMMEDIATE CRISIS RESPONSE FUNDING. THE DEVON SCHEME WAS ABOUT LONGER TERM RECOVERY




SPENDING ON KEY THEMES




ACHIEVEMENT OF OUTPUTS

This report provides a light touch independent evaluation of the Devon Economic Recovery Programme. It was commissioned by Devon County Council in February 2023, and its publication follows the closure of the programme at the end of March 2023. The Economic Recovery Programme was allocated £6m of Devon County Council's (DCC) own funding and was established as a response to the impact of the Covid pandemic (and associated restrictions) on the Devon economy. The final spend was £5.3m, with the allocation not spent being returned back to DCC savings to be used for alternative purposes. The Covid Recovery Programme was developed in 2020, with the impact of the pandemic highly dynamic and still uncertain at that time.

Ash Futures were commissioned to undertake the evaluation on behalf of Devon County Council. The evaluation has involved a combination of primary and secondary research and has been undertaken in a relatively tight timescale. The findings of the external evaluation will sit alongside internal monitoring which has taken place through most of the programme delivery period. The evaluation report represents a combination of quantitative and qualitative analysis. In terms of the latter, this forms an important part of the discussion of how well the programme has met its objectives, as well as providing insight into the impact of the support provided.

In broad terms, the independent evaluation covers three main areas:

- A review of the response of the Council to the developing economic impacts associated with the pandemic situation and the broad process of how it mobilised support to the wider Devon business community.
- A review of the processes for identifying, developing and delivering the individual projects that formed the programme.
- A review of the impact of the overall programme, much of which is still developing. This is largely provided through qualitative comment.

It is important to note that this is a programme evaluation. The work was not concentrated on evaluating individual projects within the overall programme. There were 21 individual projects that were funded. However, where appropriate we do discuss and highlight the achievements of some individual projects to illustrate the impact of the support provided.

> "Covid clearly had an impact of young people's mental wellbeing. By extending the programme of provision into areas that weren't previously served DCC helped highlight future opportunities to those who wouldn't normally be aware.

It is also important to highlight that the Covid Economic Recovery Programme had - as the title suggests – a specific focus on helping the Devon economy ***recover***. It is different to the various response activities that were taking place at the time i.e. the considerable public health ***response*** that was obviously crucial at that time. The evaluation should be read in that context, that the activities that were subsequently supported through the programme often had a longer timeframe than simply responding to the pandemic fallout in the short-term. In that sense, many of the activities supported had both a 'pandemic' and 'structural' element to them. We comment on this in the main body of the report.

The tasks that have informed this programme evaluation have included:

- An initial inception meeting with the Devon County Council (DCC) lead(s) for the evaluation
- A review of key programme documentation – including the Economy and Business Recovery Prospectus and the DCC Cabinet paper (see later comment)
- A review of all Project Initiation Documents (PIDs)
- A review of project and programme level monitoring data
- Interviews with key DCC staff – including members of the Senior Management Team within the Economy, Enterprise and Skills department
- 4x online workshops with the DCC project managers across each of the four themes
- Interview with the Cabinet Member for Economic Recovery and Skills
- 18 interviews with project beneficiaries – primarily organisations that were supported through various project activities. We aimed to have a spread of interviews across the four themes, although it was not possible to cover every programme supported through the Economic Recovery Programme.

The overall UK context for the Devon Economic Recovery Programme was clearly the Covid-19 global pandemic that developed during the early part of 2020. Some of the key dates/ developments of the pandemic and ensuing restrictions are shown in the above timeline.

On the 16th March the Prime Minister encouraged everyone to consider whether they should stop non-essential contact and travel. However, the situation quickly developed so that a week later (23rd March) the prime Minister announced the first lockdown in the UK, with lockdown measures coming into force on the 26th March. The Coronavirus Job Retention Scheme (CJRS - latterly known as furlough) initially came into force at the end of March 20, providing employers with 80% of wages for furloughed employees up to a cap of £2,500 a month. Alongside this the Self-Employment Support Scheme (SEISS) was launched – again, providing 80% of an individual's average monthly trading profit. This was initially available for a 3-month period.

From the end of March through to June schools and all shops, hospitality businesses etc. were legally obliged to close. In June 20, there was a phased reopening of schools in England and all non-essential shops were allowed to reopen. In August 20 the 'Eat Out to Help Out' scheme was launched to help the hospitality industry recover.

Over the next 18 months, there were significant changes in Covid-related restrictions as the number of infections and hospital admissions fluctuated. It remained a volatile and uncertain environment. Uncertainty was a key element in which businesses and the economy were required to operate and this varied according to which sector they operated within.

Within Devon the planning that underpinned the Economic Recovery Programme commenced before the initial national lockdown at the end of March. Members of the Economy, Enterprise and Skills team had begun to monitor the evolving impact of the pandemic. This was done through intelligence gathering of published data, alongside feedback from the business community – either directly through businesses or business/sector representative groups. This intelligence was then fed into early discussions around how the Council could respond and support businesses as understanding of the pandemic evolved.

For example, a key piece of early analysis was undertaken by the University of Southampton and the Centre for Towns which showed that coastal towns and ex-industrial towns were particularly vulnerable to impacts from the pandemic – both economically and from a societal perspective. This analysis attracted a great deal of national media attention at the time.

It is also fundamental to highlight that in the early months of the pandemic almost all economic predictions were very pessimistic, particularly with regards to the impact on the labour market and unemployment. There were many forecasts of unemployment rising to 4m+ across the UK, with the lower paid, low skilled and those working in the hardest hit sectors being seen as the most vulnerable. The early discussions taking place in Devon should be placed in that context, particularly in those discussions focused on people and skills (see below). The fact that the impact on the labour market did not develop as the majority of commentators had predicted highlighted the volatile and uncertain impact of the pandemic.

Alongside this, it is our understanding that the Council began to engage with UK Government departments – on both an officer and political basis – to lobby for particular support for Devon, having undertaken significant joint work with stakeholders in the private, public and third sectors to identify emerging issues. This initial analysis highlighted that communities and sectors across Devon were seen as particularly vulnerable to the economic fallout of the pandemic.

A key part of the initial response was the formation of the Devon Recovery Coordinating Group. In addition, four separate Sub Groups or Task Groups were developed around four themes that had been identified for a response. These were:

- Business
- People
- Place
- Opportunities

> “The support provided was at a crucial time and has directly helped the most disadvantaged and vulnerable young people in our community.

Alongside these four themes several cross-cutting themes were identified – including issues such as supporting the green economy, start-ups and self-employment, digital transformation and community wealth.

The establishment of the main coordinating group and the separate Task Groups around the core four themes was a multi-partner approach – well beyond Devon County Council. The groups were established between June and July 2020 (details below), with representatives drawn from a wide range of organisations. They were intended to meet frequently, given the quickly evolving nature of the pandemic, and most operated with a Terms of Reference. At that time, all meetings were held online.

A broad description of each Task Groups is shown below:

- **Place Sub Group:** Established June 2020, Chaired by DCC, various representative organisations
- **Opportunities Sub Group:** Established July 2020, Chaired by East Devon District Council, various representative organisations
- **People Sub Group:** Established July 2020, Chaired by South Devon College, various representative organisations
- **Business Sub Group:** Established in April 2020, Chaired by Devon and Plymouth Chamber, various representative organisations

Our first observation in this evaluation relates to the speed of the initial mobilisation phase and the extent of early involvement on a cross-partner basis. **The quick establishment of the Business and Economy Recovery Group and the four Task sub groups (involving public, private and third sector organisations) should be seen as a good achievement.** Devon County Council officers played a key role in helping to establish these groups in the first instance. Effectively, the establishment of the initial Business and Economy Recovery Group and the theme-based groups was a key step in the development of a ‘Team Devon’ response (see later comment).

This structure met frequently/regularly throughout the pandemic and continue to meet. The groups involved multiple partners, including Council members, MPs and representatives from local authorities, voluntary and community groups, social enterprises, and businesses. Therefore, there has been a ‘legacy’ in terms of cross-partner working which has continued to this day.

The Terms of Reference and guiding principles for the groups was that they should all have a focus on three timescales – titled Restart (short-term), Regrow (medium-term) and Reset (longer-term).

It is important to highlight that several of these groups have continued beyond this initial pandemic period, and now serve as multi-partner forums which meet and discuss a range of issues. This forms part of the legacy of the Recovery response in soft terms.

One main immediate outcome of these theme groups was effectively the development of an Action Plan which outlined priorities which the group's identified. It is important to highlight that – as stated - the Action Plans tended to be a broad list of priorities/activities, rather than specific activities that had 'owning' organisations attached.

The next stage of the overall response was then the development of the Team Devon Covid-19 Economy and Business Recovery Prospectus, published in July 2020 – effectively just 3 months after the initial lockdown. This was a key document that set out the identified 'asks' across each of the four themes. It is important to highlight that this Prospectus was not DCC's Prospectus, it was a Prospectus on behalf of Team Devon – the multi-partner structure that had been put in place.

We comment on the Prospectus in more detail in the next section.

## UK Policy main responses

As discussed in part above as the pandemic evolved there was a variety of policy responses that the UK Government (and devolved nations) developed to help support the economy which was effectively in crisis. We do not discuss these in detail but describe in broad terms below, as well as being reflected in the timeline previously outlined.

The key point to highlight here is that the local response i.e. the development of the Recovery Prospectus took place at a time when the national policy response was quick-moving and dynamic in its own right. Announcements of new support measures were being issued on a daily/weekly basis, and therefore the local policy responses had to ensure that it complemented/fitted with the dynamic national policy environment.

This meant that some of those activities that were initially proposed did not necessarily develop as originally envisaged. For example, the initial set of proposed/envisaged local support packages included a large-scale redundancy focused project. This was part of the initial discussions, but it soon become readily apparent that the labour market was behaving in a different way than originally envisaged.

