

Evaluation of the Regional Economic Recovery Action Plan (Regional ERAP)

Invest NI

February 2025



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Executive Summary

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Introduction & Background

Invest NI commissioned Grant Thornton to evaluate the Regional Economic Recovery Action Plan (RERAP) for the period of November 2021 – March 2022. The programme, developed in response to the COVID-19 pandemic, aimed to drive economic recovery in Northern Ireland through business resilience, entrepreneurship, regional balance, green supply chain opportunities, and innovation. Funded with £5.5 million from the Department for the Economy (DfE), it was structured into three core themes: Entrepreneurship, Sub-Regional Development, and Green Local Opportunities.

The Need for Regional Economic Recovery-Based Support

The economic downturn caused by COVID-19 underscored the need for targeted economic recovery initiatives. Small businesses, which make up 97% of NI enterprises, were disproportionately affected. RERAP was designed to support businesses in adapting to new market conditions, fostering innovation, increasing entrepreneurship, and stimulating regional balance. Policy alignment was ensured with UK and NI strategic frameworks, including "10X Economy: NI's Decade of Innovation," "Levelling Up," and "Green Growth Strategy."

Regional Economic Recovery Action Plan (RERAP)

RERAP was structured around supporting businesses through financial grants and strategic initiatives. The programme was initially planned for 12 months, but due to in-year funding constraints, it was reduced to five months, affecting delivery outcomes. Total approved funding of £5.50 million resulted in an underspend, with actual expenditure amounting to £2.66 million (48% of the budget).

Economic Recovery Innovation Grant (ERIG)

ERIG aimed to drive innovation in NI businesses by offering grants of up to £5,000. Despite securing £3.9 million in funding, only 31% (£1.2 million) was spent due to the shortened timeframe. Of the 248 approved applications, 90% of businesses were still operational, demonstrating the programme's effectiveness in business continuity.

Regional Entrepreneurship Acceleration Programme (REAP)

Delivered in partnership with the Massachusetts Institute of Technology (MIT), REAP sought to strengthen NI's entrepreneurship ecosystem. It focused on innovation, collaboration, and increasing regional competitiveness. Despite an initial target spend of £216,111, actual expenditure was slightly higher at £225,338, reflecting strong engagement.

Economic Recovery Sell Outside Northern Ireland Grant (ERSONI)

ERSONI was designed to support businesses in expanding sales beyond NI. The programme met its financial targets, spending £220,000, and helped businesses access new markets, enhancing their resilience and revenue potential.

Clinical Entrepreneur Programme (CEP)

CEP aimed to develop and scale innovative healthcare solutions by supporting NI clinical and non-clinical staff. The programme faced a 42% underspend, with only £24,500 of the £42,000 budget utilised, but it contributed to building capacity in NI's healthcare innovation sector.

Economic Recovery Sub-Regional Grant

This grant facilitated research and planning at the sub-regional level to drive economic recovery. Funding of £250,000 was allocated, with actual expenditure of £202,560 (81% of the budget). The initiative supported regional economic planning and collaboration.

Green Local Opportunities

This initiative aimed to support NI businesses in exploring green economy opportunities, particularly in aerospace diversification. The programme was aligned with NI's Green Growth Strategy. Funding of £207,000 was allocated with actual expenditure slightly higher at £225,000.

Assessment & Recommendations

The evaluation highlights the effectiveness of RERAP in fostering innovation, entrepreneurship, and regional development. However, the key challenge included the underspending as a result of the time constraint. Recommendations for future programmes include longer delivery periods, enhanced marketing and outreach, and increased flexibility in fund allocation.

Conclusion

Despite its challenges, RERAP played a critical role in Northern Ireland's post-pandemic economic recovery. Strengthening business resilience, promoting entrepreneurship, and encouraging green innovation remain priorities for sustained economic growth. Future iterations should focus on improving programme accessibility and ensuring full budget utilisation to maximise impact.



1. Introduction & Background

1. Introduction & Background

1.1 Introduction

In September 2024, Invest NI appointed Grant Thornton to conduct an independent evaluation of the Regional Economic Recovery Action Plan (Regional ERAP) covering the period of the Pilot Programme delivery from 1st Nov 2021 – 31st March 2022. Noting the challenges presented by and the profound impact of the Covid-19 pandemic, Invest NI developed the Regional ERAP programme, focused on driving recovery and the rebuilding the NI economy. A total fund of £5.5m was received from NI/ local Department for the Economy (DfE) and the Regional ERAP programme set out to:

- Embed and build resilience across Northern Ireland's business base
- Increase entrepreneurship performance
- Identify future collaborative economic development interventions that ensure inclusive economic recovery and regional balance
- Develop new 'green' supply chain opportunities to promote greater market research; and
- Raise the profile, and move the dial on levels of innovation, digitalisation and modernisation within Northern Ireland's business base.

The funding was split across a range of areas, with each area assigned specific focus and targets including:

- **Financial Support for Growth Opportunities (£4m):** This area focussed on supporting businesses in a flexible and adaptable manner for employment programmes and to ensure businesses could take advantage of new investment opportunities. Activity included providing financial support to Northern Irish companies, particularly high growth SMEs, to realise their export potential and develop export opportunities.
- **Support for Micro & Small Businesses (£1.5m):** This area focussed on aiding the sectors most impacted by the economic challenges of the pandemic (e.g. hospitality, retail) to sustain and fully recover their businesses. As the majority of these affected sectors consisted of the young, females and part-time workers, specific groups were targeted for support.

Following the findings of a business case which focused on the above target areas, it was evidenced that support for new job creation was not required. Instead, a strong recommendation noted the need to support businesses across the entire Northern Ireland base to become more innovative, and thus more resilient and agile to further capacity building.

As a result, Invest NI proceeded to provide a range of Regional ERAP Programme initiatives under three main themes: **Entrepreneurship, Sub-Regional Development and Green Local Opportunities**. The following interventions fall under this provision and are the subject of the evaluation:

Entrepreneurship

1. Economic Recovery Innovation Grant (ERIG)
2. Regional Entrepreneurship Acceleration Programme (REAP)
3. Economic Recovery Sell Outside Northern Ireland Grant (ERSONI)
4. Clinical Entrepreneur Programme (CEP)

5. Communications

Sub-Regional Development

1. Economic Recovery Sub-Regional Grant

Green Local Opportunities

1. Supporting the expansion of provision of work being undertaken by Invest NI's existing Aerospace Diversification Programme

1.2 Approach to the evaluation

Grant Thornton's approach to the evaluation combines quantitative and qualitative analysis to answer the questions posed in the terms of reference for the evaluation. Specifically, the evaluation team undertook the following:

Evidence Gathering

- **Invest NI Engagement:** Meetings with evaluation steering group and Invest NI representatives to discuss approach, gain context and delve into operational/delivery issues
- **Testing Intervention Logic:** An assessment of why driving recovery and aiding in the rebuilding of the Northern Ireland economy was essential and how this is reflected in key policy documents
- **Participant Engagement:** As part of the engagement phase, approximately 15 consultations were undertaken with key stakeholders from all programmes, to gain feedback and useful insight into how each of the programmes performed, were managed and whether there was any need for improvements. Consultations followed a semi-structured discussion format and discussion topics included operational, governance, effectiveness and impact themes. Further to the consultation process, a survey was issued through Invest NI to programme recipients/participants of the Economic Recovery Innovation Grant; the Regional Entrepreneurship Acceleration Programme and the Economic Recovery Sell Outside Northern Ireland Grant to further identify any benefits, weaknesses and the impact of each programme. We used the post project evaluation results to consider the impacts of CEP.

Survey questions were a mix of qualitative and quantitative questions. These questions were designed to ensure accessibility and a high level of engagement. Invest NI issued the surveys to programme participants and responses were boosted by email reminders.

A total of 51 responses were received from the ERIG survey, with this representing 21% of the total programme population of 248 participants. In terms of statistical significance, the sample of 51 responses at a 90% confidence level gives a margin of error of +/-10%.

Table 1.1: Statistical Significance of the Economic Recovery Innovation Grant (ERIG) Surveys

	Sample Size	Population Size	Sample Size as % of Population Size	Confidence Interval (CI) %	Margin of Error (MoE) %
ERIG Survey Participants	51	248	21%	90%	+/-10%

Source: Invest NI & Grant Thornton Analysis

The additional programme surveys provided too small a sample size and therefore have not been included in the above analysis.

- **Delivery and stakeholder engagement:** Grant Thornton engaged with programme deliverers, a selection of mentors and other key Regional ERAP participants through one-to-one conversations and observing content delivery.

Assessing the Evidence

- **Assessing data and insights:** Following the completion of the evidence gathering phase, an assessment of outturn performance against the original objectives is made. This drives a consideration of any economic benefits to date, levels of additionality, value for money (VfM) and recommendations for any successor supports.
- **A range of outcomes:** Programme performance has been measured on the basis of programme performance turnover/growth and applying 'impact factors' from survey evidence to account for how much turnover change can be attributed to the ERIG programme.

1.3 The operating context cannot be ignored

The evaluation of how Invest NI has performed in delivering the Regional Economic Recovery Action Plan (RERAP) programme of supports during the period November 2021 – March 2022 must be made in the context of exceptionally disruptive economic circumstances. It is also important to note that Invest NI had planned to operate the programme for a 12-month delivery period, however budget flexibility across 2 financial years was not available and a shorter timeframe was implemented.

The Covid-19 pandemic, which reached the UK in March 2020, was one of the greatest economic shocks ever faced by the global economy. To combat the spread of Covid-19, significant social and economic restrictions were implemented from March 2020 and persisted into 2022. As a result, economic output across NI contracted by 14.8% between Q1 and Q2 2020, the largest recorded quarter-on-quarter fall.

Since then, however, the economy has continued to show growth as restrictions eased. Between Q2 2020, the height of the pandemic, and Q1 2022, economic output grew by 26.8%, highlighting the importance of support measures in enabling recovery. Nevertheless, business still faced many challenges. Following extended lockdowns and intermittent 'circuit breakers', the economy was in a state of flux.

Support packages for businesses, the majority of which were financial aid, were not only welcomed but necessary to prevent the economy from collapsing. Revenues for many businesses declined, while business costs remained. Start-ups and SMEs were particularly adversely affected due to liquidity constraints. As the economy moved towards recovery, new challenges emerged, including the looming prospect of recession, the acceleration of digital transformation, and the growing imperative to transition to a greener economy. As Invest NI was preparing the RERAP supports, many businesses were still struggling and required assistance to recover in markets which were evolving at pace.

In anticipation of the lifting of restrictions, the focus of Government supports, including that of Invest NI, shifted from emergency response to aiding the recovery and rebuilding of Northern Ireland's economy. In support of this, Invest NI's RERAP interventions sought to embed resilience and agility to NI business base to provide support for capacity building, enabling them to emerge stronger and more competitive. Supports were designed to assist sectors and businesses most affected by the restrictions caused by the Pandemic, and those most at risk of low levels of recovery.

