
Evaluation of the Strength in Places Fund: Wave 1 Process Evaluation

RAND Europe

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Executive summary

In 2017, the UK government announced the Strength in Places Fund (SIPF) in the Industrial Strategy White Paper. This White Paper noted that many of the UK's cities outside the capital underperform against the national average, and that such regional disparities need to be addressed for there to be prosperity across the UK.¹ Science, research, innovation and skills provision are cited as playing an important role in driving productivity and economic growth throughout the regions and nations of the UK, and the White Paper stated the need to 'need to capitalise on these strengths and foster the local ecosystems that can support innovation and sustained growth'.²

The Strength in Places Fund was intended as one of the measures to address these challenges by providing a £312 million competitive funding scheme that takes a place-based approach to research and innovation (R&I) funding. The aim of the Fund is to help areas of the UK build on existing strengths in R&I to deliver benefits for their local economy. The Fund seeks to achieve this aim by supporting innovation-led regional growth and enhancing local R&I collaborations.

SIPF was created to complement but not duplicate the high-level aims of other UK Research and Innovation (UKRI) and UK national programmes, all designed to deliver against ambitions set out in the White Paper, including the Industrial Strategy Challenge Fund (ISCF) and Future Leaders Fellowship Scheme. SIPF has been designed to complement and utilise some of the established underpinning mechanisms used to deliver these programmes, such as knowledge exchange, collaborative research and development, feasibility studies and demonstrator activities. The design and high-level objectives of SIPF take other funding streams into account.

In January 2021, a consortium led by Frontier Economics and comprising RAND Europe and know.consulting were commissioned by UKRI to undertake an evaluation of SIPF. The evaluation consists of an impact evaluation and a process evaluation, building on an evaluation framework delivered in Autumn 2021.

The process evaluation seeks to understand what has worked well and less well in the design and delivery of SIPF and to make recommendations to UKRI for changes to the delivery process. The interim process evaluation component will be delivered in two phases, aligning with the two waves of projects funded by SIPF. A final evaluation will also incorporate process-related insights from case studies conducted as part of the impact evaluation. This report represents the interim process evaluation for Wave 1 of SIPF.

The purpose of this report is to understand how Wave 1 of SIPF worked in practice and where there might be scope for learning and improvement. The process evaluation framework contains 12 questions, covering strategy and design; processes, enablers and barriers; the role of different factors; monitoring and

¹ BEIS (2017).

² BEIS (2017).

evaluation; and lessons learnt. It brings together evidence from three sources: a document review, a series of semi-structured interviews with various stakeholders involved in the SIPF Wave 1 process, and a survey of Wave 1 applicants.

This evaluation found several key strengths and challenges from Wave 1 of SIPF.

- **Strengths:** A key strength of SIPF was its unique concept and flexibility. Applications could be led by a business or research organisation, and could include funding for capital, skills and recurrent costs, and R&I in one proposal. By allowing this flexibility, SIPF was able to attract a diverse range of applications, including from organisations with limited prior experience of applying for UKRI funding. Attitudes towards this approach are broadly very positive. Such efforts to attract new applicants and allowances for differences in level of experience through the application process enabled a diversity of projects, subjects and regions to be supported, which was an aim and a strength of the Fund. The seedcorn stage of SIPF was highlighted as being particularly important, with the additional time and support leading to significant improvement in some bids and allowing time for consortia to be better established and to receive external advice and support on some complex aspects of award administration. Monitoring officers were also viewed positively and were considered to have played an important role in acting as a point of contact, supporting the relationship between award holder and funder. There has also been a sense of learning and improvement over the course of development and implementation of the Fund.
- **Challenges:** The unique concept and flexibility of SIPF, together with the fact that SIPF has been administered by two councils within UKRI, created challenges in its implementation. In fact, work on the programme had to commence before UKRI was formed so that the funding call was ready to launch in Summer 2018. This meant that processes necessarily had to be developed after UKRI was formed while the programme was already live. However, broadly the perception was that these challenges were ‘teething problems’ rather than significant barriers to ultimate programme delivery. These challenges included the need to develop tools, processes and relationships in order to set up and run SIPF – and some of this happened as the programme was running. As such, not everything worked well at first and may have created additional burdens for applicants and award holders. The state aid and financial due diligence requirements for award holders were complex, reflecting the scale and diversity of the consortia established, and applicants found these requirements time consuming and difficult to navigate. Another challenge was the fact that the process of ministerial endorsement for funding decisions within the Department for Business, Energy and Industrial Strategy (BEIS)³ took longer than anticipated. This had implications both practically and in terms of applicant perceptions regarding transparency of decision making.

The strengths and challenges identified formed the basis of lessons learnt and recommendations provided in this report, as follows:

There is demand for novel and flexible funding mechanisms such as SIPF: SIPF was a novel UKRI fund both because of its explicit place-based focus, in which place was taken into consideration in the allocation of funding, and because of the flexibility of the Fund, which enables bids to be led by either a research organisation (such as a higher education institution, HEI) or a business. The concept of SIPF was viewed positively and considered a valuable addition to UKRI’s portfolio alongside existing subject-based calls, diversifying the range of R&I funding vehicles, and a significant number of bids were received. With

³ Now Department for Science, Innovation and Technology (DSIT).

this in mind, novel and flexible funding mechanisms like SIPF should continue to be considered as part of the UKRI funding portfolio.

This flexibility enables a wider range of consortia, including non-typical applicants, to access UKRI support: However, to achieve this, the flexibility of design needs to be underpinned by mechanisms to enable these applicants to develop their approach. SIPF gave ‘the benefit of the doubt’ to applicants at Expression of Interest (EOI) stage where the bids may not have been as polished as others but the underlying concept was strong. The seedcorn stage was important in enabling those bids to be developed and more generally in allowing complex multi-partner consortia to develop pre-award. To continue to promote a diversity of applications, these approaches should be retained. This could be built on further by providing a longer timeframe for EOI development (the EOI timeframe for Wave 1 applications was just six weeks due to the need to rapidly process the funding) and by providing additional support in areas which are particularly challenging, such as financial reporting, building on learning from earlier waves of the Fund – perhaps including opportunities for peer learning and support.

The flexibility and diversity of the Fund, although a strength, was a challenge to implement: Because both businesses and research organisations could be leads on bids, the Fund needed to draw on tools from both Research England and Innovate UK. The relationship and combination of approaches overall worked well, but there were some ‘teething problems’ and significant learning over Wave 1. Other challenges raised by the diversity and flexibility of the Fund include challenges in ensuring a panel that could assess such a broad range of R&I areas and geographies, and some lack of clarity regarding expectations and eligibility among applicants. The existing learning from this initial process should be retained and built upon. The SIPF delivery team meet regularly with Wave 1 award holders and this provides a useful forum through which learning can be shared to ensure that information and advice provided to future award holders and applicants is clear and comprehensive.

Governance structures are clear and have worked well: The involvement of both Innovate UK and Research England has enabled collaboration and allocation of decision making to the Senior Responsible Officer (SRO)/Programme Board level has provided clarity. The only aspect that has been challenging within the governance structure is the requirement for endorsement for key (e.g. funding allocation) decisions at the ministerial level. This led to delays in the funding process and was a key source of dissatisfaction among award holders and applicants surveyed. This is not entirely within the control of the SIPF delivery team. However, to the extent possible, it would be helpful to avoid these delays in future funding rounds, or to factor these into the planned timelines so that applicants can prepare appropriately.

The funding range was broadly correct, but award holders found some of the funding criteria and oversight requirements challenging: Both survey data and the range of applications received suggest that the funding range was broadly correct for SIPF, but there is some evidence that a number of award holders found SIPF budgets both difficult to plan for, and the financial monitoring requirements difficult to manage. The state aid requirements, which differed across consortia, were complex, difficult to understand and difficult to reconcile with reporting systems. Seedcorn funding was used by many to seek professional advice on this, but challenges in financial reporting requirements remained an issue. It may be helpful to provide additional support and advice in this regard where possible. Learning on ways to reconcile requirements and reporting from Wave 1 awards could be shared with future award holders.

Monitoring and evaluation (M&E) processes draw on tools from both Research England and Innovate UK, reflecting the diversity and accountability requirements of the Fund, and are supplemented by project specific M&E activities: Some of these have worked well, such as monitoring officers, which award holders found helpful as a single point of contact, and relatedly the quarterly reporting process was considered clear and appropriate. Some found Researchfish more difficult to reconcile with

the scope of SIPF awards, and the SIPF delivery team provided support in recognition of this. In addition, there is an expectation that award holders conduct their own evaluation processes, and some award holders report finding this challenging even at the early baseline level already conducted. It will be important to continue to monitor and provide support to project-level evaluation processes to ensure these are progressing well and are able to deliver useful insights that support accountability and learning.

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List of acronyms

BEIS	Department for Business, Energy and Industrial Strategy
EOI	Expression of Interest
GDPR	General Data Protection Regulation
HEI	higher education institution
HMT	His Majesty's Treasury
ISCF	Industrial Strategy Challenge Fund
M&E	monitoring and evaluation
NPIF	National Productivity Investment Fund
RE	Research England
R&I	research and innovation
SIPF	Strength in Places Fund
SPF	Strategic Priorities Fund
UKRI	UK Research and Innovation

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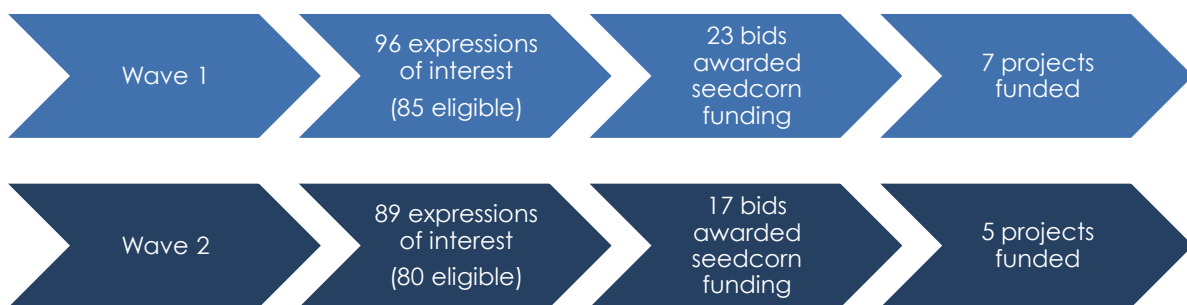
1. Introduction

1.1. Overview of the Strength in Places Fund

The Strength in Places Fund (SIPF) is a ‘competitive funding scheme that takes a place-based approach to research and innovation [R&I] funding’.⁴ The aim of SIPF is to help areas of the UK build on existing strengths in R&I to deliver benefits for their local economy.⁵ The Fund seeks to achieve this aim by supporting innovation-led regional growth and enhancing local R&I collaborations.⁶ The SIPF programme is run by UK Research and Innovation (UKRI) and has a budget of £312 million, which is funded through the UKRI Strategic Programmes budget (formerly the National Productivity Investment Fund, NPIF).⁷

The programme consists of two waves. In each wave, regional consortia are invited to put in an Expression of Interest (EOI) to UKRI. Following expert review and panel assessment, the EOIs that pass the pre-qualifying stage with the strongest alignment to the call criteria receive up to £50,000 in ‘seedcorn’ funding to develop a full stage proposal.⁸ The consortia who received seedcorn funding then bid for between £10 and £50 million to deliver a bespoke package of interventions in their locality. In total, twelve projects have been funded through SIPF – seven in Wave 1, five in Wave 2 (Figure 1). The geographic distribution of the 12 successful projects funded through SIPF is shown in Figure 2.

Figure 1: The number of projects funded through Wave 1 and Wave 2 of SIPF



Source: UKRI

⁴ UKRI (2019).

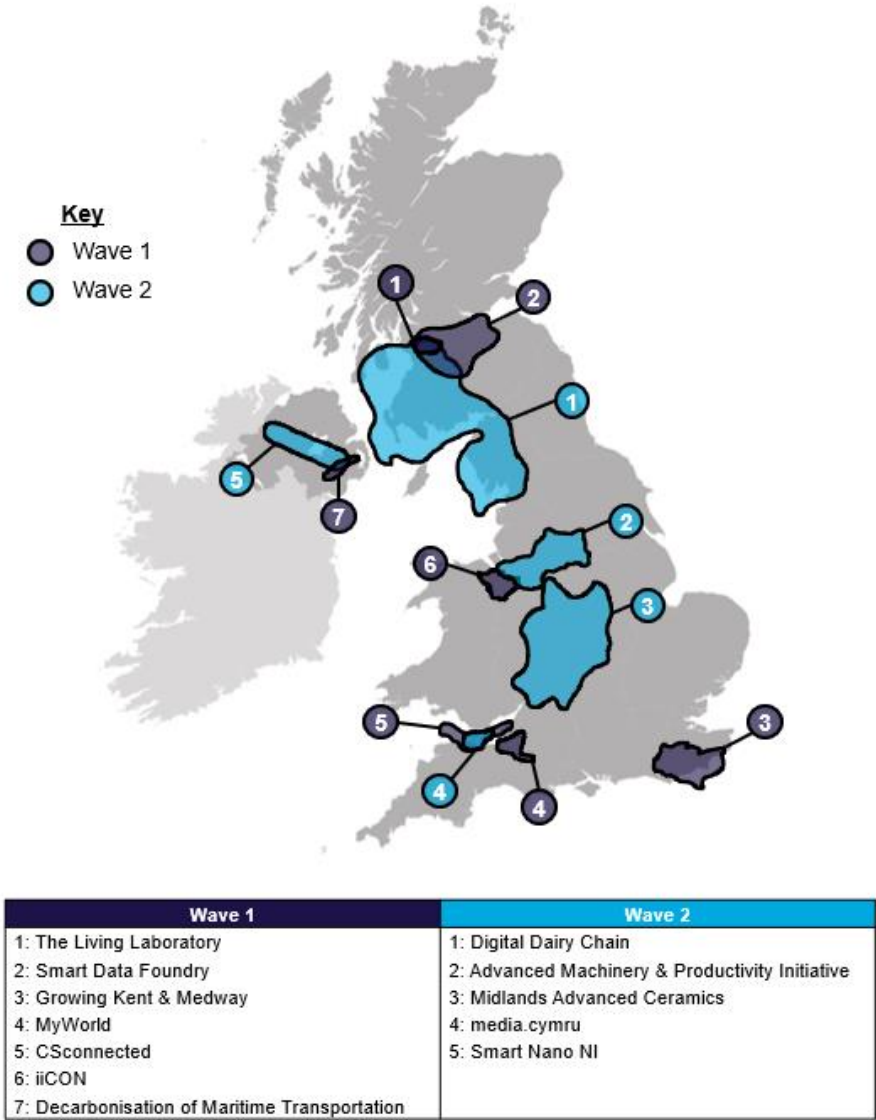
⁵ UKRI (2023).

⁶ UKRI (2023).

⁷ UKRI (2023).

⁸ UKRI (2019).

