Evaluation of the Strength in Places Fund: Wave 2 Process Evaluation

Authors: Daniela Rodriguez Rincon, Mann Virdee and Susan Guthrie

RAND Europe

Executive summary

The Strength in Places Fund (SIPF) is a £312.5 million competitive funding scheme that takes a place-based approach to research and innovation (R&I) funding. SIPF is a UK Research and Innovation (UKRI) strategic fund managed by the SIPF delivery team based at Innovate UK and Research England. 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. To achieve this aim, the Fund has two overarching objectives:

- To support innovation-led relative regional growth by identifying and supporting areas of emerging R&I strengths that are driving clusters of businesses across a range of sizes that have potential to innovate/adopt new technologies, so that they can become nationally and internationally competitive.

- To enhance local collaborations, building on the regional economic impact role of universities, research institutes, Innovation and Knowledge Centres (IKCs), Catapults, and other R&I facilities within the identified economic geography.

RAND Europe, in collaboration with Frontier Economics and know.consulting, have been commissioned by UK Research and Innovation (UKRI) to conduct a process and impact evaluation of SIPF. This report covers the interim process evaluation of the second wave of applications to SIPF ('Wave 2'), detailing how Wave 2 of SIPF worked in practice, areas of strength and areas for improvement, and where learning and improvement occurred from Wave 1. Based on this, we also set out recommendations for UKRI.

The process evaluation framework contains 12 questions, covering strategy and design; processes, enablers and barriers; the role of different factors; monitoring and 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 2 process, and a survey of Wave 2 applicants.

This evaluation found several key strengths and challenges from Wave 2 of SIPF.

Strengths

- **Place-based approach:** There is strong support for place-based funding of this type, which is considered extremely useful in creating synergies and leveraging technology within a region. This is reflected in the high number of applications received.

- **The overall structure of the Fund** is well received, with the funding range considered appropriate, and the seedcorn stage particularly highlighted as a strength of the Fund, providing crucial resources and time for preparation and partnership development. Even for unsuccessful applicants, the process of network development was beneficial, leading to collaborations and networks that were sustained.

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- **Flexibility:** Applicants welcomed the flexibility of the programme in terms of breadth of scope and specific aspects such as the ability to design key performance indicators (KPIs) in line with project aims.

- **Continuous improvement:** The SIPF team are proactive in seeking out opportunities to improve and are open to learning through experience. This is reflected in the changes made based on learnings from Wave 1, which were largely well received.

Challenges

- **The requirements of the application process were considered burdensome, especially at Expression of Interest (EOI) stage:** Despite efforts to streamline the application form relative to Wave 1 – which were considered effective and appreciated by both applicants and panel members – applicants still found the applications process burdensome, in particular the level of financial detail needed at the EOI stage.

- **Applicants felt there was a lack of transparency of the review process and how the criteria were applied:** The application review process was considered thorough, but applicants were dissatisfied with the level of transparency of the process, particularly the weight assigned to different criteria and how criteria how the assessment criteria were applied.

- **Project set-up processes, project change requests and the Innovation Funding System (IFS) portal processes were considered slow and burdensome**. Issues highlighted included the protracted and unfunded project set-up phase, the slow sign-off process, the IFS online portal and associated data entry and review processes, and the lack of clear written post-award guidance.

- **Financial monitoring processes remain a challenge despite improvements since Wave 1**, with some practical issues such as single portal logins and lack of clear written guidance highlighted. This in part reflects the diversity of the Fund, legal reporting requirements and the ongoing improvements to financial reporting systems at UKRI, and hence is not fully within the control of SIPF team.

- **There is room for greater engagement with local and regional priorities:** At a broader level, it was suggested that future place-based funding mechanisms should engage with regional development funding mechanisms that already exist. Providing opportunities for networking and showcasing local and regional initiatives could contribute to ensuring projects' impacts outlive the Fund.

The strengths and challenges identified formed the basis of the following recommendations for SIPF and other similar funds:

- **Produce a standardised set of guidance for UKRI and monitoring officers to guide operational aspects of awards that covers the lifespan of the project, from set-up to post-award.** This could include clarity on the eligibility of different types of organisations, 'how-to' guides on the use of IFS and contractual processes, and a FAQ based on questions issued by consortia in Waves 1 and 2.

- **Develop and adopt processes that are suitable for both universities and businesses:** At present most of the processes in place at all stages are better tailored for either universities or businesses and hence do not accommodate well the diversity of SIPF. This reflects the wider UKRI landscape but is a particular challenge for a fund of this type. Processes that are suitable and adaptable to all types of applicants and award holders would considerably improve experiences of application and reporting. The funding service being developed, once in place, will provide a route to this for future investments.

- **Improve transparency in decision making by providing clearer assessment criteria and consider ways to provide additional feedback for unsuccessful bids:** At present there is a sense that the assessment criteria and processes are not sufficiently clear, so additional guidance and information could be provided to applicants on aspects such as the relative weighting of assessment criteria and how they will be benchmarked, and the process through which scores are allocated. In addition, ways in which the feedback provided to unsuccessful applicants can be improved should be considered. Due to the volume of applicants, this will need to be balanced with the burden of providing this feedback, but nonetheless there may be scope to provide more structured information or identify specific areas for improvement.

- **The Department for Science, Innovation and Technology (DSIT) should consider giving UKRI delegated authority to allocate funding:** The requirement for ministerial endorsement as part of the application review process led to delays in funding announcements, which was cause for dissatisfaction among applicants in both Wave 1 and Wave 2. Delegating authority to allocate funds to UKRI would bypass the need for ministerial endorsement and prevent delays to funding announcements.

- **Provide support and guidance for financial planning at the seedcorn stage based on previous funding rounds:** Applicants and award holders broadly find the financial processes associated with SIPF challenging and there may be scope for more sharing of lessons learnt to support them, and indeed there are examples of this already occurring. However, we also see some common issues emerging, such as underbudgeting for the management and administration of the award, which was highlighted as a challenge in the Wave 1 evaluation, and the need for additional resources for the transition to independence from SIPF, which is highlighted in this Wave 2 report. These learnings about areas that need sufficient funds, and how to plan for them, as well as how to prepare and meet reporting requirements could be shared at the seedcorn stage when there is still scope to adapt and build this in to early planning.

- **Encourage projects to improve connectivity with regional agencies where appropriate:** Benefits of engagement with devolved administrations are highlighted, as well as the need for greater engagement and alignment with local and regional priorities and ongoing activities and investments. Leveraging these regional organisations and identifying synergies could help SIPF projects better deliver their intended benefits and support them later in the transition to independence. While SIPF was deliberately designed to avoid reflecting national priorities so that local strengths can be promoted, providing opportunities for networking and showcasing local and regional initiatives could contribute to ensuring projects' impacts outlive the Fund and support local development.

- **Introduce the use of simpler systems for financial applications, such as indicative budgets rather than full budgets for applications at the EOI stage.** Despite efforts made to streamline processes between Wave 1 and Wave 2, financial reporting and monitoring remain a challenge, particularly around the application process. An option is to allow much more simplified indicative budgets to be submitted at the EOI stage rather than the full budgets currently required, which are complex, burdensome to produce and may not be necessary for assessment at an EOI level. Broadly, opportunities to simplify and clarify financial application processes should be taken wherever possible, and support provided to award holders and applicants to navigate this complex process.

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List of acronyms

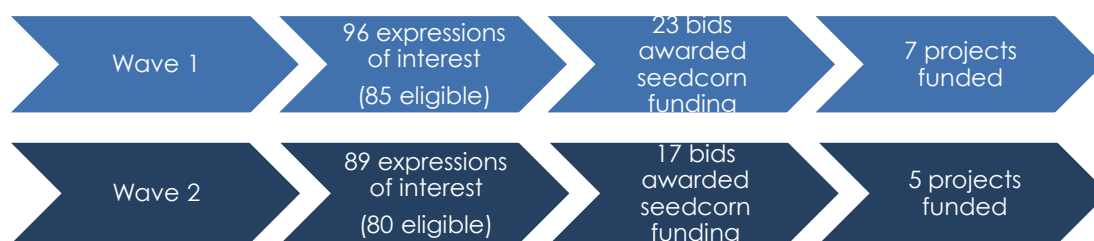|	
BEIS	Department for Business, Energy and Industrial Strategy
DSIT	Department for Science, Innovation and Technology
EOI	Expression of Interest
GDPR	General Data Protection Regulation
HMT	His Majesty's Treasury
IFS	Innovation Finance System
M&E	monitoring and evaluation
OfS	Office for Students
R&I	research and innovation
SIPF	Strength in Places Fund
SME	small and medium-sized enterprise
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 programme run by UK Research and Innovation (UKRI) that takes a place-based approach to research and innovation (R&I) funding[1] with the aim of helping areas of the UK build on existing strengths in R&I to deliver benefits for their local economy.[2] To achieve this goal, SIPF seeks to support innovation-led regional growth and enhance local R&I collaborations.[3] SIPF has a budget of £312.5 million, funded through the UKRI Strategic Programmes budget (formerly the National Productivity Investment Fund, NPIF).[4]

The programme consists of two waves. In each wave, regional consortia comprising research organisations and businesses are invited to put in an Expression of Interest (EOI) to UKRI. Regions are self-defined by the consortia anywhere in the UK and are not limited by nations or regions.[5] 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.[6] Consortia who receive seedcorn funding then bid for £10–50 million to deliver a bespoke package of interventions in their locality.

To date, 12 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

| Wave 1 | 96 expressions of interest (85 eligible) | 23 bids awarded seedcorn funding | 7 projects funded |
| Wave 2 | 89 expressions of interest (80 eligible) | 17 bids awarded seedcorn funding | 5 projects funded |

Source: UKRI

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[1] UKRI (2019).

[2] UKRI (2023c).

[3] UKRI (2023a).

[4] UKRI (2023a).

[5] UKRI (2023c)

[6] UKRI (2019).