Faced with an apprehensive but energetic economic environment that was expected to continue for some time, Invest NI played a central role in the delivery of business supports during the worst of the pandemic and it is within this operating context that the Regional Economic Recovery Action Plan supports are assessed.

1.4 Report structure

The evaluation is structured as follows:

- Chapter 2 assesses the 'need' and the alignment of the Regional Economic Recovery Action Plan supports, with the context of NI policy as well as examining the current 'need' within the market through the assessment of wider programme provision and innovation data driven analysis
- Chapters 3-9 assesses the overall Regional Economic Recovery Action plan and each of the corresponding programmes individually and
- Chapter 10 draws the preceding chapters together into a thematic assessment of Invest NI's Regional Economic Recovery Action Plan supports.



2. The need for Regional Economic Recovery Based Support

2. The Need for Regional Economic Recovery Based Support

2.1 Introduction

The rationale for Regional Economic Recovery-based support arose directly from the Covid-19 pandemic, as restrictions forced large sections of the economy to cease or limit their trading activities. The level of disruption experienced by businesses was beyond that previously experienced, with both supply and demand impacted. Economic output across NI contracted by 14.8% between Q1 and Q2 2020, the single largest quarter-on-quarter fall in recorded economic output.

The pandemic affected businesses of all sizes. However small firms, on which Northern Ireland's economy is particularly reliant, were especially vulnerable due to their size and resource-base. In 2020, 89% of businesses in Northern Ireland were microbusiness, consisting of less than 10 employees, while 97% of businesses employed fewer than 50 employees. The impact of Covid-19 on these businesses is well documented. For instance, the Enterprise Barometer 2020¹ found that 85% of micro, small and self-employed businesses surveyed in Northern Ireland had been negatively impacted by Covid-19. This was further reflected in 2021, when business deaths increased by 24.6% year on year². Additional research by the OECD³ in April 2021 indicated that SMEs were at the centre of the disruptions at the start of the pandemic and that over one year later stood in an even more precarious position, in particular young firms and start-ups, the self-employed, as well as women-led or minority-owned businesses.

Noting the negative impact of Covid-19 and anticipating the eventual lifting of restrictions, focus shifted to the recovery and rebuilding of the NI economy. Initially, emphasis was placed on supporting employment in local businesses and sectors hardest hit to support economic recovery. However, following the success of employee support schemes, which kept mass unemployment at bay, it quickly became evident that there was a greater need to assist businesses to adapt to the changing market conditions.

To support economic recovery, planned initiatives focused on protecting employment and helping businesses "build back stronger" by fostering innovation, driving growth, and creating fairer opportunities for all. The aim was to ensure regionally balanced and greener growth. As a result, Invest NI established three key themes—entrepreneurship, sub-regional development, and green local opportunities—to drive regional economic recovery and future growth.

¹ Enterprise Barometer 2020; Enterprise Northern Ireland (2020); <https://enterpriseni.com/wp-content/uploads/2024/11/Enterprise-Barometer-2020-Summary-Findings.pdf>

² Northern Ireland Business Demography Statistics 2021; NISRA (2023); <https://www.economy-ni.gov.uk/news/northern-ireland-business-demography-statistics-2021>

³ One Year of SME and Entrepreneurship Policy Responses; OECD (2021); https://www.oecd.org/content/dam/oecd/en/publications/reports/2021/04/one-year-of-sme-and-entrepreneurship-policy-responses-to-covid-19-lessons-learned-to-build-back-better_ea2f606a/9a230220-en.pdf

2.2 The importance of Innovation in driving economic recovery and wider development

The pivotal role of innovation in driving economic recovery and longer-term growth is linked to its ability to enhance productivity, foster competitiveness and create new markets. The National Institute of Economic and Social Research (NIESR)⁴ states that every £1 of investment in innovation or R&D results in an economic return of £0.20. Based on the premise that innovation in new products and processes is the engine of long-term growth in productivity, supporting innovation activities in local businesses can embed resilience and agility and better place these enterprises to respond to changing market conditions and economic shocks. A study by McKinsey⁵ suggests that companies that innovate are more resilient in a crisis, more likely to expand into new markets during disruptions and more likely to be able to hold on to staff and grow in difficult trading conditions.

Impact of Covid-19 on Innovation Activities

The Covid-19 pandemic had a negative impact on the innovation capacity of many businesses. A study by UUEPC on the Impact of Covid-19 on Northern Ireland Business Start-up Activity⁶ identified that of the business activity impacts, innovation activities were most curtailed, with more than two fifths of firms postponing the introduction of new products or services as a result of Covid-19 and just under one fifth postponing the introduction of new processes. The National Centre for Universities and Business (NCUB) and the University Commercialisation and Innovation (UCI) Policy Evidence Unit at the University of Cambridge also carried out research on the impact on business' R&D and innovation activities⁷. It identified that 91% of businesses surveyed saw some impact to at least one of the R&D and wider innovation activities investigated and 66% of respondents reported disruption, either delays or stoppages across all the types of R&D and innovation activity that they engaged in before the pandemic. Some of the areas hardest hit included 'product/ service demonstration, testing and trial production' and 'training to build capabilities to undertake R&D'.

The NISRA Innovation Survey (2023)⁸, covering the period 2020 to 2022, found the percentage of innovation active businesses in NI had decreased to 32%, from 38% in the previous period spanning 2018 – 2020. This also compared less favourably to the overall UK rate of 36% of innovation active businesses in 2020 – 2022.

⁴ From Ideas to Growth; Department for Business, Energy & Industrial Strategy (2021); <https://www.niesr.ac.uk/wp-content/uploads/2021/12/Understanding-the-Drivers-of-Innovation-and-Growth.pdf?ver=1tmdYRfbpbY4QY5tfNqy>

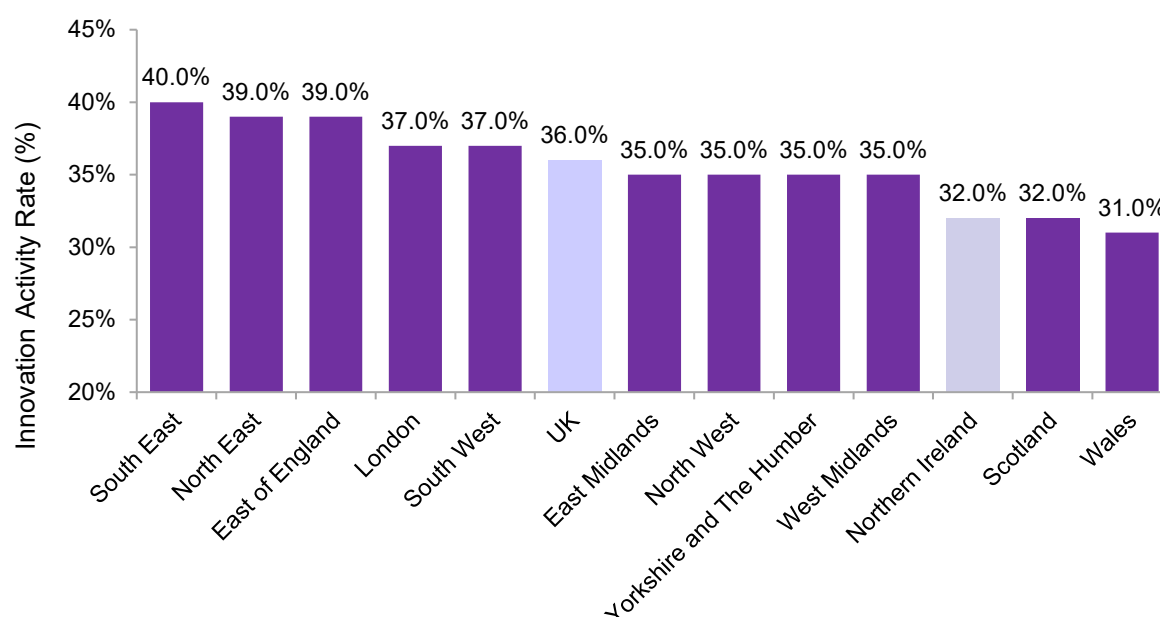
⁵ Innovation in a Crisis: Why it is more Critical than Ever; McKinsey & Company (2020); <https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/innovation-in-a-crisis-why-it-is-more-critical-than-ever>

⁶ The Impact of Covid-19 on Northern Ireland Business Start-Up Activity; Ulster University Economic Policy Centre (2021); https://www.ulster.ac.uk/epc/pdf/2021/the-impact-of-covid-19-on-business-start-ups/Impact-of-COVID-on-Start_ups_final.pdf

⁷ Innovation and Resilience in a Crisis; National Centre for Universities and Business (2021); <https://www.ncub.co.uk/wp-content/uploads/2021/05/NCUB-Covid-Survey-Report-May-21-BUSINESS-DIGITAL.pdf>

⁸ Business Innovation Activity in Northern Ireland; NISRA (2023); <https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/Business%20Innovation%20Activity%20in%20NI%20-%20Statistics%20from%20the%20UK%20Innovation%20Survey%20%282023%29.pdf>

Figure 2.1: Rate of Innovation Active Businesses (%), UK Regions, 2020-2022



Source: NISRA Innovation Survey

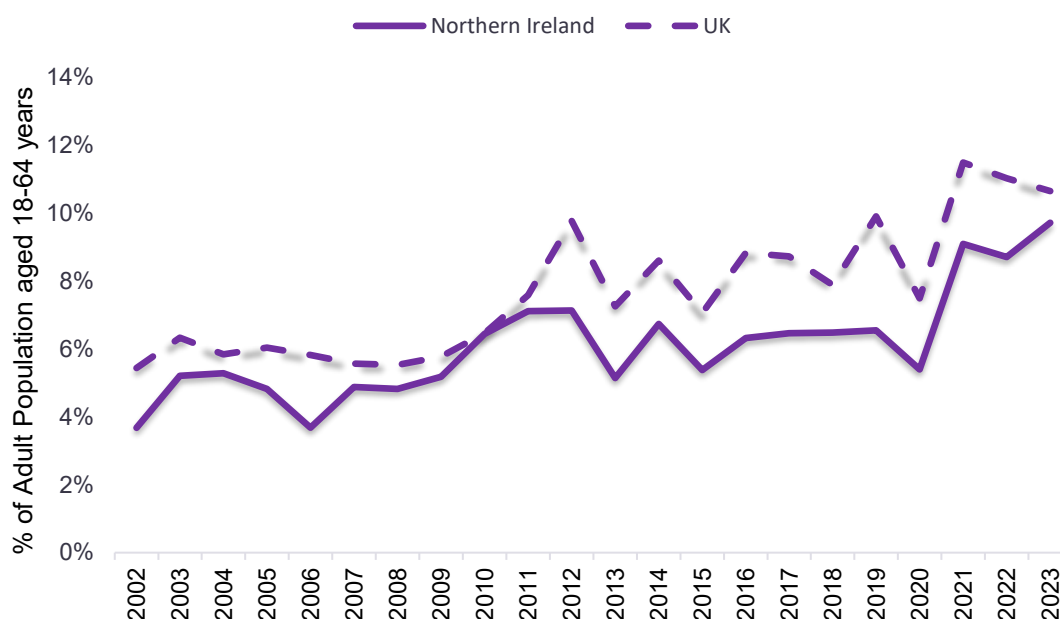
Impact of Covid-19 on Entrepreneurial Activity

Entrepreneurial activity is a key indicator of an economy's vibrancy, with entrepreneurship positively linked to the drivers of economic growth and productivity through increased innovation, competition, and job creation. Entrepreneurship is important to economic development and is especially important when the economy is contracting or stagnating.