> “The DCC team have always been very supportive, responsive and flexible.

An overview of the various main schemes is outlined in Annex C.
What is clear from our analysis of the schemes that were made available at that time is that they were highly significant in terms of scale and available funding to support both individuals and businesses – both nationally and also locally. For example, there was c£392m in payments made through the SEISS scheme, c£100m through the Restart grants and c£250m available through the Small Business Grants (SGBF) and Retail, Hospitality and Leisure Business (RHLGF) schemes. In addition, there was significant additional support through loan schemes. For example, South West businesses (data not available at a Devon level) received something in the order of £5.5bn in loan support through the Bounce Back Loan Scheme (BBLS) and the Coronavirus Business Interruption Loan Scheme (CLBILS).

Whilst most of this nationally funded – but locally administered – support was clearly aimed at responding to the economic emergency that was happening at the time, three fundamental points are important to highlight:

- The policy and support environment was clearly very fluid and dynamic for most of 2020 and 2021 and the support that was being developed to support the local Devon economy needed to flex and complement those other schemes
- Following on, the onus on the immediate short-term *response* to the pandemic on the economy was on these larger national policy measures i.e. needing to stop businesses from going under.
- The sheer scale of the support to both individuals and, particularly businesses, that available through 2020 and 2021 – helping to keep many businesses afloat – provides important context for the Devon Economic Recovery Programme.

The result of these three factors meant that the local policy response needed to be carefully designed - with a clear focus on where it could add value, and on recovery. We comment on whether it achieved this later in this report.

## Local Policy Responses

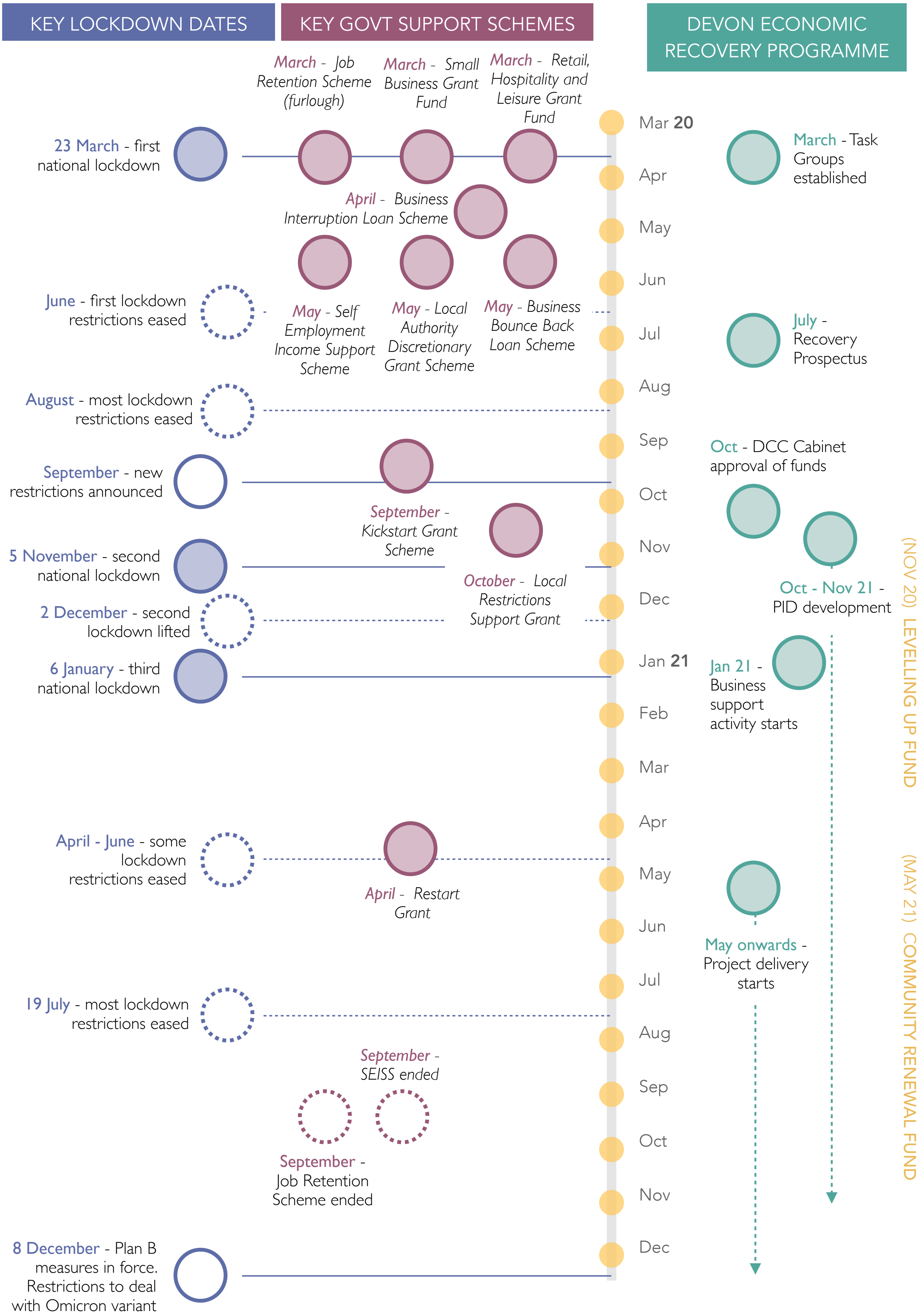
As discussed previously, it became quickly apparent that the extent and impact of the pandemic meant that a large-scale response was needed. The immediate concern related to public health and wider societal impacts. However, alongside this it also became quickly apparent that discussions needed to be held with regards to the impact of the pandemic restrictions on the economy – which was effectively immediately shutdown. This required a multi-partner approach.

Locally, this manifested itself as 'Team Devon'. **Team Devon** was a public and private sector partnership that drew in expertise from business, education, skills and public sector organisations. One of the immediate focused activities was the establishment of the **Task Groups** to start to consider how local partners could support the local business community. An important consideration was how/what support could be provided that would complement (and not duplicate/compete) the national policy responses that were evolving at the time (as described above). As described previously, these early discussions were informed by an extensive intelligence gathering exercise that was active at the time, monitoring the evolving nature of the pandemic.

> "Covid had such a dislocating impact on young people and impacted on gaining meaningful physical work experience. It has taken time to recover, and in the meantime school funding for such activities has reduced. The DCC funding has helped prove the value of such activities – to young people, employers and schools.

Each of the theme-based sub-groups then began to identify priorities and potential activities that could be developed to help address the particular characteristics and issues that were evolving at the time. This work formed the basis of the **Team Devon Covid-19 Economy and Business Recovery Prospectus.**

Partly in response to the identified activities in the Recovery Prospectus (although internal discussions had already begun since the start of the pandemic), Devon County Council – recognising its own role - began to formulate how it could itself respond. These discussions were led by the Head of Economy, Enterprise and Skills – supported by the Senior Management Team – and working closely with the Cabinet Holder for Economic Recovery and Skills and the Leader of the Council. This led to discussions around what financial support the Council could itself provide. This is discussed in more detail below.



KEY LOCKDOWN DATES
KEY GOVT SUPPORT SCHEMES
DEVON ECONOMIC RECOVERY PROGRAMME
March - Job Retention Scheme (furlough)
March - Small Business Grant Fund
March - Retail, Hospitality and Leisure Grant Fund
Mar 20
23 March - first national lockdown
March - Task Groups established
Apr
April - Business Interruption Loan Scheme
May
Jun
June - first lockdown restrictions eased
May - Self Employment Income Support Scheme
May - Local Authority Discretionary Grant Scheme
May - Business Bounce Back Loan Scheme
Jul
July - Recovery Prospectus
Aug
August - most lockdown restrictions eased
Sep
Oct - DCC Cabinet approval of funds
September - new restrictions announced
Oct
September - Kickstart Grant Scheme
Nov
5 November - second national lockdown
October - Local Restrictions Support Grant
Oct - Nov 21 - PID development
Dec
2 December - second lockdown lifted
(NOV 20) LEVELLING UP FUND
Jan 21
Jan 21 - Business support activity starts
6 January - third national lockdown
Feb
Mar
Apr
April - June - some lockdown restrictions eased
May
April - Restart Grant
Jun
May onwards - Project delivery starts
(MAY 21) COMMUNITY RENEWAL FUND
Jul
19 July - most lockdown restrictions eased
Aug
September - SEISS ended
Sep
Oct
September - Job Retention Scheme ended
Nov
Dec
8 December - Plan B measures in force. Restrictions to deal with Omicron variant

The broad process for establishing the Prospectus has been discussed previously. The Prospectus was - as the title suggests – a document that set out a specific ask (primarily to UK Government) to help support the Devon economy given the particular pressures it was under at the time. It aimed to serve as a strategic roadmap for rebuilding the economy post-pandemic. It is important to recognise that Devon would not have been the only area that put together similar prospectus documents, at that time many areas would have been trying to argue the case for special support and in some senses it was a 'competitive' environment.

Some key elements of the Prospectus are set out below:

- It was based on the argument that Devon was one of the hardest hit areas of the UK in terms of impact on the economy. It included a range of evidence to demonstrate this particular marked impact
- It sought an investment package of c£56m to help the economic recovery
- It aligned with existing economic strategies and objectives – including DCC's economic strategy (Strategy for Growth) as well as the local authority district's own ambitions
- It placed an emphasis on achieving a green recovery
- It was split into three core timeframes – Restart, Regrow and Reset
- It aimed to support some of Devon's bedrock sectors, including tourism and hospitality, retail, agriculture, food and drink and construction
- It set out a range of targets for securing additional funding, across each of the four themes
- It also set out a range of longer-term aspirations for where it wanted the Devon economy to be post-pandemic. Some of these were quantitative targets (i.e. achieving an economic and employment rate of at least national levels), and others were more qualitative statements (i.e. 'achieving thriving and successful communities' and 'achieving a strong and vibrant skills, digital, workspace, energy and transport infrastructure')
- The Prospectus set out an expectation that a detailed implementation plan and investment strategy would be developed to deliver the interventions as set out.