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

Wave 1	Wave 2
1: The Living Laboratory	1: Digital Dairy Chain
2: Smart Data Foundry	2: Advanced Machinery & Productivity Initiative
3: Growing Kent & Medway	3: Midlands Advanced Ceramics
4: MyWorld	4: media.cymru
5: CSconnected	5: Smart Nano NI
6: iiCON	
7: Decarbonisation of Maritime Transportation	
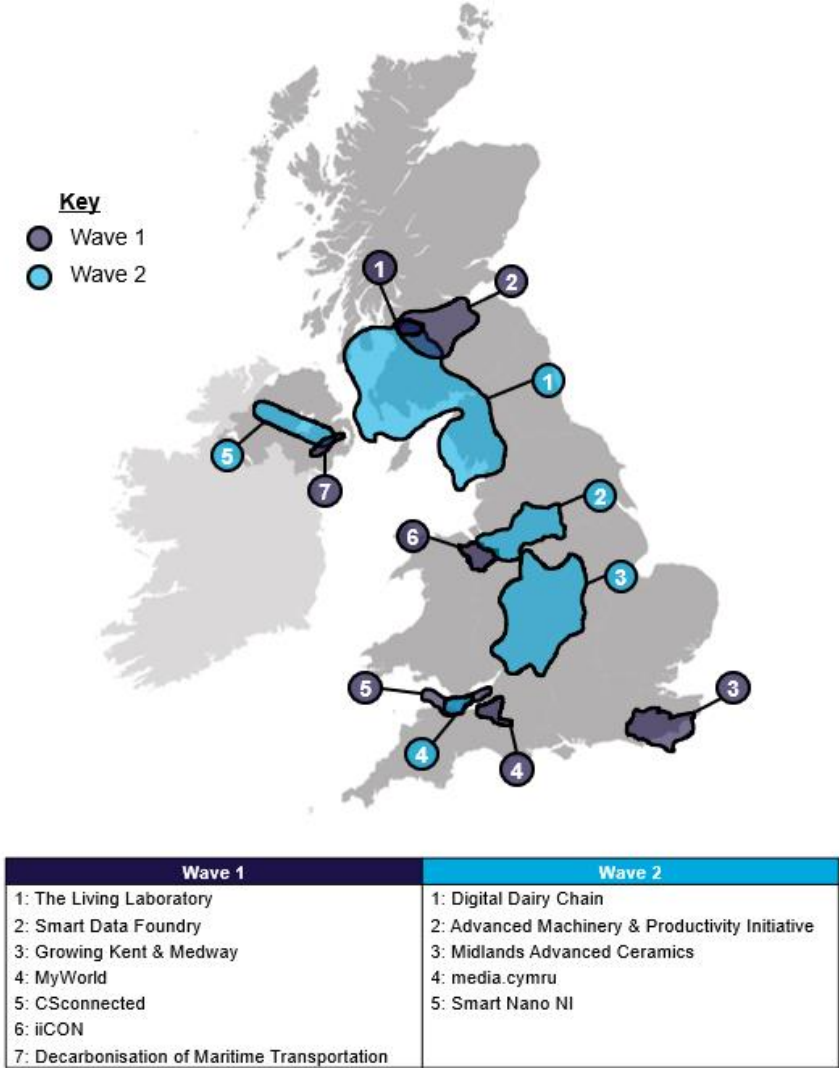
Source: UKRI (2023c)

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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, conducted following the evaluation framework agreed in Autumn 2021.[7] The impact evaluation aims to assess 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, how learnings from Wave 1 were incorporated into Wave 2, and what could be improved in future rounds of SIPF (if any) or other investments.

The process evaluation comprises an interim evaluation, delivered in two phases aligning with the two waves of SIPF, and a final evaluation. This report comprises the interim process evaluation for Wave 2 of SIPF, led by RAND Europe. The Wave 1 process evaluation has already been conducted and the findings of this are presented in a separate report. The final evaluation report is expected to be delivered at the end of 2026 and will cover both waves.

1.3.   Process evaluation approach and methodology

To inform the SIPF evaluation framework, RAND Europe produced a map of Fund-level processes, to provide context for the process evaluation and a clear understanding of the processes to be evaluated (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 2 interim process evaluation brings together evidence from three sources:

1. document review

2. semi-structured interviews with various stakeholders involved in SIPF Wave 2 processes

3. a survey of Wave 2 applicants.

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[7] Frontier Economics et al. (2021).

Figure 3: SPIF process map
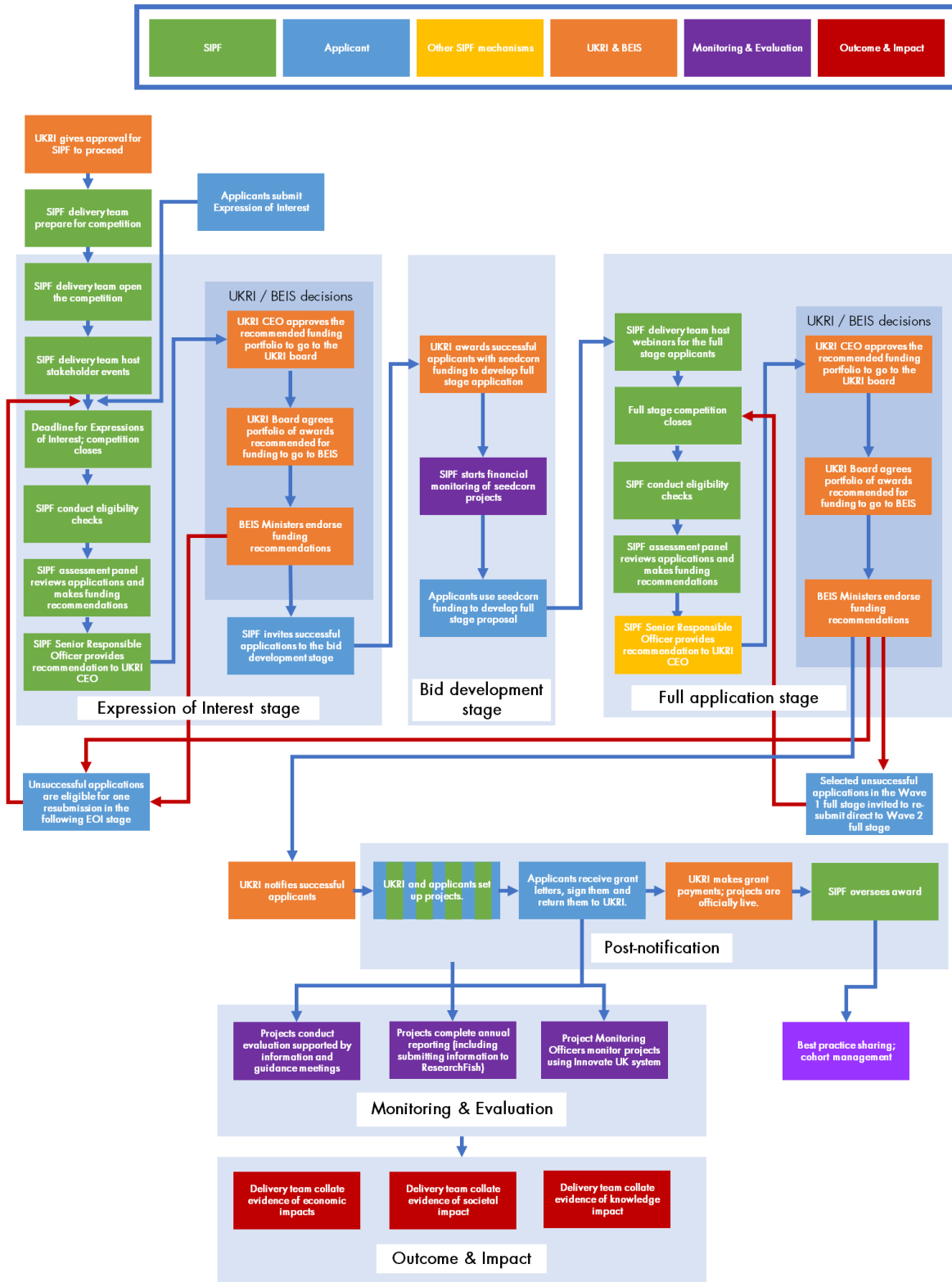
Source: Frontier Economics et al. (2021)

Table 1: Evaluation Framework for SIPF Wave 2 process evaluation

Evaluation area	Evaluation question
Strategy and design	EQ1 How effective has the Fund design been in delivering on 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 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 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

Document review was used to capture evidence on changes to the programme or programme processes between Wave 1 and Wave 2, and compare this to experiences and observations from participants captured through interviews and a survey. For the document review, RAND Europe reviewed the following documents (Table 2).

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

Documents reviewed
SIPF Logic Model (June 2020)
SIPF Governance and Reporting
SIPF Programme Overview (2018)
SIPF Programme Overview (2020)
UKRI SIPF: Wave 2 EOI
SIPF Assessment Panel meeting, Wave Two, Full Stage (4 December 2019)
Assessment Guidance for UKRI SIPF Wave 2 Full Proposals
UKRI Strength in Places Fund Fact Sheet

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 2 process. In total, 20 people were interviewed across 14 interviews for the Wave 2 interim process evaluation, including members of 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 review panel. Interviews were held on Microsoft Teams and were done with one to three interviewees per interview. Interviewees were informed that they would not be identified in reporting, to ensure they felt comfortable sharing their experiences of the SIPF process. The breakdown of interviewees is presented in Table 3.

Interviews followed a semi-structured protocol to allow flexibility to follow up with interviewees on areas of interest. 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 interviewees from different stakeholder groups for the SIPF Wave 2 process evaluation

Interview stakeholder group	Number of interviewees consulted
SIPF delivery team	5
Award holders	8 (across 4 awards)
Unsuccessful applicants[8]	4
Peer reviewers/review panel members	3

Source: RAND Europe

Interviews were conducted following Privacy and General Data Protection Regulation (GDPR). Prior to conducting interviews, interviewees were provided with a privacy notice, which set out how interviewees' data would be used and 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 report using the format INTXX, where XX is a number between 1 and 14 corresponding to the 14 interviews conducted. INTXX is used when there is a risk of revealing an interviewee by using the interview code.

1.3.3.   Survey

To understand participants' experiences of their engagement with SIPF, RAND Europe conducted a survey of researchers and innovators who applied for Wave 2 of SIPF, regardless of outcome. The survey was the same as that used for Wave 1 and consisted of a mix of quantitative and qualitative questions, with questions routed based on the application outcome (see Figure 4). Survey responses provide insight into what worked well and what did not; the challenges, barriers and facilitators; and what could be improved in future.