Northern Ireland however has historically lagged behind the rest of the UK in terms of enterprise start-up activity. According to the Global Entrepreneurship Monitor 2023/2024 National report for Northern Ireland⁹, the region had a total early-stage entrepreneurial activity (TEA) of 9.2% in the period 2021 – 2023, compared to a rate of 11.0% in the UK. In 2023, Northern Ireland's TEA rate rose slightly to 9.7% but it remained below the UK average of 10.7%.

⁹ Northern Ireland 2023/24 National Report; Global Entrepreneurship Monitor (2024); <https://www.economy-ni.gov.uk/sites/default/files/publications/economy/GEM-NI-Report-2023-24.pdf>

Figure 2.2: Total Early-Stage Entrepreneurial Activity in NI and the UK (2002-23)



Source: Global Entrepreneurship Monitor Northern Ireland 2023/2024

Despite increases in overall entrepreneurial activity rate, there remains an ‘entrepreneurial deficit’ in Northern Ireland. Stimulating entrepreneurship therefore remains crucial for economic development and creating good jobs, alongside promoting regional balance, raising productivity and reducing carbon – key priorities outlined by Economy Minister Conor Murphy in 2024.

The Need to Export

There is a strong positive relationship between exports, innovation and productivity. At an economy-wide level, countries with higher export shares of GDP tend to have superior productivity and innovation outcomes¹⁰. NI exports are a major driver of the local economy, with research showing businesses that export are more productive, create more jobs, and pay higher wages. There are many benefits to exporting, including spreading risk and becoming better connected to a wider network. It can also drive innovation, as businesses are exposed to more competition and new ideas. Further, to promote growth, as Northern Ireland has a small local market, there can be a need for businesses to export to the UK and beyond in order to scale up.

Improving the level of Innovation

Given the strong link between innovation, entrepreneurship, exporting and productivity, it is important to improve levels of innovation. The role of innovation and its impacts on the wider economy became even more prominent in the wake of Covid-19. However, uncertainty around return on investments means that businesses are often unwilling to make that initial investment. Academic literature echoes the importance of innovation as a driver of economic growth. Research undertaken by Naveed et al (2023) identifies a strong and significant economic relationship between the effect of innovation on both unweighted average productivity and weighted productivity. Their analysis focussed on the assessment of between 65-87 countries over the years 1996 to 2013 and found that generally the

¹⁰ The Relationship between Exports, Innovation & Productivity in Small Advanced Economies: Implications for Northern Ireland; Landfall Strategy Group (2021); <https://niopa.qub.ac.uk/bitstream/NIOPA/16876/1/Relationship-exports-innovation-productivity-SAEs-NI.pdf>

change in innovation resulted in a significant and robust impact on various measures for structural change and natural resource share in GDP¹¹.

Locally, research undertaken by the Enterprise Research Centre (ERC) and Queen's University Belfast finds evidence that micro-enterprises who invest in R&D have strong and positive impacts on enhancing the contribution of innovation to productivity, with this resulting in increased turnover growth across the UK. The authors also note in their findings a significantly lower level of productivity in Northern Ireland micro-enterprises. They note the need to improve this as these businesses are becoming increasingly important to the economy and so improving their productivity should be an essential policy priority¹².

Promoting economic development is a key objective for the Northern Ireland Executive. In the newly published draft Programme for Government¹³, and in the Minister for the Department for the Economy's Economic Vision¹⁴ there is strong emphasis on the need to improve Northern Ireland's productivity and its role in raising living standards.

2.3 The importance of Sub-Regional Development in driving economic recovery and wider development

The Northern Ireland economy faces a number of challenges, specifically around low levels of productivity, and high levels of economic inactivity. At sub-regional level, these challenges are even more pronounced in some areas and highlight an uneven distribution of economic activity in Northern Ireland. The impact of Covid-19 further highlighted this disparity. For example, a discussion paper by UUEPC on the Potential Economic Consequences of Covid-19¹⁵ found that Belfast was the second least impacted council region, reflecting a prevalence of ICT and Professional, Scientific and Technical Services in the city's sectoral structure. While every industry was affected to some extent, sectors where businesses were able to continue trading through working remotely in large numbers, such as the ICT sector, were less impacted than those offering customer facing and close contact services such as the hospitality and retail sectors. Technology can increase a sector's resilience to shocks and its adaptability and this was evident during the Covid-19 pandemic. For example, it can facilitate sales via e-commerce, improve customer services, logistics and operations and help identify and limit inefficiencies. Areas, with a prevalence of sectors which could remain trading, were therefore better placed for recovery.

More recently, sub-regional development has become a core tenet of Economy Minister Conor Murphy's economic ambitions. Reflecting this, the Department for the Economy published a Sub-Regional Economic Plan in November 2024 to indicate the initiatives that will be delivered to improve regional balance¹⁶.

Analysing key economic indicators at a council level shows clear areas of economic difference. For example, the median annual gross earnings of full-time employees by residence and workplace,

¹¹ Innovation and Labour Productivity Growth Moderated by Structural Change: Analysis in Global Perspective; Amjad Naveed & Cong Wang (2023); <https://www.sciencedirect.com/science/article/abs/pii/S0166497222001018>

¹² The Interrelationship between R&D, Innovation and Productivity Evidence for Micro-Enterprises; Enterprise Research Centre (2020); <https://www.enterpriseresearch.ac.uk/wp-content/uploads/2020/07/ERC-ResReport-DfE-Report-April-20.pdf>

¹³ Our Plan: Doing What Matters Most Draft Programme for Government 2024-2027; Northern Ireland Executive (2024); <https://www.northernireland.gov.uk/sites/default/files/consultations/newnigov/draft-programme-for-government-our-plan-doing-what-matters-most.pdf>

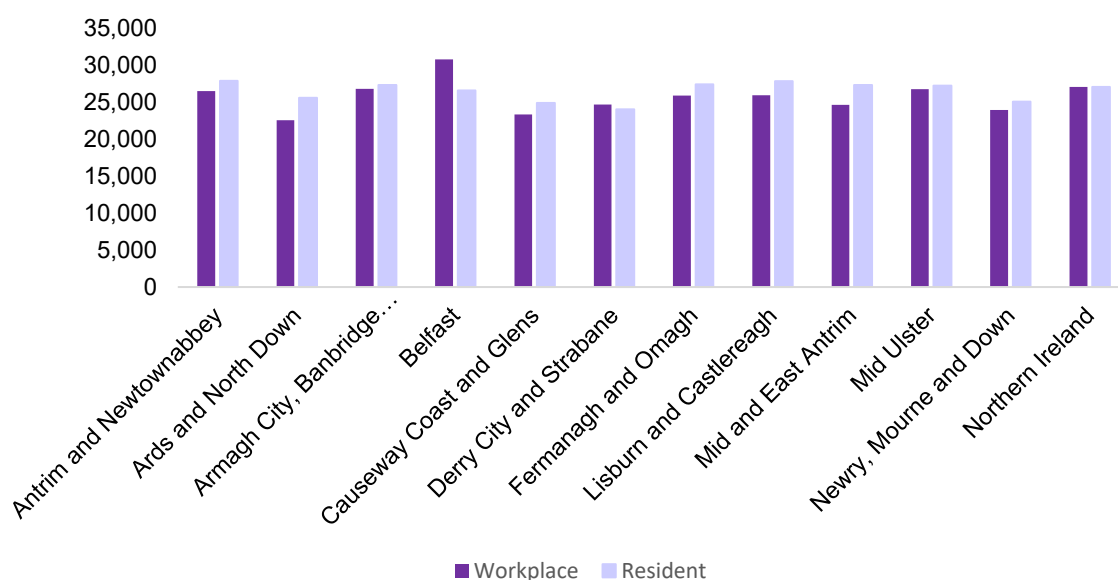
¹⁴ Statement from Minister Murphy – Economic Vision; Department for the Economy (2024); <https://www.economy-ni.gov.uk/news/statement-minister-murphy-economic-vision>

¹⁵ Economic Consequences of Covid-19 in Northern Ireland; Ulster University Economic Policy Centre (2020); <https://www.ulster.ac.uk/epc/pdf/2020/economic-consequences-of-covid-19-in-northern-ireland/UUEPC-Economic-Consequences-of-COVID19-090420.pdf>

¹⁶ Delivering the Economic Vision: A Three Year Forward Look & 2024/25 Action Plan; Department for the Economy (2024); <https://www.economy-ni.gov.uk/sites/default/files/publications/economy/3-Year-Forward-Look-2024-2025-Business-Plan.pdf>

salaries are unevenly dispersed across regions. In 2023, Belfast was the only council area to have workplace earnings above the Northern Ireland average, with median annual earnings of £30,824 compared to the NI average of £27,102. Analysis of residential earnings shows Antrim and Newtownabbey and Lisburn and Castlereagh rank as the top two council areas for residential median annual gross pay. Council areas at the lower end of the scale include Ards and North Down; Newry Mourne and Down; Derry City and Strabane and Causeway Coast and Glens.

