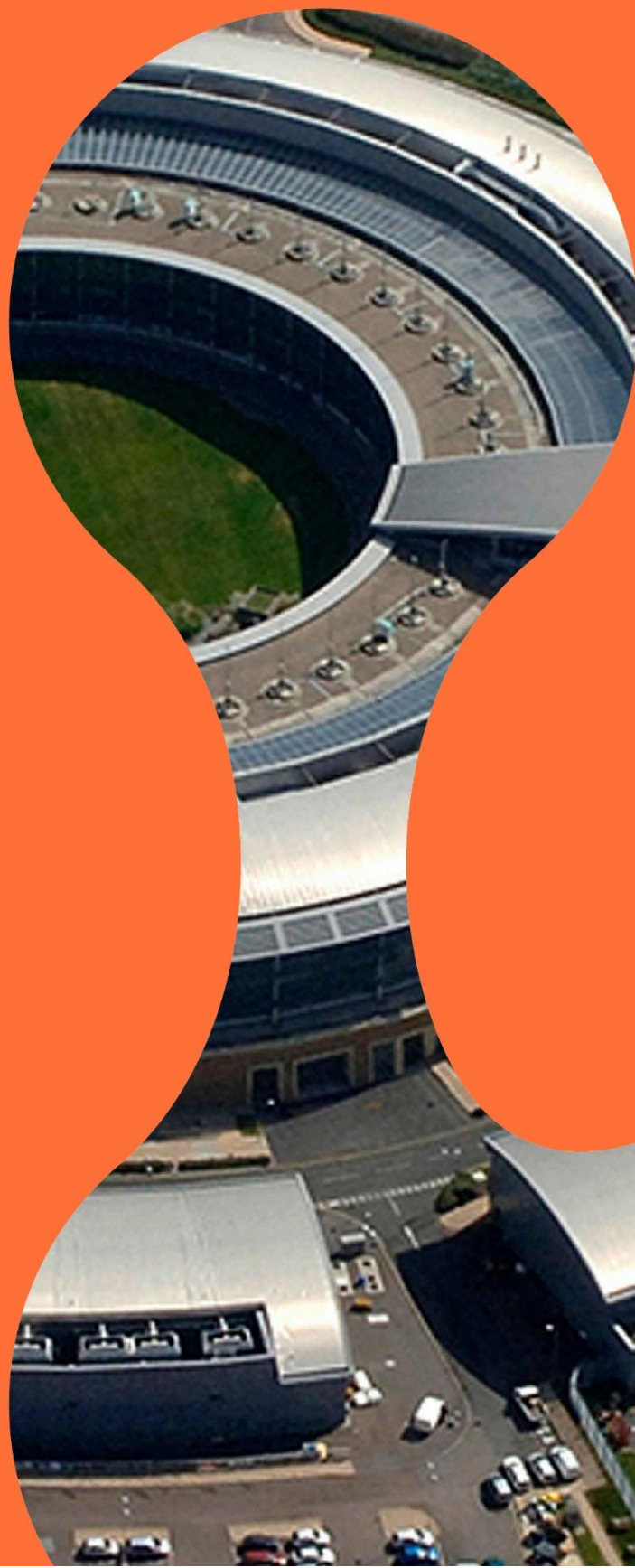




**A Summative  
Assessment of Invest  
in Gloucestershire**

**A Final Report  
to GFirst LEP  
March 2023**



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## EXECUTIVE SUMMARY

Kada Research have undertaken a Summative Assessment of the ERDF supported Invest in Gloucestershire Programme led by GFirst LEP. This executive summary presents the key findings.

### PROGRAMME OVERVIEW

Invest in Gloucestershire is the county's leading inward investment programme, helping international businesses to find investment opportunities in the region. It is a GFirst LEP driven initiative, run in collaboration with Gloucestershire County Council and the six local authorities.

The £1,077,176 programme was supported by £464,898 of ERDF funding, for the period January 2019 to March 2023, following an extension. The Programme was funded under ERDF Priority Axis 3c and 3d (PA3c&d), within Section 4 of the Gloucestershire Local Enterprise Partnership European Structural and Investment Funds Strategy.

The programme has focussed on attracting FDI into Gloucestershire in four strategic sectors - agri-tech, cyber-tech, advanced manufacturing, and renewable energy – to drive economic growth. The context at the start of the programme was that just 0.8% of businesses in Gloucestershire are non-UK owned, compared to Thames Valley Berkshire (ranked first with 2.2% non-UK owned businesses) and London (ranked second with 2.1% non-UK owned businesses).

One major contributing factor to the lack of FDI landing in Gloucestershire was a lack of a coherent offer to communicate on the global stage. Businesses did not have the information and UK Government did not have a dedicated single point of contact or proposition to promote.

### PERFORMANCE AND IMPACT

The SMEs who have invested in Gloucestershire have reported the jobs they have created to-date and their planned future recruitment. So far, Invest in Gloucestershire has created 145 jobs amongst inward investors, which is expected to increase to 180 in the coming years.

Economic impact is expressed as the Net Present Value (NPV) of Gross Value Added (GVA) resulting from jobs created in Gloucestershire. After applying deadweight, displacement, and leakage deflators, we estimate an **economic impact of £11,171,300**. This resulted in a **benefit cost ratio (BCR) of 11.6:1** i.e., each £1.00 of public investment generates £11.60. A more detailed list of assumptions used is provided in the main report.

It is important to recognise that the challenges posed by COVID-19 affected the ability to continue early progress in visiting and hosting businesses. This was not just due to national lockdown, as international travel was restricted. Due to travel restrictions, events during 2020 and 2021 were cancelled, postponed, or moved to virtual delivery which made it more difficult to develop leads.

The effect of the truncated timescale for delivery post-pandemic has been compounded by the fact that attracting inward investment is not a short-term process. It can take several years from first engaging with a company to landing an inward investment. Therefore, much of the activity delivered

by Invest in Gloucestershire during the last year is likely to lead to outputs, outcomes and impacts in the future. This is why at the time of evaluation not all the target outcomes had been met.

The output profile and achievements at project close are reported in the table below.

Indicator	Revised Target	Achieved at project close	% of target
(C1) Number of enterprises receiving support	16	4	25%
(C2) Number of enterprises receiving grants	1	1	100%
(C4) Number receiving non-financial support	8	4	50%
(C8) Employment increases in supported enterprises*	104	145	139%
(P13) Number of Enterprises receiving information, diagnostic and brokerage support	12	6	50%

Source: Invest in Gloucestershire Monitoring Data

## ADDED VALUE

The programme is making an impact and has created added value to businesses, local partners, Gloucestershire, DBT and 'UK Plc'.

**Added value to businesses:** By promoting Gloucestershire, Invest in Gloucestershire is making global investors aware of the county and its offer. Providing them with access to networks and information they would otherwise not be aware of.

**Added value to partners:** Working with partners to better promote and market their collective strengths in a more joined up way, especially through the Agri-Tech Partnership.

**Added value to Gloucestershire:** Due to the proactive and co-ordinated approach of Invest in Gloucestershire the county is now on the national and international map. When national bodies like DBT are speaking to businesses and agencies around the world about FDI into the UK they now bring Gloucestershire into the conversation.

**Added value to Department for Business & Trade and 'UK Plc':** The quality of the marketing materials, partnerships and FDI offer produced by Invest in Gloucestershire is not just bringing added value to the county; it is strengthening the UK's FDI offer.

## PROGRAMME STRENGTHS

As discussed in the report, the main strengths of the Invest in Gloucestershire programme are:

- Achieving a step-change in how the county presents itself outwardly through a new proactive approach to developing a co-ordinated FDI offer with a single voice for Gloucestershire.

- Targeting activity and resources the sectors Gloucestershire has a unique specialism in and making a specific commercial case for why businesses in target sectors should invest in Gloucestershire, rather than a generic marketing campaign.
- High quality marketing material, presentations and visit programme agendas which have been well received by businesses, partners, and stakeholders.
- Flexible management which responds to the needs of FDI enquiries, partners and businesses already based in Gloucestershire.
- Successful partnership working and communication with county, regional and national partners.