Drawing on lessons learnt in conducting the Wave 1 evaluation, the survey for Wave 2 was sent out to applicants directly by UKRI, instead of by RAND Europe. UKRI and RAND Europe believed that this would increase the response rate for the Wave 2 survey. However, the response rate decreased. This may be due to the time that has elapsed between Wave 2 application and awards, and changes in participants' roles, which led to a high rate of survey delivery failure.

The survey was released on 9 June 2023 and was open for ten weeks until 18 August 2023. During that time, email requests to participate in the survey were sent to 80 eligible applicants for the EOI stage and to all live project leads (n=85) (see Figure 1). Of these, 20–30 emails failed to go through to recipients. By the time the survey closed, 13 applicants had responded, representing about a 15.3% response rate. 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. Of the 13 applicants who responded to the survey, 5 were successful at the EOI stage and went on to receive seedcorn funding and 8 were unsuccessful. Of the five who were successful, three received full funding. While the response rate of the survey is low, there is a representative sample of different success rates across the various stages of the application process. In terms of geographical spread, we did not receive responses from South West England or Northern Ireland, which may have added a different view on the level of regional alignment and engagement. However, we were able to secure an interview with a participant from Northern Ireland, which allowed us to explore some of the items from the survey. Survey respondents are identified using the

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[8] This includes applicants who received seedcorn funding but did not receive full funding.
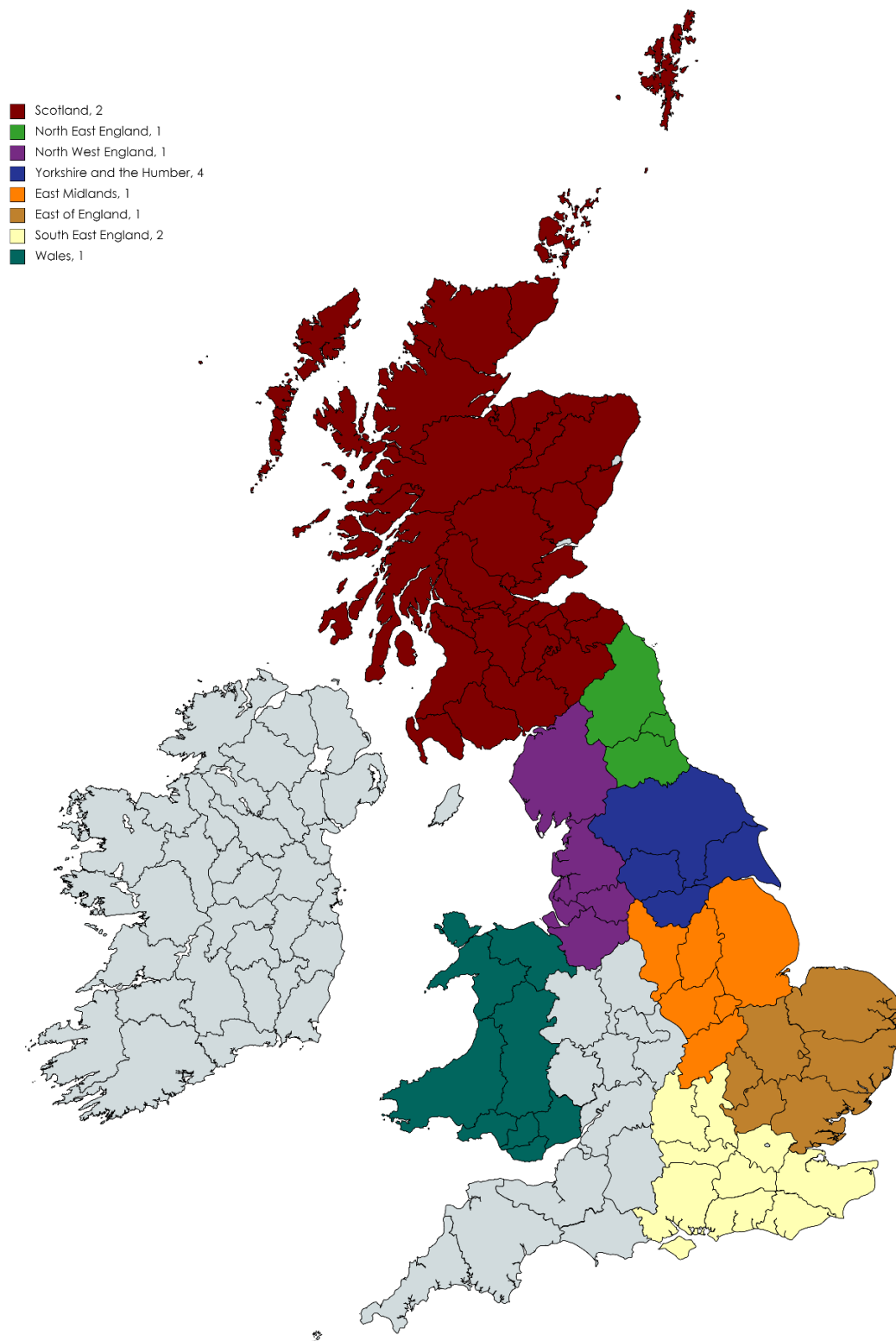
format SURXX, where XX is a number between 1 and 13 corresponding to the 13 applicants who responded to the survey.

Figure 4: Routing of questions and number of respondents to the survey for applicants to SIPF Wave 2
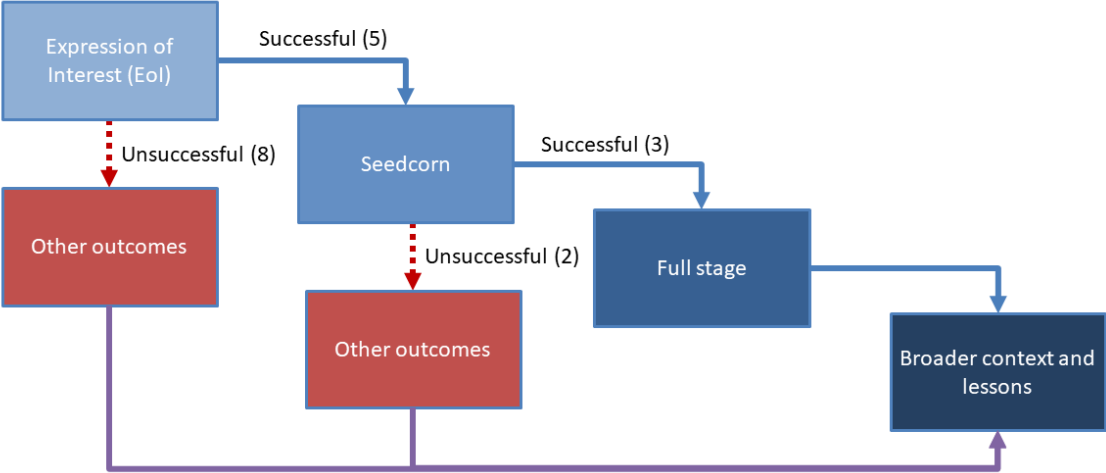
Source: RAND Europe

Figure 5: Geographic distribution of respondents to the SIPF Wave 2 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. Given the low number of survey respondents, no quantitative analysis of survey data was conducted but rather a qualitative assessment to support the document review and interview analysis. Key messages and conclusions were drawn where there was more than one source of evidence to support.

1.4. Structure of the report

The findings from the process evaluation of Wave 2 are divided into three sections: strategy and design; implementation of the Fund; and conclusions and recommendations.

- Section 2, on design of the Fund, focuses on elements of the design of the programme that have remained the same between Wave 1 and Wave 2, as well as changes made between waves.

- Section 3 considers the application, review and assessment processes and how they were perceived.

- 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. Design of the Strength in Places Fund

This section explores the design of SIPF and the extent to which the design enabled effective delivery of a place-based funding scheme. Changes made between Wave 1 and Wave 2 and how they influenced the programme are discussed, as well as the effectiveness of governance structures, funding mechanisms, and monitoring and reporting processes.

2.1. Changes in Fund design between Wave 1 and Wave 2

2.1.1. Learnings from Wave 1 informed processes in Wave 2

Learnings from Wave 1 were coming through as Wave 2 processes were taking place (INT03, INT04, INT06, INT08, SUR05, SUR07). Overall, applicants were understanding about the changes being made and appreciated that learnings were being taken forward. Some of the changes incorporated into Wave 2 are described below.

2.1.2. Wave 2 used a streamlined application and provided longer timelines for submission

Wave 2 aimed to streamline the application process used in Wave 1, introducing simplified and more concise questionnaires, as well as longer timelines for submission (INT03, INT04, INT12). For Wave 1, the EOI development timeline was six weeks, which many applicants found challenging (Wave 1 process evaluation report). Survey respondents from the Wave 1 evaluation considered 2–4 months to be a more appropriate length of time, with the most suggested timeframe for EOI preparation to be 12 weeks (Wave 1 report). Based on feedback received at the time, the EOI development timeline was extended to four months for Wave 2, which was well received by applicants. Nearly half of survey respondents (six out of thirteen) were satisfied or very satisfied with the timeline for submission of the EOI, with a further three neutral, one unsatisfied and one who did not know. This is an improvement from Wave 1, where the majority of survey respondents (85%) felt that the time allocated for EOI was too short.

Questions at the EOI stage were found to be more concise and less repetitive, which enabled applicants to provide clearer answers (INT03, INT04, INT12). Over half of survey respondents (eight out of thirteen or 60%) were satisfied with clarity of the questions on the application form, while a further three were neutral, one was unsatisfied and one did not know. These numbers are similar to those from Wave 1, where 13 out of 22 (59%) were satisfied or very satisfied with the clarity of the application form at EOI. Panel members found it easier to understand proposals and found feedback from reviewers to be clearer, which made it easier to discuss at panel meetings and understand the technical limitations of the different projects (INT12). One interviewee attributed the change in quality of applications and reviewers to clearer expectations around the outcomes and impacts of the projects on local communities (INT08). This is supported by over half of survey respondents (seven out of thirteen) being satisfied with the clarity of the application process and information provided at EOI stage, five being neutral and one not knowing. While

the level of satisfaction with the clarity of the application process and information provided at EOI decreased slightly from Wave 1, according to survey respondents (15 out of 22), the overall number of survey respondents was lower for Wave 2 and therefore interpretation should be made with caution.