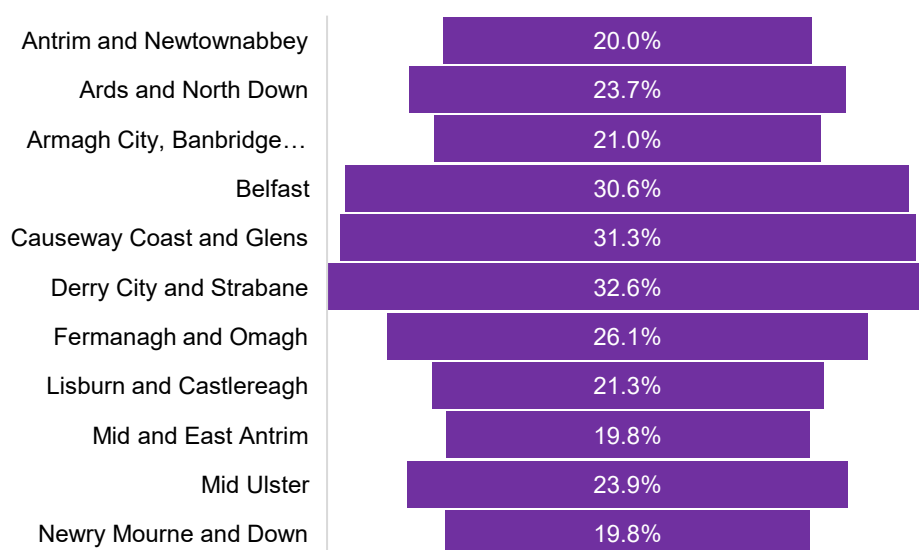
Figure 2.3: Total Resident & Workplace Median Annual Gross Pay, NI Council Areas, 2023



Source: NISRA (Labour Market Insight Portal)

Further disparity can be identified when analysing the proportion of workforce who are economically inactive. Derry City and Strabane has the highest rate (32.6%) of economically inactive as a percentage of its labour market.

Figure 2.4: Percentage of the Labour Market who are Economically Inactive, NI Council Areas, 2023



Source: NISRA (Labour Market Insight Portal)

Educational levels remain important indicators when analysing balanced sub-regional development. In order to sustain and enhance a balanced economy, regions must ensure its workforce has the qualifications and relevant skills in place to satisfy employers and labour market demand. Across Northern Ireland, educational attainment levels vary. The Belfast region has the highest percentage of residents with no qualifications (15.6%) while 6 council areas record rates above the NI average of 12.3%. Antrim and Newtownabbey has the lowest level of residents with no qualifications, 8.1%. Antrim and Newtownabbey also have the highest proportion of residents with educational levels of RQF Level 4 or above (45.6%), compared to only 34.2% in Mid Ulster.

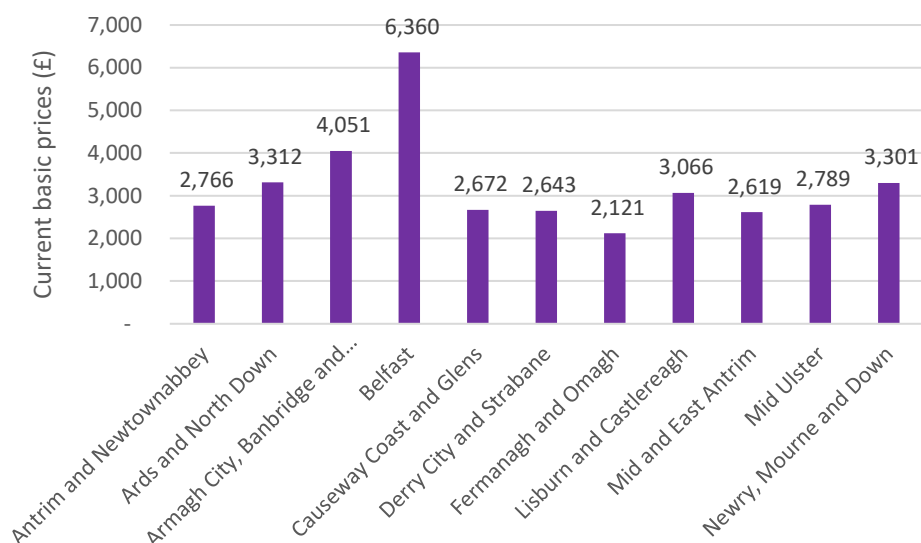
Table 2.1: Educational Attainment % of Resident Population (16-64), NI Council Areas, 2021 – 2023

District Council	Qualification Achievements (% of 16-64)								
	Achieved RQF level 4 and above (%)			Achieved below RQF level 4 (%)			No qualifications (%)		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Antrim and Newtownabbey	47.7	40.3	45.6	46.4	47.6	46.2	6	12.1	8.1
Ards and North Down	41.2	41.5	44.8	50.5	49.2	46.7	8.3	9.2	8.5
Armagh City, Banbridge and Craigavon	39.6	37.2	38	47.4	50.1	51.6	13	12.7	10.4
Belfast	45.9	39.3	37.6	39.9	44.9	46.7	14.2	15.8	15.6
Causeway Coast and Glens	41.2	31.4	35.8	44.5	51.3	49.8	14.3	17.3	14.5
Derry City and Strabane	37.3	37.5	35.8	47.6	49.8	50.1	15.1	12.8	14.1
Fermanagh and Omagh	40.5	35	35.6	45	50.4	50.3	14.5	14.6	14.0
Lisburn and Castlereagh	59	49.8	50.1	35	35.6	36	6	14.6	13.9
Mid and East Antrim	37.8	38.6	40.1	49.4	53.1	51.1	12.8	8.3	8.9
Mid Ulster	31.7	35.2	34.2	56.7	48.8	51.8	11.7	16.1	14.1
Newry Mourne and Down	37.2	37.9	41	50	47.7	48.1	12.9	14.3	10.8
Northern Ireland	42.1	38.8	39.7	45.9	47.6	48	11.9	13.6	12.3

Source: NISRA (Labour Force Survey: Local Area Database)

Gross disposable income also varies across regions. Residents in Belfast have £6,360 of gross disposable income, more than double that of Lisburn and Castlereagh residents (£3,066) and almost triple that of residents in Fermanagh and Omagh, the lowest council area.

Figure 2.5: Gross Disposable Household Income at Current Basic Prices, NI Council Areas, 2022



Source: Office for National Statistics

Across the region, many neighbouring councils are facing common issues. It is therefore prudent that councils, where possible, work together to identify collaborative interventions, to tackle the problems at scale in a more effective manner. Closing the economic gap at sub-regional level would therefore serve to enhance regional recovery and create a more regionally balanced, sustainable, productive, and prosperous Northern Ireland economy.

2.4 The importance of Green Opportunities in driving economic recovery and wider development

The green economy transition seeks to balance economic development with ecological preservation, involving a redefinition of economic models and policies. From an economic recovery standpoint, this transition presents significant opportunities. It can drive innovation, foster the development of new technologies and practices, and, in turn, create jobs, enhance competitiveness, and support long-term prosperity.

The Covid-19 pandemic provided a unique opportunity for Northern Ireland's economy, offering the chance to "build back better" by promoting recovery and accelerating the shift to a low-carbon economy. The OECD emphasised that "delivering a green recovery is vital for addressing the urgent and interconnected challenges of climate change and biodiversity loss."

Findings from Climate Assembly UK, a group of 108 members representing the UK population, revealed that 80% of respondents believed that government recovery measures should be designed to achieve net zero. Demand for green opportunities is rapidly increasing. A 2023 LinkedIn study¹⁷ found that demand for green skills grew at twice the rate of supply, with green jobs accounting for 30% of UK job postings. PwC's 2024 Green Jobs Barometer¹⁸ further underscores the rise in

¹⁷ Global Green Skills Report 2023; LinkedIn (2024); <https://economicgraph.linkedin.com/research/global-green-skills-report>

¹⁸ Green Jobs Barometer; PwC (2024); <https://www.pwc.co.uk/who-we-are/our-purpose/building-trust-in-the-climate-transition/supporting-a-fair-transition/green-jobs-barometer.html>

demand, showing that the proportion of green jobs in total job adverts increased from 2.4% in 2023 to 4% in 2024, with Scotland having the highest share at 5.6%.

Recognising the importance of green opportunities for both economic recovery and long-term growth, the Northern Ireland Executive introduced its draft Green Growth Strategy¹⁹. This multi-decade plan aims to balance climate, environmental, and economic goals. It underscores the need for widespread changes to reduce emissions and deliver key environmental, economic, and health benefits. The strategy's initial focus will be on scaling up low-carbon technologies, behaviours, and essential supply chains, while also identifying new market opportunities in the green economy. It also stresses the need to support businesses in leveraging these opportunities.

Sector-specific support is equally critical. Northern Ireland's aerospace sector, with its strong engineering heritage, is well-positioned for a greener future. Major aerospace companies rely on Northern Ireland's dependable supply chain for high-quality, value-added products and services. There are significant opportunities to transition to greener practices, particularly within supply chains. Raising awareness of green supports at the sectoral and business levels is essential to ensure Northern Ireland maximises these green opportunities.

2.5 Regional Economic Recovery Support in Policy

The policy environment in which these programmes were developed and operated was dominated by exceptionally disruptive economic circumstances. The economic shock of Covid-19 resulted in significant social and economic restrictions from March 2020 into 2022, leading to significant contractions in the economy. In addition to responding to the pandemic, Northern Ireland businesses faced an extremely challenging and competitive environment, with global issues such as climate change; the UK's vote to leave the European Union (EU); the new national and European trade framework; digitalisation; and the rate of technological change to the fore. Noting this operating context, this section provides a review of the policies that drove decision making, highlighting alignment, overall aims and targets set by the Northern Ireland Executive and the corresponding departments.

The existing UK and Northern Ireland policy framework identifies several current aims that are relevant to RERAP.