## LESSONS

Five key lessons from the evaluation focus on building on the strengths of Invest in Gloucestershire.

1. **FDI is not a quick process and building momentum is important:** It takes time and putting a short-term time limit on activity is not appropriate for inward investment. Securing investment relies on continuous pipeline development activity. The current pipeline of leads will take months or years to be realised as investments.
2. **Flexibility is key and expanding Invest in Gloucestershire's remit can further enhance this:** A success factor of the Invest in Gloucestershire ERDF programme was making sure it stayed current by matching local strengths to national and international policy priorities and market opportunities. However, not all strengths and opportunities could be capitalised on under ERDF eligibility criteria (i.e. large corporates and those already in the EU).
3. **Proactiveness and coordination is crucial to ongoing FDI success:** Representing Gloucestershire internationally with a single brand and voice was a step change for the county and the impacts of Invest in Gloucestershire would not have materialised without this. Account management is an important part of being proactive, despite being resource intensive. A single entity and point of contact for Gloucestershire is welcomed by DBT.
4. **Inward Investment is a key part of the local economic ecosystem:** Partnerships have been forged by Invest in Gloucestershire and GFirst LEP with bodies like CyNam, and the Agri-Tech partnership. Ongoing economic development schemes provide more assets for Invest in Gloucestershire to include in its offer.
5. **Being targeted and focussed on strengths is needed to attract FDI:** With thousands of inward investment agencies around the world, and hundreds in the UK, putting in time and effort to target sectors and subsectors and make a specific commercial case for why businesses should invest in Gloucestershire can ensure the right message reaches through to targeted businesses.

## RECOMMENDATIONS

Based on the evaluation findings, Kada propose the following recommendations for consideration for programme delivery, programme design, and policy makers in keeping with ERDF Summative Assessment guidelines.

### Programme delivery

1. Continue with the proactive approach and partnership working which has been successful and well received so far. One area for additional focus could be working with the LEP and County Council Careers and Enterprise Team to integrate skills partners more in inward investment work.
2. Build on relationships with foreign-owned companies in Gloucestershire and potential investors with more dedicated account management more narrowly focussed on inward investment-related issues.
3. Maintain current levels of activity and quality to capitalise on recent momentum and convert leads and pipeline into investment deals. Creating a strategic plan of events to target and a schedule of activity for the year ahead can help with this.

### Programme design

4. Do not set short-term investment targets in recognition that securing FDI can take several years. If outputs and monitoring is required these should focus on the quantity and quality of business development activity, as this is what leads to success.
5. Extend the remit of Invest in Gloucestershire to include significant sector strengths and specialisms which were not eligible for ERDF-funding, including nuclear, and similarly for geographies which were not previously allowed to be included such as EU-owned firms.
6. Maintain current levels of quality of co-ordination and business development activity to capitalise on recent momentum.

### Policy makers

7. Continue to support Invest in Gloucestershire as a co-ordinated approach at an aggregated spatial level bigger than local authority districts to maintain momentum and ensure existing leads and relationships are not lost.
8. Dedicated and ongoing funding resource for Invest in Gloucestershire should be part of any future County Deal, Western Gateway or other regional devolution funding, should LEPs be merged into upper-tier local authorities.
9. National government should ensure clusters of excellence that are of strategic importance, like those in Gloucestershire, are not left out when promoting the UK around the world.
10. Recognise the importance of allowing county-wide areas to focus on their unique sectoral strengths for FDI.



## 1 INTRODUCTION AND PROGRAMME CONTEXT

This chapter introduces the objectives and activities of the Invest in Gloucestershire Programme, its rationale and strategic context, followed by a summary of the aim and approach of the evaluation.

### PROGRAMME SUMMARY AND OBJECTIVES

Invest in Gloucestershire is the county's leading inward investment programme, helping international businesses to find investment opportunities in the region. It is a GFirst LEP driven initiative, run in collaboration with Gloucestershire County Council and the six local authorities.

The programme has focussed on attracting FDI into Gloucestershire from around the world. Only SMEs and those outside the EU were eligible. Activity was focussed on four strategic sectors: agri-tech, cyber-tech, advanced manufacturing, and renewable energy.

By producing sector propositions and marketing material to showcase around the world as part of proactive business development, Invest in Gloucestershire sought to attract more FDI to Gloucestershire in its target sectors. This was with the ultimate aim of growing the county's economy, by increasing investment and employment in the four sectors and their supply chains.

The £1,077,176 programme was supported by £464,898 of ERDF funding, for the period January 2019 to March 2023, following an extension.

### EVALUATION SCOPE AND STUDY OBJECTIVES

This evaluation assesses the success of the Invest in Gloucestershire Programme in meeting its objectives, its strengths successes, and its impact. Informed by consultations with the delivery team, stakeholders and beneficiaries, the evaluation also identifies any observations to inform the delivery and design of continued iterations of the programme, as well as considerations for policy makers. The scope of the Summative Assessment was to:

- Assess the rationale for the programme, and whether the rationale remains valid. Additionally, how it fits with ERDF priorities and those of other local, regional, and national strategies.
- Assess the effectiveness of the process of delivery, including the management, administrative and delivery mechanisms.
- Identify strengths, success and added value.
- Identify lessons learnt and provide recommendations to support future success.
- Conduct an indicative quantitative impact evaluation of the project that assesses performance including: the achievement of gross outputs and expenditure against its approved targets.
- Conduct a value for money assessment of the cost effectiveness.

An inception meeting was held to confirm the approach, agree the principal milestones, and discuss the development of the programme – providing insights to its context and original rationale. A desk review of market failures and the strategic context was undertaken. Four external stakeholders from

partner organisations and beneficiaries were interviewed and the delivery team were consulted in a group roundtable. Discussions included programme strengths, added value, challenges and lessons.

## RATIONALE AND MARKET FAILURE

The Invest in Gloucestershire Programme was designed to address market failure which led to a mismatch between the quality of Gloucestershire as a place to invest (supply) and the number of businesses making investments (demand).

The main market failure was imperfect information. Here, a lack of a coherent offer (business opportunities, place, and people) to communicate on the global stage acted as a barrier to inward investment as businesses did not have the information and UK Government did not have a dedicated single point of contact or proposition to promote.

Imperfect information led to a negative externality - a lack of demand and oversupply - due to the inability to demonstrate the value of Gloucestershire with respect to other areas, leading to undervaluation of the area as a business location.

*“Knowledge sharing is immeasurable” – Inward investor.*

The undervaluation of Gloucestershire as a location to invest has a knock-on effect to the rest of the country. If areas of the UK outside of London, like Gloucestershire, are not known or valued by the international business community, this weakens the UK’s appeal to potential global investors.

The rationale for the Invest in Gloucestershire programme was, and remains, to showcase Gloucestershire internationally to overcome the market failure. This was the basis for focussing inward investment marketing and information material on Gloucestershire’s specialist sectors and markets.

The programme therefore set out to increase the international business community’s knowledge of Gloucestershire’s strengths, increasing its value as an investment location, with the added benefit of enhancing the UK’s offer globally.

## STRATEGIC CONTEXT

### UK GOVERNMENT

When the programme started, the 2017 UK Industrial Strategy was setting the national policy agenda. The aim of the Industrial Strategy was to boost productivity by backing businesses to create good jobs and increase the earning power of people throughout the UK with investment in skills, industries, and infrastructure. In terms of FDI, the Industrial Strategy stated the need to “promote growth through fostering clusters and connectivity across cities, towns and surrounding areas.”

Following COVID-19, UK Government’s Build Back Better: Plan for Growth<sup>1</sup> focused on investment in skills and innovation. The UK, the Plan noted, has a lower proportion of innovative businesses compared to other advanced economies and it aimed to support and incentivise creative ideas and technologies as well as FDI.

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<sup>1</sup> Gov.UK, [Build Back Better: our plan for growth](#), 2021



The more recent Levelling Up Programme<sup>2</sup> sets out a plan to increase development opportunities across the UK, realising the potential of all places and not just major cities and counties. The programme aims to develop a business-friendly environment, develop a new model of public and private investment and, to incentivise inward investment.