2.1.3. However, challenges around the level of information required, particularly financial information, remain

Despite efforts to simplify the process, some applicants still found the application process burdensome with one interviewee finding the level of detail required at EOI stage to be comparable to a full stage application (INT13). In particular, the required funding information was described as too granular for a first stage of the application process (INT11, SUR01), and differences in costing methods between universities and businesses added further complexity (INT13, SUR13). In addition, the requirement for every partner to sign off was a logistical challenge as this could only be done once the lead applicant had finished the full application (SUR01).

The Wave 1 evaluation found that financial reporting mechanisms were challenging for some consortia, particularly for those with different types of organisations (Wave 1 process evaluation report). In Wave 1, financial information was collected on a bespoke spreadsheet, which made due diligence difficult (INT04). In Wave 2, a standardised finance form used by Innovate UK was implemented, with information being inputted directly onto the Innovation Funding System (IFS) (INT03, INT04). However, interviewees felt that the system remained unfit for cross-sector projects of the scale of SIPF (INT01, INT09, INT10, INT13). Despite the fact that the majority of lead organisations in the applications were academic institutions (70% at EOI stage and 68% at full stage for Wave 2), pre-award eligibility finance checks were conducted by Innovate UK, which interviewees felt were more akin to business-type checks than university (INT01, INT13). Those familiar with Innovate UK processes also struggled with the financial reporting system, stating that the portal is generally used for individual projects rather than large-scale developmental programmes (INT09, INT10), and that it would be better to develop a system specifically designed for this type of call (INT10).

2.1.4. Panel review meetings were held virtually and were considered highly effective

The Wave 2 review process happened in the midst of the COVID-19 pandemic. This meant that the panel review moved to a virtual format, using Zoom. Virtual meetings changed the dynamic of the panel (INT03), improving participation across panel members and were overall considered to be more effective (INT03, INT04, INT12). Having the same panel members than in Wave 1 (plus two new additions) also contributed to effective meetings as the panel had experience of assessing the type of applications that came through and were able to come to decisions more easily (INT04, INT12).

2.2. Governance structures

The overall governance structure for SIPF was mapped out at the start of the evaluation and remains the same as for Wave 1 (Figure 6). The SIPF delivery team comprises Innovate UK and Research England staff responsible for programme delivery reporting to the SIPF Director (from Research England) and Associate Director (from Innovate UK). The SIPF Director and Associate Director report to the SIPF Senior Responsible Officer (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,[9] Office for Students (OfS) and the Devolved Funding Bodies. Critical decisions, including funding allocation, are subject to sign off 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 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.

Figure 6: SIPF programme governance and reporting diagram
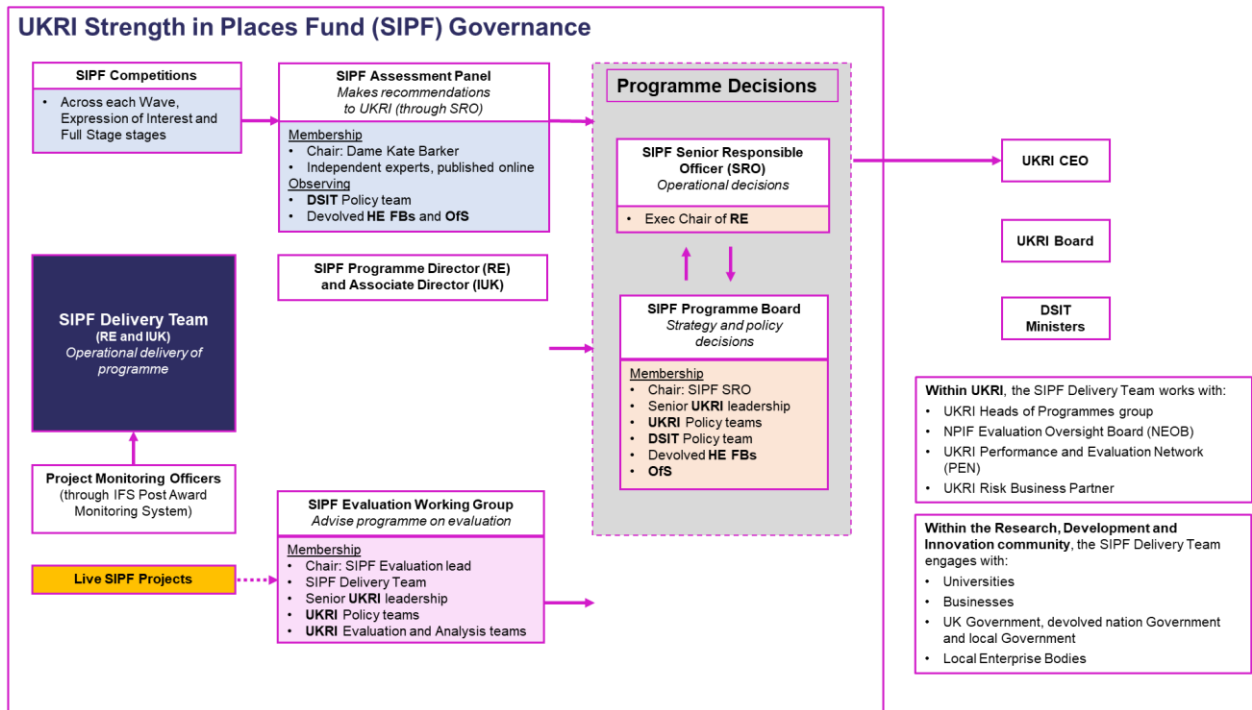
Source: UKRI (n.d.)

2.2.1. It was unclear where the responsibility for decision making was held in the governance structure

The process evaluation for Wave 1 found that governance structures were considered effective in terms of what SIPF set out to achieve, with processes clearly established from the outset and effectively implemented (Wave 1 process evaluation report). However, while the process of escalation and decision making functions are clearly defined, applicants to SIPF Wave 2 felt there was lack of clarity over who was responsible for decision making and the process through which queries were resolved, with inconsistent messaging provided at times (INT01, INT02, INT13).

2.2.2. The relationship between Research England and Innovate UK has developed throughout the programme, but further work is needed to harmonise processes

The systems chosen in UKRI to operate the call were based in the objectives of the funding call and the most appropriate automated systems available in UKRI. IFS was used as the application vehicle as it could accommodate businesses applying. Research England was used as the budget holder and payments manager

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[9] At the time the SIPF was established, the Department for Science, Innovation and Technology (DSIT) was still BEIS.

because it was the programme lead and could offer more flexibility around how these were managed. Researchfish was used as the reporting system because it was the only automated annual reporting system available that could also track awards after their completion date.

Four interviewees had the perception that processes were defined to incorporate aspects of Research England and Innovate UK practices, rather than to fit the call itself (INT02, INT09, INT10, INT13). However, as the call was jointly delivered across two bodies within UKRI, there was no single process that would fit the call and rather than attempting to make the call fit existing mechanisms, a bespoke process consisting of a selection of processes was developed as it was considered to be more appropriate. Interviewees argued that although the call resembled an Innovate UK call and the platform used for submission was Innovate UK, SIPF had very specific rules that were different to Innovate UK, which made it difficult for organisations who were very familiar with Innovate UK processes (INT09, INT10). In addition, universities struggled with costing mechanisms and financial reporting and felt that the contact point from Innovate UK was not well-placed to address their questions, and that queries issued through the SIPF inbox were not also addressed (INT01, INT02, INT13).

2.2.3. The requirement for ministerial endorsement and political instability due to COVID-19 led to delays in funding being awarded

Delays in BEIS ministerial endorsement were highlighted as a key source of dissatisfaction in the Wave 1 evaluation, creating the perception of opacity in decision making processes (Wave 1 process evaluation report). Although delays also occurred in Wave 2, interviewees and respondents did not seem to relate this to lack of transparency in the process, but rather political instability (mainly due to the COVID-19 emergency) at the time.

Overall, the process between start of the Wave 2 competition and announcement of final awards was 104 weeks. A breakdown of the timings of each stage are shown in Table 4. The Wave 1 process evaluation identified long delays before decisions were communicated. This did not improve at the EOI stage for Wave 2, where delays were greater. Delays to announcement of the funding decisions created a barrier to commitment to financial investment from industry partners, putting at risk the whole consortium in some cases (INT06, INT12, SUR07, SUR09). Participants also commented that delays led to low credibility of the SIPF among industry participants (INT06, SUR09).

Table 4: Length of approval processes

Application stage	Start date of competition	Close date of competition	Panel date	Notification date	Announcement date	Duration (in weeks)
Wave 1 EOI	28 May 2018	25 July 2018	26 Sept 2018	1 March 2019	21 March 2019	40 weeks
Wave 1 Full Stage	16 April 2019	18 Sept 2019	4 Dec 2019	30 April 2020	26 June 2020	54 weeks
Wave 1Total	28 May 2018			30 April 2020	26 June 2020	100 weeks
Wave 2 EOI	3 June 2019	9 Oct 2019	10 March 2020	30 June 2020	11 Aug 2020	56 weeks
Wave 2 Full Stage	29 June 2020	25 Nov 2020	10 Feb 2021	28 May 2021	22 July 2021	48 weeks
Wave 2 Total	3 June 2019			28 May 2021	22 July 2021	104 weeks

Source: UKRI Strength in Places Fact Sheet

2.3. Funding mechanism

2.3.1. Place-based funding is essential for the levelling up agenda and there is a need to ensure different mechanisms work in synergy

The importance of place-based funding was highlighted by interviewees and survey respondents. Interviewees mentioned that place-based funding was extremely useful in creating synergies and leveraging technology within a region (INT01). SIPF contributed to the development of infrastructure, equipment and ways of working which should continue to be used and implemented beyond SIPF (INT09). In addition, place-based funding mechanisms support upskilling and training in regions that may be lacking in certain skill sets (INT01, INT09, INT11, INT12). In particular, the SIPF supported the development of skills for people at the interface between industry and academia to work effectively across both sectors and enable them to build and maintain those working relationships (INT11).