> "We had a seed of an idea but really needed funding to make it happen. The Green Innovation Fund support has been completely transformational to the business in terms of scaling up operations. This has also been transformational for our suppliers.

As outlined previously, the Prospectus was published in July 2020 – just 3-4 months after the initial Covid lockdown. **Our view is that the Prospectus was a well-rounded document (given how fast it was developed) that aimed to keep focus on the longer-term strategic needs of Devon.** Whilst it recognised that any potential activities would need to also respond to the short-term crisis, it attempted to ensure that focus remained on addressing some of the longer-term structural issues that Devon faced. We feel it achieved a sensible balance between the two.

There appears to be good alignment with some of the guidance that was subsequently issued. For example, the Local Government Association published 'Local Economic recovery Planning: Playbook for Action' published in March 21. This Playbook highlighted three broad phases that Local Authorities should plan for recovery from the pandemic:

- A reopening phase – supporting the safe restarting of activity
- A recovery phase – building confidence in the local economy, supporting businesses as Government support is withdrawn
- A renewal phase – where activities and policies are put in place to support long-term sustainable improvements in social, economic and environmental outcomes.

Given that the Team Devon Recovery Prospectus was published 8-9 months before this guidance was issued then it could be seen as already well aligned with this thinking. The Devon Prospectus clearly focuses on the recovery and renewal phases. Having stated this, it is also important to highlight that Devon was certainly not the only area that was thinking along these lines. There are other similar examples of recovery plans and programmes:

- Derbyshire's Framework of the five Rs: Rescue; Resume; Revive; Regenerate; Renewal
- Gloucester's "four R's" framework: Return; Retain; Resist; Reimagine
- Cheshire West & Chester's four-year plan for Recovery and Renewal
- Somerset's planned recovery phases of Lockdown, Restart, Revitalise, Grow

Where it has achieved less well relates to the ambition of securing a significant tranche of additional funding. This formed part of Team Devon's submission to Government. We are unclear of what specific additional funding resulted as a consequence of this bid, but it was certainly not at the scale as detailed in the Prospectus. Having made this point about scale, the 'Team Devon' approach did appear to yield some positive outcomes in terms of influencing further Government investment – such as the £9.3m investment in 13 six-month pilot projects with an innovation and employment focus. The programme also received a 12 month extension with additional Government funding.

> "The support provided has been highly significant. Not only do the individuals go back to their host farms/ organisations and begin to implement natural-capital based regenerative farming but the project has caught the attention of other areas across the UK - there is no reason why this cannot be replicated.

However, this was clearly outside of any local control. This was primarily determined by the scale of the Government support provided through the variety of national programmes that were put in place. The scale of UK public debt and Government borrowing grew at an exponential rate and the overall public finance environment limited the availability of further funding becoming available.

In October 2020 DCC's Head of Economy, Enterprise and Skills submitted a paper to the Council's Cabinet for consideration. The recommendation was that the Council to support an Economic Recovery Programme of £6m over the next 2-3 years, as part of the 21/22 budget setting process. Again, the Cabinet paper highlighted a range of evidence to support the case for intervention, including a vulnerability index that the Economy, Enterprise and Skills team had developed which identified some very specific areas that had been hardest hit.

The Cabinet Paper set out four key economic recovery priorities, alongside some initial financial allocations:

- Support for small and medium enterprises (Business) - c£1.56m
- Employment and Skills (People) – £1.65m
- Opportunities for Green Recovery (Opportunities) – c£1.45m
- Towns and hardest hit places (Places) - c£1.05m

The funding aimed to provide immediate and medium-term activity delivered through a variety of commissioned services, grant programmes and by extending existing services. Importantly, the Cabinet Paper outlined that *"applying a flexible approach to the exact activities, timings and how the Council) introduce the initiatives would be essential to ensure the Council could provide a responsive approach to a changing economic situation"*. This is an important point to highlight because it connects to some later observations with regards to the flexibility of some of the supported activities. The Cabinet paper set out an expectation that flexibility in approach would be key, particularly due to the evolving and dynamic situation at that time. This was advantageous to the subsequent activity.

The Cabinet paper also stated that the Council's investment will be aligned with other funding streams to maximise impact. If the Team Devon case to Government had been successful, the Devon Economic Recovery Programme and the Council's investment would form part of a wider programme of activity.

There was also a request for financial allocation (£265,000) to improve the delivery capacity and resilience of the key business networks, some of which were under pressure during the pandemic due to the distress being experienced by their members. It was also recognised that temporary capacity was required within the Economy, Enterprise and Skills to help deliver the programme. Our consultations with team members has highlighted that delivering the programme effectively represented a doubling of its 'business-as-usual' work programme.

The Cabinet Paper set out the following targets over a 2-3 year period:

- Support 385 businesses to take up digital solutions
- Support 480 businesses to adapt their business practices
- Provide 2,500 individuals with redeployment and employment skills
- Deliver 700 new level 2 training places
- Deliver 250 new level 3 training opportunities
- Support 500 start-up businesses to launch

There were also some targets which were specific to some of the proposed activities - including:

- Establish 300 members in the Made in Devon programme
- Establish 2-3 natural capital innovation pilots
- Create 8 Urban Renewal Plans
- Support up to 20 communities to develop local energy networks

> "DCC have been fantastic in terms of helping to troubleshoot when issues have arisen and in terms of helping to develop pathways to future sustainability. We are providing financial benefits to local households and helping deliver carbon savings.

Whilst the Cabinet Paper did not set out a full list of projects that were intended to be funded through the DCC support, some examples were included. Some of these were subsequently developed as projects in the programme (see later comment). These included Made in Devon, a dedicated programme of support to farmers (Farming Resilience/Farming Innovation), Bright Futures (Careers Boost) and a Hospitality Upskilling programme (Open Up to Skills).

DCC released a commitment of £6m of DCC reserves on the basis of the Cabinet Paper in October 2020. The funding was secured to deliver activity until the 31st March 2023. This then set the basis for delivery of the programme.

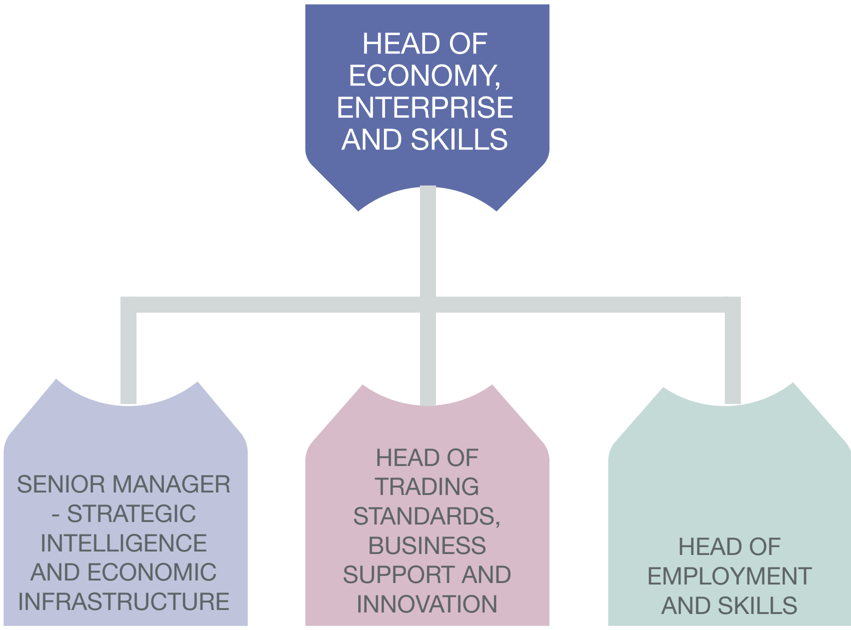
**The release of £6m of funding from DCC should be seen as a significant commitment on behalf of the Council.** Our consultations with DCC staff and political leaders has indicated that – particularly in the difficult financial environment that Local Authorities find themselves in – this should not be viewed as an insignificant amount. Our consultations have highlighted that it would now be much more difficult to secure this level of financial commitment from the Council's own resources, given the financial constraints it has faced since 2020. Equally, it is also important to place the scale of the programme in the context of the wider support measures that were in place (see previous comment/analysis). £6m investment when placed against c£400m of locally administered SEISS support, the c£500m Local Authority administered grant funding, or even the £10m locally provided through the 'Eat Out, to Help Out' scheme is obviously small. **However, the Economic Recovery Programme represented a more targeted and strategic set of support measures than some of the wider support programmes in place at the time.**

> "Covid clearly had an impact of young people's mental wellbeing. By extending the programme of provision into areas that weren't previously served DCC helped highlight future opportunities to those who wouldn't normally be aware.

We understand that this received broad consensus across the political spectrum, recognising that the Council needed to respond to the pandemic, and at a scale and to a speed which was commensurate to the situation facing the local economy. This commitment was highlighted in our consultations with DCC team members, the Cabinet Holder as well as external stakeholders. These external stakeholders appreciated both the commitment provided by the Council and the speed with which it acted. This illustrates the value placed on the response by the Council, demonstrating close working between DCC officers and senior political leadership.