As part of the policy to increase inward investment, the Department for International Trade (DIT) has created a series of High Potential Opportunities (HPOs) since 2020. The HPO programme sees DIT, now changed to the Department for Business and Trade (DBT), work with local partners and across government to identify regional supply chain gaps, emerging clusters, research and development centres, and other strategic opportunities that are not yet known by the market.

DBT then uses its marketing and global advisory to promote the opportunity. The 'Great' initiative is the mechanism through which the HPOs are being promoted online.

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#### LOCAL CONTEXT

The Programme was funded under ERDF Priority Axis 3c and 3d (PA3c&d), within Section 4 of the Gloucestershire Local Enterprise Partnership European Structural and Investment Funds Strategy. The PA3c&D call aimed to: "Support the creation and the extension of advanced capacities for products, services and development."

Under this call, ERDF funding was invested in activities that will overcome these barriers, improving the value and percentage of non-UK owned businesses in Gloucestershire. The key priority is to attract new foreign investment into the county proactively. In addition, activity that also provides support to new and existing foreign owned businesses, facilitating growth and motivating business retention in Gloucestershire for the long term was covered by the call.

Foreign direct investment from outside the European Union is recognised as a key component to achieve smart, sustainable, and inclusive growth. It is outlined as a key element of the growth programme for Gloucestershire in the Gloucestershire Strategic Economic Plan and the Gloucestershire Local Enterprise Partnership European Structural and Investment Funds Strategy.

When the programme was designed, 0.8% of businesses in Gloucestershire were non-UK owned. This lags behind the two areas with the most non-UK owned businesses - Thames Valley Berkshire (ranked first with 2.2% non-UK owned businesses) and London (ranked second with 2.1% non-UK owned businesses). As of 2019, the Greater London area accounted for close to 50 per cent of FDI into Britain despite accounting for 17 per cent of jobs.

In December 2021, Centre for Cities reported that foreign-owned firms are more productive than comparable UK businesses. Centre for Cities concluded that foreign direct investment (FDI) plays an important role in bringing greater prosperity to areas outside of the Greater South East. Therefore, activity to grow inward investment area into Gloucestershire was needed to deliver this prosperity, in keeping with the Gloucestershire Strategic Economic Plan.

DBT's HPO for Cyber security in Gloucestershire was launched in June 2022, recognising the county's strength in this area. At the time, DIT's Technology Sector Director stated: "The Gloucestershire cluster

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<sup>2</sup> Gov.uk, [Levelling Up Programme](#), 2022

supports companies developing cyber solutions for a broad range of sectors including healthcare, agriculture, financial services, mobility, infrastructure and energy, and represents a great starting point for overseas companies to grow their businesses in the UK.” This shows the synergy between the four target sectors Invest in Gloucestershire has focused on.

### HOW DID THE CONTEXT CHANGE AS THE PROJECT WAS DELIVERED AND DID THIS EXERT ANY PARTICULAR PRESSURES ON PROJECT DELIVERY?

The Programme was developed during one of the most substantial periods of structural economic change, which saw our 47-year membership of the EU come to an end, a global pandemic and a continued climate emergency as well as war in Ukraine and a cost-of-living crisis. Despite these dramatic changes the Invest in Gloucestershire Programme was able to continue by successfully adopting online business development activity, including distributing marketing material online, and attending and presenting at virtual events and webinars.

During the height of COVID-19 restrictions, Invest in Gloucestershire staff also switched focus to help foreign-owned businesses already based in the county navigate and survive the pandemic. There was also staff turnover during this period, as seen across the UK economy.

Despite the adaptations during 2020 and 2021 the disruption did delay progress. This was primarily because global FDI had slowed down and fewer companies were looking to invest in the UK. Since late 2021 activity has started to accelerate and momentum developed during 2022 is yielding results in terms of investment deals, with many more expected beyond the ERDF funded timeframe.

## 2 PROJECT ACTIVITIES AND OUTPUTS

This chapter provides a digest of the activity delivered by Invest in Gloucestershire and performance against ERDF targets.

### ACTIVITIES DELIVERED

Invest in Gloucestershire's activity can be grouped into two categories: marketing material; and events, trade missions, and hosting visits. A summary of activity in each category is given below, with examples. Beneficiary and stakeholder perspectives on the quality and value added of the activity come later in this report.

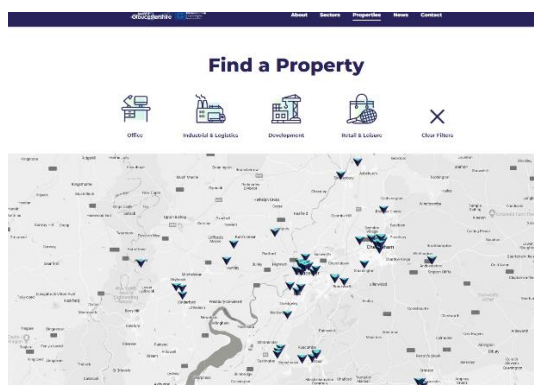
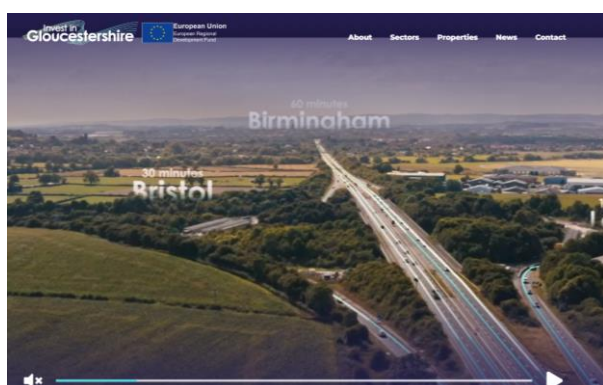
#### MARKETING MATERIAL

Since 2019 Invest in Gloucestershire has produced a range of digital and physical marketing material, focussing on the four key sectors and Gloucestershire's offer as a whole, including:

##### Website and digital content

The website was launched during October-December 2019, with updates made throughout the project. Acting as a first port of call and resources repository, the website contains information about each sector, property, news and information about Invest in Gloucestershire.

Digital content was continuously improved, with the Invest in Gloucestershire video produced and launched during 2022.



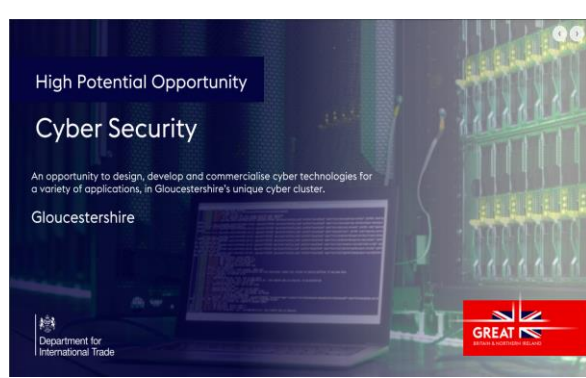
##### Sector brochures and banners

Digital and printed sector brochures have been produced for the Agri-Tech, and Advanced Engineering & Manufacturing sectors. The Cyber sector has benefitted from the HPO brochure.

Agri-Tech was the first proposition brochure produced, with an engaging design consisting of pull-out sheets covering sub-sectors and commercial information. The Advanced Engineering & Manufacturing brochure covered a range of sectors including aerospace, agri-tech and food & drink, renewables & energy generation. Enabling technologies of digital, green solutions and precision engineering /advanced materials were also covered. DBT led the production of the Cyber Tech HPO with Invest in

## Invest in Gloucestershire: European Regional Development Fund Evaluation

Gloucestershire playing an essential role in providing evidence and information and bringing partners together.