¹⁹ Today we act. Tomorrow we thrive; Northern Ireland Executive (2021); <https://www.daera-ni.gov.uk/sites/default/files/consultations/daera/Green%20Growth%20Brochure%20V8.pdf>

Table 2.2 Policy Framework at the Time of RERAP

Policy/Strategy	Key Aims	Alignment
Draft Programme for Government (PfG) Framework 2016-21	<p>The draft Framework contained nine strategic outcomes, with a stated focus on fostering innovation, developing Northern Ireland's skills base, helping to excel business growth, establishing a significant position in global markets and investing in the economic infrastructure.</p> <p>The key strategic areas of the PfG draft outcomes framework of most relevance to this evaluation include:</p> <ul style="list-style-type: none"> • Developing a new Skills Strategy for Northern Ireland and • Helping businesses recognise and achieve their high-growth potential by supporting start-ups, as well as assisting existing businesses to scale up, expand and grow. 	<p>Out of the 14 outcomes set out in the framework, the following were aligned with key indicators in this evaluation:</p> <ul style="list-style-type: none"> • We prosper through a strong, competitive, regionally balanced economy. • We are an innovative, creative society, where people can fulfil their potential. • We have created a place where people want to live and work, to visit and invest.
Economy 2030 – Draft Industrial Strategy (2017)	<p>The Economy 2030 set out the Department for the Economy's Draft Industrial Strategy and long-term vision to transform Northern Ireland into a "globally competitive economy that works for everyone."</p> <p>The Strategy set out a plan to build a globally competitive economy based on the following five priority pillars for growth in 2017:</p> <ul style="list-style-type: none"> • Accelerating Innovation and Research • Enhancing Education, Skills and Employability • Driving Inclusive, Sustainable Growth • Succeeding in Global Markets and • Building the Best Economic Infrastructure. 	<p>The RERAP support programmes provided by Invest NI focused on accelerating innovation and research, and to improve entrepreneurship and overall outcomes for businesses. All RERAP supports aligned to the draft strategy through their aim to stabilise and protect employment, build skills and innovative capability, provide a fairer distribution of opportunities for all, ensure regionally balanced and greener growth and support the wider local economy to position for economic recovery.</p>
Levelling Up (2019)	<p>A UK government initiative, aimed at reducing regional inequalities and promoting equal opportunities across the country. Key targets include:</p> <ul style="list-style-type: none"> • Boosting productivity, pay, jobs and living standards by growing the private sector • Spreading opportunities and improve public services, especially in those places where they are weakest • Restoring a sense of community, local pride and belonging, especially in those places where they have been lost and • Empowering local leaders and communities, especially in those places lacking local agency. 	<p>The RERAP programme of supports assisted in achieving productivity gains through entrepreneurship, innovation and support for exports. Furthermore, RERAP aims to foster sub-regional development directly aligning with the Levelling Up goal of ensuring no region is left behind and that everyone has access to the same opportunities, regardless of where they live.</p>
Green Industrial Revolution (2020)	<p>A comprehensive plan introduced by the UK government to tackle climate change and promote sustainable growth. It has a Ten Point Plan which includes:</p> <ul style="list-style-type: none"> • Advancing Offshore Wind • Driving the growth of Low Carbon Hydrogen • Delivering New and Advanced Nuclear Power • Accelerating the Shift to Zero Emission Vehicles • Green Public Transport, Cycling, and Walking • 'Jet Zero' and Green Ships 	<p>The green local opportunities strand of RERAP supported the Green Industrial Revolution with its focus on the exploration and identification of new opportunities in the green economy. In particular, its aims to identify new diversification opportunities for aerospace supply chain areas, for</p>

Policy/Strategy	Key Aims	Alignment
	<ul style="list-style-type: none"> Greener Buildings and Investing in Carbon Capture, Usage, and Storage. 	collaboration with the technology sector in the areas of energy, hydrogen, decarbonisation etc.
10x Economy: NI's Decade of Innovation (2021)	<p>The vision of a 10X Economy is captured by the 'Triple Bottom Line'; innovation led economic growth, inclusive growth and green growth. The strategy aimed to create a tenfold improvement in the economy, benefiting businesses, individuals, and the environment. The ambition is centred on new technologies which include cybersecurity; Software engineering and AI; Robotics; Advance composites; zero carbon tech; transport; energy and agrifood; digital transactions; food chain; and virtual production. The strategy also identifies key drivers of:</p> <ul style="list-style-type: none"> Talent: flexible new workforce to future changes Diffusion: innovation in all sectors Funding: new approach to funding sources and Place: attract world-class investment through city and growth deals. 	RERAP directly aligned with the themes of innovation, inclusive growth and sustainability through its supports which sought to support the economy through innovation and entrepreneurship, sub-regional development and green opportunities.
Economic Recovery Action Plan – Rebuilding a Stronger Economy (February 2021)	<p>This document produced by the Department for the Economy (DfE) set out the economic recovery roadmap for Northern Ireland following the Covid-19 pandemic. It aimed to improve skills, exports, promote a green economy and R&D/Innovation. The overall objectives of the document were to:</p> <ul style="list-style-type: none"> Support a highly skilled and agile workforce Stimulate Research & Development and innovation Promote investment, Trade and Exports and Building a Green Economy. 	The Regional Economic Recovery Action Plan (RERAP) helped achieve these objectives by promoting business innovation and entrepreneurship, encouraging sales to external markets and supporting new 'green' supply chain opportunities, all of which endeavoured to support a skilled and agile workforce.
Building Forward: Consolidated Covid-19 Recovery Plan (2021)	<p>This plan produced by the Northern Ireland Executive presented cross-departmental actions to accelerate economic, health and societal recovery in the short term and the transformative and innovative plans for longer term ambitions. It covered four recovery accelerators and associated areas of strategic intent:</p> <ol style="list-style-type: none"> Sustainable Economic Development with strategic intent to accelerate job creation & growth; enhance skills; and stimulate the economy through green growth. Tackling inequalities with strategic intent to address vulnerabilities; enable learning recovery, enhancement & skills development; and provide equitable access to our health services Green growth and sustainability with strategic intent to accelerate job creation and growth, and sustainable development. Health of the population with strategic intent to address vulnerability; protect and improve the health of the population; and promote health and wellbeing. 	The Regional Economic Recovery Action Plan assisted in achieving these recovery accelerators through its range of programmes. These programmes worked to accelerate economic development and create job growth through different avenues including innovation, entrepreneurship, and regional development. Green Local Opportunities further provided economic development and green growth, with a focus on sustainability.
Invest NI Business Plan 2021/ 2022	<p>As the Covid-19 pandemic and recovery remained to the fore, Invest NI's Business Plan for 2021/22 'Building the Foundations for a Better Economy' set out to deliver positive economic, environmental and societal outcomes that deliver transformative change. It is structured around eight strategic economic drivers:</p> <ul style="list-style-type: none"> Grow external sales Innovation Entrepreneurship & Commercialisation Skills Investment 	RERAP supports were aligned to the strategic economic drivers of the Invest NI's Business Plan for 2021/22, with a focus on assisting businesses to grow external sales, increase innovation and entrepreneurship, boost sub-regional development to develop the places of Northern Ireland and supporting

Policy/Strategy	Key Aims	Alignment
	<ul style="list-style-type: none"> • Green Economy • Compete 4.0 & Supply and • Economy & Place. 	activities for a greener economy.
Draft Green Growth Strategy (2021)	<p>The Green Growth Strategy is the NI Executive's multi-decade strategy, balancing climate, environment and the economy in Northern Ireland. It sets out a long-term vision to tackle the climate crisis and in achieving the carbon budget for the Climate Action Plan period and the overall emissions reduction targets as stated in the Climate Change Act (Northern Ireland) 2022.</p> <p>The strategy outlines 10 executive commitments:</p> <ol style="list-style-type: none"> 1. Embedding green growth 2. Legislating for change 3. A fair transition 4. People first 5. Supporting behavioural change 6. Evidence based decision making 7. Investing in green growth 8. Leading by example 9. Working with others 10. Measuring progress 	<p>The Green Local Opportunities support was created to expand Invest NI's Aerospace Diversification Programme. It aimed to identify and explore new opportunities in the green economy, particularly for the aerospace supply chain, and to find collaboration opportunities with the technology sector in areas like energy, hydrogen, and decarbonisation. The initiative also mapped new opportunities to the skills in the aerospace sector and highlights collaboration with other sectors such as manufacturing, technology, and software. Additionally, it included a communications campaign to raise awareness and support the findings of the Green Review by Invest NI.</p>

Table 2.3: Policy Framework Post RERAP

Policy/Strategy	Key Aims	Alignment
Invest NI Business Plan 2023-24	Invest NI has reintroduced a focused set of Drivers for its 2023/24 Business Plan. These Drivers identify what Invest NI see as the key variables to support businesses and include: <ul style="list-style-type: none"> • Grow external value-added sales • Productive investment & employment • Innovation, research & development • Leadership and skills development • Entrepreneurship and ambition • Net zero and the Green economy. 	RERAP aligned with Invest NI drivers as it sought to support innovation, entrepreneurship exporting opportunities, research and green opportunities, to drive economic recovery and growth fairly across NI.
Independent Review of Invest NI, Sir Michael Lyons (2023)	The Independent Review of Invest NI makes a number of recommendations relevant to the RERAP programmes. <ul style="list-style-type: none"> • Focus on productivity • Expand recruitment outside of the Client Company model • Green growth and • Sub-regional partnerships. 	All of the RERAP programmes fit this recommendation given each were focussed on promoting business growth and productivity for overall economic development, were accessible to non-client companies and supported sub-regional collaboration and green opportunities.
Delivering the Economic Vision – Department for the Economy (2024)	In February 2024 Minister Murphy outlined his Economic Mission ²⁰ for the economy of Northern Ireland. This comprised of four key objectives to driving the economic development of NI forward. These four objectives consisted of: <ul style="list-style-type: none"> • To increase the proportion of working-age people in Good Jobs • Promote Regional Balance • Raise Productivity • Reduce Carbon Emissions 	Invest NI's RERAP supports remain aligned to the Ministers Economic Vision, with its focus on entrepreneurship and innovation which are proven to raise productivity; sub-regional development to promote regional balance and green local opportunities to support a greener economy.
Sub-Regional Economic Plan, 2024	The Northern Ireland Sub-Regional Economic Plan aims to drive balanced and inclusive growth by addressing the unique challenges and opportunities of local areas. It focuses on fostering innovation, entrepreneurship, and skills development to strengthen regional competitiveness. The plan emphasises promoting sustainable practices, supporting the green economy transition, and enhancing infrastructure to attract investment and improve connectivity. By prioritising key sectors such as manufacturing, tourism, and technology, it seeks to create jobs, increase productivity, and encourage economic diversification. With a commitment to collaboration among councils, businesses, and communities, the plan aspires to achieve sustainable economic recovery and equitable prosperity across Northern Ireland.	The Economic Recovery Sub-Regional Grant from the Regional Economic Recovery Action Plan assisted specifically in providing support for organisations involved in regional economic development to work collaboratively at a sub-regional level. The support worked to enable research into the wider economic outlook at sub-regional level and to assist in identifying possible future interventions, either collaboratively across Councils or at an individual Council level, to ensure economic recovery was inclusive and regionally balanced.
The UK Industrial Strategy (2024)	The 10-year Industrial Strategy 'Invest 2035: The UK's Modern Industrial Strategy' aims to foster sustainable, inclusive, and resilient economic growth through creating a pro-business environment, addressing barriers to investment, and leveraging the UK's strengths in high-growth sectors. The Key Objectives of the Strategy focus on:	RERAP supports aligned with the UK Governments aims as set out in the Industrial Strategy, which included promoting innovation, sub-regional development and support for green local

²⁰ Statement from Minister Murphy – Economic Vision; Department for the Economy (2024); <https://www.economy-ni.gov.uk/news/statement-minister-murphy-economic-vision>

Policy/Strategy	Key Aims	Alignment
	<ol style="list-style-type: none"> 1. Growth-Driving Sectors: The strategy identifies eight key sectors: Advanced Manufacturing, Clean Energy Industries, Creative Industries, Defence, Digital and Technologies, Financial Services, Life Sciences, and Professional and Business Services 2. Pro-Business Environment: Policies will address skills, innovation, energy, infrastructure, regulation, investment, and international trade 3. Place-Based Growth: Efforts will focus on unlocking the potential of city regions and high-potential clusters across the UK and 4. Partnerships and Institutions: The strategy emphasizes collaboration with businesses, local leaders, trade unions, and international partners. A statutory Industrial Strategy Council will be established. 	opportunities. These could help deliver productivity gains and aid in the achievement of the overall aim of the Industrial Strategy to deliver 'sustainable, inclusive, and resilient economic growth'.
Invest NI Business Plan Framework 2024-27	<p>Invest NI has developed a new draft framework which will be the basis of the 2024/27 Business Plan. The strategic priorities include:</p> <ul style="list-style-type: none"> • Boosting Business Investment • Innovation, Digital & Skills • Driving Global Ambition • Developing & Achieving Sustainability • New Regional Approach – Purposeful Partnership and • Maximising City & Growth Deals 	RERAP impacted a number of these priorities, including 'Boosting Business Investment,' 'Innovation, Digital and Skills', 'Driving Global Ambition', and 'Developing and Achieving Sustainability'.