All survey respondents (13 out of 13) agreed or strongly agreed with the fact that if UKRI were developing a new fund, it should be place-based. However, interviewees and survey respondents commented that any future place-based funding mechanism should consider the national landscape in terms of policy priorities and existing regional development funding mechanisms that already exist (INT02, INT07, SUR04). It will be important for future place-based mechanisms that new measures have credible linkages to the places per se beyond research organisations (SUR04). It was also noted that regional colleges play an important role in regional upskilling and training and although they are eligible to join consortia as partners, they cannot receive funding from UKRI (INT01, INT13). However, this would be difficult to change since regional colleges fall outside UKRI's mandate. In addition, while it would be beneficial for future UKRI place-based funding mechanisms to be designed and implemented in liaison and on a timeline that is consistent with local government funding cycles (SUR09), local government funding cycles are shorter than R&I programmes and they vary across regions, therefore implementation is unlikely.

2.3.2. The seedcorn stage was critical in ensuring time for relevant preparations and partnership development

A distinguishing aspect of SIPF is the seedcorn stage, in which a set of applicants are selected following the EOI stage to receive £50,000 over six months to develop a full application. In Wave 2, 17 bids were awarded seedcorn funding. Seedcorn funding was used in a range of ways to contribute to the development of the full application, including:

- commissioning external consultants for economic impact analysis to support bid development (INT05, INT13)

- working with strategic consultants to help develop the vision for the consortium (INT01, INT05, INT10)

- conducting market research to identify gaps that the consortium could fill (INT09)

- concept development and consensus building across organisations (INT10, INT14)

Seedcorn funding was broadly considered sufficient to develop a full application, as was the case for Wave 1 as well. Of the five survey respondents who received seedcorn funding, four were satisfied or strongly satisfied with the level of funding provided and the remaining one was neutral. Interviewees agreed with this view and one interviewee stated that they were able to leverage additional funding and invest £100,000 to develop their full application (INT14).

Similar to Wave 1, views were mixed on the appropriateness of the time allocated for the seedcorn stage. While some applicants thought that time was sufficient (INT01, SUR05, SUR07, SUR08, SUR10), others found that more time was needed for better consolidation of the consortia (INT13, INT11, INT 06, INT04). Interviewees referred to the evolving dynamics of the consortia throughout the seedcorn phase and time requirements to ensure alignment and commitment across all partners (INT11, INT13), which was further exacerbated by ongoing changes to processes and systems and accompanying guidance as a result of incorporating learnings from Wave 1 into Wave 2 (SUR05, SUR07, SUR08, SUR13).

2.3.3. Seedcorn funding enabled the creation of partnerships that are sustained regardless of application outcome

Seedcorn funding enabled applicants to expand their network and consortia, as well as their links with the community they were trying to serve. Seedcorn funding provided the support required to build those cross-sector relationships, many of which persist and have continued to grow (INT05, INT06, INT09, INT11, INT14). Seven out of ten respondents that were unsuccessful in their application stated that the application process led to new collaborations and networks that were sustained. In addition, two unsuccessful survey respondents stated that part of the work proposed in their SIPF application had been awarded funding from a different source (SUR09, SUR11); a further two unsuccessful survey respondents had new ideas or products developed that have been partly or fully put into practice without direct funding (SUR06, SUR12); and one unsuccessful survey respondent stated that a version of the bid was still under consideration for government funding (SUR02). Furthermore, one survey respondent whose application was unsuccessful mentioned that they had received funding from the local government to support commercial development but that academic disciplines were unable to engage in the absence of UKRI funding with researchers having to relocate, further highlighting the important role of SIPF in enabling regional industry–academia collaboration (SUR09).

2.3.4. Prepayment model facilitated industry partnership

The payment mechanisms used across UKRI differ in how funding is provided to successful applicants. UKRI research councils generally provide funding through profiled payments or regular payments received over the lifetime of the project.[10] In contrast, Innovate UK provides funding in arrears on submission of a claim.[11] Payment in arrears can be a barrier to small and medium-sized enterprise (SME) participation, as it requires companies to subsidise the initial costs that will then be paid back. This means that SMEs often self-fund or seek loans to cover these costs, although interest rates are not reimbursed.

However, SIPF adopted a prepayment funding model which facilitated SME participation (INT01, SUR07) and made the Fund attractive to industry (INT01). Industry participation in SIPF was high, with four out of five Wave 2 award holders having a majority of business partners (Figure 7). In addition, nearly half of organisations involved at the EOI stage (267 out of 569 organisations) were businesses. For analysis purposes, we have used the organisation type 'business' as a proxy for industry. It may be that some organisations that identify as 'research' or 'research and technology organisation' are also private companies and therefore there may be underestimation of industry participation.

Figure 7: Winning consortia composition
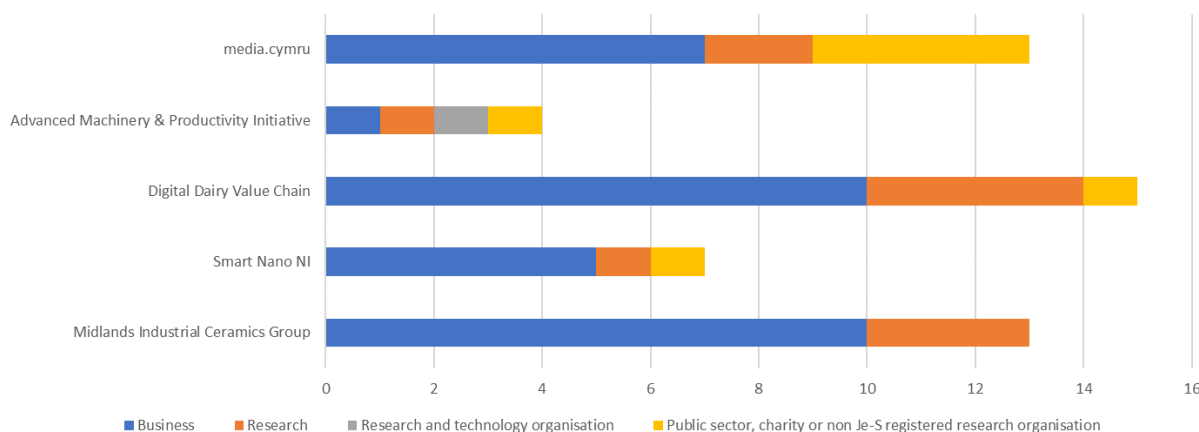
Source: RAND Europe

2.4. Monitoring and reporting mechanisms

2.4.1. The monitoring and reporting mechanisms are best suited for small-scale projects, with limitations when applied to large-scale projects

Applicants and the SIPF delivery team felt that the monitoring system used in SIPF was best suited for schemes that have multiple small projects rather than a smaller number of big projects like SIPF (INT01, INT03, INT12, INT13, SUR13). For example, there was a single login for a consortium on Researchfish and the Innovate UK portal, which meant that organisations had to share their username and password with others in the consortium (INT01). The EU's monitoring system was highlighted as a good example for monitoring of large-scale projects, where every organisation has their own access and what they are able to access within the system is determined by their role in the consortium. However, the single login

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[10] UKRI (2024).

[11] UKRI (2023b).

approach used by Researchfish is intended to ensure that the consortium lead is responsible for the quality of data, avoiding double reporting.

In addition to a single login, only the project lead can input financial information into the monitoring system, which is time-consuming and difficult to coordinate (INT01). In response to this challenge, one consortium contracted a designer to create a template for the finance partners to use which improved consolidation across the consortium and has since shared the tool with two other consortia (INT01). Interviewees found the processes for financial reporting were duplicative, reporting both into the IFS and the monitoring officer, and with no real coordination between the parts (INT06, INT13).

2.4.2. There was the perception of lack of communication between Research England, Innovate UK and the monitoring officer

In Wave 2, there was a single monitoring officer responsible for all projects, as opposed to Wave 1 where there were multiple monitoring officers. While having a single person overseeing all projects ensured that consortia were receiving similar guidance from the monitoring officer, it also introduced a single point of failure into monitoring and reporting mechanisms (INT03, INT12). Overall, the role of the monitoring officer was seen as key in supporting consortia by providing guidance and support in the set-up and running of the projects (INT01, INT03, INT12, INT13). However, interviewees felt that having a standardised set of written guidance that the monitoring officer could refer participants to would be more efficient and increase transparency in the system roles (INT03, INT13, SUR13).

2.4.3. Applicants welcomed the flexibility to design their own KPIs

There was broad agreement that flexibility was key to the success of SIPF, and this extended to monitoring and reporting mechanisms. While there are a set of standardised KPIs for the Fund as a whole, consortia were able to work with the SIPF delivery team to determine individual KPIs that best captured the impact of their project and aligned with regional indicators (INT02, SUR13). KPIs are assessed at quarterly review meetings, and a RAG (red, amber, green) rating provided to the project.

The frequency of the quarterly review meetings was proportionate to the level of funding, and the input of the monitoring officer and UKRI attendees was felt to be helpful and constructive (SUR13). Efforts to adapt the format of the quarterly review meetings to the specific project and to reduce the administrative burden on projects were appreciated (SUR13). However, at the time of the evaluation, participants felt they would benefit from written feedback following quarterly review meetings (INT13, SUR13), which has now been implemented.

3. Application, review and assessment process

3.1. Application process

The application process for SIPF is outlined in Figure 3. In summary, applicants first submit an EOI. If successful, applicants then participate in the bid development phase (i.e. seedcorn stage) during which they receive £50,000 to work on a full stage application. Unsuccessful applicants at EOI can resubmit their application in the following EOI stage. In addition, a selection of unsuccessful applicants at full stage are invited to resubmit directly into the following full stage. Wave 2 received 17 resubmissions at EOI stage and two resubmissions at full stage. Of these, three of the EOI resubmissions went on to full stage and two projects awarded funding, while none of the full stage resubmissions were awarded funding. This suggests that applicants were able to learn from the application process in Wave 1 and develop stronger bids for Wave 2.

3.1.1. SIPF attracted a high number of applications across both Wave 1 and Wave 2

SIPF attracted a high number of applicants from across the UK, receiving a total of 185 applications at EOI stage across Wave 1 and Wave 2 (Table 5). Most applications received had a research organisation as the project lead at EOI, and this was higher for full stage and live projects in Wave 1 (Source: UKRI SIPF Fact Sheet

Table 6). However, the percentage of industry organisations leading applications increased for full stage and live projects in Wave 2 compared with Wave 1.