### EVENTS, TRADE MISSIONS AND HOSTING VISITS

Before and after COVID-19, Invest in Gloucestershire visited a range of events in the UK and around the world, including accompanying the Department for Business and Trade (DBT). Formally recorded events are summarised in the table below, and it must be noted other ad hoc engagement with businesses will have taken place, which is not recorded as an event activity,

Quarter	Event
July - September 2019	<ul style="list-style-type: none"> <li>○ Attended Agri-Tech Cornwall Business Forum in Cornwall with Farm491.</li> <li>○ Hosted a DIT Agri-Tech Team visit to Gloucestershire.</li> <li>○ Attended Forest of Dean Listening to Business visit at global US insurance firm Assurant.</li> <li>○ Hosted Agri-Tech New Zealand delegation of 10 companies visiting Gloucestershire.</li> <li>○ Visited four cities in China to promote Gloucestershire and meet with key investors.</li> </ul>
October - December 2019	<ul style="list-style-type: none"> <li>○ Attended Retail DSK, presenting to a group of overseas officers based in British Embassies and Consulates.</li> <li>○ Attended MIPIM UK.</li> <li>○ Attended the World Agri-Tech Innovation Summit to present the sector</li> </ul>

Quarter	Event
	<p>proposition.</p> <ul style="list-style-type: none"> <li>○ Attended the World China Entrepreneur Convention (WCEC).</li> <li>○ Attended Agri-Tech Cornwall Business Forum.</li> <li>○ Attended Agitechnica in Germany, delivering a joint presentation with DIT.</li> <li>○ Hosted SAMAD Aerospace visit to Gloucestershire to visit sites and meet companies.</li> <li>○ Hosted Deputy Consul General of British Consulate General Wuhan visit to Gloucestershire.</li> </ul>
January - March 2020	<ul style="list-style-type: none"> <li>○ Attended meeting with DIT officers in China.</li> <li>○ Attended the LAMMA conference in Birmingham together with the DIT Agri-Tech team.</li> <li>○ Attended meeting with a Gloucestershire-based company on talent attraction.</li> <li>○ Hosted DIT Retail Team visit to Gloucester.</li> <li>○ Attended KTN Food Industry Innovation event 2020.</li> <li>○ Hosted Deputy Trade Commissioner visit to Gloucestershire.</li> <li>○ Attended two-day investor engagement in London in place of the cancelled MIPIM.</li> </ul>
April - June 2020 / July – September 2020 / October – December 2020	<p>Due to travel restrictions, a number of major international business conferences worldwide were cancelled. Some were delivered virtually, which the Invest in Gloucestershire team attended.</p>
January – March 2021/ April - June 2021/ July - September 2021/ October to December 2021	<p>Physical events were still restricted, however the team continued to attend virtual events and worked with DIT on the HPO. Activity included:</p> <ul style="list-style-type: none"> <li>○ Hosted a workshop with representatives from GCHQ, DCMS as well as key Cyber companies on developing the HPO.</li> <li>○ Hosted visits by the US owned company ZeroAvia.</li> <li>○ Organised and hosted a virtual trade and cooperation event with Henan Province.</li> <li>○ Hosted a trade visit to Gloucestershire by the Indonesian Ambassador.</li> <li>○ Hosted face to face and virtual meetings with a US and Hong Kong company.</li> <li>○ Established an Agri-tech collaborative group which includes the region's centres of excellence Farm 491 (Royal Agricultural University); Hartpury University &amp; College and Campden BRI.</li> </ul>
January to March 2022	<ul style="list-style-type: none"> <li>○ Face-to-face investor engagement.</li> <li>○ Hosted a comprehensive site familiarisation with a potential Indian investor, the digital technology company Wearaphy (now known as StylePro Pod).</li> </ul>



Quarter	Event
April to June 2022	<ul style="list-style-type: none"> <li>○ Gloucestershire Agri-tech Partnership meetings (x4).</li> <li>○ Attended the Intelligent Farming Summit in Barcelona.</li> <li>○ Attended two webinars to launch the Cyber Tech HPO with DIT.</li> <li>○ Attended the cyber-focussed RSA Conference in San Francisco.</li> <li>○ Hosted a potential FDI investor in May from the aerospace and space sector.</li> <li>○ Attended InfoSec Europe in London.</li> <li>○ Attended UK Real Estate Investment &amp; Infrastructure Forum in Leeds as part of the Western Gateway stand.</li> <li>○ Attending LAMMA Show, Birmingham (agri-tech).</li> </ul>







July to September 2022	<ul style="list-style-type: none"> <li>○ Attended the World Agri-tech Innovation Summit, London.</li> <li>○ Attended the Royal International Air Tattoo at Fairford.</li> <li>○ Attended the Farnborough International Air Show.</li> <li>○ Attended a Canadian Cyber Round Table in Birmingham during the Commonwealth Games (chaired by DIT).</li> <li>○ Attended a Cyber-focussed trade visit to Tel Aviv with DIT, organised by the British Embassy.</li> <li>○ Hosted potential investors in Gloucestershire, including Illustria, an Israeli cyber scale-up firm.</li> </ul>
October to December 2022	<ul style="list-style-type: none"> <li>○ Hosted a visit programme for Canadian cyber firm Solink.</li> <li>○ Hosted a visit programme for Brazilian cyber firm B10Sec.</li> <li>○ Attended the Three Counties Defence and Security Expo (Malvern, Worcestershire) with CyNam and The Golden Valley Development.</li> </ul>
January to March 2023	<ul style="list-style-type: none"> <li>○ Hosted a visit programme for Turkish IT firm TR7.</li> <li>○ Hosted a visit programme for a Canadian cyber delegation in partnership with the Department for Business and Trade (DBT).</li> </ul>

The quality of the programme and agendas put together are important to attracting companies to visit Gloucestershire. For all of the hosted visits listed above, the Invest in Gloucestershire team put in substantial time to put programmes together which would provide value to companies. The visit

programmes typically include meeting leading businesses in the sector, exploring potential premises, innovation facilities and development sites, meeting with industry bodies, academia, and skills providers, meeting financial and legal service providers, and hospitality arrangements.

*“I have seen the programme that's been put together for the visit by the Canadian delegation it has all the right components. The team have clearly thought this through. The agenda makes Gloucestershire more likely to be successful to secure FDI because in one visit they are answering all of a business' questions.” – DBT stakeholder*

<div>   </div>		<div>   </div>	
<b>Canadian Cyber Delegation</b> March 20 <sup>th</sup> & 21 <sup>st</sup> 2023			
<b>MONDAY 20 MARCH 2023</b>			
<b>08:30</b>	Depart hotel on foot to Cheltenham venue	<b>3.00</b>	Charlotte Smith, Cyber First for Schools Programme
<b>09:30</b>	Welcome & opening remarks - Phil Clement, Head of Inward Investment, GFirst LEP Gloucestershire presentation	<b>3.15</b>	Matt Belshaw, Director and Tom Dunn, Associate Director The Golden Valley Project Return to Hotel
<b>09:45</b>	Richard Yorke, Managing Director, Cynam & Reid Derby, Director of Strategy, Cynam Overview of the cyber ecosystem	<b>6pm</b>	Depart Hotel on foot to the dinner venue - The Nook Restaurant
<b>10:00</b>	National Cyber Security Centre (NCSC) Engagement with the ecosystem and the 'NCSC for Start Ups Programme'	<b>TUESDAY 21 MARCH 2023</b>	
<b>10:15</b>	Giles Watkin, Executive Chairman, Cyntegra Experiences from an alumni company of the NCSC for Start Ups Programme	<b>08:30</b>	Depart hotel on foot
<b>10:30</b>	Prof Kamal Bechkoum Head of the School of Computing & Engineering, University of Gloucestershire	<b>09:30</b>	Tour of Clockwise - hosted by Kieran Nurdin, General Manager
<b>10:45</b>	Chris Dunning-Walton, CEO, InfoSec People Ltd The talent pool	<b>10.45</b>	Site visit The Forum new development - Gloucester Hosted by Esther Croft, Development Director, Reef Group
<b>11:00</b>	Joshua Walter, Partner, Osney Capital The funding landscape		Train to Manchester
<b>11:15</b>	Steve Brigden, Head of Cylera UK Growing a business from Gloucestershire	<b>CONTACTS</b>	
<b>11:30</b>	Devon Geary Cybertech Ecosystem Lead, Confederation of British Industry (CBI)	<a href="mailto:Phil.Clement@gfirstlep.com">Phil.Clement@gfirstlep.com</a> 07394 561057 <a href="mailto:Suzanne.Lew@gfirstlep.com">Suzanne.Lew@gfirstlep.com</a> 07460 441227	
<b>12 noon</b>	Hub 8 Innovation Centre - hosted by Bruce Gregory, Managing Director		
<b>12.30</b>	Tour of Minster Exchange new development		
<b>1.15</b>	Lunch at Hotel		
<b>2.00</b>	Coach leaves Hotel Drive by GCHQ on route to Gloucestershire College		
<b>2.30</b>	Tour of the College - hosted by Matthew Burgess, Principal & CEO and Julie Tegg, Director of Employer Training & Apprenticeships		



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## OUTPUTS AND EXPENDITURE

### OUTPUTS CLAIMED TO DATE

It is important to recognise that the challenges posed by COVID-19 affected the ability to continue early progress in visiting and hosting businesses. This was not just due to national lockdown, as international travel was also restricted. Due to travel restrictions, events during 2020 and 2021 were cancelled, postponed, or moved to virtual delivery which meant it was more difficult to develop leads.

