

Herefordshire Council

Summative Assessment of The Marches Building Investment Grant Scheme

Findings

23 September 2019



European Union
European Structural
and Investment Funds



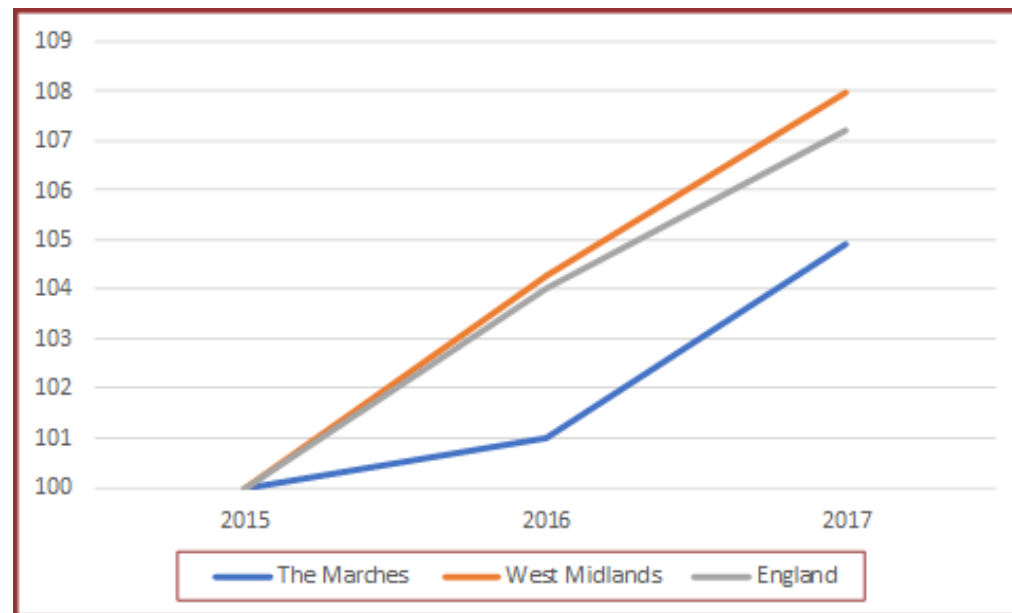
**MARCHES BUILDING
INVESTMENT GRANT**

- Continuing Need
- Reasons for Applying
- Beneficiary Satisfaction
- Impacts
- Value for Money
- Traditional vs More Developed Areas
- Grant Size
- Lessons Learned

Continuing Need (1) – GVA Growth

- Between 2015 and 2017 GVA growth in The Marches was below regional and national averages