Figure 2: The geographic locations of projects funded through Wave 1 and Wave 2 of SIPP



Source: UKRI (DSIT, 2023)

1.2. Aims and purpose of the evaluation

In January 2021, a consortium led by Frontier Economics and comprising RAND Europe and know.consulting was appointed as the Fund-level evaluator for SIPF. The evaluation consists of an impact evaluation and a process evaluation. The impact evaluation seeks to understand what SIPF has achieved and to provide early evidence on value for money; the process evaluation seeks to understand what has worked well and less well in the design and delivery of the Fund and to make recommendations for how this could be improved in future rounds of SIPF (if any) or other investments. The final evaluation report is expected to be delivered at the end of 2026. Both the process and impact evaluations are delivered in line with an evaluation framework agreed in Autumn 2021.⁹

The process evaluation comprises an interim evaluation, delivered in two phases aligning with the two waves of SIPF, and a final evaluation. For the final evaluation, covering both waves, evidence on process from case studies conducted as part of the impact evaluation will also be gathered.

This report contains the interim process evaluation for Wave 1 of SIPF. It has been led by RAND Europe. A key focus is on how Wave 1 of SIPF worked in practice and where there might be scope for learning and improvement.

1.3. Process evaluation approach and methodology

As part of the evaluation framework, RAND Europe produced a process map to provide context for the process evaluation and a clear understanding of the processes to be evaluated. The focus of this was on Fund-level processes, rather than processes put in place by individually funded projects.¹⁰ The process map from the evaluation framework is reproduced in Figure 3.

The process evaluation framework identified 12 process evaluation questions, covering the following areas: strategy and design; processes, enablers and barriers; the role of different factors; monitoring and evaluation; and lessons learnt. These are provided in Table 1.

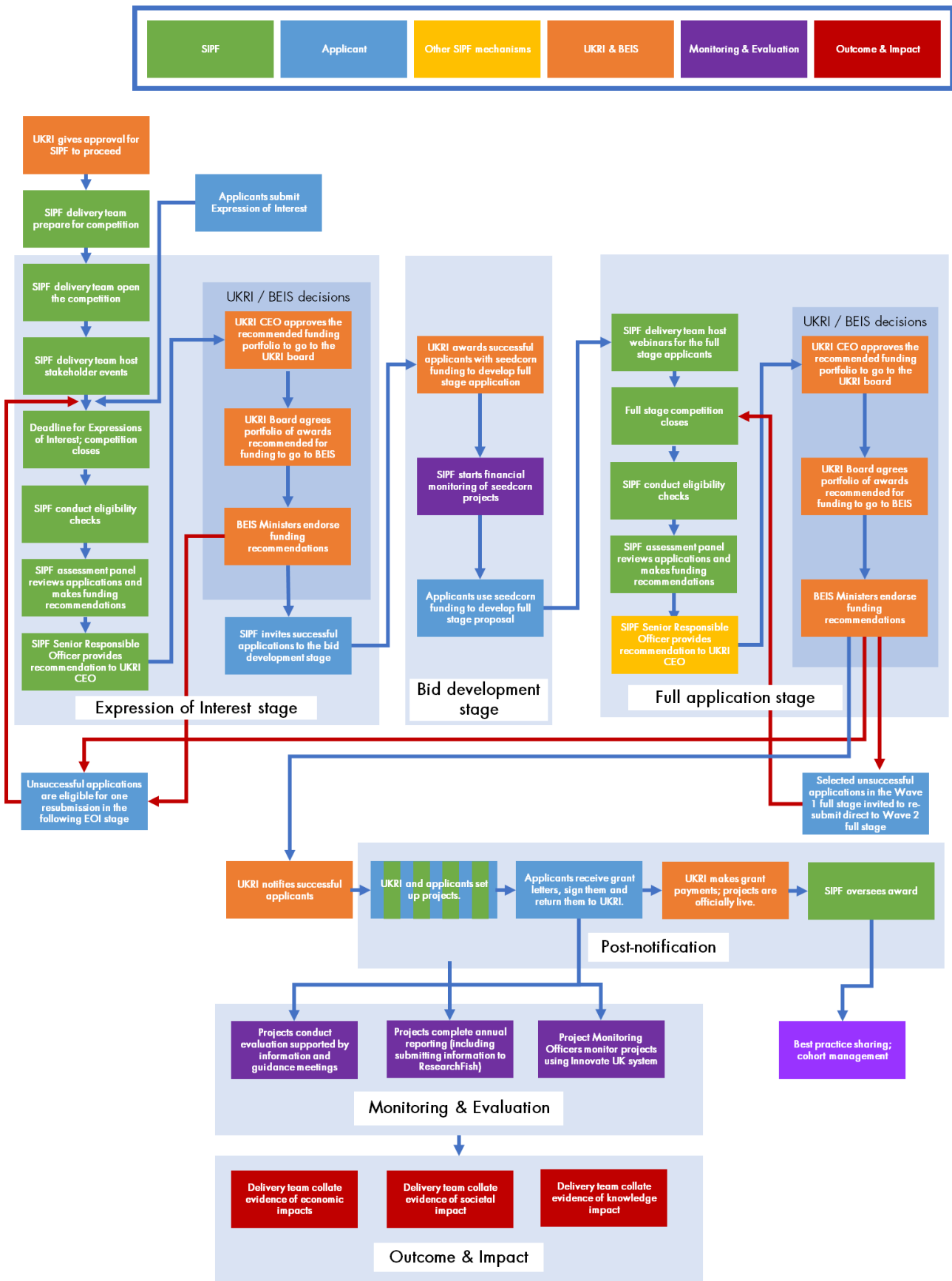
This Wave 1 interim process evaluation brings together evidence from three sources:

1. a document review
2. a series of semi-structured interviews with various stakeholders involved in the SIPF Wave 1 process
3. a survey of Wave 1 applicants.

⁹ Frontier Economics et al. (2021).

¹⁰ Frontier Economics et al. (2021).

Figure 3: SIFP process map



Source: Frontier Economics et al. (2021)

Table 1: Evaluation framework for the SIPF Wave 1 process evaluation

Evaluation area	Evaluation question
Strategy and design	EQ1 How effective has the Fund design been in delivering on the SIPF objectives including supporting R&I in a range of different geographies?
	EQ2 How effective was the governance structure between UKRI and BEIS as the Fund was set up, designed, and operationalised?
	EQ3 How was the portfolio of SIPF decided with a view to meeting the Fund objectives? How effective was the decision-making process in meeting the Fund objectives? What were the trade-offs?
Processes, enablers and barriers	EQ4 To what extent have the processes worked well in the places funded so far as SIPF has been implemented?
	EQ5 What has not worked well, or could have been handled differently, in the places funded by SIPF?
	EQ6 What were the enablers to implementing SIPF at the Fund-level? Which of the enablers are specific to place-based funding and/or the places selected?
	EQ7 What were the key challenges in implementing SIPF at the Fund-level? Which of the challenges are specific to place-based funding?
Role of different factors	EQ8 What was the role of timing in the ability to deliver the best quantity and quality of programmes and the selection of places for the SIPF portfolio?
	EQ9 What was the role of the level of funds allocated in the ability to deliver the best quantity and quality of programmes and the selection of places for the SIPF portfolio?
Monitoring and evaluation; lessons learnt	EQ10 What monitoring and evaluation (M&E) processes are in place at the Fund level and how are these tailored for a place-based funding scheme?
	EQ11 What has been learnt about the process of place-based funding – and what has changed in the approach and the places funded – over the course of implementing SIPF to date?
	EQ12 What was the awardees’ overall perspectives on the process of delivering SIPF-funded programmes and projects?

Source: Frontier Economics et al. (2021)

1.3.1. Document review

The purpose of the document review was to capture relevant process-related evidence in programme-level documents and to map the findings from this against the process evaluation framework. This was done in order to draw observations and insights regarding the intended functioning and rationale of processes, and to compare this with experience and observation from participants in the interviews and survey. For the document review, RAND Europe reviewed the documents listed in Table 2.

Table 2: Documents reviewed for the SIPF Wave 1 process evaluation

Documents reviewed
SIPF Logic Model (June 2020)
SIPF Governance and Reporting
SIPF Programme Overview (2018)
SIPF Programme Overview (2020)
SIPF Grant terms and conditions
Assessment Guidance for UK Research and Innovation Strength in Places Fund
SIPF Assessment Panel meeting, Wave One, Expressions of Interest (EOI) (26 September 2018)
SIPF Assessment Panel meeting, Wave One, Full Stage (4 December 2019)
UKRI Strength in Places Fund Seventh Programme Board
Principles of SIPF evaluation

Source: RAND Europe

1.3.2. Interviews

Interviews were conducted with a variety of stakeholders to understand their experience and observations of the SIPF Wave 1 process. In total, 16 people were interviewed for the Wave 1 interim process evaluation, including members of the SIPF delivery team, award holders (projects that received full funding), unsuccessful applicants (including both those who only reached the EOI stage and those who received seedcorn funding), and members of the peer review panel. The breakdown of interviewees is presented in Table 3. The questions in the interviews covered governance, decision making, fund management, the selection and funding process, and lessons learnt. The interview protocol is provided in Annex A.

Table 3: Number of interviews conducted with stakeholder groups for the SIPF Wave 1 process evaluation

Interview stakeholder group	Number of interviews conducted
SIPF delivery team	4
Award holders	6
Unsuccessful applicants ¹¹	4
Peer reviewers/review panel members	2

Source: RAND Europe

Privacy and General Data Protection Regulation (GDPR) considerations were taken into account when conducting interviews. Interviewees for this process evaluation were informed that they would not be identified in reporting, to ensure they felt comfortable sharing their experiences of the SIPF process. Interviewees were also informed that direct quotations would not be used to identify them or be attributed to them. Prior to conducting interviews, RAND Europe ensured that interviewees had received a privacy notice, which set out how interviewees' data would be used. This privacy notice set out interviewees' rights under GDPR, specifically their right to access, correct or erase their personal data, and to object to the processing of their personal data. To maintain anonymity, interviewees are identified throughout this survey using the format INT_XX, where XX is a number between 1 and 16 corresponding to the 16 interviews conducted.

1.3.3. Survey

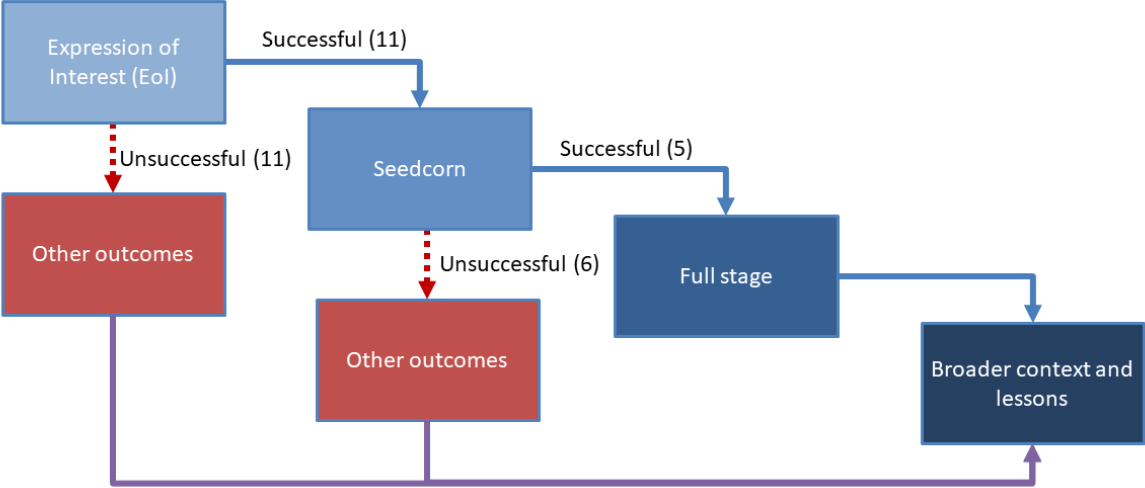
The purpose of the survey was to understand respondents' experiences of their engagement with SIPF, what worked well and what has not; the challenges, barriers and facilitators; and what could be improved in future. The survey consisted of a mix of quantitative and qualitative questions. The survey was sent to all researchers and innovators who applied for Wave 1 of SIPF, with questions routed based on the application outcome (see Figure 4). As such, it captures a broad range of perspectives on experiences of SIPF, including unsuccessful applicants and those who only progressed to the seedcorn stage.

The survey was released on 21 September 2022 and was open for eight weeks until 16 November 2022. During that time, email requests to participate in the survey were sent to 82 of the 85 eligible Wave 1 applicants (see Figure 1). Of these, 20 emails failed to reach to recipients. Four follow-up reminders were sent to Wave 1 applicants, with the assistance of UKRI in one instance to remind participants to complete the survey. By the time the survey closed, 22 applicants had responded, representing about a 35% response rate. Of the 22 applicants who responded to the survey, half were successful at the EOI stage and went on to receive seedcorn funding, while half were unsuccessful. Of the 11 who were successful, 5 received full funding. The geographic distribution of survey respondents is provided in Figure 5, and the sectors of survey respondents is provided in Figure 6. Survey respondents are identified using the format SUR_XX, where XX is a number between 1 and 22 corresponding to the 22 applicants who responded to the survey. We note that this is a relatively small number of respondents (reflecting in part a small population from which to sample) and as such survey analysis should be interpreted with care.

¹¹ This includes applicants who received seedcorn funding but did not receive full funding.