2.6 The Role of Economic Recovery Supports in the NI Market Place

Invest NI offers a broad range of supports across trade, development, innovation, export, business improvements and productivity as highlighted below. These supports are designed to help local businesses compete successfully and function efficiently.

Figure 2.6: Invest NI Supports for Business



Source: Invest NI

The impact of Covid-19 presented unique challenges for the economy and there was a clear need for additional business supports, beyond those already available.

For example, the Coronavirus Job Retention Scheme allowed employers to access support to continue paying part of their employees' salaries, helping retain staff who would otherwise have been laid off and/or made redundant during the Covid-19 pandemic. Further financial supports included a grant of £10,000 for all small businesses who were eligible for the Small Business Rate Relief Scheme and exemption from rates bills. These supports were available at the height of the pandemic, aiding vulnerable businesses to retain their operating premises for whenever restrictions were again lifted.

As the economy began to re-open, Regional ERAP supports were created, reflective of market need, and seeking to address the need for recovery by embedding and supporting the innovation/entrepreneurship, sub-regional and green agenda of existing policies and supports. Designed specifically in response to the pandemic, these programmes complemented pre-existing initiatives that were not tailored to Covid-19 recovery. With a core focus on enabling businesses to emerge stronger, the Regional ERAP programmes should be viewed in isolation, as they played a distinct, responsive role in addressing the unique challenges of an unprecedented economic crisis.

2.7 Conclusion on the rationale of the strategic fit of Invest NI's Regional Economic Recovery Action Plan

The Covid-19 pandemic had a significant impact on Northern Ireland's economy, as evidenced by extensive research conducted during and after the crisis. At the peak of the pandemic, Northern Ireland's claimant count²¹ rose to over 63,000 (mid-June 2020), comparable to levels seen during the previous recession. By November 2020, the ONS Business Impact of COVID-19 Survey (BICS)²² revealed that over half of small businesses (with fewer than 50 employees) in Northern Ireland had less than six months of cash reserves.

Further analysis from the Enterprise Research Centre's Business Futures Survey²³ highlighted that SMEs experienced significant challenges, including reductions in turnover, employment, and innovation investments, with a sharp decline in self-employment rates. Many innovating firms reduced their innovation spending by around a third, compounding pre-existing challenges such as Brexit, technological changes, and demographic shifts.

The Regional Economic Recovery Action Plan (RERAP) supports were specifically designed to mitigate these challenges, aligning with existing strategies and policies. The RERAP themes—Entrepreneurship, Sub-Regional Development, and Green Local Opportunities—complemented frameworks such as the Economic Recovery Action Plan and the Building Forward: Consolidated COVID-19 Recovery Plan, addressing both short- and long-term recovery goals. As the following sections outline, these programmes achieved measurable positive economic impacts while supporting businesses to recover and build stronger foundations for the future.

²¹ Claimant count includes Jobseeker's Allowance claimants and Universal Credit claimants who were claiming principally for the reason of being unemployed.

²² Business Impact of COVID-19 Survey (BICS); ONS (2020); <https://www.ons.gov.uk/economy/economicoutputandproductivity/output/datasets/businessimpactofcovid19surveybics>

²³ Small Business Past, Present and Future; Enterprise Research Centre (2020); <https://www.enterpriseresearch.ac.uk/small-business-past-present-and-future/>



3. Regional Economic Recovery Action Plan

3. Regional Economic Recovery Action Plan (RERAP)

3.1 Background to RERAP

RERAP programmes were created under extenuating circumstances and were designed to help repair the economic damage inflicted by the Covid-19 pandemic. In response to the increasing threat of Covid-19, large portions of the Northern Ireland economy were shut down by April 2020. The closing of borders and cessation of large portions of business activity had a resounding impact on the NI economy. The NI Composite Economic Index, a broadly equivalent measure to GDP, showed that economic output in NI fell by 14% in the second quarter of 2020, the largest fall in the index since it began in 2006²⁴. Further, data from ONS²⁵ highlights NI's GVA fell from £43.8bn in 2019 to £42.1bn in 2020. Within weeks of the implementation of lockdown, around one in three business in NI had temporarily closed.²⁶ The Business Interruption Coronavirus Survey further confirmed the severity of the pandemic, which saw high proportions of SMEs report very limited cash reserves and low confidence in their survival.

In anticipation of restrictions being lifted, focus shifted from emergency responses to the recovery and rebuilding and NI's economy. The overarching need for the Regional ERAP programmes was premised on the need for supports to foster strong economic recovery while embedding resilience and looking towards future growth. To achieve this, Invest NI proposed to deliver, on a pilot basis, a range of short-term initiatives under 3 main themes of **Entrepreneurship; Sub-Regional Development and Green Local Opportunities**.

The primary strategic aims for the RERAP supports were to:

- Help protect and stabilise employment
- Build a highly skilled and agile workforce
- Pursue and deliver better jobs and
- Create a more inclusive, regionally balanced and greener economy

As a result, 6 RERAP programmes were launched, together with a supporting communications campaign. Table 3.1 below identifies these programmes and their core area of focus.

²⁴ The Impact of Covid-19 on Northern Ireland SMEs: Evidence and Comparison with the Rest of the UK; Enterprise Research Centre (2021); <https://niopa.qub.ac.uk/bitstream/NIOPA/14416/1/Covid-Impact-NI-SME.pdf>

²⁵ Regional gross value added (balanced) per head and income components; ONS (2024); <https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/nominalregionalgrossvalueaddedbalancedperheadandincomecomponents>

²⁶ The Impact of Covid-19 on Northern Ireland Business Start-Up Activity; Ulster University Economic Policy (2021); https://www.ulster.ac.uk/epc/pdf/2021/the-impact-of-covid-19-on-business-start-ups/Impact-of-COVID-on-Start_ups_final.pdf

Table 3.1: Regional Economic Recovery Action Plan Supports

Support Provided	Theme	Description
Economic Recovery Innovation Grant (ERIG)	Entrepreneurship	Targeted at encouraging a minimum of 780 locally focused businesses and sectors impacted by Covid-19 to introduce and/or enhance innovation activities to embed resilience and agility to be able to respond to changing market conditions.
Regional Entrepreneurship Programme (REAP)	Entrepreneurship	Delivered by the Massachusetts Institute of Technology, 11 stakeholders will work with a variety of economic development stakeholders and experts, to achieve a better understanding of the key strengths and weaknesses of NI's entrepreneurship ecosystem, ensuring its linkage into a 10X Economy.
Economic Recovery Sell Outside Northern Ireland Grant (ERSONI)	Entrepreneurship	A flexible approach to support sustainable growth of a small number of c22 new and/or existing micro and small businesses across NI to encourage sales in new external markets and/or to support increases in employment.
Clinical Entrepreneur Programme (CEP)	Entrepreneurship	The participation of c10 clinical and non-clinical staff from NI's Health & Social Care organisations in the NHS UK Clinical Entrepreneur Programme to develop and scale their innovative ideas.
Economic Recovery Sub-Regional Grant	Sub-Regional Development	Support for councils to undertake research projects focussed on identifying possible future interventions, either collaboratively across Councils or at an individual Council level, which could be implemented in 2022-26 and would ensure economic recovery is inclusive and regionally balanced.
Green Local Opportunities	Green Local	Supporting the expansion of provision of work being undertaken under Invest NI's existing Aerospace Diversification Programme.
Communications	All themes	Communicating the available RERAP supports where necessary, ensuring adequate reach to under-represented groups.

Source: Invest NI

Together, these programmes sought to drive entrepreneurship, sub-regional development and green local opportunities by:

- Enhancing levels of innovative activity within local businesses and impacted sectors, whilst also creating the potential for downstream employment growth as a consequence of introducing new or adapted products/processes/services within the businesses.
- Promoting opportunities associated with self-employment and enterprise, and enabling the consideration of whether the current entrepreneurship development ecosystem is considered reasonable or can be enhanced collaboratively, particularly given that feedback suggests many businesses believe that the conditions for start-up are now more challenging.
- Considering new methods to encourage more businesses that can export to do so as a means of improving the resilience of businesses to economic shocks.
- Achieving a more regionally balanced economy by supporting research and planning activities to identify different areas' strengths and weaknesses, and opportunities for interventions that will support their future economic aspirations.
- Encouraging more businesses to consider and explore 'green opportunities' with a view to introducing new 'green' processes, products or services into NI's business base.
- Promoting clear, concise and inclusive communications regarding the available supports.

3.2 Evolution of RERAP

The original RERAP bid was submitted to the Department for Economy in early 2021. In this submission, a significant element of the Entrepreneurship theme focussed on supporting local businesses and the sectors hardest hit by the pandemic, with an expectation that employment supports would also be required. Mass job losses had been feared as businesses were forced closed with no indication of when they could reopen. However, the impacts on employment were reported to be lower than the effects on business turnover, with subsidy schemes, including furlough, keeping mass unemployment at bay. During the summer of 2020, ONS data showed that less than 1% of the UK workforce was made redundant in every two-week survey period²⁷, highlighting that the scheme was delivering on its aim of saving jobs and maintaining a connection between employees and their workplace. Following the phasing out of emergency supports and as furlough numbers continued to decline and vacancies increased, it was clear that future supports would need to be more reflective of changing market conditions.

It was therefore considered appropriate that the proposed RERAP supports pivoted from supporting jobs, to a focus on supporting businesses to respond to changing market conditions, through new or enhanced innovation activities, which would embed resilience and agility. This refocusing of support was underpinned by feedback during the business case consultation with key stakeholders.

Further, under the entrepreneurship theme, the original bid included support for degree level students and recent graduates to develop and launch their own business. However, feedback during the consultation phase highlighted the proposed timescales for programme development, procurement and delivery were not achievable and as such this support would not be practical. Instead, it was suggested that a NI-based pilot NHS UK Clinical Entrepreneur Programme be included, which was deemed appropriate and subsequently replaced the student focus of the RERAP supports.