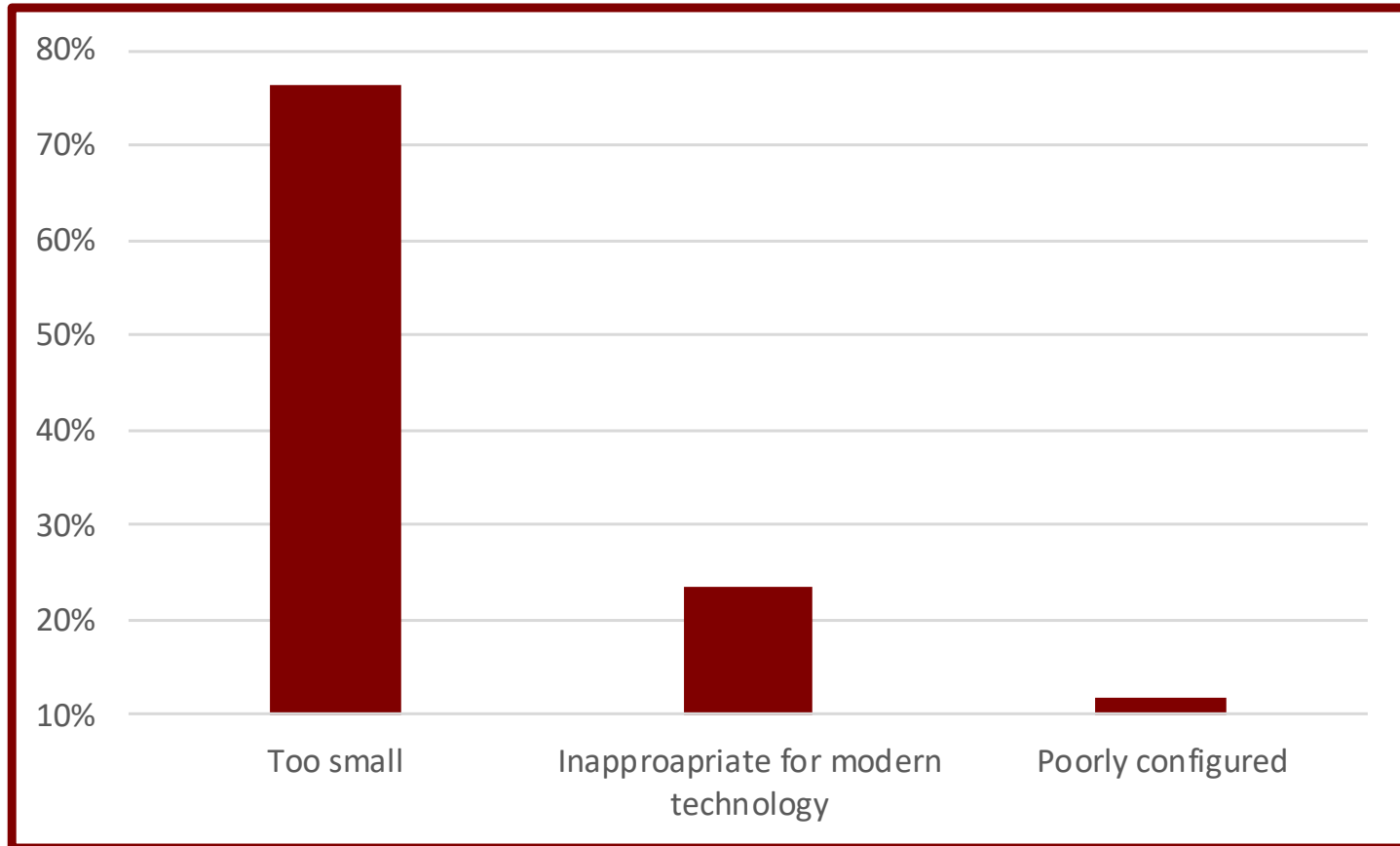
***Indexed
change in GVA
(2015=100)***



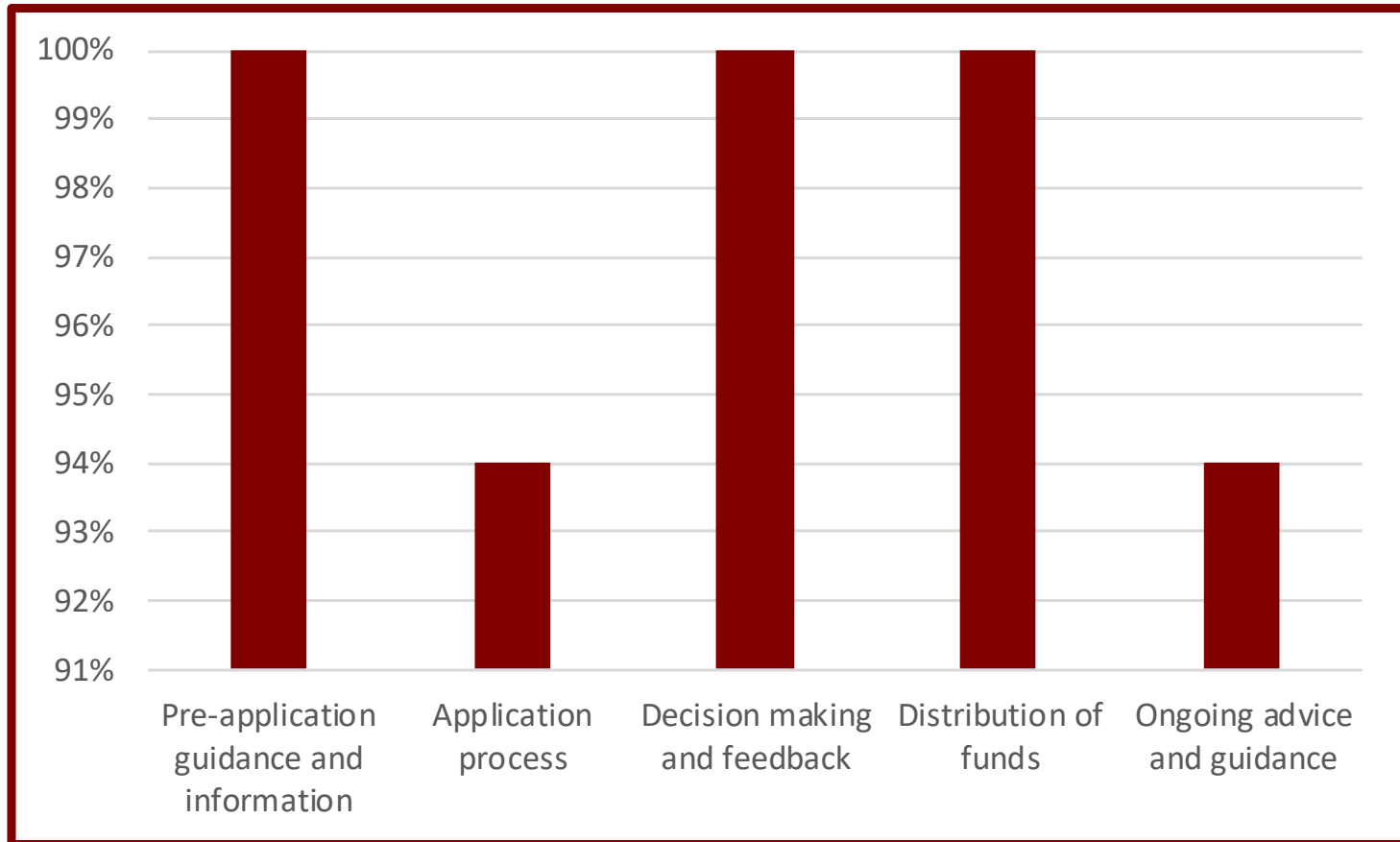
Continuing Need (2) – Strategic Priorities

- ❑ Industrial Strategy - identifies access to finance as an issue
- ❑ West Midlands Local Industrial Strategy - identifies a shortfall of land for employment space
- ❑ The Marches Strategic Economic Plan - identifies access to finance as an issue

Reasons for Applying – Premises Issues



Beneficiary Satisfaction



Continuing
need

Reasons

Satisfaction

Impacts

Value for
money

Area analysis

Grant size

Lessons

Impacts (1) – Jobs



	Gross	Net additional
Project close	110	75
2022	268	183

Impacts (2) – GVA



	Gross	Net additional
Project close	£4,146,667	£3,378,346
2025	£30,265,190	£24,657,460

Impacts (3) – Wider Benefits

	% of respondents with current impact
Invested in new equipment	90%
Increased production	80%
New products or services	80%
Increased exports	50%

	Project close	2025
ERDF cost	£1,856,514	£1,856,514
Cost per gross job	£16,877	£6,927
Cost per net job	£24,754	£10,145
Ratio of GVA increase to ERDF cost	1.8:1	13.3:1

Transitional vs More Developed Areas

By 2025	Transitional	More developed
ERDF cost	£1,242,561	£613,953
Net additional jobs	140	43
Net additional GVA	£19.0 million	£5.7 million
ERDF cost per net additional job	£8,875	£14,278
Ratio of GVA increase to ERDF cost	15.3:1	9.2:1

	% with a current impact	Average current impact	% with a future impact	Average future impact
Up to £9,000	50%	19%	50%	7%
£40,000 to £70,000	83%	18%	80%	37%
£80,000 to £100,000	50%	22%	83%	53%

Strengths

- Project management
- Communication with applicants
- Steering Group – committed and diverse
- Robust application review process
- Quick and straightforward application and decision-making
- Ongoing engagement with beneficiaries

Areas for consideration

- Job creation should be less of a priority
- Project marketing – increased awareness needed
- Financial support for new build and equipment