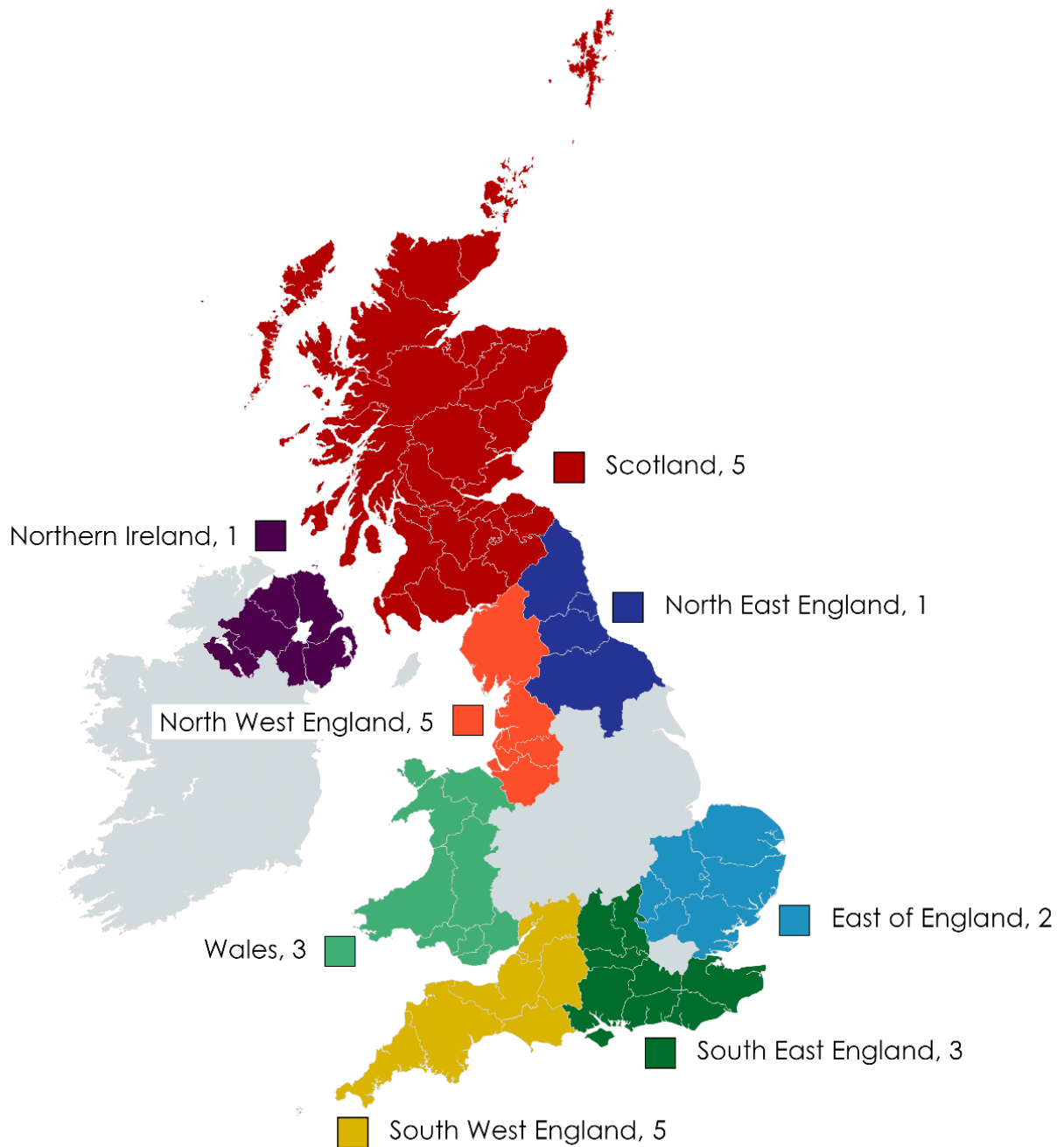
Responses to Likert Scale survey questions were analysed in the aggregate by plotting responses on graphs to show how respondents viewed various aspects of the Wave 1 process. Text box responses were brought together with interview and documentary evidence to draw out findings about the Wave 1 process.

Figure 4: Routing of questions and number of respondents to the survey for applicants to SIFP Wave 1



Source: RAND Europe

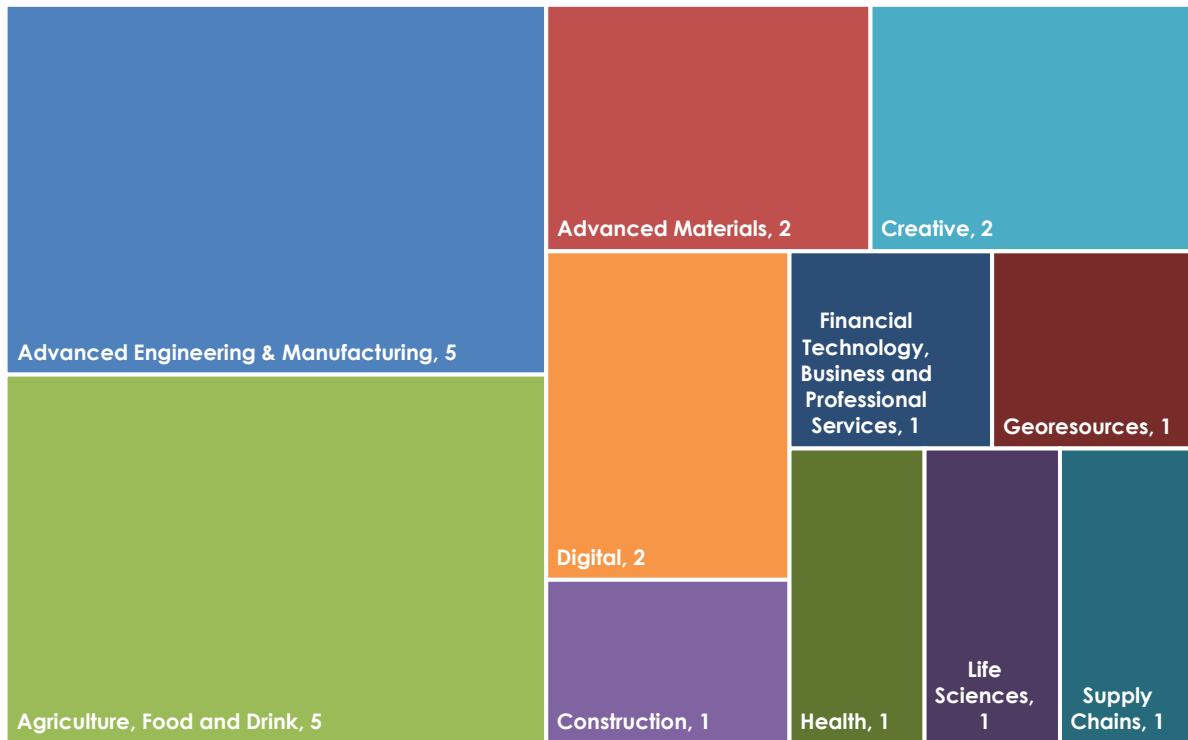
Figure 5: Geographic region of respondents to the SIFP Wave 1 process evaluation survey¹²



Source: RAND Europe

¹² The sum of the respondents by region is 25. This is higher than the number of respondents to the survey (22) because some awards were across regions. Where awards lie across regions, they have been counted for both regions.

Figure 6: Sectors represented of respondents to the SIPF Wave 1 process evaluation survey



Source: RAND Europe

1.3.4. Analysis

To analyse the findings, the evidence from the document review, interviews, and survey was mapped against the evaluation questions (as shown in Table 1). Areas of consensus and disagreement were of particular note, as these highlight aspects of SIPF where participants collectively felt there were strengths and weaknesses, or alternatively where there were divergent experiences.

1.4. Structure of the report

This rest of this report is divided into three sections: strategy and design; implementation of the Fund; and conclusions and recommendations.

Section 2, on strategy and design, focuses on the way SIPF was set up and its intended functioning.

Section 3, on the implementation of the Fund, addresses what this looked like in practice.

Section 4, conclusions and recommendations, draws on all the evidence in order to provide recommendations about which parts of SIPF worked well in practice and where there might be scope for learning and improvement.

2. Strategy and design

This section explores the Fund's strategy and design, how it was developed and the extent to which it enabled effective delivery of a place-based funding scheme. Four key aspects are explored: Fund design, governance structures, review and assessment processes, and the Fund portfolio.

2.1. Fund design

Box 1: Wave 1 process evaluation findings on Fund design

SIPF was a novel idea and design: SIPF was a novel UKRI fund because of both its explicit place-based focus, in which place was taken into consideration in the allocation of funding, and its flexibility that enabled bids to be led by either a research organisation or a business and for funding to cover capital, skills, and recurrent costs. This means the Fund was unique in its objectives, and as such needed a novel design to align with these aims.

There is broad support for the concept of place-based funding: The place-based concept of SIPF was viewed positively and considered a valuable addition to UKRI's portfolio alongside existing subject-based calls, diversifying the range of R&I funding vehicles.

The seedcorn stage was an important aspect of the Fund design: The seedcorn phase served an important function given the novelty of the Fund, the fact that it was aiming to attract non-typical applicants and that applications required complex multi-partner consortia to be developed.

The Fund design was open and flexible: This allowed the approach to be tailored to local needs.

The SIPF funding threshold aimed to support large, ambitious bids: The range was £10–50 million.

2.1.1. SIPF was a novel idea and design

The aims of SIPF, as set out in Box 1, were agreed by BEIS in collaboration with His Majesty’s Treasury (HMT) and UKRI. As well as these high-level policy aims, the Fund had more specific objectives: to contribute to significant ‘relative’ regional economic growth, where ‘relative’ is defined in terms of the gap between regions; to support excellent research and high-quality innovation; to facilitate collaboration; to build the evidence base around the impact of place-based R&D investment, and to deliver value for money.¹³

Box 2: High-level aims of SIPF

To support innovation-led relative regional growth by identifying and supporting areas of R&D strengths that are:

- driving clusters of businesses across a range of sizes that have potential to innovate, or to adopt new technologies;
- in order that those clusters will become nationally and internationally competitive.

To enhance local collaborations involving research and innovation. Building on the underpinning regional economic impact role of universities, research institutes, Catapults and other R&D facilities (such as Innovation and Knowledge Centres – IKCs); and engaging those businesses at the forefront of delivering economic growth through innovation within the identified economic geography.

Source: Assessor Guidance Matrix – UKRI Strength in Places Fund (2018)

The way these aims and objectives were implemented led to a novel design. SIPF was a unique UKRI fund because of both its explicit place-based focus, in which place was taken into consideration in the allocation of funding, and its flexibility that enables bids to be led by either a research organisation (such as an HEI) or a business and for funding to cover capital, skills, and recurrent costs. There are no previous or current UKRI funds that combined this breadth in remit with a place-based focus. This means the Fund was unique in its objectives, and as such needed a novel design to align with these aims (INT_11, INT_14). Factoring in the role of place, and also considering the range and nature of potential (and desired) applicants, meant that this novel fund needed careful consideration in terms of design of all aspects from application to award (INT_14; INT_13). Underlying this was a desire to diversify funding, and to also build capacity within regions. This included capacity not only to do research but also to conduct and use locally-relevant research and support connections across sectors within a geography – enabling research translation locally and the support of clusters of innovative activity (INT_15; INT_6; INT_3). This novelty also meant the Fund needed to draw on expertise across different funders – Research England, Innovate UK and UKRI more widely – this co-delivery was relatively new at the time the Fund was established (INT_15), particularly since UKRI was only being established around the same time as SIPF.

2.1.2. There is broad support for the concept of place-based funding

The place-based concept of SIPF was viewed positively by a majority of individuals interviewed and surveyed. Broadly, the Fund was considered to be a valuable addition to UKRI’s portfolio alongside existing subject-based calls, addressing a gap in funding for regional partnerships and adding something new to the R&I landscape (INT_4, INT_13, INT_7, INT_8, INT_16, INT_2, INT_10, INT_12, Survey data).

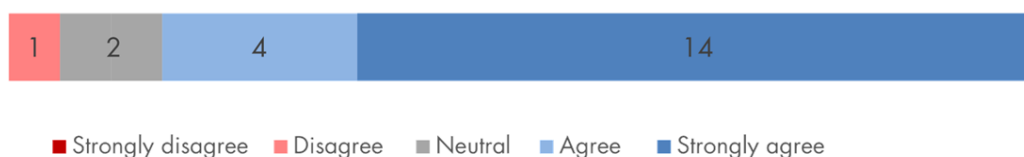
¹³ SIPF Programme Overview (2018).

SIPF was able to provide a good opportunity to spread support outside of the regions that historically receive a majority of the UK’s funding opportunities (INT_4), and to provide bespoke opportunities in different regions, which are often overlooked (INT_7).¹⁴ It was also described as a means to encourage local levelling up – feeding into the broader UK Levelling Up agenda (INT_8).

The place-based concept of SIPF was also viewed positively among unsuccessful applicants, enabling regional development, supporting the development of partnerships between government and local networks, and providing a unique offer relative to other funding mechanisms (INT_3, SUR_6). Offering funding at a meaningful scale was also highlighted by one applicant who received seedcorn funding, noting that SIPF uniquely enabled unusual partnerships to flourish and create meaningful outcomes (SUR_14). According to a survey respondent who received full funding, SIPF provided ‘the opportunity to fund innovation work in a region that has not seen enough investment’ and allowed their consortium to build a platform to support economic growth and the opportunity to develop new proposals that were not possible in the past (SUR_4).

As shown in Figure 7, the majority of applicants responding to the survey were in favour of UKRI developing more place-based funds in the future. This reflects the views above that SIPF’s main objective of developing local, place-based strength is broadly recognised and supported by applicants.

Figure 7: How far do you agree or disagree with the following statement: ‘If UKRI were developing a new fund, it should be place-based’?



Source: RAND Europe

2.1.3. The seedcorn stage was an important aspect of Fund design

One of the key aspects of Fund design was a seedcorn stage, in which a set of applicants were selected to receive £50,000 over six months to put together a full application. Overall, 23 applicants received seedcorn funding in Wave 1. The seedcorn phase served an important function given the novelty of the Fund (INT_8, INT_5), the fact that it was aiming to attract non-typical applicants (INT_13, INT_6), and that applications required complex multi-partner consortia to be developed (INT_3, INT_7, INT_8).

Seedcorn funding was used in a range of ways including:

- to cover the costs for small and medium-sized enterprises to be able to participate in bid development (INT_6);
- to commission external support for legal and economic advice or market research (INT_7, INT_2, INT_10);
- to provide the time and resources for develop strong evidence for a full bid (INT_7, INT_5, INT_2); and

¹⁴ This is explored further in Section 2.4.1.

- to develop relationships and networks which are often new (INT_3, INT_8, INT_10, survey).

The use of seedcorn funds was particularly important to many respondents.

Seedcorn funding was broadly considered sufficient for these needs. Of the 11 survey respondents who received seedcorn funding, 9 (around 80%) were satisfied or highly satisfied with the level of funding provided. One of the interviewees concurred with this view (INT_2). However, one survey respondent was dissatisfied with the level of seedcorn funding while another was neutral. An interviewee indicated that the £50,000 seedcorn funding covered a quarter of their bid preparation costs (INT_9).

There is some evidence that the seedcorn stage was particularly important to less experienced applicants. Reviewers gave the ‘benefit of doubt’ at the EOI stage to applicants who may have been less used to writing such applications. Some of these low-scoring applications at the EOI ended up being some of the strongest funded projects, and the seedcorn stage was key in enabling them to be further developed and ultimately funded (INT_1, INT_12). Two of the Wave 1 projects funded stated that seedcorn funding was important to their application, improving their ‘partner and consortium building activity’ and ‘piloting approaches’, respectively.

2.1.4. The Fund design was open and flexible, allowing the approach to be tailored to local needs

A key feature of the Fund was openness and flexibility. The nature of the work supported, ways of working and consortium structure were flexible relative to other funds and allowed a diverse range of applicants and award holders to emerge (as explored further in Section 3.4) (INT_7, INT_5, INT_9). The Fund was constructed in this way so that projects would be designed to meet differing needs and challenges depending on regional context rather than being ‘one size fits all’ (INT_7).