## Implementation

Following approval of the £6m DCC funding, the Economy, Enterprise and Skills team were then tasked with developing and implementing the programme. Given that the funding approval was provided, the individual funding of projects was largely at the discretion of the Economy, Enterprise and Skills Senior Management Team (SMT). This activity was driven by the Head of Economy, Enterprise and Skills and working through the structure in place – as shown below:




Central to the project development exercise was the use of Project Initiation Documents (PIDs) that served to present project concepts to SMT. They formed the basis for internal funding approval. The PID proforma was developed for one of the early projects and was based on similar documents used for external funding processes. One of the key factors in the development of the PIDs was that they needed to be not too onerous or overly bureaucratic. Again, the speed of response was the framing context.

We have reviewed the submitted PIDs as part of this evaluation. Our view is that the PID was appropriate for its intended use and was commensurate to the requirement at the time. It was structured around a set of core questions which aimed to draw out the key information which would allow for an informed funding decision. It provided a template for the rationale of the project to be explained, alongside other key issues such as procurement, relationship with external organisations, delivery model, evidence of need, project costs, intended outputs/outcomes, project management, risk register and risks management, and communication strategy.

Our review has shown that the level of detail contained in each PID did differ and there were some inconsistencies which were not significant. In some respects, this is to be expected – given they would reflect the approach adopted by each of the projector sponsors/managers.

> “The involvement of Trading Standards in the Made Devon scheme is a crucial element. Its involvement and use as a quality assurance has switched it being seen as a ‘burden’ to businesses to one where it has become a benefit. Maintaining this as a quality mark is important to members.

One of the key questions we were keen to understand with project managers was whether the speed of project development and the unusual circumstances may have meant that some issues were overlooked. It is useful to highlight that several of the project managers we spoke with had not been involved in the development of the project, rather they had taken on the project management role during the delivery phase. Therefore, they were well placed to comment on whether some delivery issues may have been foreseen or planned. However, the majority view was that nothing in particular had been missed in the project development, or it didn't necessarily differ from their experience of delivering previous projects i.e. projects flex in response to changing circumstances.

Some projects have fully achieved their objectives due to the changing circumstances presented by the post-pandemic environment. However, those tended to be associated with the dynamic environment, rather than any particular deficiencies in the project development.

It is our understanding that if projects were subject to alterations, the change management process differed according to the scale of those changes. This can broadly be split into two categories:

- If there were minor changes then these would be discussed/agreed by the relevant SMT manager, working alongside the project manager. It would be the responsibility of the relevant SMT manager to report back any changes to the wider SMT group and/or the Head of Economy, Enterprise and Skills
- If there were substantive changes then these would be required to be brought to SMT meetings and formally discussed. This would then be approved by SMT and the Head of Economy, Enterprise and Skills. In some cases, the project manager would be required to undertake further development work and come back to SMT again. Our discussions with DCC staff have highlighted different views on what this change management process involved. Some indicated that projects were required to bring back an amended PID to SMT for approval (with tracked changes indicating where changes had been made); in other cases more substantive rewrites were required; whilst others suggested this was more informal. The PID did contain a section titled 'Document History' which was intended to capture revisions to the PID (effectively a change control approach). Our review suggests this may not have been used in all cases. There appeared to have been no formal 'project change request' process, but rather it was at the discretion of the SMT to decide what was appropriate.

Our view is that it was beneficial that this aspect of the process was kept quite flexible, and that the discretion provided to SMT provided benefits in terms of nimbleness and ability to react to changing circumstances. If project changes had to be dealt with in a more formalised way, then agility and flexibility would have been lost. We have seen this in other (external) funding streams, with project change management tending to be a slow and inflexible process. We also think it is to the credit of the Council that project changes did not necessarily need political input, although the Head of Economy, Enterprise and Skills was responsible for continuing to liaise closely with the Portfolio Holder and Council Leader to ensure they were kept updated on delivery.

## Delivery

In total 21 projects have been delivered through the Economic Recovery Programme, although some of these were effectively 'sub projects' under a larger project. These projects have been spread across each of the four themes. The separate projects funded through the programme are shown in Annex A.

The majority of PIDs that were developed and submitted for SMT consideration took place in the period of March 21-Oct 21. Effectively this was around 6 months after the Cabinet approval for the programme funding. During this time, the projects were being developed and structures and delivery models put in place. This has meant that the majority of projects have had between 18-24 months to deliver before the programme closed in March 23.

Again, it is useful to reiterate that the programme was aimed at helping the Devon economy recover over the medium-to-longer term, it was largely not intended to respond to the crisis in the immediate term. However, we were keen to understand whether the projects could have been developed more quickly once the funding approval had been provided. This question was asked in the online workshops with project managers and the consensus was that projects were developed as quickly as they could, particularly as many involved external partners. It is also useful to highlight that obviously at this time all staff were still working remotely, as well as needing to deal with the impact of the various lockdowns on their own personal circumstances i.e. childcare issues due to schools going into a second lockdown in January-March 21. The mental wellbeing impact of the Covid restrictions on the staff themselves was raised in our consultations.

> “Every aspect of process and contact with DCC been very good - the process was flexible and I would describe it as 'fit for purpose' in terms of steps for public investment.

The development and delivery of the programme was a substantial increase from the ‘business-as-usual’ volume of work that the internal teams had to deal with. In this wider context it seems that the individual projects were developed in a reasonable timeframe once programme funding was approved. This was touched upon in our consultations with some of the beneficiaries. The overall consensus was that DCC moved quickly in the circumstances and took a proactive role in mobilising activity to help the Devon economy. One beneficiary/stakeholder commented that he ‘could certainly never remember DCC dragging their heels’. Another aspect that was highlighted was that DCC were in listening mode to understand what was needed to help the business community.

Having reviewed the PIDs, held discussions with the majority of project managers and also consulted with a range of beneficiaries, one overriding observation is the diversity and breadth of the project activity that has been supported through the programme. This has been influenced by the thematic approach (traced back to the original Task Groups and the subsequent Prospectus), which has helped this spread of activity.

> “Beyond the funding support provided, the main benefit has been to become part of the Devon Work Hub network. The peer support and expert advice provided through the network has been really valuable. We have formed relationships with other work hubs.

The other aspect to highlight is that – as discussed previously – there appears to have been a good mix of activities that aimed to respond to the short-term shock provided by the pandemic (eg Opening up to Skills, Careers Boost, Devon Coastal and Market Towns) and those which clearly had a focus on longer-term structural needs (eg Green Innovation Fund, Natural Capital Challenge Fund).

In several cases, the projects involved a combination of both. For example, the Devon Work Hubs project had been in place pre-Covid and there was an identified priority across Devon to develop more flexible workspace. However, this project also had a Covid element given the change in working patterns that suddenly came about because of the pandemic i.e. home working and an envisaged significant increase in people wanting to work flexibly in more rural locations. Our view is that the funded projects have represented a good mix of short-medium-long term recovery and have aligned well against the Restart, Regrow, Reset aspirations. There is a clear thread between the Prospectus and the DCC funded projects.

In terms of wider delivery aspects, there are some issues which have been highlighted in our consultations with both DCC project managers and external beneficiaries that we highlight:

- Our consultations with external beneficiary organisations – albeit based on a sample of supported organisations - has highlighted a very positive view of the support provided by the relevant DCC project managers and the ongoing relationship that has been developed. Several of our consultees wanted to highlight the support provided by DCC staff and commented on their professional, collaborative and responsive approach. In addition, the flexibility shown by DCC was an important aspect. It is clear that DCC have provided support beyond the funding itself, and the close working between DCC (primarily the relevant project manager) and the beneficiary and delivery organisations has been valued and seen as an important aspect in the success of the projects. Therefore, the quality of support provided by DCC is important to highlight here and a core evaluation finding.

> "DCC has taken an active role in the project, not just acting as a funder. They have linked us up with the right people and playing a key role in next steps – including discussions around funding through the UK Shared Prosperity Fund.

- The beneficiaries we consulted all felt that the reporting requirements associated with the project support were pragmatic and commensurate to the support received. This was a universal view held. It did not feel like an overly bureaucratic process for the beneficiary organisations.
- However, there was some frustration expressed around the financial and procurement processes that still needed to be followed through the Economic Recovery Programme. This was primarily an internal DCC view from a project delivery aspect. Given that the programme was a response to the pandemic (albeit focused on recovery and not an immediate emergency response), and therefore nimbleness and speed was important, there has been some frustrations that DCC's own financial, legal and procurement approaches were not able to be 'flexed' to account for the unusual circumstances. Examples highlighted included evidence requirements for defrayal, due diligence on funding recipients etc. It is our understanding that within DCC closer links between departments such as finance, procurement and the Economy, Enterprise and Skills teams have been developed to facilitate a better understanding of mutual requirements. This is to be welcomed. However, it was questioned whether internal processes (which we recognise are governed by public sector procurement and accounting regulations) could be 'loosened' a little in such circumstances situations. We do recognise that 'flexing' established processes is difficult when within a regulatory/legal framework. Nevertheless, we feel it helpful to highlight the views expressed in some of the consultations.
- Whilst the Economic Recovery Programme had some in-build funding for enhancing capacity, this was not necessarily significant - £290,000 was allocated for capacity building and resourcing. Some of this was used for supporting capacity and resourcing to help deliver the programme, whilst a small amount of funding was used to support resilience for key business networks. Despite this additional funding, our consultations have highlighted that the scale of the programme was a significant departure from the Business-As-Usual activities of the internal teams – primarily the Economy, Enterprise and Skills teams.

> “I feel the relationship with DCC really accelerated and strengthened during the pandemic response period. Post pandemic it feels that local authorities are certainly more responsive and quicker – obviously a good thing from a business perspective.

Consequently, there have been some pressure on delivery through constraints on internal resources and this is highlighted.