The DBT suggest that companies who were looking to invest into the UK two to three years ago, put plans on hold during the pandemic, with some only starting to think about this again in Spring or Summer 2022. This meant that the programme almost had to start afresh a year ago and has been successful in accelerating delivery and achieving outputs during the last year. As discussed below, Invest in Gloucestershire delivered a range of high-quality activity and generated impressive economic benefits, despite the challenges of the pandemic.

The effect of the truncated timescale for delivery post-pandemic has been compounded by the fact that attracting inward investment is not a short-term process. It can take several years from first engaging with a company to realising an inward investment.

Therefore, much of the activity delivered by Invest in Gloucestershire during the last year is likely to lead to outputs, outcomes and impacts in the future, after the date of this evaluation. This is why at the time of evaluation not all the target outcomes had been met.

The output profile and achievements at project close are reported in the table below.

Indicator	Revised Target	Achieved at project close	% of target
(C1) Number of enterprises receiving support	16	4	25%
(C2) Number of enterprises receiving grants	1	1	100%
(C4) Number of enterprises receiving non-financial support	8	4	50%
(C8) Employment increases in supported enterprises*	104	145	139%
(P13) Number of Enterprises receiving information, diagnostic and brokerage support	12	6	50%

Source: Invest in Gloucestershire Monitoring Data

The output 'Employment increases in supported enterprises' (C8) is recorded throughout the lifetime of the project. With more inward investment likely to happen after the end of the ERDF funding period the longer-term employment increase resulting from activity delivered by Invest in Gloucestershire during 2022 and 2023 will not be seen until the future.

#### EXPENDITURE TO DATE

The spending profile at the evaluation reference date and projections to the end of the project are illustrated in the following table.

Expenditure	Original Funding Agreement	Funding Agreement Variation	Total at project closure	% of target (close)
ERDF Expenditure	£500,000	£464,898	£464,898	100%
Public Match	£461,156	£488,976	£488,976	100%
Private Match	£116,020	£123,302	£123,302	100%
<b>Total</b>	<b>£1,077,176</b>	<b>£1,077,176</b>	<b>£1,077,176</b>	<b>100%</b>

Source: Invest in Gloucestershire Monitoring Data

The current ERDF expenditure is 88% (£408,874) of the profile target (£464,898) and is expected to be 100% at project close.

### 3 ECONOMIC IMPACT

This section looks at the local economic impact of the ERDF funded Invest in Gloucestershire activity and assesses value for money.

#### ECONOMIC IMPACT

Economic impact is expressed as the Net Present Value (NPV) of Gross Value Added (GVA) resulting from jobs created in Gloucestershire. We estimate an **economic impact of £11,171,300**.

Companies were asked how many jobs they have created in Gloucestershire, and how many they are likely to create in the future. So far, Invest in Gloucestershire has created 145 jobs amongst inward investors, which is expected to increase to 180 in the coming years.

Companies were also asked the extent to which these jobs would have been created if they had not engaged with Invest in Gloucestershire in order to assess additionality and deadweight. A multiplier was applied to the direct jobs created by companies to estimate indirect jobs created in the local economy. A more detailed list of assumptions used is provided in section 3.3.

Economic impact has been estimated for 2022 to 2025 and discounted over the time period to calculate NPV. The NPV is calculated from the direct and indirect jobs created, after applying deadweight, displacement, and leakage deflators.

	2022	2023	2024	2025	Total NPV
NPV GVA	£2,950,500	£3,130,900	£2,722,500	£2,367,400	<b>£11,171,300</b>

Source: Kada Research

#### VALUE FOR MONEY

This section looks at the value for money of the investment. With a public sector cost of £965,000 the estimated GVA of £11.17m resulted in a **benefit cost ratio (BCR) of 11.6:1** i.e., each £1.00 of public investment generates £11.60.

This represents high value for money according to the DCLG Appraisal Guide<sup>3</sup> which states the value for money categories as based on the size of the BCR ( $BCR \geq 2$  = High value for money). We would consider it to be very high value for money.

Due to the nature of inward investment activity and the high number of businesses engaged at events who do not translate into output claims, the cost per business engaged is hard to measure and not comparable to more standard business support programmes.

However, the cost per net job created is £16,637.93 which is below the average for this kind of activity which varies from £11,500 (lower quartile) to £25,700 (median) and £71,000 (mean)<sup>4</sup> indicating good value for money<sup>5</sup>.

<sup>3</sup> Department for Communities and Local Government [Appraisal Guide](#), December 2016, p 2.56

## METHODOLOGY AND ASSUMPTIONS

UK Government appraisal guidelines for ERDF have been followed to assess gross and net GVA and employment impacts and net present value:

- Deadweight was assumed at 50% based on business beneficiary interviews.
- Displacement and leakage were both assumed to be on the high side at 25%, even though this study is assessing local/regional impact not net benefits to the UK as a whole.
- A composite multiplier was used to calculate the indirect employment effects (from the HCA Additionality Guide Fourth Edition) using the sub-regional mean for business development and competitiveness (1.25)
- The persistence of the benefits i.e. how many years the benefits are expected to persist and the period over which the benefits will accrue until they reach their full potential. In this instance, a modest four-year time frame was chosen with full benefits reached in year 3 following a two-year build-up.
- A decay of 10% per annum has been used i.e., the proportion of annual benefits expected to be lost from one year to the next due to economic changes and other investment decisions.
- Calculation of the Net Present Value (NPV) of the GVA benefit stream over the appropriate persistence time period by discounting back utilising an appropriate rate. HM Treasury Green Book guidance has been followed which recommends discounting by 3.5% in order to determine NPV.
- A cost benefit ratio calculated by public sector cost (ERDF and match) against NPV i.e., the amount each £1 of investment generates.
- Estimates for GVA per FTE used ONS (Office of National Statistics) 2020 data for the GFirst LEP areas updated to 2023 prices.

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<sup>4</sup> England ERDF Programme 2014-2020: Output Unit Costs and Definitions, A Final Report by Regeneris Consulting, 2013

<sup>5</sup> Due to looking at future and indirect jobs and applying deflators the job numbers used to calculate GVA will be different from the C8 output claim.

## 4 BENEFICIARY AND STAKEHOLDER PERSPECTIVES

This section is informed by interviews with investors, stakeholders, and the delivery team. It discusses programme delivery, success, strengths and challenges and considerations for the future.

### RATIONALE AND CONTEXT

Stakeholders agreed that the rationale not only remained valid since the programmes conceptualisation but has been reinforced by the successes to date. The project has maintained a focus on addressing the market failures which had been impacting Gloucestershire's ability to attract inward investment.

Strategically, the Invest in Gloucestershire programme is focussing on important sectors to the UK, which are becoming even more of a policy priority. The DBT had originally identified Agri-Tech and Cyber Tech as two possible HPOs, which demonstrates the importance of these to the UK. Now, the Cyber HPO is positioning the UK at the forefront of this globally important sector. Similarly, the continued partnership working and innovation in Agri-Tech in Gloucestershire, for example in the creation of the Gloucestershire Agri-Tech Partnership, is aligned with the national policy focus on food security and sustainability.