2.1.5. The SIPF funding threshold aimed to support large, ambitious bids

The Fund originally had a lower funding threshold and was designed to support bids of between £5 million and £50 million (INT_1). However, this threshold was increased to £10 million to £50 million when SIPF was created as the UKRI board felt that it was important to drive ambitious bids on a larger scale. As detailed in Section 4.2, applicants who responded to the survey indicate they were satisfied with the funding threshold and broadly agree that Wave 1 funding was sufficient to meet project needs and ambitions. However, one interviewee indicated that there was appetite for smaller-scale projects, and the lower threshold of £5 million may have enabled SIPF to support a wider range of regions (INT_1). The assertion that there was appetite for smaller-scale projects is supported by a few survey respondents, although it should be noted that a similar number felt that the maximum funding threshold should be retained at the top end – at £50 million (see Section 3.2). Looking at the applications received in Wave 1, however, very few applications were received near the top end of the funding range. The average SIPF funding request from UKRI for the 23 applications that received seedcorn funding was £28 million, and the average for the 7 awards that were ultimately funded was £27 million.¹⁵ There was variation in the funding requested during Wave 1; the highest SIPF funding request from an application at the seedcorn stage was £46 million, while the lowest was £14 million.¹⁶

¹⁵ Strength in Places Fund Fact Sheet.

¹⁶ Strength in Places Fund Fact Sheet.

2.2. Governance structures

Box 3: Wave 1 process evaluation findings on governance structures

Governance structures have worked well with clear processes in place for oversight and decision making: The Senior Responsible Officer (SRO), with support from the Programme Board, is responsible for strategic and operational decision making for the Fund, with day-to-day operation managed by a delivery team comprising individuals from both Innovate UK and Research England. Groups are in place to provide advice on specific issues (assessment of applications, evaluation processes) but decision making is retained at the SRO/Programme board level.

The relationship between Research England and Innovate UK developed over the course of Wave 1: At the time the Fund was being set up, UKRI was just being established so there was very little in the way of common process between the two Councils so the concept of the two organisations working together was a learning process alongside the creation of a place-based fund. Governance structures are set up to promote collaborative working.

SIPF allowed significant flexibility in how projects were run: The structure of SIPF allowed local needs and priorities to be factored into systems of governance reflecting the nature of the Fund and the diversity of projects.

2.2.1. Governance structures have worked well with clear processes in place for oversight and decision making

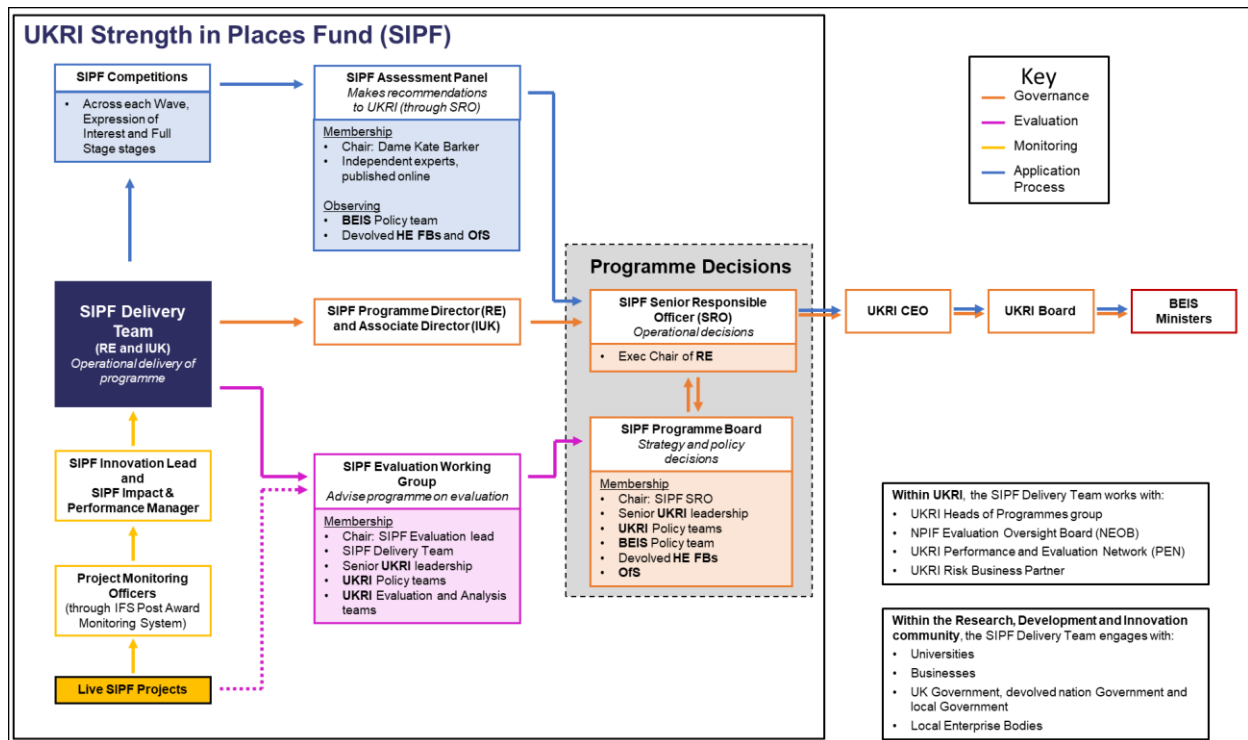
SIPF is supported through the National Productivity Investment Fund (NPIF), which was set up in 2016 as a route for strategic investment by UKRI (then the Research Councils, RCUK) in R&D that would contribute to boosting productivity. As such, SIPF sits alongside the wider portfolio of investments at a national level made through NPIF such as the Industrial Strategy Challenge Fund (ISCF), Strategic Priorities Fund (SPF) and Future Leaders Fellowships (FLF). SIPF is intended to be complementary to these and other NPIF funds¹⁷ (INT_14, INT_11). This has implications for the governance of the programme, with decisions made by the SIPF panel subject to approval by UKRI and endorsement by BEIS ministers, with consultations over strategic portfolio choices, and how bids manifest across regions and sectors.¹⁸

The overall governance structure for SIPF is set out in Figure 8. The SIPF delivery team, consisting of a mixed team from Innovate UK and Research England, are responsible for programme delivery reporting to the SIPF Director (from Research England) and Associate Director (from Innovate UK). They in turn report to the SIPF SRO, the executive chair of Research England, who holds overall responsibility for operational decision making. The SRO is advised by and chairs the SIPF Programme Board, which consists of representatives from UKRI, BEIS, Office for Students (OfS) and the Devolved Funding Bodies. Overall, the SRO, with support from the Programme Board, is responsible for strategic and operational decision making for the Fund. Critical decisions, including funding allocation, are subject to endorsement through a chain of escalation to the BEIS ministerial level via the UKRI CEO and UKRI Board. Other functions – specifically application assessment and evaluation process – are supported by two additional groups: the SIPF Assessment Panel and the SIPF evaluation working group. These groups have an advisory function but programme decision making is held at the SIPF SRO/Programme Board level.

¹⁷ Assessor Guidance Matrix – UKRI Strength in Places Fund, 27 July 2018; SIPF Assessment Panel meeting Wave One, Full Stage, 4 December 2019.

¹⁸ SIPF Programme Overview (2020).

Figure 8: Overview of SIFP governance mechanisms



Source: SIFP Programme Governance and Reporting Diagram (approved February 2021)

As a whole, governance structures were described as effective in terms of what SIFP set out to achieve, with processes clearly established from the outset and effectively implemented (INT_11, INT_14, INT_15). The process of escalation and decision making functions are clearly defined and we are not aware of any major issues or points of contention that have occurred within this governance system. The only concern that emerged is a suggestion that there may have been some tensions with regard to decision making processes, in part because of the political relevance of the Fund (though it is worth noting that the Levelling Up agenda did not emerge until after the Fund was established) (INT_11, INT_15). However, two interviewees highlighted that this is not unique to this Fund (INT_1, INT_15). Specifically, the time taken for ministerial endorsement of strategic portfolio decisions within BEIS caused delays in the award process (see Section 3.1 for more details).

2.2.2. The relationship between Research England and Innovate UK developed over the course of Wave 1

The Fund is jointly run by Research England and Innovate UK. At the time the Fund was being set up, UKRI was just being established so there was very little in the way of common process between the two organisations. The concept of the two organisations working together was a learning process, alongside creating a place-based fund (INT_1, INT_14, INT_15). This lack of shared delivery mechanisms that could work for programmes which completely integrate university and business funding led to some challenges in establishing processes and tools for the Fund (e.g. for M&E and financial management) and coordinating work, which had impacts on applicants and award holders (INT_5, INT_7, SUR_21, INT_15, INT_1), as explored further in Section 4. There was, however, a significant appetite to learn and improve mechanisms for collaborative working across the two organisations, and this has led to improvements in coordination over time (SUR_21, INT_1, INT_15). Governance structures were set up with this in mind, with staff from both organisations working together as part of the SIFP delivery team, and Director and Associate Director

roles split (Director from Research England, Associate Director from Innovate UK) to ensure participation from both sides.

2.2.3. SIPF allowed significant flexibility in how projects were run

Although there were certain reporting requirements in place, there was significant autonomy given to projects in terms of governance processes and day-to-day operation within consortia (INT_1, INT_7, INT_5, INT_9). This was viewed positively by respondents, in terms of providing opportunities to work in different ways with different partners opening up opportunities for collaborations that would not typically come together under other funding mechanisms. Several respondents noted that SIPF has a lot more flexibility than other funds (INT_7, INT_5, INT_9). This is in terms of allowing local needs and priorities to be factored into systems of governance in alignment with the Fund's aims, rather than having a more 'top-down' structure. At the simplest level, this is manifest in the opportunity to use funds for a range of purposes and for bids to be led either by research organisations (such as HEIs) or businesses as required.

2.3. Review and assessment processes

Box 4: Wave 1 process evaluation findings on review and assessment processes

SIPF funding criteria were designed in alignment with the Fund's overarching aims and objectives: There were six main criteria, which were clearly defined and available to applicants and assessors.

Bids were selected both for quality and to ensure a balanced portfolio across geographies and sectors: There was a clear intention internally that no compromise should be made in terms of the quality of the R&I being conducted. However, there was a sense among applicants that decision making was opaque, particularly regarding how the need for a balanced portfolio (both geographically and across sectors) was managed alongside quality assessment.

Some applicants felt there was a wider lack of clarity in communication regarding expectations and eligibility: Some applicants suggested that expectations regarding consortium composition and co-investment were unclear.

The SIPF team aimed to get a good mix of panel members and reviewers but views on the success of this vary: Internally, views were positive but some applicants questioned the expertise on the panel.

Panel processes worked well according to those involved but were more opaque externally: Internally, these were thought to be robust and challenging but externally this was less clear and some applicants expressed concerns about panel decision making. The panel were invited to provide feedback to inform learning.

The online portal was a problem for some: Most applicants found the online application portal Innovation Funding System (IFS) relatively straightforward to use but a small number of applicants had difficulties.

Views on feedback to applicants is mixed: Although some were satisfied with the feedback reviewed, other unsuccessful applicants felt more detail to support improvement would be useful.

2.3.1. SIPF funding criteria were designed in alignment with the Fund's overarching aims and objectives

The Fund's overarching aims and objectives were aligned with the design of the SIPF funding criteria, set out clearly to assessors and also made available to applicants via an 'FAQs' document. A summary of the assessment criteria used is provided in Box 5, while a summary of eligibility criteria for collaborations is provided in Box 6.

Generally, there were a number of expectations for projects to fulfil in order to meet SIPF objectives. For instance, economic strength and spatial geography were expected to be defined clearly, and bids were expected to be developed after consultation with local stakeholders, including direct engagement with local people. Other areas of focus include support from local leadership organisations; identifying barriers to research and innovation-led local economic growth; and demonstrating tangible commitment through leveraged funding, alongside the additionality of UKRI support.¹⁹

Box 5: Summary of the SIPF assessment criteria

1. The potential for ambitious, coherent and well-evidenced bids to drive significant, relative local growth and productivity, by aiming to achieve, through research and innovation activities
2. Research excellence
3. High-quality innovation: Evidence of how proposed innovation activities are fit-for-purpose for intended target area (by technology, industrial sector and/or in line with proposed research activities) and intended economic impacts, and exemplify leading edge practices, including sustainability of the activity
4. Collaboration
5. Co-investment where appropriate
6. Sustainability & Value for money

Source: SIPF Programme Overview (2018)

Box 6: Summary of the SIPF eligibility criteria for collaborations

Applications for the UK Research and Research Strength in Places Fund must have collaborations where:

- there are at least two collaborators
- the consortium includes both businesses and research organisations
- the consortium is led by either a business or a research organisation
- there is evidence of effective collaboration
- the lead organisation of the project is a grant recipient

Source: General guidance for applicants: UKRI Strength in Places

2.3.2. Bids were selected both for quality and to ensure a balanced portfolio across geographies and sectors

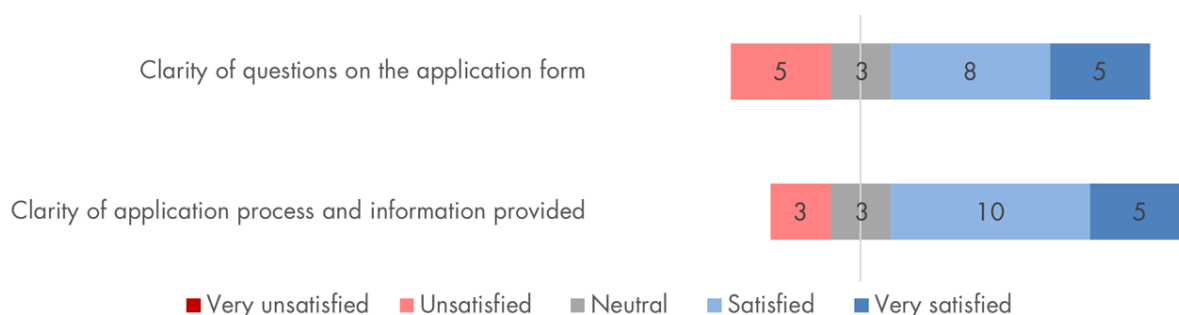
As set out above, the selection of bids was based on not just an assessment of the quality of the bids but also a consideration of the overall portfolio of awards across geographies and sectors. There was a clear

¹⁹ SIPF Programme Overview (2018).

intention internally that no compromise should be made in terms of the quality of the R&I supported despite this need to develop a balanced portfolio of award, and quality thresholds were in place to ensure this (INT_1, INT_14, INT_15). However, the novel aims and approach for the Fund may have made assessors more open to taking risks in terms of the bids supported with the expectation that not all awards would be a ‘success’ (INT_12, INT_1). In terms of the way place was assessed, this is clearly included in the criteria (Box 5) and there was some intention to ensure a balanced portfolio across different geographies. In Wave 1, the panel identified the portfolio and this was subject to ministerial endorsement (INT_11, INT_14).

However, the way in which geography was factored into decision making was less clear to applicants. A lack of clear communication led to applicants speculating over whether lower scoring applicants were shortlisted, or whether applications were only successful to hit a required geographic mix, particularly among unsuccessful applicants (INT_4, INT_7, SUR_2). Several applicants noted that they would have liked to see more transparency from the decision making process (SUR_1, SUR_7, INT_4, INT_7). Several unsuccessful applicants expressed concerns that politics may have had an undue influence on the decision making process, particularly given the long time between panel assessment and ministerial announcement of funding allocation (INT_4, INT_7, SUR_1). Overall, most applicants were satisfied with the clarity of application processes at the EOI stage based on survey data, but there are some mixed views as shown in Figure 9.