- We have some questions over whether the opportunities for linkages between the individual projects funded through the programme were fully explored and/or exploited. Our consultations with project managers highlighted that in some instances some good links were forged between projects and there has been joint working, whilst in other cases some project managers were not necessarily aware of all the projects that were funded through the programme and therefore potential linkages may have been missed. This particularly seems to be the case for those project managers who may have joined part-way through the programme. Whilst there were clearly some aspects of cross-programme working i.e. through the monitoring and reporting and consideration in the (or by) SMT, we have not necessarily gained a strong sense of a programme wide exploration of dependencies and opportunities – certainly outside the SMT. Whilst we understand there are explanatory factors such as the size of the Economy, Enterprise and Skills service, and the extent of other work being delivered across the service etc. we do question whether some things could have been put in place to fully exploit potential linkages. One idea would have been to create a six-monthly programme meeting involving all project managers, potentially with presentations being made from projects on a rolling-basis.
- There was some frustration expressed with regards to the truncation of the delivery period for some projects. We spoke to a few project managers and delivery organisations that had been expecting at least a two-year delivery period, but by the time the project had been mobilised this had reduced to a shorter time period. The hard ‘end stop’ was always March 23 and reflects how local authority finance works for revenue funding. This placed pressure on delivery, particularly given that all project activity includes a mobilisation and build-up in activity. Similarly, there is an element of fixed costs i.e. set up which were not able to spread over a longer project period. We are not quite clear why original project timeframes for some projects were shortened, but we presume it related to the period that had elapsed from the approval of the programme funding through the development and approval of the PIDs, and then the subsequent delivery (remembering that this was still largely during Covid restrictions). It is also important to highlight that this was also influenced by some activity being deemed as no longer required given the advent of funding programmes that were a more appropriate channel. This was particularly the case for some employment and skills projects which were eventually supported through Community Renewal Funding (see earlier timeline).

## The monitoring process

The approach to monitoring the Economic Recovery Programme developed as the programme moved through the delivery phase. Our review of the PIDs, and also highlighted in discussions with project managers, was that each of the projects initially outlined a set of outputs and outcomes that were relevant to their particular activities. For some projects, this lent on the types of outputs that similar projects had tended to report against. For example, some business support projects used output definitions that were akin to those used in programme such as European Regional Development Fund (ERDF). Similarly, skills focused projects used output definitions that were traditionally reported for European Social Fund (ESF) or Department for Education (DfE) funded projects. Some of the outputs were identified from the experience of the project manager that developed the PID.

The reporting in the early delivery phase focused on these project-defined output/outcome definitions. However, it became apparent to DCC that this was resulting in a slightly disparate reporting approach across projects/themes, and that it was difficult to report progress at a programme level. Consequently, some specific resource was devoted to helping to develop a more consistent approach in programme reporting.

A key element of this was to develop a set of 'core' output definitions that projects were then asked to report against. These were linked to the outputs that had been outlined in the Recovery Prospectus and the Cabinet Paper. This aimed to drive some consistency across the programme and enable DCC to monitor overall progress against targets. However, it was recognised that the specific characteristics of each project shouldn't be stifled by the need to report against the core outputs. This also applied at a thematic level, where there are differences between the scope and focus between the four themes. Therefore, DCC decided that projects were able to capture and report outputs/outcomes in two broad ways:

- Capturing and reporting against the core outputs as defined by the programme reporting team. This enabled a more consistent approach to programme monitoring and reporting.
- Continuing to capture and report against any project specific outputs that had been developed, and which reflected the particular characteristics of the project.

Projects were able to add additional columns to the Reporting Template to reflect their own project specific outputs, and/or they were also able to 'hide' columns which were not necessarily relevant to their project.

Project Managers were also required to complete a RAG Risk column and a narrative of project progression (see below). They were encouraged to highlight any positive stories and anecdotal feedback to add a more qualitative aspect to the quantitative output reporting.

The core programme monitoring outputs are set out and discussed below:

- Business supported – defined as a business receiving a minimum of 3 hours of support
- Jobs safeguarded – permanent job forecast to be lost within 6 months is retained due to DCC support
- Jobs created – new, permanent, paid job created following support and expected to be in place for at least 12 months
- Apprenticeship created

- Level 2 Training Place created
- Level 3 Training Place created

Alongside the outputs that were defined in the original PIDs, projects were also encouraged to capture any wider funding that was leveraged as a result of Recovery Programme project.

Our review of the output definitions has led to some observations:

- The definitions used were largely pulled through from other funding programmes. For example, the definition of a 'business support' were aligned with definitions used in the ERDF programme i.e. a minimum of 3 hours support provided. In our experience, there have been questions whether this level of support can lead to meaningful 'impact' for the business. It raises questions about the expected outcome or impact that could realistically be associated with this scale of support i.e. the link between the support provided and any subsequent positive impact on the business. However, it is important to stress this is part of a wider policy question, rather than specific to this programme. In our view, the adoption of definitions used elsewhere was a pragmatic decision.
- The definitions around the skills-related outputs are not necessarily clear in terms of how they are associated with the support provided. Therefore we cannot comment on the link between the creation of any training places and the support provided – it is not clear.

> "We have established a very good relationship with DCC through the support provided, our project manager has continued to remain in contact and help us look for further opportunities to sustain our operations.

The monitoring and reporting of output delivery was purely for internal purposes – given that programme funding was provided by DCC. Project managers were responsible for completing a Recovery Monitoring Template by a defined date each quarter, and this was collated by the programme reporting team into a summary report (see later comment). Primary reporting was to the SMT, although it could also be used for updating Council Members. The programme reporting team produced some guidance notes to help project managers complete the Recovery Monitoring Template, including some high-level definitions for the core outputs.

This programme reporting approach was developed in October 21. Therefore, the period before that had reporting at a project-level – which was relatively uncoordinated and fragmented reporting.

Our overall observation in relation to how the monitoring and reporting approach has developed is that DCC have adopted a pragmatic and sensible approach. Given it is effectively an 'internal' programme and does not need to conform to external funding requirements, it has used this discretion well. Clearly, the introduction of some common outputs was helpful for programme reporting. However, the scope for projects to reflect their own specific characteristics in the outputs has allowed for flexibility in the approach.

The information that is provided by the individual projects each quarter is then collated by the programme reporting team. This team then produces two reports for SMT consideration:

- A Recovery Project Highlights report. This essentially provided an overall RAG status in relation to project progress for SMT consideration. SMT would be primarily concerned by any projects that were given a red RAG rating. The RAG rating was accompanied with a short narrative on project progress.

- A Recovery Projects Overview report – effectively a short slide deck. This outlined output delivery (delivery against target), financial spend against forecast budget (at an individual project and programme level), an overall RAG status and some of the positive anecdotal feedback provided that quarter.

We have reviewed all the Recovery Project Highlights reports and the latest Recovery Projects Overview[1]. Our view is that the programme reporting was measured and effective. The RAG status for projects is clearly an important tool to highlight issues to the SMT group. The performance in terms of financial spend and output delivery against targets is set out clearly. The approach to monitoring and reporting was to make it a less bureaucratic and time consuming process, although we understand that a reasonable amount of time is spent by the programme monitoring team each quarter chasing information from project managers.

Finally, all funded projects are required to complete an end of project evaluation report. This can be completed by either the project manager or delivery organisations. Given the programme completed at the end of March 23, several projects are currently drawing together their end of project reports. We have reviewed a couple of completed reports and they contain some useful information. They are not independently produced, and interpretation of conclusions needs to be undertaken in this context, however, they are useful documents. There will be an onus on DCC to consider the lessons learned from each project either in terms of ongoing activity, or wider learning for similar activities.

> “Our programme has robust evidence to show that it has a positive impact in terms of progression into Higher Education. Therefore extending it into more areas provides the potential for this positive impact to be extended.

Alongside the internal reporting, this report provides the light touch programme level evaluation of the Economic Recovery Programme. This work aims to highlight some key learnings at a programme level for DCC consideration.

[1] *This is updated on a quarterly basis through Microsoft Power BI and therefore historical versions were not available*

## Outputs

As previously discussed, the programme developed a set of core programme outputs that projects were required to report against, alongside the scope for projects to also monitor and report against metrics that were aligned with their specific activities. This means that there is a long list of outputs/metrics that have been captured by the project – as reflected in Annex B.

Some of the core outputs are shown below – and as reported on a quarterly basis by the programme monitoring team to the Economy, Enterprise and Skills SMT. This is not exhaustive, but we have highlighted some of the key outputs.

The data shows that the programme has performed well against its forecast targets (as reflected in the individual PIDs) for the core outputs. It has largely met the target for job creation and significantly exceeded the forecast targets for both accredited and non-accredited training. It has marginally under delivered against forecasts for jobs safeguarded and business assists, although in terms of the latter nearly 2,300 businesses supported is a considerable achievement. Within this overall business support target it has exceeded forecasts around such aspects as supported to take up digital solutions. This is useful to place in the context of the need for most businesses to become more digitally adept in the post-pandemic period.

97.5 FORECAST | 93.5 ACTUAL

JOBS CREATED

43 FORECAST | 60 ACTUAL

JOBS SAFEGUARDED

2,889 FORECAST | 2,218 ACTUAL

BUSINESSES SUPPORTED

TO ADAPT PRACTICES: 407 FORECAST | 593 ACTUAL

DIGITAL TAKE-UP: 407 FORECAST | 924 ACTUAL

BUSINESSES SUPPORTED

370 FORECAST | 684 ACTUAL

ACCREDITED TRAINING PLACES

866 FORECAST | 1623 ACTUAL

NON-ACCREDITED TRAINING PLACES

The extent of achievement in some of the 'green' outputs is useful to highlight, such as the planting of c14,000 trees and 11,000 tonnes of carbon saved or sequestered. This aligns with wider objectives within Devon's response to the climate emergency and reflects some of the individual projects supported.