Table 5: Number of applications by wave and application stage

Application stage	Number of applications		
	Received	Assessed	Awarded
Wave 1 EOI	96	85	23
Wave 1 Full Stage	23	23	7
Wave 2 EOI	89	80	17
Wave 2 Full Stage	17 + 2 invited resubmissions	19	5

Source: UKRI SIPF Fact Sheet

RAND Europe

Table 6: Number of applications by wave and organisation type

Application stage	Industry lead	% Industry	Research organisation lead	% Higher education institution	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

Source: UKRI SIPF Fact Sheet

Applications were received from across the UK (Figure 8) and across sectors (Figure 9). Scotland submitted the highest number of applications at Wave 2 EOI (19), followed by the South West (9). In Wave 2, Scotland had the highest number of funded projects at EOI stage, followed by Northern Ireland, Wales, the West Midlands and the North West.

Figure 8: Distribution of applications across the UK by stage of the application in Wave 2

EOI   Full stage   Live awards
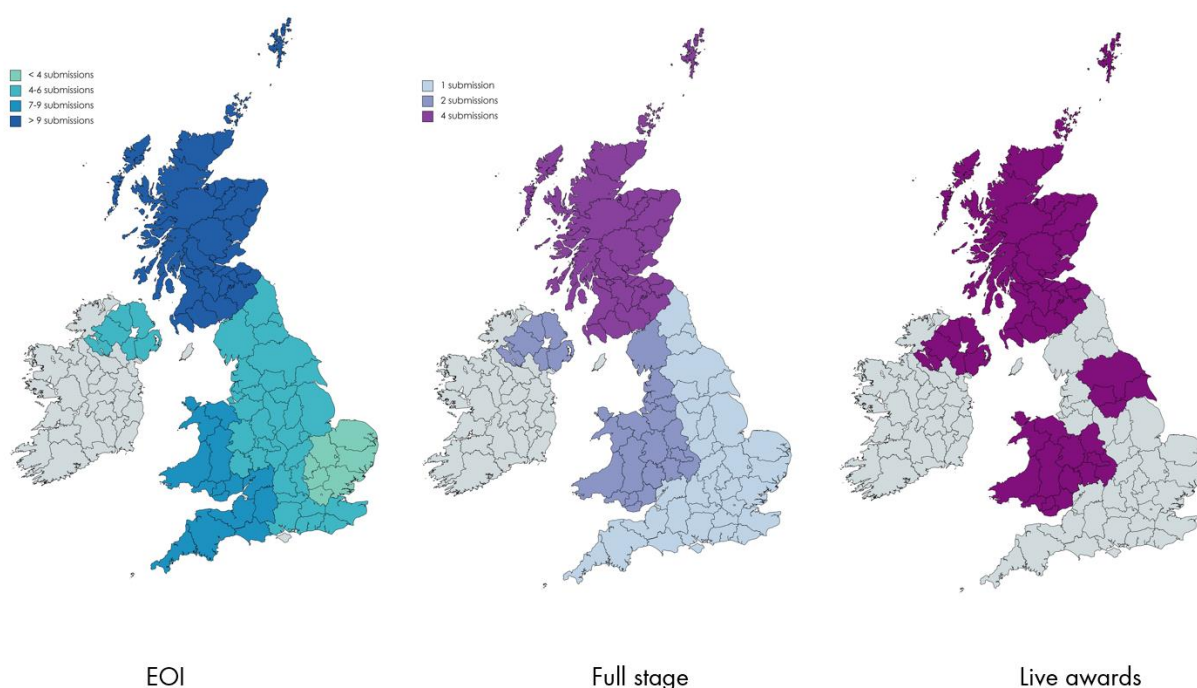
Source: RAND Europe

To support bid development, UKRI held in-person events (a.k.a. the 'UKRI Roadshow') in Newcastle, Plymouth, Peterborough, Sheffield, Swansea, Belfast, Birmingham, Liverpool, Glasgow, London, Aberdeen and Leicester over May and June 2019, reaching an audience of over 750 people. Overall, survey respondents considered that the various routes through which information was shared (e.g. website,

webinars, in-person events, direct communication) worked well, with six out of thirteen respondents stating they worked well, one stating they worked very well and five stating neutral.

The SIPF programme also attracted applications across multiple sectors (Figure 9).[12] The sectors with the most applications at EOI in Wave 2 were energy (16), agri-tech, food and drink (9), and medical technologies and pharmaceuticals (9). Some sectors did not receive applications at full stage, and these were: aerospace, marine, defence and space; enabling technologies; bioeconomy; financial technology, business and professional services; natural environment, and urban living. Of the most common sectors in EOI, neither energy nor medical technologies and pharmaceuticals received funding at full stage.

Figure 9: Distribution of applications by sector and stage of the application
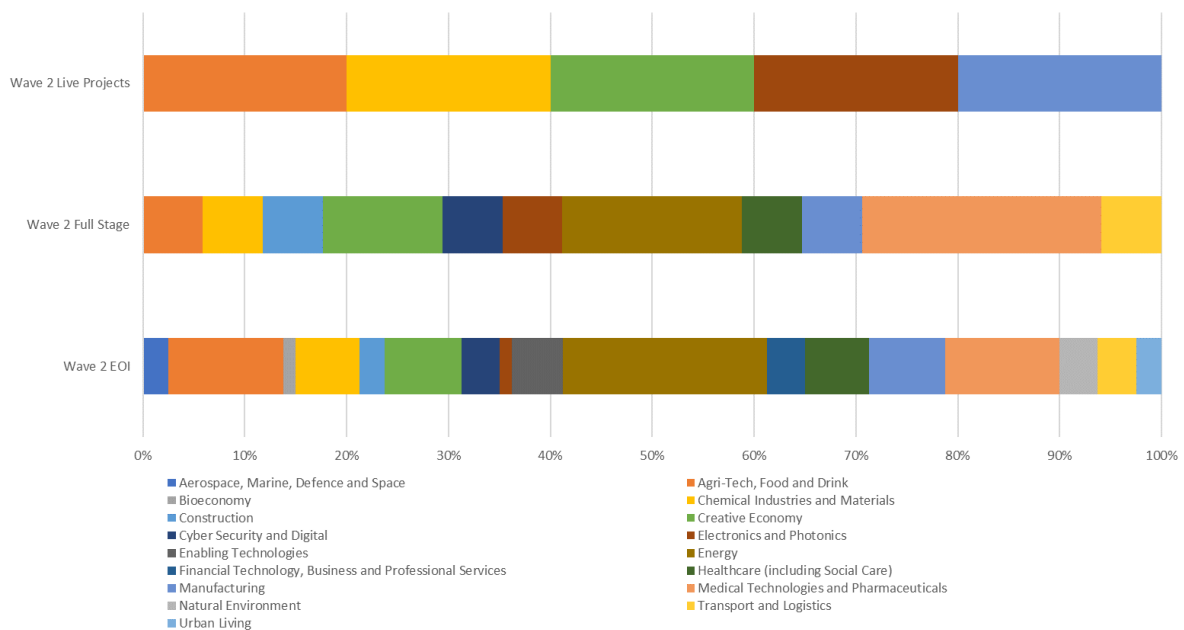
Source: RAND Europe

3.1.2. Regional government engagement was highly valued by applicants

As mentioned previously, the devolved nations had the highest number highest number of successful projects at EOI stage (Figure 8). Interviewees from the panel commented that applications from the devolved nations were generally strong (INTXX), which was likely a result of regional support in bid development and existence of a cohesive structure for strategy development and implementation, which is lacking in England (INT07, INT12). For example, the Department of Economy for Northern Ireland held a workshop to bring people together who may be interested in applying for SIPF funding to ensure complementarity of bids rather than overlap (INT05) and identify key stakeholders and ways of engagement (INT01). Both Wales and Scotland now have an innovation strategy that was under development while the bids were being developed, which worked well because it allowed engagement across the sector and government to ensure the bids developed aligned with strategic objectives (INT07). Interviewees commented on the need to establish stronger regional governments in England with clear links and ways of working with national agencies (INT07, INT12).

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[12] Sector classification was assigned by the SIPF delivery team.

3.1.3. A pre-planned schedule for the application and review processes would facilitate planning of engagement events and submission

In general, the timelines for submission of the different stages were considered reasonable. As described previously, the EOI stage was extended to four months in Wave 2, which was all considered positive (see Section 2.1.2). If successful at EOI stage, applicants had five months to develop the bid for submission at full stage, which four out of five survey respondents felt was sufficient time and one was neutral about. However, timing over the summer period for full stage bid development was identified as a challenge (INT10, INT11, INT13), mainly due to difficulties in hosting workshops and engaging with different partners and stakeholders. While respondents argued that a fully committed timeline of submission deadlines covering 12 months would enable applicants to build a proper bid with full external commitment and engagement that is necessary for 'place-based' funding, allowing applicants to plan around school holidays and high-profile events (INT11, INT13, SUR09), this is not possible for SIPF due to the requirement for ministerial endorsement, which is outside the control of UKRI.

3.1.4. The level and clarity of guidance provided varied between EOI and full stage processes

Survey respondents had differing views on the level of guidance and advice provided at different stages of the application process. Seven out of thirteen survey respondents were satisfied with the clarity of the application process and information provided, while five were neutral and one did not know. However, only one out of five survey respondents that were successful at EOI stage were satisfied with the guidance and advice provided at seedcorn stage, two were neutral, one was dissatisfied and one did not know. Clear guidance was provided on secondary funding and the roles of local leadership (INT01, INT04), while information on the assessment of applications was lacking (INT13, SUR08, SUR09).

3.2. Review and assessment processes

The review process consisted of technical experts ('assessors') who reviewed the bids and provided their review to the panel, who would discuss the different bids in a meeting that was held virtually for Wave 2 (see Section 2.1.4 for more information on virtual panels). Assessors' reviews were used to inform panel discussions but did not determine the panel assessment.

The role of the SIPF assessment panel was to 'make recommendations to UKRI as to which Strength in Places Fund proposals should be funded' (Wave 2 Full Stage Panel Meeting Full Papers). The panel consisted of representatives from academia and industry, representing R&I across disciplines and sectors, with expertise in assessing local growth. Panel members received input from multiple sources to frame their discussions at the panel meeting:

- Expert reviewers were provided with assessment guidance that contained information on scoring, feedback, conflicts, confidentiality and housekeeping. Expert reviewers scored bids 1–10 against each question in the proposal: purpose of the project, technological or disciplinary focus of the research, market awareness, local economic impact, evaluating impact, project management and governance, project team, funding from UKRI and risks (Wave 2 Full Stage Panel Meeting Full Papers).