Figure 9: How satisfied were you with your experience of the following aspects of the application process at the Expression of Interest stage?



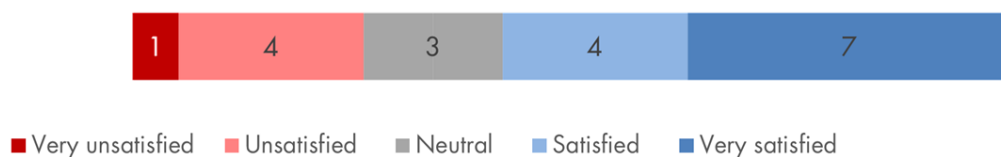
2.3.3. Some applicants felt there was a wider lack of clarity in communication regarding expectations and eligibility

Although assessment criteria were documented, and the SIPF team held both online and regional workshop events to communicate information about the Fund (INT_15), some applicants felt that communication about the eligibility and assessment criteria could have been clearer (INT_1, INT_14, INT_7, INT_4, INT_2). Although co-investment was one of the assessment criteria, it was not a requirement (with the exception of mandated match-funding under state aid/UK subsidy control regime), and there was no specific expected value or threshold. This created a degree of ambiguity which some applicants struggled to navigate (INT_1, INT_14, INT_7). This relates to a broader issue around a lack of guidance for applications (INT_14). For example, some applicants did not have a clear understanding of the extent and nature of partnerships and consortia expected within bids (INT_7, INT_2). This was also shown through survey feedback, where respondents noted a lack of clarity around the importance of co-investment (SUR_7).

However, views on this were mixed. One successful applicant described the support from UKRI as good, with questions and concerns being answered promptly (INT_2). The SIPF delivery team felt that the

communication and briefing worked well at the application stage. The SIPF delivery team travelled around the UK to advertise the programme. These events included presenting about SIPF and a question-and-answer session. SIPF also had an email account for people to ask questions about the SIPF criteria (INT_15). Despite this, some survey respondents suggested further early (pre-application) engagement with potential applicants would have been helpful (SUR_11, SUR_18). It should be noted, though, that the level of support that can be provided by UKRI at the pre-award stage is necessarily limited to ensure the fairness of the process.

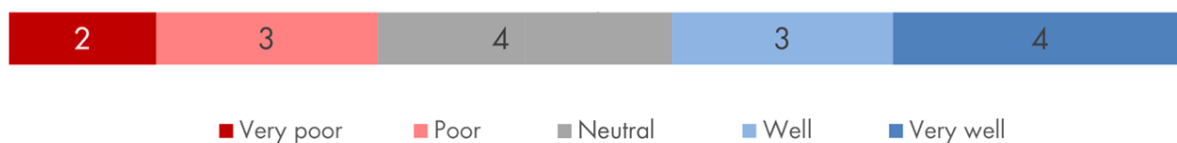
Figure 10: How satisfied were you with your experience of the communication with Fund management team at UKRI at the Expression of Interest stage?



2.3.4. The SIPF team aimed to get a good mix of panel members and reviewers but views on the success of this vary

SIPF employed a mix of expert reviewers from Innovate UK supplemented with suggestions of expert reviewers from across UKRI, Research England, research councils, higher education funding bodies across the UK and the OfS (INT_1).²⁰ This was intended to offer a suitable breadth of expert reviewers from across the UK, with the added benefit of spanning as broad of a range of geographies as possible (INT_1, INT_14). Bringing together this set of expert reviewers in a short amount of time was a challenging process for the SIPF team (INT_1). The panel was also brought together with these considerations in mind. However, views on panel membership and structure among applicants were less positive with a group of survey respondents expressing some dissatisfaction with the panel membership and structure (Figure 11).

Figure 11: How well tailored were the assessment panel membership and structure at the Expression of Interest application process to developing place-based collaborations?



Concerns were raised regarding the extent of the discipline knowledge across the panel (SUR_6) as well as the extent to which panel members would know about the context of the different regions (for example, wealth disparities) (INT_7).

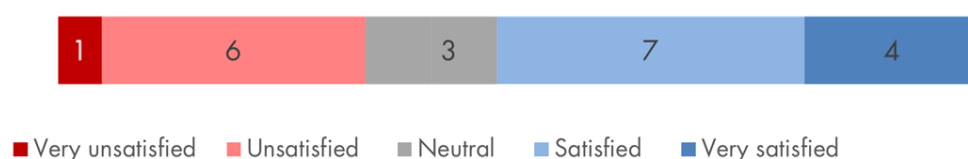
²⁰ SIPF Programme Overview (2018).

2.3.5. Panel processes worked well according to those involved but were more opaque externally

Research England’s coordination of the panel process was described by those involved as having worked well (INT_15, INT_11, INT_14, INT_1), drawing on the processes of the research councils in particular since Innovate UK had not run panels like these before (INT_14). Time in the panel was focused particularly on proposals where views were mixed and covered aspects such as sector, coverage, geography, and the potential impact on local economic growth through effective business engagement²¹ (INT_1, INT_13, INT_15). Discussions were robust, challenging and iterative as appropriate for funding at this scale (INT_11). Despite this, consideration was also given to the level of experience of applicants and the impact this may have had on the way the application was written (rather than the underlying quality of the bid). It was suggested that less experienced applicants were given ‘the benefit of the doubt’ at the EOI stage, which enabled several bids to progress to full application and subsequently improve significantly with that additional time and support (INT_1, INT_13).

However, these positive internal perceptions of the panel processes are not wholly shared by those external to the process. A relatively large proportion of applicants were dissatisfied with the clarity of processes of application assessment (Figure 12), with several suggesting that the process was opaque (INT_7, SUR_5, SUR_1), contributed to by the length of time taken for decisions to be communicated as discussed in Section 3.1.

Figure 12: How satisfied were you with your experience of the clarity regarding the process of assessment of applications at the Expression of Interest stage?



2.3.6. The panel were invited to provide feedback to inform learning

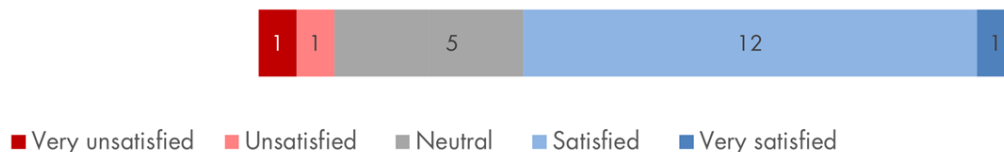
At the end of the initial EOI stage, the panel was invited to comment on and help revise the process. This was generally positive, with many comments relating to how efficiently the process ran, how well it was managed, and the willingness to hear and respond to process issues. However, it was noted that an overview of expert reviewer score comments would have been useful in collating all sources of information (INT_13). An audit was also conducted to assess how the programme works and how these processes were defined (INT_11). Having this process in place is an example of learning and improvement.

2.3.7. The online portal was a problem for some

Most applicants found the online application portal Innovation Funding System (IFS) relatively straightforward to use (Figure 13) but a small number of applicants had difficulties requiring queries with IT support and taking significant time and effort (INT_7, INT_10). Issues with the financial forecast spreadsheet and fit to the planned work were also mentioned (INT_9). However, others note that the application process was smooth (INT_5, INT_6).

²¹ SIPF Assessment Panel meeting, Wave One, Expressions of Interest (EOI) (2018); SIPF Assessment Panel meeting, Wave One, Full Stage (2019); SIPF Programme Overview (2018).

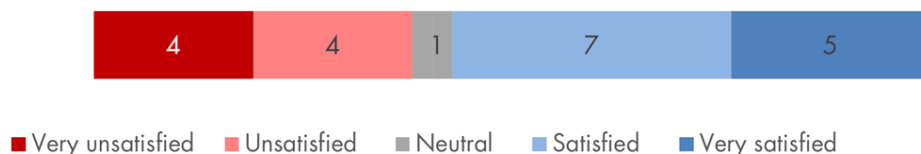
Figure 13: How satisfied were you with your experience of the ease of use of the Innovation Funding System at the Expression of Interest stage?



2.3.8. View on feedback to applicants is mixed

Views on the feedback received by applicants was mixed, as reflected in the survey responses (Figure 14), and there may be room for improvement. Some responses did suggest that the feedback was helpful and would be useful to inform future bids (INT_7, INT_8), with specific feedback on how to scope and factor in geographical aspects considered particularly useful. However, others – particularly unsuccessful applicants – found the feedback poor, with insufficient detail to support learning and improvement (INT_3, SUR_11) with one suggesting that the feedback indicated a lack of expertise to assess the bid (SUR_6).

Figure 14: How satisfied were you with your experience of the quality of feedback given on the application outcome at the Expression of Interest stage?



Source: RAND Europe

2.4. Fund portfolio

Box 7: Wave 1 process evaluation findings on Fund portfolio

There were no specific expectations regarding geographic distribution of funds but rather a general expectation that SIPF would fund bids from across the UK. The volume of bids received was sufficient to ensure quality and geographic mix.

Some aspects of Fund design and implementation may have affected the diversity of applications, particularly around eligibility of local authorities. However, broadly the Fund was flexible and open.

2.4.1. There were no specific expectations regarding geographic distribution of funds but rather a general expectation that SIPF would fund bids from across the UK

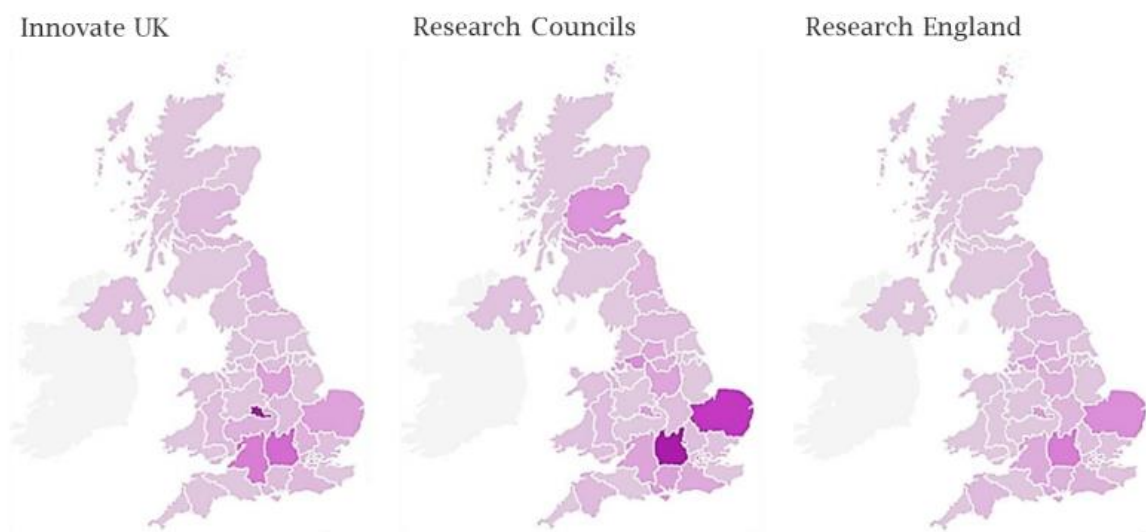
In Wave 1 of SIPF, there were no specific expectations or quotas for regions regarding the geographic distribution of projects that would be funded. However, there was a general expectation that SIPF would fund bids from all over the UK covering a spread of sectors and regions (INT_14, INT_11, INT_12). In order to receive sufficient bids across different regions to enable this, the SIPF team worked on regional

engagement including cross-UK workshop sessions to introduce the programme (INT_11, INT_15). In order to ensure this mix of sectors and geographies, recommendations from the SIPF assessment panel were reviewed by UKRI, in consultation with BEIS, who took a strategic portfolio perspective into account considering the mix of sectors and regions as well as alignment with wider portfolios of investment.²² The volume of bids received was sufficient to ensure quality and geographic mix. The geographic spread of Wave 1 awards is shown in Figure 2. Considering the spread of UKRI expenditure in 2019/2020 (Figure 15), these awards are located in regions that are not the most highly funded by funders in the wider portfolio; however, the small number of SIPF awards makes statistical comparisons inappropriate.

UKRI were not sure about the number, scale or economic geography of bids they would receive for Wave 1 of SIPF, but they were comfortable with the interest and bids they ended up receiving (INT_14). Out of 96 bids, only 11 were rejected for ineligibility. UKRI planned to provide seedcorn funding to 12 to 16 bids, with the aim of providing full funding to 4 to 8 projects. UKRI ended up supporting 23 bids at the seedcorn stage. Two further projects considered as expressions of interest who had overlapping objectives were invited to combine into one full stage bid but they chose not to.

There was also a mix across disciplines²³ and sectors (INT_12). These bids had some mix across geographies, with a particularly large number of applicants from the South West²⁴, as well as from Scotland and Northern Ireland (INT_12).

Figure 15: Total UKRI expenditure by ITL2 region, 2019/2020



Source: Strength in Places Fund evaluation baseline report²⁵

²² SIPF Assessment Panel meeting Wave One, Full Stage, 4 December 2019.

²³ Assessment Panel meeting Wave One, Expressions of Interest (EOI), 26 September 2018.

²⁴ Assessment Panel meeting Wave One, Expressions of Interest (EOI), 26 September 2018.

²⁵ Based on 'Geographical Distribution of UKRI Spend in 2019-20 and 2020-21', UKRI (2022).