869
FORECAST

806
ACTUAL

HABITATS CREATED OR RESTORED (hectares)

11,000 tonnes

CARBON REDUCTION

14,000

TREES PLANTED

### Financial Performance

As previously discussed, DCC Cabinet approval for £6m investment in the programme was provided in October 2020. Subsequently, the gap between allocation to projects and the approved amount was returned to DCC as financial savings. This was provisionally split across the four themes. Forecast and actual spend is shown in the below table. This reflects financial spend up to Q4 2022/23, although may not reflect aspects such as funding for the capacity building.

| | Budget (forecast) | Actual Spend | % Actual Spend against Forecast |
|---|---|---|---|
| Place and Opportunities | £2,138,055 | £2,067,726 | 96.7% |
| Business | £1,451,726 | £1,250,961 | 86.2% |
| People | £1,355,465 | £1,302,196 | 96.1% |
| Total | £4,945,246 | £4,620,883 * | 93.4% |

*This does not include £267,000 of grants (Green Innovation, Natural Capital and Community Energy Funds) that were paid in April 23.*

The spend data indicate that c93.5% of the budget has been spent by Q4 2022/23. The programme has done well in spending a significant proportion against the forecast budget (representing the allocated project funding rather than the original Cabinet approval).

It is important to highlight that this only represents the DCC investment into the range of projects. Projects also had matched funding and therefore investment was greater. This is shown in the table below. The table also shows that the programme has leveraged almost £3.6m of additional funds which is additional funding that was directly associated with Recovery Programme projects[2].

[2] *It also reflects that two businesses supported through the Green Innovation Fund undertook valuations as part of a round of investment funding. The valuation of the businesses had increased as a result of GIF seed funding and this increase in valuation is reflected in the figures.*

| | Public Match (forecast) | Public Match (actual) | Private Match (forecast) | Private Match (actual) | Additional Leveraged Funds |
|---|---|---|---|---|---|
| Place and Opportunities | £585,750 | £598,413 | £256,008 | £839,862 | |
| Business | £0 | £0 | £0 | £0 | |
| People | £300,000 | £0 | £0 | £0 | |
| Total | £885,750 | £555,413 | £256,008 | £839,862 | £3,556,682 |

As projects were further refined and developed through the PID process, and as delivery has taken place, that the overall programme budget has been reduced and re-profiled. In effect, the programme budget has reduced to c£5m. This occurred in late 2021 and some of the funding was returned back to DCC reserves. The table above suggests that forecast spend to the end of the delivery phase of the programme (Q4 22/23) is lower again at £4.63m.

## Communication

Information around the individual projects that have been funded through the Economic Recovery Programme has been regularly fed out through the Council's own channels, as well as being picked up through local (social) media channels. We have reviewed a range of press releases that have been developed and there has been some momentum in the information flow. There was an intention that a press release would be developed for each project. The communications have clearly indicated that the activities have formed part of the Economic Recovery Programme and for the DCC press releases there has normally been comment from the Cabinet Member for Economic Recovery and Skills.

> "The support provided has been very important and potentially highly transformational. It has moved us from lab scale to pilot activities. The support provided has played a key part in progressing the R&D journey. This will potentially deliver economic and environmental benefits.

Getting the message out regarding the support available through the programme was a focus for projects through 2021 and 2022, particularly coinciding with launches. DCC has a wide reach in terms of its communication activity through its various channels. Some examples of press releases are shown below:

Devon Work Hubs - Devon Work Hubs network expanded - News

Devon Get Started - Help on hand to start a new enterprise or grow an existing business

Digital Support and Business Adaptation - https://www.devon.gov.uk/news/support-schemes-offered-through-devons-economic-recovery-programme/

Made in Devon – Growth of local shop a huge opportunity, Made in Devon website launched

Get Set to Tender - Free support for small businesses and community groups

Wellbeing Works – Wellbeing support offered through Devon's recovery programme

Open Up to Skills - "Open Up To Skills" initiative launched, Open Up To Skills training provides post-Covid boost for popular hotel in Exeter - News

Green Innovation Fund – Green Innovation Fund awarded to projects, Green Innovation Fund supports Bideford Bay seaweed farm

Young Entrepreneurship Programme – Project launched to equip young people with entrepreneurial skills

Farm Recovery – [Farm Recovery programme launched in Devon]
Natural Capital Challenge Fund – [Funding for natural capital projects]

## Programme Impact

A key question for any evaluation is whether the programme had the intended impact. This is impact beyond that measured by outputs and relates to impact on the intended beneficiaries. For the Economic Recovery Programme – given the range of projects that have been supported and all with differing objectives and targeted audiences – impact has been for individuals, businesses and communities.

The diversity of projects means that it is difficult to express impact in any consistent, quantifiable form. The scope of this light touch evaluation was relatively tightly defined. However, even with more resource available, it would be extremely difficult to express the impact of such a diverse programme in a robust form. The different projects are trying to do different things.

> “The inclusion of ‘quick wins’ has been really important. It shows actual action on the ground rather than just more strategy discussions which is important for ‘buy-in’.

Our approach to understanding the impact of the programme was to undertake a series of interviews with organisations that have benefited or delivered project activity. These interviews were qualitative in nature. The list of consultees is shown in Annex C. The interviews were designed to gauge their views on how it has been to work with DCC and also to get an indication of how the support has provided benefits and impacts.

Our interviews have highlighted that the programme has had a very positive impact in a variety of ways. We have been struck by the feedback that we have received as to how the projects have provided positive benefits. We have spoken to a few businesses benefitting from direct grant funding (i.e. through the Natural Capital Challenge and Green Innovation Funds) who have examples of where the projects have had potentially transformational impacts on those businesses. Most of the businesses that we spoke with were comfortable in attributing some of their subsequent growth to the support provided through the Economic Recovery programme.

Many of these success stories have been highlighted as case studies within the programme communications and our consultations have corroborated that feedback. However, we cannot comment on the impact on a project-by-project basis and would encourage the DCC team to utilise the findings and learning from the individual end of project reports to better understand evidence of impact and lessons learned. We have highlighted several programme level lessons and our view is that the programme has helped support the recovery of elements of the Devon economy and, importantly for some businesses, individuals and communities, it provided a basis for subsequent further growth and development.

Whilst highlighting the examples of positive impact that we have found through our beneficiary discussions, it is also realistic to understand that some of the project activities did not develop as hoped. This is a common outcome when looking across a whole programme. It is also useful to highlight that some projects were pilots, and therefore would not necessarily expect to be a success.

The contribution to the largely positive impact of the programme relates back to some of the earlier commentary:

- **The programme was relatively well designed and took a longer-term more strategic view of intervention.** The funded projects largely aligned with strategic objectives that were already held locally and it successfully meshed these longer-term aspirations with the medium-term need to recover for some of the hardest hit parts of the Devon economy. This strategic development was important and compared favourably to some of the more reactive Covid-related policy measures that were in place at that time. The programme was not a knee-jerk reaction to the developing picture, nor was it 'scattergun' in terms of how it looked to provide support.

  Examples of those projects which had a longer-term strategic focus included the natural Capital and Green Innovation Funds (aligning with Net Zero objectives across Devon), Farming Innovation (helping the farming sector prepare and change for the post-CAP environment) and Young People Entrepreneurship.
- While the longer-term strategic focus was important, **the programme was able to successfully weave in aspects that were linked to Covid restrictions and recovery.** For example, most of the People theme projects were aimed at helping more individuals (many of whom were distant from the labour market) improve their skills and help them into work.
- **The DCC and partners managed to design a flexible programme to ensure that it complemented, rather than duplicated, the rapidly changing national Government support landscape.**
- The programme was developed and informed by 'real-time monitoring' of what was happening on the ground as the Devon economy responded to the difficulties presented by the pandemic and ensuing restrictions. This was a multi-partner approach, drawing in intelligence from private, public and third sector partners across 'Team Devon'. **The programme was led by evidence of the economic impact of the pandemic, and the knowledge of what was needed to design the subsequent responses.**
- **In several cases, the rational for intervention had a combination of the above factors.** For example, whilst the development of a network of Work Hubs had been a strategic objective of the Council for some time, the impact of the pandemic and the changes to the way that people worked, meant that it also had a 'Covid' element. Similarly, the Careers Boost project was already in existence and aligned against a longer-term aim to encourage students from more disadvantaged backgrounds to consider Higher Education. The fact that those from disadvantaged backgrounds were particularly badly hit during the pandemic meant that the need for the intervention had heightened in importance. The DCC funding allowed the reach of the project to be expanded. The Urban Renewal project was designed to help support the creation of plans in local rural and coastal communities that had suffered from longer-term structural issues. Because these communities had also been some of the hardest hit during the pandemic, the provision of 'quick wins' meant that there was a mechanism for rapid response.

> “Thanks to the support provided we are now on a much clearer road to being sustainable in the longer-term.

**We can associate the positive impact with the design and delivery of the programme, and specifically across the Restart, Regrow and Reset timeframe.**

Some of the positive feedback we received through the beneficiary consultations is shown throughout the report.

We were interested in understanding the sustainability of activities beyond the DCC funding. Sustainability in this context is the continuation of activities beyond the programme. As stated, this drew to a close at the end of March 23. We have looked at sustainability in three ways:

- Sustainability of the programme itself
- Sustainability of the funded projects
- Sustainability of activities within beneficiary organisations

In terms of the programme itself, it closed at the end of March 23. Given that it comprised a specific set of economic support measures to the pandemic, then drawing it to a close about 6 months after the end of the pandemic seems appropriate.

In terms of the individual project activities then the picture is mixed. Most of the funded activity draws to a close in March 23. However, some project activities will develop in different ways and be potentially delivered through different funding channels. For example, there are elements appearing in UK Shared Prosperity Fund delivery across some of the Devon local authority districts. Some of the green-focused activities have been shown to provide value and are continuing in different (albeit smaller) forms. The Made in Devon project is also extending beyond the close of the programme as it is based on a membership-based model, with the aim of being largely self-sustaining in the future.