- The panel also received comments on the proposed skills provision (if any) in each bid from colleagues from the OfS, the Higher Education Funding Council for Wales, the Scottish Funding Council (SFC) and the Department for the Economy, Northern Ireland, for those bidding for

England, Wales, Scotland and Northern Ireland, respectively (Wave 2 Full Stage Panel Meeting Full Papers).

- BEIS and named colleagues in the Ministry of Housing, Communities and Local Government (for bids involving England) were also given the opportunity to provide comments that place the bids in the context of their local economic or academic environment (Wave 2 Full Stage Panel Meeting Full Papers).

- Each panel member was tasked to produce assessments on up to seven bids (full stage application review process) and submit their comments and scores prior to the panel meeting. All bids were assessed and scores against four equally weighted assessment criteria: potential for impact, quality of R&I activity, delivery and funding. Table 7 shows the relationship between published assessment criteria, application form questions assessed by external reviewers and the four assessment categories used by the panel (A, B, C and D).

Table 7: Mapping of SIPF assessment criteria to expert reviewer and panel scoring

SIPF published assessment criteria	Expert reviewer scoring by application question *(questions scored out of 10)*	Panel assessment and scoring *(each category score out of 10)*
Significant relative local growth and productivity	Q2: Project purpose Q4: Market awareness Q5: Local economic impact Q6: Evaluating impact	A: Potential impact: growth and productivity
Research excellence, quality of innovation capability	Q2: Project purpose Q3: Research and innovation activity Q7: Proposed management and governance	B: Quality of research and innovation
Collaboration	Q8: Project team Q7: Project management and governance	C: Delivery project team and collaboration
Co-investment where appropriate, sustainability, value for money	Q9: Financial information Q10 : Risks	D: Funding
	Overall panel score	Overall panel score: average of scores A–D

Source: UKRI SIPF Assessment Panel meeting, Wave Two, Full Stage

Following discussions, applications would be categorised as high (above quality line and funding line), medium (above quality line but below funding line) and low (below the quality and funding line). Following recommendations from the panel, UKRI took an overarching strategic portfolio approach to funding decisions considering how bids came together across regions and sectors. While the review process was thorough, lack of transparency was identified a challenge.

Similar to findings from the Wave 1 process evaluation, some applicants felt that the availability of information on the assessment process was lacking (INT13, SUR05, SUR09). Six out of thirteen survey respondents were unsatisfied with the clarity regarding the process of assessment of applications, with one respondent being very unsatisfied. Comments referred to the weight given to the different criteria, 'optional' sections being reasons for an unsuccessful outcome, and lack of information on benchmarking of the assessment criteria or how scores would be allocated (SUR01, SUR04, SUR09). While Table 7 shows the relationship between published assessment criteria, application form questions assessed by external reviewers, and the four assessment categories used by the panel (A, B, C and D), applicants did not have visibility of this process, which may have contributed to a sense of opacity.

Expert reviewers were anonymous and bid allocation to panel members was also unknown to applicants. While blind review is a common practice used in peer review processes, there are implications for transparency. However, the benefits in terms of bias are significant, so it remains the most used mechanism for funding allocation.

While the review processes put in place ensured panel members had sufficient information to make their recommendations for funding (see Section 3.1 for an outline of the review process), there was the sense that some applications were not properly understood (SUR03, INT11). It was suggested that a more diverse composition of the panel in terms of range of expertise would be beneficial for future rounds. In addition, introducing an interview stage would be beneficial, allowing assessment of the dynamic of the partners and whether collaborations were robust (INT03, INT04, INT08, INT12).

3.2.1. The quality of feedback received contributed to a sense of opacity in the process

As mentioned previously, applications were categorised according to a quality threshold and a funding threshold. The level of feedback provided to applicants varied depending on the category to which they were assigned (high, medium or low). Through this system, unsuccessful applicants receive the least feedback, with efforts placed on providing feedback to projects that will be awarded to ensure they are successful in implementation. It is no surprise that unsuccessful applicants and successful applicants have different views on the level of satisfaction with the feedback received. Of the thirteen survey respondents, eight were unsuccessful at EOI stage, four of which were unsatisfied with the quality of feedback received and three very unsatisfied. In contrast, three out of five successful applicants at EOI stage were satisfied or very satisfied with the quality of feedback received. Feedback received by unsuccessful applicants was considered superficial and reflected a lack of understanding of the proposal and the context in which it was proposed (INT11, SUR06, SUR09). More constructive feedback could contribute to an increased sense of transparency in the process. However, this needs to be considered in the context of the volume of bids received and the workload associated with preparing this feedback.

3.3. Funding allocation

3.3.1. Bids were selected both for quality and to ensure a balanced portfolio across geographies and sector

As described in Section 3.1, steps were taken to ensure a balanced portfolio in terms of geographical spread and sectors; however, quality was the primary factor influencing panel recommendations (INTXX). Panel members considered the projects that had been funded in Wave 1 and the bids submitted in Wave 2, and were keen on ensuring no one region was overrepresented. One interviewee mentioned that geographical variation of awards contributed to the credibility of a place-based funding system (INT07).

3.3.2. Lack of guidance at post-award stage created challenges for setting up projects

Once projects were awarded, consortia were tasked with setting up their projects, both from a UKRI contractual perspective and the research itself. However, there was felt to be a lack of clear guidance at post-award stage in terms of managing budgets, financial checks, status or name change for companies, and overall contracting (INT01, INT03, INT09, INT13).

All three successful applicants that responded to the survey stated they were dissatisfied with contractual processes. Key areas for improvement highlighted include the protracted and unfunded project set-up phase, the slow contractual sign-off process, the IFS online portal and associated data entry and review processes (especially in terms of financial information), and the lack of clear written post-award guidance (SUR5, SUR7, SUR13, INT01, INT03, INT09, INT13).

For a large investment such as SIPF, resources may be required to support applicants through the due diligence process immediately after being notified of their conditional award.

3.3.3. The funding range was considered appropriate for a large-scale scheme such as SIPF

The funding range for SIPF was £10–50 million for full applications, which was considered to be appropriate. All survey respondents stated that the funding range for future programmes should remain the same, although one survey respondent from a live award commented that it would be useful to consider mechanisms to follow on after the five years of initial funding (SUR07). It is interesting to note that none of the five successful applications in Wave 2 applied for the maximum budget, with the average requested funding being £25 million (highest request at £42 million and lowest at £18 million).[13]

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[13] SIPF Strength in Places Fact Sheet

4.   Conclusions and recommendations

In this section we identify conclusions, reflecting on the process evaluation questions, setting out key lessons learnt, and providing recommendations that may be relevant to SIPF and to wider novel and ambitions investments of this type.

4.1.   Conclusions

Table 8 provides an overview of our findings and conclusions against the process evaluation questions. Below, we highlight some of the key strengths and challenges of SIPF based on this Wave 2 process evaluation.

4.1.1.   Strengths

We identify a range of strengths associated with SIPF, many of which reflect those identified for the Wave 1 analysis. Fundamentally, there is strong support for place-based funding of this type, which is considered extremely useful in creating synergies and leveraging technology within a region, and for Wave 2 has contributed to the development of infrastructure, equipment and ways of working across a number of regions. This is reflected in the high number of applications received for Wave 2 (as for Wave 1) and the diverse spread of applications across the UK.

Broadly, the overall structure of the Fund is well received, with the funding range for SIPF of £10–50 million for full applications considered appropriate by applicants. The seedcorn stage is particularly highlighted as a strength of the Fund, providing crucial resources and time for preparation and partnership development. Applicants used the funding to procure a range of support to strengthen their applications, but also used the time to expand their network and consortia, as well as their links with the community they were trying to serve. Even for applicants who received the seedcorn funding but were unsuccessful at full stage, the process of network development involved in SIPF was beneficial in many cases, leading to collaborations and networks that were sustained in other ways.

Applicants also welcomed the flexibility of the programme – not just in the breadth of its scope but also in some of the practicalities of implementation. For example, the flexibility to design KPIs in line with project aims and content was positively received. Another aspect of Fund implementation that was highlighted as positive was the prepayment model, which was felt to be highly beneficial in facilitating industry (and particularly) SME partnerships.

Finally, it is clear that SIPF team are proactive in seeking out opportunities to improve and are open to learning through experience. This is reflected in the changes made based on learnings from Wave 1 which were largely well received. It should be noted that the timelines between Wave 1 and Wave 2 were short such that the Wave 1 process evaluation was not available prior to the launch of Wave 2 – instead, improvements were made based on the experiences of the delivery team and the feedback they directly

received. Nonetheless, despite these short timeframes and limited information, efforts were made to improve and address key challenges and these were largely well received.

4.1.2.   Challenges

Although broadly perspectives on the Fund were positive, we also identify a number of areas where there is scope for improvement – several of these consistent with challenges highlighted in the Wave 1 process evaluation.

Despite efforts to streamline the application form relative to Wave 1 – which were considered effective and appreciated by both applicants and panel members – applicants still found the application process burdensome, in particular the level of financial detail needed at the EOI stage. The application review process was considered thorough, but applicants were dissatisfied with the level of transparency of the process, particularly highlighting a lack of clarity around aspects such as the weight given to the different criteria, the effect of 'optional' sections on outcomes, benchmarking of the assessment criteria and how scores would be allocated. Unsuccessful applicants in particular were also dissatisfied with the level of feedback received on their proposals, which was relatively limited, in part reflecting the volume of bids received. Finally, although the overall timeframes allowed for different aspects of the application process were generally considered appropriate, some issues were raised regarding the timeframe. In particular, the timing of some stages relative to the summer period was considered challenging, as well as the delay in final decisions due to the ministerial endorsement process.

The contractual processes were also highlighted as an area for improvement, with particular issues highlighted including the protracted and unfunded project set-up phase, the slow sign-off process, the IFS online portal – and associated data entry and review processes (especially in terms of financial information) – and the lack of clear written post-award guidance. Although improvements have been made since Wave 1, financial monitoring is still considered burdensome, and some issues are highlighted with wider monitoring and reporting processes, such as single logins to key portals (Researchfish, IFS) and a perception of inconsistency or lack of communication between the monitoring officer and delivery team.