Figure 16: Number of applications at the EOI stage and Full Stage

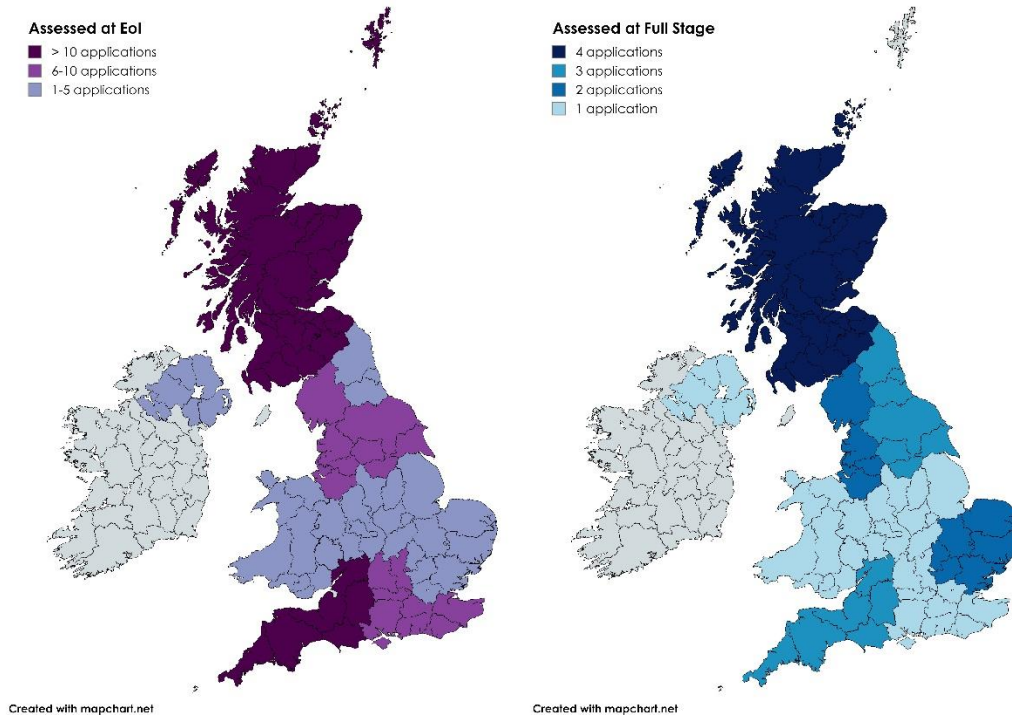


Figure 17: Number of applications at the EOI stage and Full Stage, broken down by sector

Sector	Number Eoi	Number Full Stage
Aerospace, Marine, Defence and Space	8	0
Agri-Tech, Food and Drink	9	2
Bioeconomy (excl. Agri-Tech, Food and Drink)	3	1
Chemical Industries and Materials	4	2
Construction	1	0
Creative Economy	2	2
Cyber Security and Digital	5	1
Electronics and Photonics	2	1
Other Enabling Technologies	9	1
Energy	9	2
Financial Technology, Business and Professional Services	3	1
Healthcare Systems (incl. Social Care)	5	1
Manufacturing	8	1
Medical Technologies and Pharmaceuticals	9	5
Natural Environment	2	1
Transport and Logistics	3	2
Urban Living	3	0
Total	85	23

2.4.2. Some aspects of Fund design and implementation may have affected the diversity of applications

The Fund design and eligibility requirements may have affected the diversity of applications, particularly around the inclusion of the local authorities. As a pure grant award scheme, it was hard to enable public sector actors to form part of the consortium – and they explicitly could not be directly funded by the programme – even though they were expected to be strategically engaged and may not necessarily have sufficient resources to do so (INT_1; INT_15). One interviewee felt that SIPF may be able to creatively make more room for public sector engagement (INT_1). There was also some suggestion that fewer industry-led applications were received than expected, perhaps because pulling together networks is harder from an industry than an academic perspective (INT_6). However, generally speaking, the Fund was fairly open and flexible in terms of its eligibility criteria as set out above, and one respondent highlighted that the eligibility criteria were very broad relative to other contemporary funding schemes (INT_15). This is illustrated by the proportion of projects which were industry led as shown in Table 4.

Table 4: Lead organisations for applications reaching different stages within SIPF

Application stage	Industry lead	% Industry	Research organisation lead	% HEI	RTO	% RTO	Total
Wave 1 EOI	20	24%	57	67%	8	9%	85
Wave 1 Full Stage	2	9%	20	87%	1	4%	23
Wave 1 Live Projects	1	17%	6	86%	0	0%	7
Wave 2 EOI	15	19%	56	70%	7	9%	80
Wave 2 Full Stage	5	26%	13	68%	1	5%	19
Wave 2 Live Projects	2	40%	2	40%	1	20	5

3. Implementation of the Fund

3.1. Timing and timeliness of processes

Box 8: Wave 1 process evaluation findings on timing and timeliness of processes

The EOI timeframe was six weeks: Although a large number of bids were received, some found this timeframe challenging. Applicants suggest the ideal timeframe for EOI development would be around 12 weeks.

The seedcorn stage was important in providing time for wider engagement and preparation.

There was a long delay before decisions were communicated and this may have contributed to a sense of lack of transparency: Nearly a quarter of all responses (24%) to the question on timeliness at the EOI stage indicated they were 'very dissatisfied'. The timeframe for ministerial endorsement by BEIS was a source of significant delay in the process, which created perceptions of political influence and lack of transparency.

3.1.1. The EOI timeframe was six weeks and some found this challenging

The timeframe for EOI preparation and submission for Wave 1 was six weeks, and this timeframe was dictated by the need to get the projects underway quickly. Many applicants felt this was too short, particularly for those that did not have established consortia in place (INT_1, INT_6). This is reflected in the survey data which suggest that most felt around 2–4 months would be the right length of time for EOI development, with the range of timings suggested spanning 3–4 weeks to 6 months. Table 5 shows the spread of responses. The most suggested timeframe for EOI preparation was 12 weeks (9/20 respondents).

Table 5: If a further call was structured in the same way as before, how long would you need to prepare an Expression of Interest (in weeks)?

Number of weeks needed to complete application	Number of respondents (as a percentage in brackets)
1–5	3 (15%)
6–10	4 (20%)
11–15	10 (50%)
16–20	2 (10%)
21–25	1 (5%)

Source: RAND Europe

As well as the timing of the EOI being too short, one applicant also highlighted that the deadlines for submissions in Wave 1 were at difficult times for academics (e.g. aligning with students returning to universities) and could have been better planned out (INT_7).

However, despite these concerns regarding the EOI timeframe, a large number of applications were still received across a diversity of geographies and sectors, suggesting though it was challenge for some, many applicants did find it feasible to put together an EOI in that timeframe.

3.1.2. The seedcorn stage was important in providing time for wider engagement and preparation

Interviewees described the seedcorn stage as being necessary in providing time for wider engagement and preparation, such as for SMEs to be involved in the bid and in writing the proposal (INT_6; INT_13). As described in Section 2.1, the seedcorn stage was an important aspect of funding design enabling a range of activities to take place. The time allowed for the seedcorn stage was also important to enable consortium development and integration, particularly given the short timeframe provided for EOI development as outlined above.

3.1.3. There was a long delay before decisions were communicated and this may have contributed to a sense of lack of transparency

There were significant delays in the decision making process, which meant that planned funding timelines were not met. This was the area in which applicants were most dissatisfied with SIPF processes in Wave 1. Nearly a quarter of all responses (24%) to the question on timeliness at the EOI stage indicated they were ‘very dissatisfied’. These delays were substantial – around 9 months from EOI submission to award of seedcorn funding (SUR_9, INT_2) and there were also significant delays in the final award decision after the seedcorn stage (SUR_2, INT_13). This created the risk of the consortia losing business partners who can find it challenging to move their funding commitments across financial years (INT_10, SUR_2, INT_12). However, this also caused significant issues in terms of the perceptions around the decision making process. Several interviewees and survey respondents noted that there was a significant period of time between the assessment panel and the ultimate funding announcement, due to the need for ministerial endorsement, creating perceptions of political influence and lack of transparency to some (INT_4, INT_12, INT_13, SUR_2). The timeframe for BEIS to approve the funding decisions was a source of significant delay in the process (INT_13, INT_4, INT_12).

3.2. Funding allocation, disbursement and consortium management

Box 9: Wave 1 process evaluation findings on funding allocation, disbursement and consortium management

The funding range was broadly correct: Applicants generally agreed that £10–50 million was the right range for a fund such as SIPF.

However, there may be space for funds offering different levels of place-based support: some applicants highlighted there may be merit in funds at the lower end of SIPF, such as in the £5–20 million range.

Some of the funding criteria and oversight requirements created challenges for some applicants: Notably, the requirement for matched funding was difficult for some; several found state aid requirements challenging; and some applicants note that some types of costs incurred at the seedcorn stage could not be reimbursed.

Coordination of partners was not always straightforward: Achieving strong consortia with aligned goals was difficult in some cases, particularly where partnerships were new.

3.2.1. The funding range was broadly correct

The funding range for SIPF was £10–50 million for full applications. When asked: ‘If UKRI were developing a new fund, what should the threshold be?’, most survey respondents (12 out of 22) felt that the threshold should be the same as SIPF, suggesting the funding range was broadly correct as set out previously in Section 2.1.6. However, a few respondents did note that at the full award stage they felt there was a lack of flexibility, suggesting that additional resources to expand on and further pursue successful work would have been helpful – for example, holding back a flexible ‘pot’ of funding for additional support where needed. This is challenging to do within existing funding mechanisms, however, and it is also noted that this was more to do with the resources sought by the award holder rather than the Fund-level funding envelope – in all cases award holders could have sought a higher level of funding at the application stage and no one applied for the full £50 million (INT_7, SUR_2, SUR_22). This suggests that some award holders found it difficult to plan and budget for these awards, which is reinforced by comments from award holders that financial management and monitoring was more onerous and time consuming than expected (INT_6, INT_10). This is reinforced by the data shown in Table 6, which illustrates that the majority of funding requests to SIPF were well below the maximum funding threshold.

Table 6: Overview of funding and costs associated with SIPF-funded projects

	Wave 1 Full Stage: 23 proposals	Wave 1 Funded: 7 proposals	Wave 2 Full Stage: 19 proposals	Wave 2 Funded: 5 proposals
Average SIPF funding request from UKRI (000)	£27,998	£26,682	£26,667	£25,363
Highest SIPF funding request from UKRI (000)	£45,558	£38,130	£42,360	£42,360
Lowest SIPF funding request from UKRI (000)	£13,861	£17,910	£12,657	£18,270
Average total project cost (000) i.e. including co-investment	£49,351	£46,616	£50,714	£47,330
Highest total project cost (000) i.e. including co-investment	£114,708	£63,403	£95,461	£63,888
Lowest total project cost (000) i.e. including co-investment	£19,246	£25,680	£26,556	£36,900
Average % of project costs funded by SIPF (UKRI)	60%	59%	54%	55%
Highest % of project costs funded by SIPF (UKRI)	82%	77%	82%	66%
Lowest % of project costs funded by SIPF (UKRI)	27%	41%	30%	43%
Average SIPF funding capital request from UKRI (000)	£6,513	£5,445	£4,727	£3,353
Highest SIPF funding capital request from UKRI (000)	£23,100	£19,525	£18,844	£6,902
Lowest SIPF funding capital request from UKRI (000)	£0	£0	£0	£160
Average % SIPF funding that is capital	21%	18%	16%	13%
Highest % SIPF funding that is capital	74%	51%	55%	23%
Lowest % SIPF funding that is capital	0%	0%	0%	1%
Average % of capital costs funded by SIPF (UKRI)	56%	43%	65%	67%
Highest % of capital costs funded by SIPF (UKRI)	100%	82%	100%	94%
Lowest % of capital costs funded by SIPF (UKRI)	0%	0%	0%	55%
Average total capital cost (000)	£13,789	£11,160	£6,739	£5,136
Highest total capital cost (000)	£106,600	£24,785	£24,000	£10,481
Lowest total capital cost (000)	£0	£488	£0	£290
Average % of costs that are capital	23%	27%	13%	11%
Highest % of costs that are capital	93%	70%	50%	17%
Lowest % of costs that are capital	0%	1%	0%	1%

3.2.2. However, there may be space for funds offering different levels of place-based support

Three respondents felt the threshold to receive funding through SIPF should be at the top end of current SIPF requirements, at £50 million. Another respondent, who only made it to the EOI stage, simply stated that the threshold should be ‘as large as possible’ given the current challenges faced in many communities (SUR_13). By contrast, three respondents felt that the threshold should be at the lower end of SIPF – at £5–10 million, £15 million, and £10–20 million, respectively. Two respondents felt there was merit in some smaller place-based projects (SUR_5, SUR_9), similar to the Innovate UK Launchpad pilots. However, as illustrated in Table 6, the full range of funding available through SIPF is currently not being used by applicants.

3.2.3. Some of the funding criteria and oversight requirements created challenges for some applicants

Some consortia found the requirement for matched funding difficult (INT_5, INT_8, SUR_19). One interviewee who received seedcorn funding said they had a letter of support signed by over 100 companies – but that while this level of industrial support was good, it was harder to get financial input from these companies (INT_8). Another applicant who received seedcorn funding said that it was not clear what the expectation of the consortia would be regarding co-investment, which affected the extent to which they pursued this and hence (they felt) the ultimate scoring of their bid (INT_7). Other challenges raised include engagement with charities, who are not able to provide meaningful financial support (INT_7) and different levels of private sector engagement and resources between regions (SUR_19).

Several applicants also highlighted that while seedcorn funding was sufficient, there were areas where costs could not be reimbursed, particularly around ancillary activities including legal review, admin and management costs (INT_5; SUR_21). Applicants noted that the guidance on how seedcorn funding could be used and what could be reimbursed could be an area for improvement (SUR_2, INT_5).

Several applicants had challenges with state aid requirements. The process of making allocations to partners and costing the workstreams in projects to enable compliance with state aid/UK Subsidy Regime requirements was described as limiting the flexibility of SIPF by one applicant (INT_5).

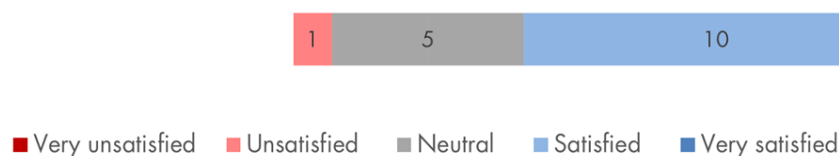
An applicant who received full funding said it took a lot of time to ensure their consortium was fully state aid compliant. They also faced a challenge around different rates for partners as UKRI systems only allowed for one rate, or to split into multiple contracts – at which point they cease to be a consortium. To solve this, this consortium had to reorganise budgets to go with one state aid rate to keep the consortium together, even though it should have been at multiple rates. As such, it took a lot of work to comply with state aid requirements, and this applicant felt there should have been more information and transparency around this (INT_10). More generally, as an external factor, one applicant noted that state aid is seen as a limitation especially for those much closer to market activity, and several companies would benefit from relaxation (INT_5). However, this is outside the control of the SIPF programme.

More generally, it was noted by a number of respondents that the funding and financial management systems were not necessarily well-suited to a fund of this scale which created challenges in the disbursement of funding (INT_7, SUR_2, SUR_22, INT_6, INT_10). For example, there is a requirement of financial reporting by partner, but delivery reporting by work package (which do not neatly align) (INT_16). Another respondent suggested that project change requests took a long time to process (INT_6). This lack of agility in financial management is something that is recognised by the SIPF delivery team as an area for improvement in future programmes/waves (INT_16).

3.2.4. Coordination of partners was not always straightforward

Beyond the financial management process, several projects found that coordination of partners was not straightforward across all stages of the application and award development process. At the initial stages, applicants highlighted the challenges of creating a consortium from scratch, particularly in terms of balancing differences in partner priorities and achieving the level of alignment and ‘shared vision’ needed for a strong consortium (INT_3, INT_4). This challenge in managing differences in expectations was also noted by respondents at both the seedcorn (INT_9) and full award stage (INT_6). Across all steps of the process, bringing partners on board was not as difficult as achieving alignment and shared expectations across a whole consortium, particularly where organisations have not worked together previously (INT_6). This highlights the importance of time and resources to address these challenges – for example, the time and funding offered at the seedcorn phase. A majority of survey respondents felt that the governance arrangements – at least from their perspective within individual projects and applications – worked well (Figure 18).

Figure 18: How satisfied have you been with the governance arrangements within your own project?