Some of the beneficiary organisations are hoping to build on the DCC support by developing in other ways, either through their own means, pulling in external finance or securing alternative grant funding. Some of the skills-oriented projects have also had a positive longer-term impact on individuals, with the associated benefits lasting beyond the initial support.

The final point to make on sustainability beyond the programme end relates to support that was provided by DCC officers. In several instances, the DCC project manager played a role in discussions of options beyond the DCC funding - demonstrating the added value provided through the DCC support structure.

## ANNEX A - list of funded projects

| Project | Theme | Initial PID Submission | Final PID Submission |
|---|---|---|---|
| Green Innovation Fund | Our Opportunities | Mar-21 | Sep-21 |
| Young People Entrepreneurship | Our Opportunities | Sep-21 | Oct-21 |
| Community Energy Fund | Our Places | Jun-21 | |
| Natural Capital Challenge Fund | Our Places | May-21 | |
| Urban Renewal | Our Places | Oct-21 | |
| Devon Work Hubs | Our Places | Mar-21 | |
| Live/ workspace pilot programme | Our Places | Mar-21 | |
| Devon Get Started (Pre Start-up (including social enterprises) | Our Businesses | Apr-21 | |
| Digital Boost Devon (part of Digital Support and Business Adaptation) | Our Businesses | May-21 | |
| Get Set Adapt (part of Digital Support and Business Adaptation) | Our Businesses | May-21 | |
| Taking Business Digital (part of Digital Support and Business Adaptation) | Our Businesses | May-21 | |
| Non-ERDF Business Support | Our Businesses | Oct-21 | |
| Made in Devon | Our Businesses | * | |
| Farming Innovation | Our Businesses | Aug-21 | Nov-21 |
| Get Set To Tender (prev. Community Wealth Local Procurement) | Our Businesses | Mar-21 | May-21 |
| Wellbeing Works (prev. Listening Ear) | Our Businesses | Aug-21 | Sep-21 |
| Open Up to Skills | Our People | | |
| Recovering Employment in Devon Community Works Initiative | Our People | May-21 | |
| Recovering Employment in Devon – Be Ready Employers Hub | Our People | May-21 | |
| Recovering Employment in Devon – Work Academies | Our People | May-21 | |
| Recovering Employment in Devon – Wellbeing Hubs | Our People | May-21 | |
| Recovering Employment in Devon – Starting Out | Our People | May-21 | |
| Careers Boost - Access to HE | Our People | Jun-21 | |
| Careers Boost | Our People | Jun-21 | |

* This was the first project to be developed - before the PID process was in place

## ANNEX B - outputs

| | DCC Cabinet Paper Forecast outputs | Total forecast by projects | Cumulative Overall Actual 3/23 |
|---|---|---|---|
| Support businesses to take up digital solutions | 385 | 407 | 593 |
| Support businesses to adapt their business practices | 390 | 407 | 924 |
| Deliver a new Green Business Directory and Tool Kit | 1 | 0 | 0 |
| Provide individuals with redeployment and employment support | 2500 | 1087 | 1407 |
| Support additional apprenticeship places for adults and young people | 500 | 7 | 8 |
| New level two training places | 700 | 123 | 678 |
| New level three training opportunities | 250 | 247 | 6 |
| Non accredited training (people trained) | 0 | 866 | 1623 |
| Support start-up businesses to launch. | 500 | 259 | 127 |
| Businesses Supported | 0 | 2889 | 2,218 |
| Engage 100 young people in start-up opportunities | 100 | 54 | 159 |
| Create 20 new ventures young people | 20 | 20 | 38 |
| Engage with 90 social entrepreneurs | 90 | 30 | 45 |
| Create new social enterprises | 40 | 30 | 45 |
| Support farms to become more resilient | 150 | 140 | 319 |
| Made In Devon programme membership | 300 | 100 | 86 |
| Create additional work hubs | 10 | 10 | 6 |
| Establish natural capital innovation pilots | 2 or 3 | 6 | 6 |
| Create Urban Renewal Plans for our hardest hit towns | 8 | 8 | 8 |
| Support communities develop local energy networks | 20 | 21 | 2 |
| Tonnes of CO2 emissions saved and sequestered | 0 | 10,724 | 10,724 |
| Jobs Created | 0 | 97.5 | 93.5 |
| Jobs Safeguarded | 0 | 43 | 60 |
| Metres of Linear Features Created or Restored | 0 | 55,000 | 103,283 |
| Public Match | 0 | 0 | £ 598,413 |
| Private Match | 0 | 0 | £ 839,863 |
| Wider leverage - Additional Funding/ investment secured | 0 | 0 | £ 3,556,682 |

## ANNEX C - consultations with project beneficiaries

| Project | Name | Organisation |
|---|---|---|
| Devon Work Hubs | Matt Smith | Waffle Works - Axminster |
| Devon Work Hubs | Steve Mammatt | The Kingsbridge Office |
| Devon and Coastal Towns | Georgina Carlo Pate | Ilfracombe town |
| Natural Capital Challenge Fund | Rachel Phillips | Apricot Centre |
| Community Energy Fund | Sally Murrall Smith | Totnes Community Energy Club |
| Open Up to Skills | Karen Crosby | CSW Group |
| Open Up to Skills | Charlotte True | Plymouth University |
| Open Up to Skills | Paul Bond | Plymouth University |
| Open Up to Skills | Kelly Williams | Dartmouth Hotel |
| Digital and Business Adaptation | Stuart Elford | Devon and Plymouth Chamber |
| Made in Devon | Adam Fox-Edwards | Devon Hampers |
| Made in Devon | Amanda Morris | Indigo Fizz |
| Green Innovation Fund | Alex Rathmell | Energy Pro Limited |
| Green Innovation Fund | Luke Dale-Harris | Farm Wilder CIC |
| Green Innovation Fund | Christian Marston | Altilium Metals |
| Young People Entrepreneurship | Emily Davies | University of Exeter |
| Young People Entrepreneurship | Richard Doak | Space Youth Services |
| Young People Entrepreneurship | Dan Barton | Space Youth Services |

## ANNEX D - other support measures

The UK and devolved governments implemented a series of financial measures to mitigate the impact of Covid-related restrictions. These policies were continued, sometimes in slightly revised form, during subsequent Covid waves in the autumn and winter of 2020–21. Although funding came from the UK government, with the devolved administrations receiving a share according to the Barnett formula, many business support schemes were administered by local authorities, which could provide some discretion on how to distribute resources.

The main economic support schemes provided by the UK Government during the pandemic, their cost and their beneficiaries are set out below. The latest figures from the Office for Budget Responsibility (OBR) estimate that UK Government Covid support measures totalled £169bn since 2020. Most of this extra spending went to individuals, at £100bn, with the remaining £69bn spent on business support schemes. Other programmes introduced during the pandemic but targeted at recovery include the Kickstart scheme, the Recovery Loan Scheme and the Job Entry Targeted Support programme, and continued to March, June and September 2022 respectively.

Support programmes were gradually phased out over the summer and early autumn of 2021 as public restrictions were lifted and the economy reopened.

### Support for Individuals – broad description

An unprecedented package of support for individuals was announced at the start of the crisis in March 2020. The bulk of support for workers was provided through the Coronavirus Job Retention Scheme (CJRS, or 'furlough') and the Self-Employment Income Support Scheme (SEISS). A £20 a week uplift in Universal Credit supported the lowest-paid and unemployed. Over the course of CJRS, 11.7m jobs were supported (peaking in the initial months of the lockdown – as shown below), out of a total of around 28.7m jobs eligible for furlough. Of the 5m self-employed workers in the UK, around 2.9m received at least one of the five SEISS grants. When the £20 a week uplift ended there were 5.7m people on Universal Credit.

Following periods of lockdown, the UK Government initiated different types of schemes to support people find work and encourage economic recovery. The Kickstart scheme provides job placements for people under 25: it has provided 217,000 placements with 100,000 applicants subsequently finding employment.

As part of the Restart scheme, long-term unemployed Universal Credit claimants were provided with intensive job searching support under Job Entry Targeted Support. As of 5 January 2022 there had been 176,000 referrals to the programme.

### Support for businesses – broad description

Business support consisted of a mix of grants, loans, and temporary tax cuts.

The UK Government guaranteed loans, either in part or in full, to provide liquidity to businesses across the economy and prevent insolvencies when uncertainty was too high for private-sector financial institutions to take on the risk. A total of 1.7m loans have been awarded across the five different schemes. By far the biggest scheme was the Bounce Back Loan Scheme (BBLS). These loans are only a cost to the taxpayer if they are not repaid. However, it is predicted that many will not be repaid either due to subsequent business failure or fraud.

Business grants – direct payments from government that didn't need to be repaid – were designed to compensate businesses forced to close or significantly adjust operations due to restrictions. During the first lockdown in 2020 small businesses and firms in the retail, hospitality and leisure sectors received cash grants between £10,000 and £25,000. Over subsequent lockdowns in the autumn and winter of 2020–21 some 3m grants were paid out under the Local Restrictions Support Grants scheme. The UK Government also waived business rates for hospitality and retail businesses and nurseries for the 2020/21 financial year, benefiting almost 400,000 businesses.

The UK Government also temporarily reduced the rate of VAT for hospitality businesses between July 2020 and March 2022, and introduced the Eat Out to Help Out scheme to encourage hospitality spending in August 2020.