The 3 themes of support, namely entrepreneurship, sub-regional development and green local opportunities sought to assist local businesses to move towards meeting invest NI criteria, to create a greener economy, to build a stronger network across the sub-regions, to achieve greater engagement with a broad range of stakeholders, and to encourage collaborative working to secure enhanced economic activity.

RERAP supports were developed to assist in the recovery and rebuilding on the NI economy, and in doing so, were aligned to strategic priorities and economic drivers and were intended to adopt a more disruptive, dynamic and innovative approach to delivery.

3.3 Regional Economic Recovery Action Plan (RERAP) Activity

The Regional Economic Recovery Action Plan secured business case approval for a maximum budget of £5.5m. The funding was secured as an in-year allocation and which was to be expended by 31st March 2022.

It was split between two funding lines:

1. Financial Support for Growth Opportunities, of which £4m was allocated.
2. Support for Micro & Small Businesses, of which £1.5m was allocated.

While the initial budget was set at £5.5m, this was for a 12-month period, and a much-compressed timeframe for delivery of supports resulted in an underspend (see 'Actual Spend' in table 3.3 below).

²⁷ Official figures show that the furlough scheme has worked: saving jobs and helping more than half of employees back to work already; HM Treasury (2020); <https://www.gov.uk/government/news/official-figures-show-that-the-furlough-scheme-has-worked-saving-jobs-and-helping-more-than-half-of-employees-back-to-work-already>

Table 3.2: Approved Regional Economic Recovery Action Plan (RERAP) Budget

ERAP Theme/ Strand		Spend Target £
Entrepreneurship	Local Businesses/ Impacted Sectors: Economic Recovery Innovation Grant	3,906,510
	REAP (to March 2023)	216,111
	Clinical Entrepreneur	42,000
	LEAP into Export	220,000
Communications		275,000
Sub-Regional Development		250,000
Green Local Opportunities		207,000
Programme Delivery, Management etc. – Staff costs		383,379
Total		5,500,000

Source: Invest NI

The timeframe was also reduced to a five-month period and as such the actual spend differed to budgeted the breakdown of targeted and actual spend can be seen in the table below.

Table 3.3: Regional Economic Recovery Action Plan (RERAP) Expenditure

ERAP Strand	Spend Target £	Actual £	% Against Target
Economic Recovery Innovation Grant (ERIG)	3,906,510	1,228,942	31%
REAP	216,111	225,338	104%
Clinical Entrepreneur	42,000	24,500	58%
Sell Outside NI	220,000	220,000	100%
Sub Regional Development	250,000	202,560	81%
Communications	275,000	267,071	97%
Green Local Opportunities Transfer adjustment	207,000	225,000	109%
Programme Management	383,379	269,323	70%
Total	5,500,00	2,662,734	48%

Source: Invest NI

Of the total approved budget, less than half was utilised, with total spend amounting to £2.66m. This represented only 48% of the approved budget. Three supports including ERIG, Clinical Entrepreneur which had significant underspend and Sub-Regional Development all underspent, resulting in the below expected results. However, given that the timeframe was reduced to 5 months on a pro-rata basis spend on the programme exceeded the 5-month pro-rata allocation (£2.3m) by 16.2%. As such on a pro-rata basis on the 5 months no underspend occurred.

Programme management was considered as part of the overall RERAP programme management funding, which had a budgeted allocation of £383,379. Of this, 70% of the budget was spent, totalling £269,323. Both the Clinical Entrepreneur and REAP programmes were existing strong globally recognised programmes and were only targeting small cohorts of participant and so did not require the same level of delivery or marketing.

3.4 Regional Economic Recovery Innovation Grant (RERAP) Delivery

RERAP was managed by Invest NI, but funded via DfE, with the overall delivery varying across each programme as highlighted below.

1. ERIG: Delivered by Invest NI
2. REAP: Delivered by Massachusetts Institute of Technology (MIT), with Invest NI appointed champion for Northern Ireland participants
3. ERSONI: Delivered by Invest NI
4. CEP: Funded by DfE and managed by Invest NI, with HIRANI providing support through the championing and management of the CEP programme. The Invest NI team was responsible for the approval and funding of applications. This funding was used to access the overall CEP programme delivered by the Anglia Ruskin University.
5. Sub-Regional Development Grant: Delivered by Invest NI.
6. Green Local Opportunities: A contractual extension of a pre-existing arrangement for the Aerospace Diversification Programme. Delivery for this programme was undertaken by an external provider.

Table 3.4: Economic Recovery Action Plan (ERAP) Staffing

Approved Staffing Levels	No. of Staff	Grade	Responsibility
ERAP Manager	1	G7	Overall responsibility for the management, governance and delivery of the Regional ERAP Initiatives, including staff, budget and reporting into SRO and Executive Leadership Team.
ERAP Executive 1	1	DP	Lead responsibility for various strands of the Regional ERAP, e.g. Leap Into Export, Sub-Regional Development etc. Responsibility for sampling review and 1 st approval stage of ERIG applications on the internal system. Approving Letters of Offer, Approval of ERIG claims once received. Liaising with other internal teams e.g. comms, finance, offers & claims, preparing information, briefings etc.
ERAP Executive 2	1	DP	
ERAP Officer	1	SO	Supporting the ERAP Executives, ERAP System Manager and ERAP Manager in the delivery of all strands of Regional ERAP. Broad duties will include processing ERIG applications, communicating with applicants e.g. following up on clarifications and information required, liaising with other internal teams e.g. comms, finance, offers & claims, preparing information, briefings etc.
ERAP Support	1	EOII	Providing full administrative support to the ERAP management and processing teams, including ensuring appropriate records are maintained.
ERAP System Manager	1	G7	Overall responsibility for the management and governance of the Economic Recovery Innovation Grant (ERIG) Process. Broad duties will include training the processing team, ensuring all processing governance standards are adhered to, dealing with escalated queries, final approval of applications recommended for support etc.
Innovation Processors	2	EOII	To support the Innovation Accreditation Team to respond to the anticipated uplift in applications for Innovation Accreditation. Broad duties will include reviewing and checking Self-Assessments received, seeking additional clarifications and bringing forward recommendations to the Innovation Accreditation Team for final review.

Processing Team	Between 4-8	AO - EOII	Reviewing and assessing ERIG applications received, following up on clarifications and information required, and making recommendations to approve or reject as appropriate. Forwarding recommended approvals to the ERAP Executives for sampling review and 1 st approval stage on internal system, Creating of Financial Case on internal system and Issuing of Letter of Offers.
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Source: Invest NI

While the above demonstrates the approved staffing levels, in reality as a result of condensed time frame some elements of staffing were not required. Only 1 DP staff member was employed as a result, with the other being a temporary appointment to the programme. In addition, given the shorter 5-month time frame and the lower level of applications to ERIG the processing team was not utilised. As a result, staffing levels and thus costs were lower than originally budgeted and any remaining budget being returned.

Marketing and Recruitment

Invest NI were responsible for communicating and recruiting for the available supports, ensuring adequate reach to under-represented groups e.g. Youth, Women, Part-time etc. A marketing budget of £275,000 was allocated to cover the RERAP suite of programmes. Total spend upon conclusion of RERAP was £267,071, equating to a slight underspend of £7,929. Various avenues were utilised to market the supports including social media, press media and other marketing initiatives. A portion of communications activity was taken forward as extensions of pre-existing contracts with external media/advertising contractors.

RERAP Programme Evaluation

The following sections will evaluate the impacts of each RERAP programme.



4. Economic Recovery Innovation Grant (ERIG)

4. Economic Recovery Innovation Grant (ERIG)

4.1 Background to the Economic Recovery Innovation Grant (ERIG)

As part of the RERAP programme, the ERIG support focussed on the promotion of innovation across Northern Ireland's business base. As highlighted in Section 2, Northern Ireland demonstrates a significantly lower level of innovation or innovative active companies compared to the UK. According to NISRA, only 32% of Northern Irish businesses were innovation active in 2020-2022, compared to 36% of UK businesses²⁸. This issue of lower levels of innovation have been longstanding and well ingrained within Northern Ireland.

As a result of the Covid-19 pandemic, businesses innovation activities were paused or ceased as businesses tried to stay afloat and look to recovery, with evidence suggesting this may continue for some time. The decline in innovation can be seen through the statistics, with the level of innovation active businesses in 2020-22 (32%) being 6 percentage points lower than in 2018-20 (38%)²⁹. To help ease the potential impact and promote recovery from the Covid-19 pandemic, Invest NI introduced the Economic Recovery Innovation Grant (ERIG). The aim of this grant was to support businesses in recovering from the economic impact of the Covid-19 pandemic by helping them develop new or improve existing products, services, or processes.

The ERIG programme commenced on the 10th of November 2021, with the closing date being either when all of the budget for the grant was used or the 31st of March 2022³⁰, whichever came first. It is important to note that Invest NI had sought business case approval for the programme. This impacted timelines and as result delivery, which was hoped to be for 12 months, was reduced to a 5-month period due to budget flexibility and business case approval. The programme itself has promoted significant innovation amongst businesses, with the main target cohort being small and medium enterprises. The ERIG grant was allocated on a first come first serve basis. The grant could be used for a range of activities that "contribute toward the costs associated with developing an innovative project³¹". A grant of up to £5,000 (taxable) was available to businesses to support eligible costs. The table below outlines the eligible cost activities that could be covered by the grant.

²⁸ Northern Ireland Innovation Survey; NISRA (2024); <https://www.nisra.gov.uk/statistics/other-surveys/northern-ireland-innovation-survey>

²⁹ Northern Ireland Innovation Survey; NISRA (2024); <https://www.nisra.gov.uk/statistics/other-surveys/northern-ireland-innovation-survey>

³⁰ It should be considered this is the extended data, with the initial closure date being the 31st of January 2022

³¹ Economic Recovery Innovation Grant; Invest NI; https://www.investni.com/sites/default/files/2021-11/economic-recovery-innovation-grant-guidance-notes_0.pdf

Table 4.1: The ERIG Cost Activities

Support Provided	Description
Testing and developing new products or processes	Costs associated with trialling and testing during the development stage of a new product/process/service/business model
Equipment	Costs for equipment used during the actual project required to develop a new product/process/service/business model, with this including new IT services, etc.
Skills Development	Costs associated with training or skills development that may be required by staff to implement the product/process/service/business model
Marketing	Costs associated with pre-commercialisation tasks and preparing for market launch such as a market strategy, channels to market, etc.
Consultancy	Costs associated with defining a new market opportunity for a new product/process/service/business model, e.g. costs of a feasibility study, etc.