At a broader level, it was suggested that future place-based funding mechanism should engage with existing regional development funding mechanisms. Some applicants notably benefitted from engagement with devolved and regional administration including at the bid preparation stage. Providing opportunities for networking and showcasing local and regional initiatives could contribute to ensuring that projects' impacts outlive the Fund.

Table 8: 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 SIPF objectives including supporting R&I in a range of different geographies?	SIPF supported bid development and projects across the UK.
		Active steps were taken to engage potential applicants with the programme across the UK, such as the 'UKRI roadshow', webinars and other information-sharing events.
		Learnings from Wave 1 were incorporated into Wave 2 and overall introduced efficiencies.
		Economic geographies were self-defined within the SIPF application process, providing flexibility for applicants to establish collaboration with local partners beyond established territorial units. However, not providing any indication of limits to economic geography was considered a challenge when initially building a brief.
	EQ2 How effective was the governance structure between UKRI and BEIS as the Fund was set up, designed, and operationalised?	The operational differences between Research England and Innovate UK in terms of monitoring and reporting created challenges for award holders.
		The requirement for BEIS ministerial endorsement led to delays in funding announcements.
	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?	The application process captured information to support the assessment of potential regional and national impact.
		Quality was the main criteria for project selection, although geographic distribution of projects was also considered during the decision making process.
		Winning consortia were distributed across the UK and comprised organisations from different sectors.
		The online format of the panel meetings worked well.
		There may be a need for a wider range of expertise across the panel and reviewers to ensure bids can be adequately assessed.
Processes, enablers and barriers	EQ4 To what extent have the processes worked well in the places funded so far as SIPF has been implemented?	Overall, SIPF is viewed positively, although adaptations may be needed to better align with funding cycles from regional authorities. However, the practicality of this is difficult as local government funding cycles vary across regions.

RAND Europe

Evaluation area	Evaluation question	Answer
		The seedcorn stage allowed consortia to become more established and develop a clear vision for the proposed project.
		Local collaborations were created as a result of SIPF application process and awards that are sustained beyond SIPF.
	EQ5 What has not worked well, or could have been handled differently, in the places funded by SIPF?	Financial requirements for bid submission made it difficult to keep industry partners engaged throughout development of the bid.
		Regional colleges, which play a critical role in regional upskilling and training, were ineligible for funding.
		Better engagement opportunities are needed with local initiatives and regional governments to maximise participation, considering regional funding cycles and priorities.
		Business set-up processes were not straightforward, and timelines were considered short.
		Feedback delivered to unsuccessful applicants was considered insufficient to support learning and improvement.
	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?	UKRI facilitated best practice sharing between consortia by establishing connections between project leads.
		Consortia determined their own KPIs, which enabled consortia to add and tailor indicators to the project's needs.
		Engagement with regional authorities contributed to the development of bids aimed at meeting local needs, particularly in the devolved nations.
	EQ7 What were the key challenges in implementing SIPF at the Fund-level? Which of the challenges are specific to place-based funding?	Learnings from Wave 1 were being incorporated into the Wave 2 application process as they were coming through, which led to processes evolving as the call was being rolled out.
		Tools and mechanisms were considered unfit for cross-sector projects of the scale of SIPF, which comprise multiple partners from different sectors accustomed to different ways of doing things.

Evaluation area	Evaluation question	Answer
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 SIPF portfolio?	A longer EOI stage (four months) was introduced to allow sufficient time for development of the partnerships needed, which most respondents felt was the right amount to time required to develop the EOI.
		The seedcorn stage was critical in ensuring time for relevant preparations and partnership development. Consortia used the funding to gather evidence to support their impact assessment, such as economic analysis and market research.
		Moving timelines for outcome announcement created a barrier to financial commitment from industry partners and uncertainty among applicants on participation within a consortium.
	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 SIPF portfolio?	Seedcorn funding enabled consortia to outsource economic evidence generation and gap analyses to support development of their full application.
		The funding range for full awards was considered appropriate.
		SIPF adopted a prepayment funding model which facilitated SME participation and made the Fund attractive to industry.
Monitoring and evaluation; lessons learnt	EQ10 What M&E processes are in place at the Fund level and how are these tailored for a place-based funding scheme?	Monitoring officers provided a useful point of contact for award holders although clear standardised guidance would improve consistency of communication with the various consortia and UKRI.
		Wave 2 had a single monitoring officer as the point of contact for all consortia funded under SIPF Wave 2, which provided continuity across projects but also created a single point of failure for the operational processes.
		Consortia determined their own KPIs, which enabled consortia to add and tailor indicators to the project's needs, providing flexibility throughout the process.
		Adaptations made to Wave 2 processes are evidence of a 'learning culture' in SIPF team and a willingness to try and improve processes.
	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?	There is strong support for place-based funding among those consulted although there is a need for relative stability in the instruments that are used to deliver it.
		While flexibility is key to the success of place-based funding programmes, clear guidance and communication is needed.

Evaluation area	Evaluation question	Answer
		National programmes seeking to deliver place-based funding should facilitate engagement with local initiatives and regional governments to maximise participation, considering regional funding cycles and priorities.
		Standard tools for the management of research funding differ from those used in innovation funding. Place-based funding programmes that seek to bring together different sectors require bespoke tools that meet the needs of the different organisation types.
		Mechanisms that facilitate consortia consolidation (e.g. seedcorn funding) are beneficial to collaboration beyond a single funding programme.
	EQ12 What was the awardees' overall perspectives on the process of delivering SIPF-funded programmes and projects?	Overall, the concept of place-based funding and SIPF is viewed positively by applicants and awardees.
		Awardees were mostly satisfied with the application, award and monitoring processes with some caveats as outlined above. However, contractual processes were a point of discontent among interviewees and survey respondents.
		Flexibility was highlighted as key to the success of SIPF place-based funding programmes, responding to the changing needs of the consortia as the projects were being developed.
		The challenges faced were felt to be mainly due to the novelty and diversity of the programme, as well as the evolving working relationships and processes across the different funders involved to manage this diversity. While changes were made to Wave 2, which overall improved the process, lack of clear and consistent processes remained a challenge.

4.2. Lessons learnt and recommendations for designing and implementing a place-based funding programme

Reflecting on these findings, 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 2 of SIPF. It is important to acknowledge that, despite the challenges that come with setting up a new funding programme of the scale and size of SIPF, the Fund's processes offered learnings to those involved, from the delivery team through to unsuccessful applicants who were able to redirect parts of their application to other funding sources and maintain collaborations that developed through the SIPF application process. The recommendations provided are made with the aim of supporting improvements for future place-based, cross-sectorial funding programmes.

- **Produce a standardised set of guidance for UKRI and monitoring officers to guide operational aspects of awards that covers the lifespan of the project, from set-up to post-award.** This could include clarity on the eligibility of different types of organisations, 'how-to' guides on the use of IFS and contractual processes, and a FAQ based on questions issued by consortia in Waves 1 and 2.

- **Develop and adopt processes that are suitable for both universities and businesses:** At present most of the processes in place at all stages are better tailored for either universities or businesses and hence do not accommodate well the diversity of SIPF. This reflects the wider UKRI landscape but is a particular challenge for a fund of this type. Processes that are suitable and adaptable to all types of applicants and award holders would considerably improve experiences of application and reporting. The funding service being developed, once in place, will provide a route to this for future investments.

- **Improve transparency in decision making by providing clearer assessment criteria and consider ways to provide additional feedback for unsuccessful bids:** At present there is a sense that the assessment criteria and processes are not sufficiently clear, so additional guidance and information could be provided to applicants on aspects such as the relative weighting of assessment criteria and how they will be benchmarked, and the process through which scores are allocated. In addition, the level of feedback provided to unsuccessful applicants could be improved and should be considered. Due to the volume of applicants this will need to be balanced with the burden of providing this feedback, but nonetheless there may be scope to provide more structured information or identify specific areas for improvement.

- **DSIT should consider giving UKRI delegated authority to allocate funding:** The requirement for ministerial endorsement as part of the application review process led to delays in funding announcements, which was cause for dissatisfaction among applicants in both Wave 1 and Wave 2. Delegating authority to allocate funds to UKRI would bypass the need for ministerial endorsement and prevent delays to funding announcements.

- **Provide support and guidance for financial planning at the seedcorn stage based on previous funding rounds:** Applicants and award holders broadly find the financial processes associated with SIPF challenging and there may be scope for more sharing of lessons learnt to support them, and indeed there are examples of this already occurring. However, there are some common issues emerging, such as underbudgeting for the management and administration of the award (which was highlighted as a challenge in the Wave 1 evaluation), and the need for additional resources for the transition to independence from SIPF, highlighted in this Wave 2 report. These learnings about areas needing sufficient funds, and how to plan for them, as well as how to prepare and meet reporting

requirements could be shared at the seedcorn stage when there is still scope to adapt and build this in to early planning.

- **Encourage projects to improve connectivity with regional agencies where appropriate:** Benefits of engagement with devolved administrations are highlighted, as well as the need for greater engagement and alignment with local and regional priorities and ongoing activities and investments. Leveraging these regional organisations and identifying synergies could help SIPF projects better deliver their intended benefits and support them later in the transition to independence. While the SIPF was deliberately designed to avoid reflecting national priorities so that local strengths can be promoted, encouraging opportunities for networking and showcasing local and regional initiatives could contribute to ensuring that projects' impacts outlive the Fund and support local development.

- **Introduce the use of simpler systems for financial applications, such as indicative budgets rather than full budgets for applications at the EOI stage.** Despite efforts made to streamline processes between Wave 1 and Wave 2, financial reporting and monitoring remain a challenge, particularly around the application process. An option is to allow much more simplified indicative budgets to be submitted at the EOI stage rather than the full budgets currently required, which are complex, burdensome to produce, and may not be necessary for assessment at an EOI level. Broadly, opportunities to simplify and clarify financial application processes should be taken wherever possible, and support provided to award holders and applicants to navigate this complex process.

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RAND Europe

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 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 SIPF portfolio? *(Prompt: 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 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 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 2 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 SIPF fund 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 you 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 you views so far on how effective the Fund design has been in delivering on 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?