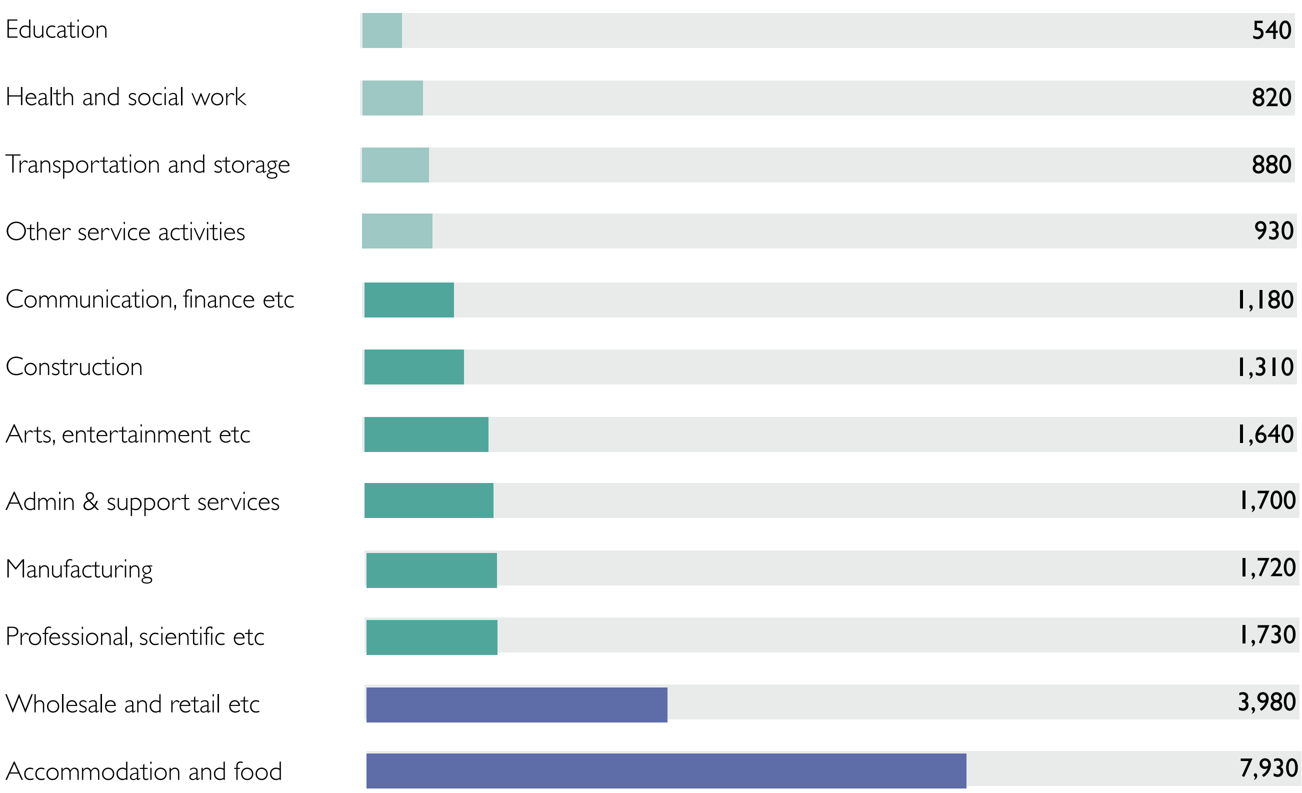
### Devon – Covid related support

In total, at any one point in time, c133,000 people in Devon were furloughed and recipients of CJRS – as shown in the table below. The number of people furloughed peaked in the early months of the pandemic – in May 2020 c25,000 people across Devon were furloughed.

| TOTAL EMPLOYEES ON FURLOUGH | | | | | | |
|---|---|---|---|---|---|---|
| Total - over whole pandemic | County and district authority | at 31 May 20 | at 30 June 20 | at 31 July 20 | at 31 August 20 | at 30 Sept 20 |
| 133,100 | **Devon County** | 25,100 | 17,100 | 14,100 | 11,700 | 9,600 |

The majority of furloughed employees across Devon were in tourism-related sectors (accommodation and food) and retail.

**Devon - May 21.** Sectors with more than 500 furloughed workers



In terms of self-employment support through the SEISS scheme, in total there were 5 tranches of grants paid out between 13 May 20 and 30 September 21. By September 2021 there had been c144,500 claims across Devon County, c44,00 individuals had received at least one SEISS grant and in total c£392m had been paid out – an average of c£2,700 per claim, or c£8,900 per individual supported.

| DEVON COUNTY | | |
|---|---|---|
| **Total claims made to Sep 21** | **Total individuals supported to Sep 21** | **Total value of claims to Sep 21 (£)** |
| 144,400 | 44,200 | 392,200,000 |

Source: https://www.gov.uk/government/collections/hmrc-coronavirus-covid-19-statistics

Other forms of support for ***individuals*** are described briefly below:

- An increase on the basic element of Working Tax Credit (WTC) for the 2020-21 tax year by an additional £20 a week.
- A similar £20 per week temporary increase was made to universal credit (UC).
- The Kickstart Scheme was introduced as a means of supporting young people on Universal Credit into jobs. The scheme has seen over 163,000 young people start jobs, as well as over 30,000 employers providing opportunities. The last young people finished their roles at the end of September 2022, with Kickstart coming to a formal conclusion at the end of November 2022.
- JETS was launched as part of the Plan for Jobs package, investing £238 million in the first year, to support UC and New Style Jobseeker's Allowance claimants who have been unemployed for at least 13 weeks to re-enter employment. As of the end of August 2021, c168,000 people across England and Wales had started support on the programme, with 42,000 achieving job outcomes.
- Stamp duty holiday was initially introduced in July 2020, then extended until 30 June 2021, to boost the UK property market, meaning that buyers completing a purchase on a property for less than £500,000 didn't have to pay stamp duty.

Other forms of support for ***businesses*** are described briefly below:

- The Coronavirus Statutory Sick Pay Rebate Scheme supported employers by enabling them to claim the value of up to 2 weeks statutory sick pay starting if an employee was unable to work due to Covid related issues.
- A range of business rate relief measures
- Local Authority Discretionary Grant Fund - grant schemes managed by local authorities on behalf of SMEs. Devon data is presented where available.
- The Omicron Hospitality and Leisure Grant provided local authorities with one-off grant funding to support to hospitality, leisure and accommodation businesses, in recognition that the rise of the Omicron variant. **£33,879,249 was allocated via Devon local authorities.**
- Additional Restrictions Support Grant (ARG) provided additional funding for local authorities subject to national lockdown or Tier 3 restrictions at that time. **Overall, Devon had an allocation of £28,364,249.**
- The Restart Grant was available from April 2021 to support businesses in reopening safely as restrictions were lifted. This provided one-off grants of up to £6,000 for non-essential

retail premises, and up to £18,000 for hospitality, leisure, personal care and gym businesses. **There was an allocation of £100,387,476 to Devon-based businesses**.

- A range of further Local Restrictions Support Grants (LRSG) and Christmas support payments (not described in detail here) - **with a Devon allocation of £176,968,570.**
- Small Business Grants Fund (SBGF) & Retail, Hospitality and Leisure Business Grants Fund (RHLGF). Small businesses in England which paid little or no business rates were entitled to a one-off cash grant of £10,000. Businesses in England in the retail, hospitality and leisure sectors were entitled to a one-off cash grant of up to £25,000. Local allocations set out below – showing that c22,000 grants were paid in the six months from March to Sept, and **worth £251,830.000 in local payments within Devon.**
- Local Authority Discretionary Grants Fund (LADGF). Available for small and micro businesses with fixed property costs that were not eligible for either the SBGF or the RHLGF, up to a value £25,000. **The allocation to Devon businesses was £17,659,696.**

- There were three main Government-backed financial loan schemes for businesses affected by the restrictions:
  - Bounce Back Loans Scheme (BBLS) offered all businesses loans of up to £50,000 or 25% of turnover. The loans were 100% backed by the Government.
  - The Coronavirus Business Interruption Loan Scheme (CBILS) offered loans of up to £5 million for businesses with an annual turnover under £45m. The loans were 80% backed by the Government.
  - The Coronavirus Larger Business Interruption Loan Scheme (CLBILS) extended the standard CBILS approach to larger businesses (turnover more than £45m).

The loans were closed to new applications on 31 March 2021. Regional data published for BBLS and CBILS and showed the **w**holesale and retail sector received highest value of loans (£12.4bn), followed by Construction (£11.7bn). The data below shows that between the BBLS and CBILS scheme, **almost £5.5bn in loans have been provided to South West businesses**. The data is not available at a local authority level.

| | BBLS | | CBILS | |
|---|---|---|---|---|
| | Value of Loans Offered (£) | Number of Loans Offered | Value of Loans Offered (£) | Number of Loans Offered |
| South West | 3,554,828,669 | 126,496 | 2,063,373,529 | 8,649 |

- Eat Out to Help Out Scheme at a participating establishment was intended to boost a reopened hospitality sector by providing a 50% discount on food or non-alcoholic drinks to eat or drink in (up to a maximum of £10 discount per diner). Data was published at Local Authority level which showed the number of registered individual premises and the number and value of claims made. **Businesses in Devon claimed £10,430,000.**
- In July 20 the UK Government_announced that it would introduce a temporary 5% reduced rate of VAT for certain supplies of hospitality, hotel and holiday accommodation, and admissions to certain attractions.

*Other* support that was aimed at economic recovery also included:

- Welcome Back Fund which built builds on the £50m Reopening High Street Safely Fund (RHSSF) fund allocated to councils in 2020. The fund was intended to assist local authorities put in place additional measures to create and promote a safe environment for local trade and tourism, particularly in high streets as their economies reopen. **A total of £1,931,098 was allocated to Devon.**

| DEVON COUNTY | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| SEISS | OHLG | ARSG | RG | LRSG | SBGF RHLGF | LADGF | EOTHO | WBF RHSSF | TOTAL (£m) |
| £392.2m | £33.9m | £28.4m | £100.4m | £177.0m | £251.8m | £17.7m | £10.4m | £1.9m | 1,013.7 |