The focus on renewable energy clearly aligns with the national Net Zero agenda, whilst inward investment in hydrogen-electric powered aviation has delivered a global first in the transition to 'Jet Zero', through the pioneering work of Gloucestershire-based ZeroAvia. Advanced manufacturing is also important to sustainability and Net Zero, as well as being vital to boosting productivity and creating high-value jobs.



Source: GFirst LEP. The world's largest hydrogen-electric aeroplane by inward investor ZeroAvia.

Invest in Gloucestershire was successful in proactively creating a co-ordinated offer to investors and representing the county as a single voice. At a national level this enhanced DBT's offer to potential investors around the world through showcasing what the UK has to offer outside of London.

*“From a DBT perspective, if we're trying to say ‘invest here’ it is easier with one front door. That is a benefit for us, having that coordinating function of Invest in Gloucestershire. It makes a big difference operationally when trying to service investment inquiries.” – DBT stakeholder.*

## APPLICATION AND SELECTION PROCESS

It is important to recognise that inward investment is not like other forms of business support where companies apply to a specific programme or funding pot. Instead, the Invest in Gloucestershire team had to be proactive to find and engage companies and, where initial engagement led to a potential investment lead, create a bespoke offer tailored to the company. Therefore there was no standard application and selection process.

Before and after COVID-19, Invest in Gloucestershire worked closely with DBT to identify companies to engage and establish leads, as well as meeting companies independently at events and organically through website enquiries.

*“For Cyber, DBT would use a tool called Velocity to identify companies based on size, activity, and propensity to invest. This allowed Invest in Gloucestershire to target the companies aligned with the HPO and the team were very much involved in the process.” – DBT stakeholder*

To give an example, DBT in Israel had identified a high-growth start-up who they wanted to invest in the UK. Invest in Gloucestershire were then invited to present at the British Embassy in Tel Aviv and a relationship developed from there. The company has since visited Gloucestershire and remains a likely future investor when conditions are right.

Another approach to selecting companies was attending industry-specific events to promote Gloucestershire to businesses in the target sectors and identifying those who were looking to invest in new sites and locations. Conversations with these companies aimed to develop relationships with a view to setting up future meetings and visits with the companies.

During COVID-19, when inward investment activity was on-hold around the world, the Invest in Gloucestershire team pivoted and focussed on supporting foreign-owned companies in the county to survive the pandemic. Business data (from Beauhurst and Invest in Gloucestershire's CRM) was used to identify these companies and segment them by size, industry and potential support needed.

The team then proactively contacted these companies to explore what support they might need. As with inward investment, this support was tailored to business needs rather than being a set project companies could apply to take part in.

One of the main challenges faced when selecting companies was the eligibility criteria. The programme was targeted at SMEs from non-EU countries, which meant there was a large cohort of potential investors who could not be included in the programme. Similarly, the nuclear industry is a strength in the region but was not an eligible sector for the programme. Where non-eligible companies contacted Invest in Gloucestershire either at events or via the website they could not be selected for further support through this programme.

## PROGRAMME DELIVERY

### DELIVERY MODEL

The Invest in Gloucestershire delivery model was efficient, effective, and well-received by businesses and stakeholders. Particular strengths were:

**Proactive and co-ordinated:** The programme was proactive by design. From the outset, Invest in Gloucestershire recognised how the lack of a co-ordinated approach across the county was contributing to lower levels of FDI than other regions. At the same time, there was recognition that in the face of global markets becoming more competitive and the impact of Brexit on investor sentiment, it was important to proactively find ways to promote Gloucestershire globally rather than waiting for government intervention or reacting to businesses who find out about Gloucestershire organically.

*“The programme allowed Gloucestershire to be much more proactive in terms of the inward investment offer and support. If you're trying to move from a reactive stance on FDI to a proactive stance, you have to know who you are targeting and what you are promoting. This programme allowed Gloucestershire to be very clear about what to focus on and how they were going to go about promoting it. So that's definitely a step change.” – DBT Stakeholder*

**Targeted:** Invest in Gloucestershire has been effective at targeting activity on sectors and markets which combine Gloucestershire's strengths and niches with national and global policy priorities, within ERDF eligibility. Targeting was mindful of duplicating the offer of other locations. For example, Gloucestershire has specific niche strengths in aerospace as part of the advanced manufacturing offer, however, as the Bristol area has more globally prominent companies and assets it would not have been effective to have targeted aerospace as a key sector in its own right.

The timing of what to target and when, was also successful. In the early stages of the programme Agri-Tech was the focus, with the first sector proposition produced for Agri-Tech, building on existing networks and partnerships. However, by the end of the programme, with the successful HPO application and growing national strategic focus on Cyber, there has been growing activity in this sector.

**Flexible:** The delivery model and delivery team were flexible. This was important to respond to the needs of clients. When hosting investor visits, the team were able to provide a range of support, ranging from: providing bespoke information in response to questions; making introductions to



businesses, policymakers, and key stakeholders; arranging site/property visits; helping with travel and logistics; preparing presentations and marketing materials that clients could take away with them.

Flexibility also allowed the team to change the way they worked during the 2020-2021 COVID-19 period by: switching to attending or hosting on-line events, webinars and meetings; increasing on-line presence and digital content; and changing the focus of activity to support businesses with pandemic survival and recovery. A success factor was that the team were always flexible enough to attend webinars when opportunities arose, which DBT report was not the case for other places with an HPO.

*“We were very happy with the proactive approach taken by GFirst LEP from the start of our conversation. We have been interacting with GFirst LEP from January 2022 and over the time we have always received clear direction and support to help us set up our research and development project in Gloucestershire.*

*To be able to support a start-up across this length of time on a proactive basis does take a lot of time and resources. I am very thankful to GFirst LEP for working with us and staying the course.*

*We look forward to being a project that GFirst LEP can be proud of over the years to come. We at StylePro Labs Limited will always be grateful for the patience and consistency of support extended to us.” – Inward investor*

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## MARKETING AND PROMOTION

Marketing and promoting Gloucestershire as a place to invest was a core component of the Invest in Gloucestershire programme. Therefore the quality of the marketing collateral produced directly influenced the success of the programme.

Setting up the Invest in Gloucestershire website was an initial priority and immediately enhanced the county's visibility around the world. Alongside LinkedIn and Twitter activity, the website has had continued success in attracting traffic. As an indication, Q3 of 2022 saw 1,298 page views with 749 new visitors to the website. Nearly two thirds of website visitors in that period were based in the USA, with China and Australia also being in the top five locations for website visitors. This shows the global reach of the digital marketing.

Sector propositions, and more recently, the Cyber HPO, have been a successful part of the Invest in Gloucestershire marketing, in terms of website content, material to distribute at events, and resources to use for in-person and online presentations. For example, DBT report that the HPO document was visually more accessible, digestible and engaging than most HPOs. Furthermore, DBT were pleased with how the Invest in Gloucestershire team took the HPO content and produced targeted and commercially focussed presentations from it. These presentations have been described as being more engaging and effective than some other HPO presentations, with the other sector propositions being equally well received.

*“The quality of the material has been really high. For example, the Agri-Tech brochure and the way that has been pulled together. It is segmented into different sub-sectors within Agri-tech, so that you can pull out the pieces that are most relevant to the business or specific client that you're talking to.” – DBT stakeholder*

## MANAGEMENT

Management and administration of the programme went well, and reinforced GFirst LEP's reputation for delivering projects effectively and efficiently. The quarterly reports submitted to the managing authority were detailed, outlining the project's progress and management information.

The ERDF funding enabled GFirst LEP to establish its first dedicated inward investment team (Invest in Gloucestershire), which was able to mobilise quickly at the start of the ERDF programme, whilst also recruiting additional team members during the first two quarters of the programme. Occasional staff turnover took place during the programme, and there were staff role changes during COVID-19. Staff change was well managed by the LEP and Gloucestershire County Council, with the most recent hires helping to drive successful activity.