3.2.5. Adaptation to the COVID-19 pandemic

In surveys and interviews conducted, respondents did not mention the COVID-19 pandemic as having an impact on Wave 1 of SIPF. This is noteworthy as it suggests it was not a significant barrier for Wave 1 projects. For UKRI, the primary impact from the pandemic was for operations to move online, including the running of assessment panels. According to UKRI, running assessment panels online worked well, and in some cases worked better than meeting in person because the meetings did not have to factor in travel times, each member of the panel had equal visibility, and they were less expensive to run. UKRI were also able to communicate with SIPF projects as a cohort frequently using video calls, and projects were able to share experiences with other projects without having to travel to the same place. As such, UKRI were in touch with projects more frequently than they would have been before the pandemic due to the rapid and widespread usage of video call software. UKRI have also noted that the pandemic prompted the SIPF programme to pay quarterly in advance based on estimates rather than quarterly in arrears so that business partners did not have to drop out due to cash flow issues and that, in practice, all partners were retained. This is unique in UKRI and is appropriate because SIPF is a large investment. Projects have reported back to the SIPF team that this approach has been beneficial. One disadvantage from the pandemic on Wave 1 of SIPF is that communication at the start of the programme, in the spring of 2020, may have been improved if UKRI had been able to meet projects in person as they were setting up their projects, to give UKRI a better appreciation of their context.

3.3. Engagement with UKRI, Innovate UK and Research England

Box 10: Wave 1 process evaluation findings on engagement with UKRI, Innovate UK and Research England

Monitoring officers play an important role as a single point of contact: There was widespread praise for the role that monitoring officers play in SIPF, with a single point of contact helpful. Award holders highlight good levels of interaction with monitoring officers, who took a flexible and pragmatic approach, as well as good engagement and support from the wider SIPF delivery team.

Relationships between UKRI, Innovate UK and RE were developing during Wave 1: Although there were some challenges broadly the perception was that these were 'teething problems' rather than significant barriers to ultimate programme delivery.

3.3.1. Monitoring officers play an important role

There was widespread praise for the role that monitoring officers play in SIPF (INT_5, INT_6, INT_2, INT_9). Award holders highlight good levels of interaction with monitoring officers, taking a flexible and pragmatic approach, as well as good engagement and support from the wider SIPF delivery team (INT_5, SUR_17, INT_6). According to one project, the project monitoring officer was particularly helpful in keeping an eye on deliverables and in requesting a restructuring of the project to ensure the high-level deliverables were of a good number and frequency (INT_5). Monitoring officers also received training to with regard to financial aspects to ensure that concerns could be addressed (INT_15) and this was largely successful, with the monitoring officer acting as a single point of contact to respond to questions regarding funding (INT_6), which many found challenging as outlined earlier. However, the role of monitoring officers also needs to be balanced with the need for engagement directly between the projects and the SIPF delivery team to ensure that processes are consistent, and knowledge is shared. Collaboration between the monitoring officer and Research England (RE) helped get a standardised process within the project, in which quarterly review meetings had a standard format to show registers for deliverables which could be rapidly traced back to original data for audit purposes (INT_6). The communication process was broadly considered effective (INT_2, INT_15, INT_5, INT_6, INT_16).

3.3.2. Relationships among UKRI, Innovate UK and RE were developing during Wave 1

As set out in Section 2.2, the relationships among UKRI, Innovate UK and RE were developing throughout Wave 1 of SIPF and, though some challenges did occur, broadly the perception was that these were 'teething problems' rather than significant barriers to ultimate programme delivery (INT_5, INT_2, SUR_21).

Although the audience for the bid was the assessment panel, this was not clear to applicants – who felt there was lack of a clear audience for the bid. Applicants felt there was a difference between the organisations in terms of priorities, communication and expectations (INT_7, INT_5), but it was unclear how to navigate this in creating proposals (INT_4, INT_7).

Another challenge was the lack of established processes for delivering the scheme across organisations – particularly since UKRI was not yet established when the Fund was launched – meaning processes had to be developed in parallel as the Fund was delivered (INT_1, INT_14, INT_15). This meant that sometimes processes were not fully established at the outset or were not a perfect fit for the needs of the Fund – for example, some of the financial monitoring systems. This potentially created some additional burdens on applicants. However, it was also noted by some that this is to be expected for a programme of this novelty

(INT_2, SUR_21, INT_4) and some also suggested that processes were relatively smooth (INT_8, INT_5, INT_6). Overall, several commented that the process of implementing SIPF brought significant learning for the funding organisations, both in terms of practical aspects such as how to conduct financial due diligence and provide state aid guidance, and also in how to work together across the Councils within UKRI. (INT_1, INT_14, INT_15, INT_3).

3.4. Monitoring and reporting processes

Box 11: Wave 1 process evaluation findings on monitoring and reporting processes

M&E processes are bespoke to the Fund: Given the unique nature of SIPF, there was no one system set-up within the funding agencies that could support M&E for such a fund. These processes were developing over the course of the Fund.

M&E process draw on tools from both RE and Innovate UK reflecting the diversity and accountability requirements of the Fund, supplemented by project specific M&E activities: Some of these have worked well, such as monitoring officers and quarterly reporting, whereas others have been more challenging to apply in the context of SIPF, such as Researchfish and project-level evaluation. In particular, identifying data and evidence to support baseline and impact assessment is noted as difficult for these investments.

3.4.1. M&E processes are bespoke to the Fund

Given the unique nature of SIPF, there was no one system set-up within the funding agencies that could support M&E for such a Fund. SIPF directly funds business and universities, as well as those with capital bids, which means that tools and processes from the different funders were relevant to different aspects of the Fund. As such, this put a strain on systems designed to monitor SIPF (INT_1). The monitoring was undertaken through a mix of methods, including the monitoring officer system from Innovate UK, as well as reporting through Researchfish (INT_1) for example.

As set out below, these processes were developing over the course of the Fund and drew on a range of tools from each funding agency, some of which were not always a perfect fit to SIPF needs.

3.4.2. M&E processes draw on tools from both RE and Innovate UK, reflecting the diversity and accountability requirements of the Fund, and are supplemented by project specific M&E activities

As noted above, overall processes used needed to be bespoke; however, they also drew on existing practices and tools from the different funders. This was necessary since the Fund needed to be able to address awards led by both businesses and research organisations, and ensure all necessary accountability requirements for these investments were met. While these processes have evolved over the course of the Fund, the tools they draw on were not designed with SIPF in mind, and have had to be adapted to the extent possible.

Researchfish is a widely used tool, adopted across all the research councils and many other funders to capture information on the process, outputs and outcomes of research in a consistent manner, and it is intended to replace the traditional 'end of grant reporting' with a more flexible tool that facilitates analysis. Since the format is intended to provide consistent data across a multitude of award types, it is necessarily not bespoke to any one programme of funding and hence some aspects can be more difficult to complete for more novel funding mechanisms such as SIPF. This was observed by several respondents who reported challenges completing Researchfish, finding the process time consuming and challenging, especially for

large consortium awards of this type where there is a large amount of information to compile and where they are not necessarily academic led/focused (INT_16, INT_10, INT_6). The SIPF delivery team acknowledged the shortcoming of this reporting tool – as it is not set up for a programme such as SIPF (INT_1), and provided some specific support and guidance to award holders around the time of completion to help them navigate this challenge.

Financial reporting is also highlighted as challenging as described in Section 3.2.3. Beyond Researchfish and financial reporting, projects are required to report quarterly against key performance indicators (KPIs) to ensure project progress, and are also required to undertake their own internal M&E of their projects. To support this, quarterly evaluation keep-in-touch meetings are held with the SIPF delivery team to provide information and check in on internal evaluation progress. Feedback on these wider evaluation processes is limited but broadly, as outlined above, the process of engagement with monitoring officers is viewed positively. Clear processes and a standardised format are in place for quarterly review (INT_6, INT_5, SUR_17), although one respondent suggested that the monitoring processes may be better serving the technical/scientific aspects of delivery, as for a more standard grant, rather than place-based elements (INT_5).

Awards are also required to conduct their own project-level evaluations, with a range of approaches taken to this from some awards recruiting an in-house evaluation lead, and others outsourcing evaluation to an external provider. Two respondents noted that collecting evaluation information for the project-level evaluation has been relatively challenging, with even baseline data difficult to identify at the level of detail needed, noting this may be a learning for future place-based investments and an area where more support is needed (INT_11, INT_9). This reflects our own experiences in terms of the difficulties in identifying data at the level of granularity needed to reflect the geographic and sectoral scope of the projects as set out in the baseline evaluation report.

Two projects, CSconnected and iiCON, have published annual reports in the public domain. The CSconnected report provides an update on the regional economic context surrounding compound semiconductor (CS) cluster development in 2021, as well as the direct and indirect economic activity in Wales supported by CS cluster activity.²⁶ It also informs a series of KPIs for SIPF, specifically around direct employment in core cluster firms and new inward investors; exports of cluster firms; and the total gross value added supported by cluster activity directly and indirectly.²⁷ The report notes that it was not possible to evaluate the long run impacts of the CSconnected project and that it was too early to consider the precise role of SIPF. In the next part of their assessment of the impact of CSconnected, the authors write that they will seek better economic data relating to the performance of the sector in Wales from organisations such as the Office for National Statistics.²⁸ The iiCON report provides an overview of impact from the project, such as the involvement of SMEs, support provided to businesses, products developed, and health impact.²⁹ However, it does not cover challenges or limitations in collecting evidence to assess the impact of the project.

²⁶ Munday et al. (2022).

²⁷ Munday et al. (2022).

²⁸ Munday et al. (2022).

²⁹ iiCON (2023).

4. Conclusions and recommendations

In this section we identify conclusions, reflecting on our process evaluation questions, set out key lessons learnt, and provide some recommendations which may be relevant to SIPF and to wider novel and ambitious investments of this type.

4.1. Conclusions

Table 7 provides an overview of our findings and conclusions against the process evaluation questions. Broadly, we conclude that SIPF processes have been effective taking into account the context in which the Fund was established and operating, although there are certainly also areas for improvement. We identify a number of key strengths and challenges that form the basis for our lessons learnt and recommendations.

4.1.1. Strengths

A key strength of SIPF was its unique concept and flexibility. Applications could be led by a business or research organisation; and could include funding for capital, skills and recurrent costs, and R&I in one proposal. This is unique within the wider NPIF portfolio and attitudes towards this approach are overall very positive. Stakeholders appreciate the efforts to attempt a new funding approach and offer new opportunities, and broadly the funders were able to make it work despite this novelty and the complexity involved.

By allowing this flexibility, SIPF was able to attract a diverse range of applications, including from organisations with limited prior experience of applying for UKRI funding. It is a success of the Fund that these diverse applicants were interested and able to access support whether at the seedcorn or full funding stage. Efforts were made to attract new applicants, and allowances were made for differences in level of experience through the application process, and this has enabled a diversity of projects, subjects and regions to be supported, which was an aim of the Fund.

The seedcorn stage was particularly helpful in addressing some of the challenges and complexity of the Fund. Having this time and support led to significant improvement in some bids, according to reviewers, and also allowed time for consortia to be better established, and for important external advice to be sought regarding some of the more challenging aspects such as state aid rules.

At the full award stage, monitoring officers were viewed positively and considered to play an important role in acting as a single point of contact, supporting the relationship between award holder and funder. Given the complexity of arrangements and range of individuals involved on both sides, this provided a clear and helpful route for information sharing and communication. Award holders found this, and the regular contact with the monitoring officers, useful and productive.

Finally, there is an overall sense of learning and improvement over the course of development and implementation of the Fund. In some ways this may have created some challenges for applicants at times,

as processes for financial reporting and monitoring, and evaluation built on existing tools that may not be well tailored to the Fund and in some cases were evolving over time. However, it is also a strength, with clear evidence of a desire to improve and learn about how to implement a complex and novel fund of this type. We see this in the way feedback was sought from panel members after each engagement, the examples of sharing of practice across awards, and also the opportunities created for interaction between award holders, looking to develop a sense of community and sharing, and to improve processes. This should mean that processes in Wave 2 are improved and improvement continues throughout the implementation phase.

4.1.2. Challenges

Although a strength, the scope and diversity of the Fund also created challenges in its initial implementation. Since both business and research organisations could be the lead applicants, tools and processes needed to be drawn from both the research councils and Innovate UK to manage the accountability requirements for these different types of organisation. Processes for financial reporting and M&E had to be agreed and relationships had to be established in order to set up and run the Fund, and some of this needed to be adapted while the programme was in operation. This meant that not everything worked well at first and may have created some challenges for applicants and award holders. For example, although members of a consortium may have different intervention rates, the grant is paid out at an average intervention rate and therefore had to be readjusted by the consortium lead to reflect the different intervention rates across the consortia. This requirement to have only one state aid rate within UKRI financial reporting systems was challenging for some award holders and not reflective of the different state aid rates across consortia. Generally, the state aid and financial due diligence requirements for award holders were complex, reflecting the scale and diversity of the consortia established. Many found these time consuming and difficult to navigate.

Another challenge was the timeframe for decision making. The ministerial endorsement of funding decisions was delayed, and this had several implications both practically and in terms of applicant perceptions.

Table 7: Summary of conclusions against process evaluation questions

Evaluation area	Evaluation question	Answer
Strategy and design	EQ1 How effective has the Fund design been in delivering on the SIPF objectives including supporting R&I in a range of different geographies?	<ul style="list-style-type: none"> - There was a good range of applicants and award holders across geographies and sectors. - Active steps were taken to ensure a good range of applicants from different regions including workshop sessions across the UK.
	EQ2 How effective was the governance structure between UKRI and BEIS as the Fund was set up, designed, and operationalised?	<ul style="list-style-type: none"> - Clear governance structures are in place and no significant issues have arisen. - Delays in BEIS ministerial endorsement around award of funding created negative perceptions among applicants. - Coordination among partners within UKRI has been good and is programmed in to the governance structures. This has been able to develop over the course of the Fund, reflecting wider changes (e.g. set-up of UKRI over that period).
	EQ3 How was the portfolio of SIPF decided with a view to meeting the Fund objectives? How effective was the decision making process in meeting the Fund objectives? What were the trade-offs?	<ul style="list-style-type: none"> - Clear criteria for selection were set out in alignment with aims and objectives of the Fund. - There is evidence that internally decision making processes were robust and effective, but this could be made more transparent. - The volume of bids received was sufficient to ensure quality and geographic mix. - Clear quality thresholds were in place to ensure no trade-off on quality in ensuring geographic/sectoral diversity. - Very broad and open criteria were positive in terms of flexibility but meant some lack of clarity on applicant side and also challenges in assessment (e.g. identifying a sufficiently diverse panel).
Processes, enablers and barriers	EQ4 To what extent have the processes worked well in the places funded so far as SIPF has been implemented?	<ul style="list-style-type: none"> - Broadly impressions of the programme are positive with some caveats. - Monitoring officers are identified as positive in acting as a single point of contact for award holders. - The inclusion of a seedcorn stage to support application development worked well and was important given some of the complexities both of the Fund and of the consortia developed. It also served as a platform to enable less experienced consortia to develop credible, high-quality bids.

<p>EQ5 What has not worked well, or could have been handled differently, in the places funded by SIPF?</p>	<ul style="list-style-type: none"> - Applying state aid regulations and financial due diligence requirements across large and diverse consortia was difficult and time consuming, and more support would have been helpful. - Delayed ministerial endorsement in the funding process was highlighted as a challenge both in terms of keeping consortia together, but also in creating a perception of opacity in decision making processes, particularly for those who were unsuccessful. - Better feedback could have been provided to unsuccessful applicants to promote learning and improve transparency of decision making processes. - There is some evidence that award holders found it difficult to budget for these awards with some highlighting a need for additional funding that they did not anticipate at the outset.
<p>EQ6 What were the enablers to implementing SIPF at the Fund-level? Which of the enablers are specific to place-based funding and/or the places selected?</p>	<ul style="list-style-type: none"> - The different funding agencies involved were able to bring different skills and experience (e.g. in funding approaches, in management of different types of organisations) to enable a diverse and complex fund to be delivered. - There was significant flexibility employed in the application and award process, which was important in enabling a diverse, high-quality portfolio of awards to be developed, and also in enabling awards to be made to organisations beyond ‘the usual suspects’. Significant agency and flexibility was given to applicants in how they scoped their award to address local needs which is appropriate for a place-based fund.
<p>EQ7 What were the key challenges in implementing SIPF at the Fund-level? Which of the challenges are specific to place-based funding?</p>	<ul style="list-style-type: none"> - Working relationships across Research England and Innovate UK, and application and award management tools, were developing over the course of Wave 1, which meant that some cause-correction needed to take place. This may have led to lack of clarity and/or additional work for award holders in some cases. - Tools and mechanisms available were not always a good fit to a fund of this type or to accommodate the diversity of the awards and applications. - These challenges are all linked to the scope and diversity of the Fund.
<p>Role of different factors</p>	<p>EQ8 What was the role of timing in the ability to deliver the best quantity and quality of programmes and the selection of places for the SIPF portfolio?</p> <ul style="list-style-type: none"> - A longer EOI stage (e.g. three months) would have been preferred by many applicants to allow sufficient time for development of the partnerships needed. - The seedcorn stage was critical in ensuring time for relevant preparations and partnership development.

		<ul style="list-style-type: none"> - The length of time taken for ministerial endorsement and award was a source of frustration for some, and may have contributed to an impression of opacity in the decision making process. It was also difficult in terms of holding together consortium partners who had committed funding as decisions spanned over different financial years, for example.
	<p>EQ9 What was the role of the level of funds allocated in the ability to deliver the best quantity and quality of programmes and the selection of places for the SIPF portfolio?</p>	<ul style="list-style-type: none"> - Broadly the funding range for full awards was considered appropriate, though several suggested that a wider range of place-based funding at different levels would be beneficial. - More flexibility to support successful awards was identified by some as a gap. - Seedcorn funding was appreciated although it did not cover all of the costs of that phase of work – but was still helpful since often bid preparation efforts are completely unfunded.
<p>Monitoring and evaluation; lessons learnt</p>	<p>EQ10 What M&E processes are in place at the Fund level and how are these tailored for a place-based funding scheme?</p>	<ul style="list-style-type: none"> - M&E processes were bespoke and developed drawing on a mix of existing tools, many of which were not a perfect fit to the needs of the Fund. Monitoring officers provided a useful point of contact for award holders and quarterly reporting is well structured. - Several award holders commented that Researchfish is difficult to complete for complex awards of this type, which was acknowledged by the SIPF delivery team and support was provided. - Project-level evaluation may be difficult due to challenges in identifying relevant data for baseline (and potentially also impact) evaluation. - There is evidence of a ‘learning culture’ in the SIPF team and a willingness to try and improve processes.
	<p>EQ11 What has been learnt about the process of place-based funding – and what has changed in the approach and the places funded – over the course of implementing SIPF to date?</p>	<ul style="list-style-type: none"> - There is strong support for place-based funding among those consulted. - Place-based funding of this type attracts new applicants who may have limited prior experience applying for UKRI funding. This means extra support – flexibility in assessment, seedcorn funding, additional time for EOI development – is needed here more than in more standard funding mechanisms. - Standard tools and approaches from the usual UKRI toolkit may not be a perfect fit to a fund of this type given diversity of applicants and award holders, so flexibility, openness and adaptability are needed. - Because the approach is novel and there are multiple criteria for selection, transparency is key to build trust in the system. Clear and timely communication is needed to ensure this,

EQ12 What was the awardees' overall perspectives on the process of delivering SIPF-funded programmes and projects?	<p>and timelines for decision making should be set out upfront and strictly adhered to, to avoid perceptions of unfairness or political decision making.</p> <ul style="list-style-type: none">- Broadly the concept of place-based funding and SIPF in particular is supported by applicants and awardees.- At a high level, awardees were satisfied with most aspects of the application, award and monitoring processes with some caveats as outlined above.- A key strength was that less experienced applicants were able to participate and often developed strong applications. Continued flexibility in the assessment of applications, continuation of the seedcorn phase and a longer EOI stage would support this in future rounds or in funds of a similar nature.- There was a clear sense that some of the challenges faced were due to the novelty and diversity of the programme, and developing working relationships and processes across the different funders involved to manage this diversity. We would therefore expect to see significant improvements for Wave 2, and there is some evidence that processes were in place to support that learning.
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4.2. Lessons learnt and recommendations for designing and implementing a place-based Fund

We identify a number of key lessons learnt and recommendations for place-based R&I funding based on our initial review of processes within Wave 1 of SIPF.

There is demand for novel and flexible funding mechanisms such as SIPF: SIPF was a novel UKRI fund both because of its explicit place-based focus, in which place was taken into consideration in the allocation of funding, and because of the flexibility of the Fund, which enabled bids to be led by either a research organisation (such as an HEI) or a business. The concept of SIPF was viewed positively and considered a valuable addition to UKRI's portfolio alongside existing subject-based calls, diversifying the range of R&I funding vehicles, and a significant number of bids were received. With this in mind, novel and flexible funding mechanisms like SIPF should continue to be considered as part of the UKRI funding portfolio.

This flexibility enables a wider range of consortia, including non-typical applicants, to access UKRI support: However, to achieve this the flexibility of design needs to be underpinned by mechanisms to enable these applicants to develop their approach. SIPF gave 'the benefit of the doubt' to applicants at EOI stage where the bids may not have been as polished as others but the underlying concept was strong. The seedcorn stage was important in enabling those bids to be developed and more generally in allowing complex multi-partner consortia to develop pre-award. To continue to promote a diversity of applications, these approaches should be retained, and this could be built on further by providing a longer timeframe for EOI development and by providing additional support in areas which are particularly challenging, such as financial reporting, building on learning from earlier waves of the Fund – perhaps including opportunities for peer learning and support.

The flexibility and diversity of the Fund, although a strength, was a challenge to implement: Because both businesses and research organisations could be leads on bids, the Fund needed to draw on tools from across UKRI. The relationship and combination of approaches overall worked well, but there were some 'teething problems' and significant learning over Wave 1. Other challenges raised by the diversity and flexibility of the Fund include challenges in ensuring a panel that could assess such a broad range of R&I bids, and some lack of clarity regarding expectations and eligibility among applicants. The existing learning from this initial process should be retained and build upon. The SIPF delivery team meet regularly with Wave 1 award holders and this provides a useful forum through which learning can be shared to ensure that information and advice provided to future award holders and applicants is clear and comprehensive.

Governance structures are clear and have worked well: The involvement of both Innovate UK and RE has enabled collaboration, but clear allocation of decision making to the SRO/Programme Board level has provided clarity. The only aspect that has been challenging within the governance structure is the requirement for endorsement for key (e.g. funding allocation) decisions at the ministerial level. This led to delays in the funding process and was a key source of dissatisfaction among the award holders and applicants surveyed. This is not entirely within the control of the SIPF delivery team. However, to the extent possible, it would be helpful to avoid these delays in future funding rounds, or to factor these into the planned timelines so that applicants can prepare appropriately.

The funding range was broadly correct, but award holders found some of the funding criteria and oversight requirements challenging: Both survey data and the range of applications received suggest that the funding range was broadly correct for SIPF, but there is some evidence that a number of award holders found both SIPF budgets difficult to plan for and the financial monitoring requirements difficult

to manage. The state aid requirements, which differed across consortia, were complex, difficult to understand and difficult to reconcile with reporting systems. Seedcorn funding was used by many to seek professional advice in this regard, but challenges in financial reporting requirements remained an issue. It may be helpful to provide additional support and advice in this regard, where possible. Learning on ways to reconcile requirements and reporting from Wave 1 awards could be shared with future award holders.

The M&E process draws on tools from both RE and Innovate UK, reflecting the diversity and accountability requirements of the Fund, and is supplemented by project specific M&E activities:

Some of these have worked well, such as monitoring officers, which award holders found helpful as a single point of contact, and relatedly the quarterly reporting process was considered clear and appropriate. Some found Researchfish more difficult to reconcile with the scope of SIPF awards, and the SIPF delivery team provided support in recognition of this. In addition, there is an expectation that award holders conduct their own evaluation processes, and some report finding this challenging even at the early baseline level already conducted. It will be important to continue to monitor and provide support to the project-level evaluation processes to ensure these are progressing well and are able to deliver useful insights that support accountability and learning.

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Annex A

Interview topic guide

Introductory questions

1. Could you tell us a bit about yourself, your current role, expertise and experience in the context of SIPF?
2. What is your understanding of the concept behind place-based innovation and what it is intended to achieve?

Perspectives on the *assessment* and funding process (for UKRI and government stakeholders)

3. How did the assessment and funding process adapt to consider place-based considerations and deliver on the Fund's objectives?
 - a. What were the criteria used by the SIPF assessment panel to identify the places to fund as part of winning consortia-led projects? Were the criteria identified fit-for-purpose and to what extent are they likely to undergo changes?
 - b. How were the objectives of SIPF factored in when deciding which places and individual projects to fund?
 - c. What was the rationale behind the overall geographic/regional distribution of funding? What (if any) were specific considerations to the places selected for funding?
 - d. What trade-offs (if any) were there between quality of the proposed project and place-based considerations? Would the research and places funded in SIPF be successful in getting funding if place was not a consideration?
4. How well did the review and assessment, process work? What helped?
5. What were the key challenges in the assessment and funding process for SIPF?
 - a. Which of the challenges are specific to place-based funding?

For panel members only

6. Was the process appropriate to make the assessment and consider the portfolio considerations needed?
7. Did you get the information and evidence you needed to make the necessary judgements?

Governance, decision making and fund management (for UKRI and government stakeholders)

8. How effective was the governance structure between UKRI and BEIS as the Fund was set up, designed, and operationalised?

9. What has worked well in the places funded so far?
 - a. Why has this been the case, i.e. what are the reasons?
 - b. What role did any support provided by Research England/Innovate UK/UKRI play?
10. What has not worked or could have been handled differently in the places funded by SIPF?
 - a. Why has this been the case, i.e. what are the reasons?
 - b. What role did or could Research England/Innovate UK/UKRI play?
11. What was the role of timing in the ability to deliver the best quantity and quality of programmes and the selection of places for the SIPF portfolio? (*Prompts: By timing we refer to the sequencing of the announcements related to the various SIPF stages, the time allocated for the process at each stage, and the relation of the month of the year in which the different stages of the SIPF Waves 1 and 2 were executed to broader BEIS/HMT decision making including autumn and spring budget announcements.*)
12. What was the role of the level of funds allocated in the ability to deliver the best quantity and quality of programmes and the selection of places for the SIPF portfolio?
13. How did eligibility to apply for the programme affect the ability of business and research collaborations to participate?
14. What M&E processes are in place at the Fund level and how are these tailored for a place-based funding scheme?
15. What worked well and what were the key challenges in implementing SIPF?
 - a. Which of these are specific to place-based funding and/or the places selected?

Perspectives on the selection and funding process (for applicants and award holders)

16. What is your overall perspective on the process of delivering SIPF-funded programmes and projects?
17. What worked well in the way UKRI organised the funding allocation process for SIPF at EOI, seedcorn and full application stages? Why did it work well?
18. What were the challenges or difficulties experienced (what did not work well) with the way UKRI organised the funding allocation process for SIPF at EOI, seedcorn and full application stages? What were the reasons? What could have been done differently?
19. What were the main challenges in putting together a bid for a place-based innovation fund? (*Prompts: For example, creating a consortium of local/regional partners, finding complementary research interests in a region, or creating a cohesive research theme around specific local/regional innovation strengths?*)
20. What were the main benefits of a place-based innovation fund?
21. How did your experience of SIPF compare with applying to other programmes?
22. What (if any) were the lessons learnt in applying for a place-based innovation fund such as SIPF? What (if anything) would you choose to do differently when applying for a place-based innovation fund (regardless of whether you were successful/unsuccessful this time around)?

Governance, decision making and fund management (for award holders)

23. The Wave 1 projects are at an early stage, but do you think the funding received (and requested) is sufficient to meet the needs of the project?
 - a. What would additional funding have enabled you to do?
 - b. If you had received less funding, what would the implications have been?

24. What are views on whether the funding overall is sufficient to meet the scale of the ambition:
 - a. For your region?
 - b. For the SIPF overall?
25. What have your experiences being setting up your project and establishing working arrangements across the consortium?
 - a. What have been the challenges? What has helped you?
26. Do you have any comments on the process of making allocations to partners and costing the workstreams in your project to enable compliance with state aid/UK Subsidy Regime requirements?
27. How frequently have you interacted with Research England and Innovate UK? What has been your experience of those interactions and the governance and oversight processes?
 - a. What works well? What could be improved?
28. What information are you asked to provide to Research England and Innovate UK for M&E purposes?
 - a. Do you find this appropriate and proportionate? Have you faced any challenges?
 - b. Does the approach fit and recognise the requirements of a place-based fund, and SIPF specifically?
29. What (if any) are the lessons learnt so far in conducting place-based innovation? What (if anything) would you do differently with hindsight?

Lessons learnt (for all respondents)

30. Although it is still a relatively early stage, what are your views so far on how effective the Fund design has been in delivering on the SIPF objectives and supporting R&I in a range of different geographies?
31. What has been learnt about the process of place-based funding – and what has changed in the approach and the places funded – over the course of implementing SIPF to date? (*Prompts: funding processes, M&E processes, set-up processes, governance processes, communications processes*)
32. What, if any, are the specific lessons in supporting place-based innovation involving a wide range of stakeholders (*e.g. businesses, researchers, local enterprise partnerships (or equivalent bodies), local/regional political leaders, and local/regional councils*)?
33. What, if anything, should be done differently when providing place-based funding based on SIPF experiences so far?

Any additional perspectives / views (for all respondents)

34. What (if any) are your expectations about place-based innovation funding allocation and a fund such as SIPF in the future? (*Prompts: balanced distribution of research funding across UK regions; increased collaboration between academia and industry, and fostering effective commercialisation and translation of research*)
35. Is there anything else you would like to add vis-à-vis place-based innovation funding or SIPF?