GFirst LEP's CRM tool was used to manage contacts, and from the end of 2021 onwards a CRM with data licenced from Beauhurst was used to generate and manage leads. In terms of client account management, Invest in Gloucestershire did not have the resources of bigger and more established inward investment agencies at large combined authorities and city regions around the country. Invest in Gloucestershire has recognised the value of account management, especially when supporting businesses during the pandemic. However, stakeholders identify account management as one of the only areas for improvement to increase Invest in Gloucestershire's impact and land more investments.

*“Moog is a well-established US owned advanced engineering / aerospace company with two facilities based in Gloucestershire, employing over 500 people. The company has grown significantly over the past few years and the support received from GFirst LEP has been valuable to help facilitate our growth in the county.*

*The ongoing account management received from the GFirst LEP and inward investment team has provided a one stop shop to support our growth and more recently our plans for the new factory.*

*The inward investment team has continued to maintain a close working relationship with us to ensure the successful construction of the new facility and been extremely useful in assisting with problem solving on power and highways issues that arose during the development. Having the ability to go to an independent body such as the LEP and Inward Investment team is extremely important to provide companies, to enable our retention and growth.*

*Thanks for your support.” – Foreign-owned company*

Day-to-day management and communication were effective. External stakeholders have reported that the Invest in Gloucestershire team were quick to acknowledge FDI query requirements deadlines and were effective at meeting deadlines or communicating what could and could not be delivered by the deadline. From DBT's perspective, this quality of management and communication represented a step change and only became possible once Invest in Gloucestershire was established with the additional resources from the ERDF funding.

#### PARTNERSHIP WORKING

Partnership working has been a major success of the Invest in Gloucestershire programme. This is a result of the team recognising the value of partnerships and investing time and resource into building relationships. Due to the effort made by the team, partners are now fully bought into the FDI agenda, and can be called upon to help provide information for enquiries or take part in investor visit programmes. This strengthens Gloucestershire's offer all round.

Within Gloucestershire, Invest in Gloucestershire has been instrumental in establishing the Gloucestershire Agri-Tech Partnership with the University of Gloucestershire, Hartpury University and Hartpury College, the Royal Agricultural University, and Campden BRI. This partnership has resulted in a more joined-up and collaborative approach to branding and marketing, strengthening the County's offer. In turn, Invest in Gloucestershire has been able to promote the Agri-Tech partnership internationally, including assets like Hartpury University and Hartpury College's Tech Box Park and Royal Agricultural University's Farm491 incubator and innovation space.

*"The Invest in Gloucestershire project is important in order to attract and support organisations to be able to move into the county and create new jobs – thus opening up opportunities for a range of skills. At Farm491, the Inward Investment Team have promoted our offering in multiple publications such as in the County's Agri-Tech brochure, and we have also recently formed an Agri-Tech Partnership whereby the Invest in Gloucestershire team have provided a platform for us at international events. They have also been on hand to support any of our members who may be looking to relocate into Gloucestershire." – Head of Farm491.*

Similarly, with the establishment of the HPO and growing FDI interest in Cyber, Invest in Gloucestershire has developed partnership working with major employers and the CyNam network. This started by bringing together stakeholders to create the HPO and developed a joined-up proposition and has continued with CyNam members featuring on the agendas for investor visits to Gloucestershire.

Partnerships have been fostered with local business service providers as well. The Invest in Gloucestershire team have built relationships with services such as property, legal and accountancy firms. These companies can provide information to Invest in Gloucestershire, who in turn can introduce them to potential investors.

*“We have experienced first-hand how the work of the GFirst LEP team has been integral in not only securing new investment but also in working with indigenous businesses to safeguard and expand their operations, all to the benefit of the county. I see its continuance as being vital to ensure that the county continues to attract new inward investment, to deliver growth and new opportunities in the future.” – Local property consultants*

One aspect of county-wide partnership working which has proved more challenging is the need to balance FDI activity with the varied priorities of district level local authorities who have their own local plans and policies. However, this is not unique to the Invest in Gloucestershire programme and is a factor experienced by inward investment agencies and regional bodies around the country. Bringing local districts on board into the shared vision is necessary, and whilst priorities may differ at times, from a national and international perspective it is important to maintain a single co-ordinated offer for the county via Invest in Gloucestershire. The fact that all seven local authorities in the county recently (before the budget) agreed to support GFirst LEP with match-funding towards Government’s LEP Core funding for a further 12 months does show that there is a good established relationship in place.

On a regional level, Invest in Gloucestershire has enabled the county to play a more prominent role. DBT report that the South West has a strong tradition of working together on FDI promotion and that Gloucestershire now has a clearer co-ordinated message as part of that. This has been particularly so for Agri-Tech and Aerospace (advanced manufacturing), for example, Invest in Gloucestershire being part of the South West Aerospace delegation at the Farnborough International Airshow. Looking ahead there are partnership opportunities around energy and nuclear which could not be funded by the ERDF programme to date. For example, Invest in Gloucestershire can be part of the region’s delegation to the annual nuclear exhibition in Paris.

Nationally, the quality of the promotional and marketing materials, the effective management, and strong delivery model means Invest in Gloucestershire has been a good partner for DBT. This is why the team has accompanied DBT at so many international meetings and presentations, for example in the US, Israel and Turkey.

## IMPACTS AND ADDED VALUE

The programme is making significant impact and has created added value to businesses, local partners, Gloucestershire, DBT and ‘UK Plc’.

**Added value to businesses:** By promoting Gloucestershire, Invest in Gloucestershire is making global investors aware of the county and its offer. The range of support has enabled businesses to overcome barriers and achieve things they otherwise would not have. This includes:

- Connecting investors to the local business community.
- Signposting and identifying funding streams.
- Identifying suitable premises and grant funding for investment in premises.
- Finding skills and talent.
- Global marketing.

*“Invest in Gloucestershire has helped us set up a graduate programme with the University. They have helped market the company internationally which we couldn’t have done ourselves. The support has been instrumental to our growth plans and growth would have been slower without it” – Inward investor.*



Source: GFirst LEP. Mezzanine at ZeroAvia premises funded by Invest in Gloucestershire grant

**Added value to partners:** Working with partners has helped partners better promote and market their collective strengths in a more joined up way, for example the Gloucestershire Agri-Tech Partnership. The work carried out to develop the Agri-Tech proposition also highlighted competitors around the UK and helped the partners focus on their areas of strength and competitive advantage and identified where they had to improve the offer to be equal or better than competitors.

*“GFirst LEP have been pivotal in shaping the University’s thinking about the proposition, testing the market and stimulating investor interest. Without their involvement the project would not have gained the profile and momentum it has with partners such as the Local Authorities and the Department for International Trade.*

*The Royal Agricultural University strongly supports the continuation of the inward investment programme, which will assist our efforts in finding funding partners and tenants for the Innovation Village, as well as securing further businesses into our Farm491 Business Incubator”*

*– Royal Agricultural University.*

**Added value to Gloucestershire:** Due to the proactive and co-ordinated approach of Invest in Gloucestershire, the county is now on the national and international map. Nationally the county is now recognised as a place to market for FDI, meaning that it is now being viewed alongside much larger and more well-known FDI destinations. When national bodies like DBT are speaking to businesses and agencies around the world about FDI into the UK they now bring Gloucestershire into the conversation, thanks to the quality of the marketing materials, partnerships and FDI offer produced by Invest in Gloucestershire.

*“For the Canadian delegation there is really high calibre programme. And it’s great to see Gloucestershire on the same page as Manchester and Belfast because previously that wouldn’t have been the case. Also, one of my colleagues based out in Singapore contacted me recently and is keen to come and find out more about what is happening here. The co-ordinated approach presents a very cohesive message about the offer which we can provide the colleague in Singapore – and that wasn’t there before Invest in Gloucestershire.” – DBT Stakeholder.*

**Added value to DBT and ‘UK Plc’:** The quality of the marketing materials, partnerships and FDI offer produced by Invest in Gloucestershire is not just bringing added value to the county; it is strengthening the UK’s FDI offer.

Invest in Gloucestershire is playing a role in demonstrating a strong ecosystem and globally competitive cluster in important sectors, and by showcasing the opportunities for FDI outside of London. For example, a Cyber cluster is emerging in Brittany in North West France. Companies here have made a choice to locate outside of Paris, in a more rural region which is less well known for FDI. If companies attracted to Brittany are also considering the UK, they are likely to look for a location with similar characteristics. Gloucestershire provides this when London and large Core Cities do not.

Globally there are very few cyber clusters which include a focus on national security and defence. The work Invest in Gloucestershire has undertaken with DBT to produce the HPO and attend trade missions is therefore helping strengthen the UK’s place as an FDI destination, especially for US and Canadian firms.

In cyber, there is potential for Invest in Gloucestershire to establish more formal relationships with clusters around Europe and further afield, with discussions to form a Memorandum of Understanding with one cyber cluster ongoing.

*“Being able to ‘say come to Gloucestershire’ is very attractive to companies, especially if they are national security/defence oriented. Gloucestershire can win internationally, competing directly with other places.” – DBT stakeholder.*

This added value is not restricted to cyber. For example, the strengths within Agri-Tech are globally significant assets, which should form part of the UK’s inward investment message around the world. Similarly, an inward investor in the county has gone on to launch a test-flight for the world’s largest hydrogen-electric powered zero emissions aeroplane, demonstrating how the UK is at the forefront of this technology.



## 5 CONCLUSIONS AND RECOMMENDATIONS

This chapter summarises the evaluation findings, covering strengths and lessons to inform recommendations for future consideration.

### KEY STRENGTHS AND LESSONS LEARNT

#### KEY STRENGTHS

As discussed in the report, the main strengths of the Invest in Gloucestershire programme are:

- Achieving a step-change in how the county presents itself outwardly through a new proactive approach to developing a co-ordinated FDI offer with a single voice for Gloucestershire.
- Targeting activity and resources to those sectors where there is strong message and making a specific commercial case for why businesses in target sectors should invest in Gloucestershire, rather than a generic marketing campaign.
- High quality marketing material, presentations and visit programme agendas which have been well received by businesses, partners, and stakeholders.
- Flexible management which responds to the needs of FDI enquiries, partners and businesses already based in Gloucestershire.
- Successful partnership working and communication with county, regional and national partners.

#### KEY LESSONS

Five key lessons from the evaluation focus on building on the strengths of Invest in Gloucestershire.

##### **1. FDI is not a quick process and building on momentum is important.**

It takes time and putting a short-term time limit on activity is not appropriate for inward investment. Securing investment relies on continuous pipeline development activity. The current pipeline of leads will take months or years to be realised as investment.

Similarly, attending the events and missions this year will create the next pipeline of leads in subsequent months, with investments realised in 1 or 2 years, or potentially longer. Therefore, whilst not all target outputs and outcomes have been met to-date, the leads and pipeline generated by Invest in Gloucestershire will help to deliver these in future as momentum is building.

##### **2. Flexibility is key and expanding Invest in Gloucestershire's remit will help.**

A success factor of the Invest in Gloucestershire ERDF programme was matching local strengths to national and international policy priorities and market opportunities. Being flexible to respond to new market opportunities, such as the growing strategic importance of cyber or the development of hydrogen-electric aviation, was important.

However, not all strengths and opportunities could be capitalised on under ERDF eligibility criteria. Strengths in the nuclear industry, and opportunities for FDI from the EU are two different examples of where Invest in Gloucestershire can have a wider remit.



### 3. Proactiveness and co-ordination is crucial to ongoing FDI success.

Representing Gloucestershire internationally, with a single brand and voice, was a step change for the county. The positive impacts achieved by Invest in Gloucestershire would not have materialised without this. Account management is an important part of being proactive and requires dedicated resource.

A co-ordinated approach enables Gloucestershire to punch its weight independently around the world, as well as being able to play a role in wider regional initiatives. A single entity and point of contact for Gloucestershire is welcomed by DBT.

### 4. Inward Investment is a key part of the local economic ecosystem.

Partnerships have been forged by Invest in Gloucestershire and GFirst LEP with bodies like CyNam and the Agri-Tech Partnership and their respective innovation assets. Ongoing economic development schemes like the Golden Valley Development (including Cyber Central), Gloucester City Centre regeneration, Eco Park (Stroud District), and the Innovation Village at the Royal Agricultural University provide more assets for Invest in Gloucestershire to promote, which in turn can attract investment to help make the developments even more successful. Having buy-in from district level local authorities will enhance this further.

### 5. Being targeted and focussed on strengths is needed to attract FDI.

With thousands of inward investment agencies around the world, and hundreds in the UK, a generic 'invest anywhere' offer does not cut through. Putting in time and effort to target sectors and subsectors and make a specific commercial case for why businesses should invest in Gloucestershire can ensure the right message reaches targeted businesses. This applies from first contact with businesses through to business visits to Gloucestershire, where a programme of activity which directly addresses an investors needs and questions is more likely to lead to an investment. The Invest in Gloucestershire team focussed on priority sectors to good effect.

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#### BUILDING ON SUCCESS

Although the ERDF funded programme is coming to an end, the current position should be seen as the early stages of a much longer inward investment story for Invest in Gloucestershire. Looking to the future, there is potential for Gloucestershire to have an even greater impact on a national and global scale. Longer-term ambitions to build on success should include:

- Formalising relationships with cyber clusters around the world, potentially as part of a European or global network. The increased profile this would bring can help Invest in Gloucestershire attract larger companies who will act as anchors and catalysts for further FDI.
- Working with regional and national partners on scoping and design work and business cases for new innovation assets. Potential ideas include a 'National Centre for Sustainable Aviation' to build on a site visit by the Connected Places Catapult; an advanced manufacturing innovation centre which compliments other offers in the South West; and an Innovation Village at the Royal Agricultural University.

- Becoming a hotspot for investment in Small Modular Reactors or hydrogen fuels from UK and international businesses could be a new growth opportunity, capitalising on existing energy expertise.

## RECOMMENDATIONS

Based on the evaluation findings Kada propose the following recommendations for consideration for programme delivery, programme design, and policy makers, in keeping with ERDF Summative Assessment guidelines.

### Programme delivery

1. Continue with the proactive approach and partnership working which has been successful and well received so far. These have taken time and effort to establish and will continue to generate positive results. One area for additional focus could be working with the LEP's and County Council's Careers and Enterprise Team to integrate skills partners more in inward investment work, showcasing the region's education strengths and talent pipeline.
2. Build on relationships with foreign-owned companies in Gloucestershire and potential investors with more dedicated account management more narrowly focussed on inward investment-related issues. This includes finding out more from potential investors on the specific factors which effect their propensity to invest in the UK and finding solutions to help them, or targeting specific scale-up initiatives at smaller investors who are already located in Gloucestershire and have high growth potential.
3. Maintain current levels of activity and quality to capitalise on recent momentum and convert leads and pipeline into investment deals. Creating a strategic plan of events to target and a schedule of activity for the year ahead can help with this.

### Programme design

4. Do not set short-term investment targets, in recognition that securing FDI can take several years. If outputs and monitoring is required these should focus on the quantity and quality of business development activity, as this is what leads to success.
5. Extend the remit of Invest in Gloucestershire to include strategic sector strengths and specialisms which were not eligible for ERDF-funding, including nuclear, and similarly for geographies which were not previously allowed to be included, such as EU-owned firms.
6. Maintain current levels of co-ordination and business development activity to capitalise on recent momentum. This will likely convert a proportion of pipeline leads into investment deals.

### Policy makers

7. Continue to support Invest in Gloucestershire as a co-ordinated approach at an aggregated spatial level bigger than local authority districts to maintain momentum and ensure existing leads and relationships are not lost.
8. Dedicated and ongoing funding resource for Invest in Gloucestershire should be part of any future County Deal, Western Gateway deal, or other regional devolution funding, should LEPs be merged into upper-tier local authorities. Without funding equivalent to other combined authority devolution deals, or bodies like the Midland's Engine and Northern Powerhouse, Invest in Gloucestershire will be less impactful.

9. National government should ensure clusters of excellence which are of strategic importance, like those in Gloucestershire, are not left out when promoting the UK around the world, when hosting investor visits, and when considering making capital investment in innovation centres and facilities.
10. Recognise the importance of allowing county-wide areas to focus on their unique sectoral strengths for FDI.



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