Source: Invest NI

Company Eligibility

The ERIG programme was open to all businesses in Northern Ireland. However, applicants had to demonstrate they met **all** of the following eligibility criteria:

- Based in Northern Ireland
- Classified as a SME
- Pre-trading or actively trading
- Registered with HMRC
- Recognised as a Silver Level Innovator or equivalent and
- Able to confirm that the ERIG grant payment will not take them over the State Aid de minimis ceiling of €200,000 over the current and two previous fiscal years, or if applicable, the £315,000 Minimal Financial Assistance contribution.

Unlike other grants, the ERIG grant did not require businesses to be an Invest NI client and instead was open to all SMEs that could meet all of the above criteria. Businesses would be automatically excluded from ERIG consideration if they identified with any of the following specifications:

- The business has a current Invest NI Letter of Offer or has received financial support from Invest NI within the last 3 years, however, support via Invest NI Innovation Vouchers and NI Executive Covid Emergency Schemes are excluded from this.
- It is currently a Bronze Level Innovator, or has received Gold or Platinum Level Innovator recognition in the past.
- The project it is applying for has received financial assistance from another government or public sector source (with the exception of Invest NI Innovation Vouchers) and
- It is a primary agricultural producer i.e. those primarily concerned with crop or animal production or forestry or logging or fisheries or aquaculture are not eligible to apply for ERIG. However, agricultural businesses associated with the processing, marketing and retail of agricultural products are eligible to apply.

4.2 Programme Evolution

ERIG was subject to an economic appraisal in June-October 2021 as part of the overall RERAP business case. Given the need to move quickly in order to support businesses impacted by Covid-19, ERIG was launched in November 2021, following the acceptance and approval of the business case. The grant sat under the Entrepreneurship theme of RERAP to help embed resilience and promote the

ability to react to changing market conditions, with the focus being on local businesses/impacted sectors.

Initially the Entrepreneurship element of the RERAP programme was to focus on helping local businesses hardest hit by the pandemic, with these including tourism related businesses, etc. As a result of this, the main focus of the Entrepreneurship element was to support employment through the protection of jobs, sustainable growth and supporting those not engaged in entrepreneurship. However, this focus proved unnecessary, as the fast-moving nature of the pandemic saw the economy reopen with a subsequent rise in vacancies and fall in furloughed jobs. Therefore, the RERAP Entrepreneurship element pivoted away from job protection towards promoting innovation activities that encourage agility to respond to market conditions/economic shocks. From this the ERIG grant was developed and introduced.

4.3 Economic Recovery Innovation Grant (ERIG) Programme Activity

The ERIG grant as noted above secured business case approval as part of the overall RERAP business case. As part of the business case ERIG secured approval for a maximum budget of £3.9m. The programme was approved to support 780 locally focussed businesses, with applications taking place between November 2021 and 31st January 2022. However, based upon demand and the application process, the deadline date was extended to 31st March 2022 or until the £3.9m grant value approved was used, whichever came first.

By this extended application deadline, only 31.3% (£1.2m) of the approved grant funding (£3.9m) was spent. This is a significant underspend by Invest NI's own standards which note that anything more than 10% underspend is material. However, the reasoning and rationale for such underspend can be attributed to a significant reduction in the delivery period from 12 months to 5 months.

Economic Recovery Innovation Grant (ERIG) Delivery

The ERIG grant was funded by the Department for the Economy (DfE) with Invest NI contributing the resourcing to manage and administer the operations and delivery. In particular, the Invest NI Regional Development Team were the main delivery team, with support provided from the Innovation Accreditation Team. In terms of staffing these were managed by the overall staffing requirements for RERAP as noted in Table 3.4.

As noted above the staffing costs were included as part of the overall application for RERAP, specifically via the programme management element.

Economic Recovery Innovation Grant (ERIG) Application Process

The overall application process was made up three steps, with a deadline of the 31st of March 2022. Average turnaround time was less than a day, provided no information was omitted in the application. A digital application was devised to ensure integration with Invest NI's CRM system and overall portal. The undertaking of digital applications hosted on the Innovate NI website coincided with the findings from the business case which noted consultees were keen for a simple and uncomplicated approach to fund application. Many of those that would avail of the grant had never engaged in prior grant applications.

Phase 1: Eligibility Checking

This phase focussed on ensuring that businesses who were interested aligned to the eligibility criteria outlined in Section 4.1. To check eligibility, businesses created a profile and undertook an eligibility checker on the Invest NI portal (<https://www.investni.com/economic-recovery-innovation-grant>).

Phase 2: Innovation Assessment

The ERIG grant was open to all SME businesses in Northern Ireland who could demonstrate a Silver Level Innovation Accreditation on the Innovation Framework. The Innovation Framework defined Silver Accreditation as follows:

- **Silver** is awarded to businesses who have completed the Section phase of the Innovation Framework. Under this phase businesses will have selected an idea to commercialise or implement (i.e. test, validate and develop).

Following the eligibility checking in Phase 1, if a business met all of the criteria (as noted in Section 4.1) they were required to submit their Innovation Accreditation. Those that achieved this Silver Accreditation prior to 1st of April 2021 were required to reapply for their Innovation Accreditation. Businesses that received the accreditation after this date were not required to submit proof (<http://www.innovateni.com/assessment>).

This resubmission, using the online assessment, would allow businesses interested in engaging with ERIG to outline their innovation project. To complete and submit the application form, applicants were required to create an account with Innovate NI, with this taking around 20 minutes. Applications submitted through the portal could contain only **one** 'innovation idea'³².

As part of the process, applicants were to complete an online pro-forma, to enable an innovation review to take place. To ensure a comprehensive review, applicants were required to provide the following information: How your idea adds value to your business:

- How your idea clearly differs from what others are offering
- How you will or did evaluate and test your idea
- If introducing new digital technology, how did this change or improve your services or business model to add value to your business.

The application process was handled and reviewed by Invest NI, with the AO; EOII &/or SO assuming the role of the main reviewer. This involved checking for a Silver Level Accreditation (or equivalent).

Phase 3: ERIG Application

If successful, the notified applicants were given access to the ERIG application form on the Invest NI Customer Portal (www.MyINi.investni.com). To complete the application process the following information was required:

- Your business details including information such as business type, trading and SME status, the number of employees, sales turnover, industry sector, etc.
- An overview of the proposed innovation project which has received Silver Level Innovator recognition (or equivalent) which you wish to progress. Include information on what the project will do, how it will benefit your business, how you propose to use this funding, any risks associated with the project and how you propose to mitigate against them
- Project details including costs, relevant tasks, timeframes and proposed outcomes; and
- Information on state aid (to help us to assess the requirements for your business).

In addition to the above, attached copies of five documents including proof of identity, business legitimacy, address, bank details and Silver Level Innovator status (or equivalent) were required to complete the application.

All applications were to be submitted by 5pm on the 31st of March 2022, with any applications following this deadline to be excluded. Based upon all of the phases i.e. eligibility, innovation and the ERIG application, decisions were made. Final approval of Letters of Offer (LoO) were made by the DP. Funding decisions and grant approval was provided 1-2 working days after application submission. If accepted and approved, businesses were issued a LoO that outlined the agreement for

³² Is your business innovating?; Innovate NI; <https://www.innovateni.com/assessment>

the approval for grant of up to £5,000. Upon acceptance of the LoO, the grant was issued and the business was required to provide regular update/progress reports.

The below shows a step-by-step process of the application to approval of the ERIG grant.

Figure 4.2: Step-by-Set ERIG Application Process



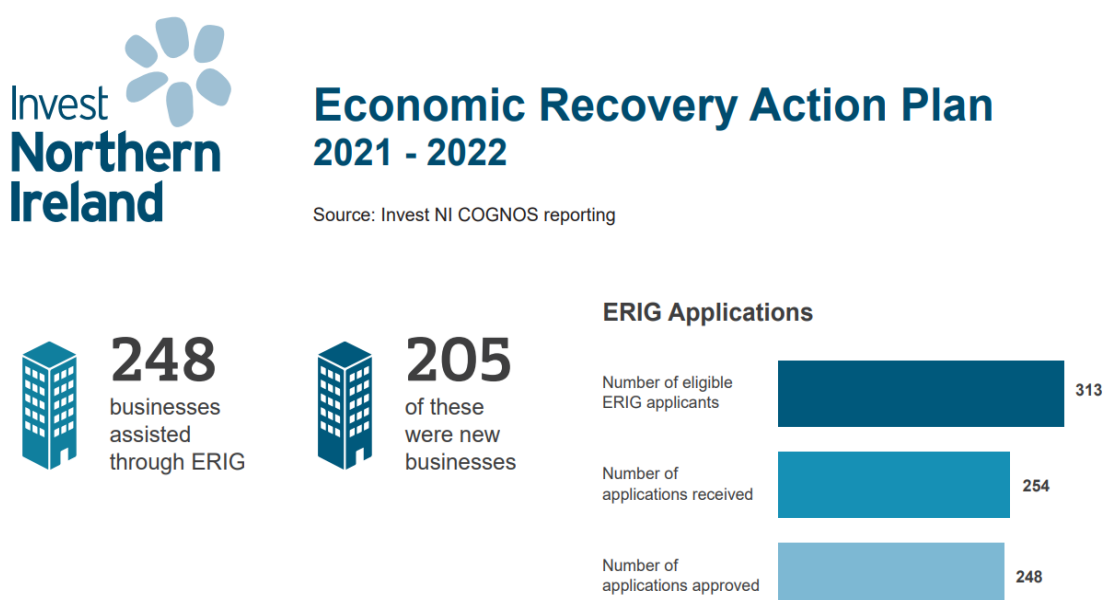
Source: Invest NI

Economic Recovery Innovation Grant (ERIG) Recruitment

Across the 12-month lifespan for ERIG, the target was to engage a minimum of 780 locally focussed businesses. However, due to the condensed timeframe of 5 months, with grant application to close on 31st of March 2022, this made achievement of the target of 780 businesses unrealistic. As a result, a pro-rata approach has been undertaken, with a new target for a 5-month period of 325 businesses. As of the 31st March 2022 deadline, 254 (78% of target) businesses had submitted an application despite 313 businesses being eligible applicants. Of these applications, 248 (98% of applicants) were approved, resulting in ERIG achieving a recruitment rate of 76.3%.

This slight underachievement should be considered in the context of the 780 businesses being a 12-month target, as well as lead in time required and programme momentum broken by the Christmas holiday period. The cohort of target businesses was also considered hard to reach, resulting in a slight underachievement. The evaluators have explored this issue throughout the course of the evaluation and are content to conclude that with an appropriate lead in time and realistic programme delivery timeframe, the target could have been achieved.

Figure 4.2: ERIG Outcomes



Source: Invest NI

Of the 248 applicants that received approval:

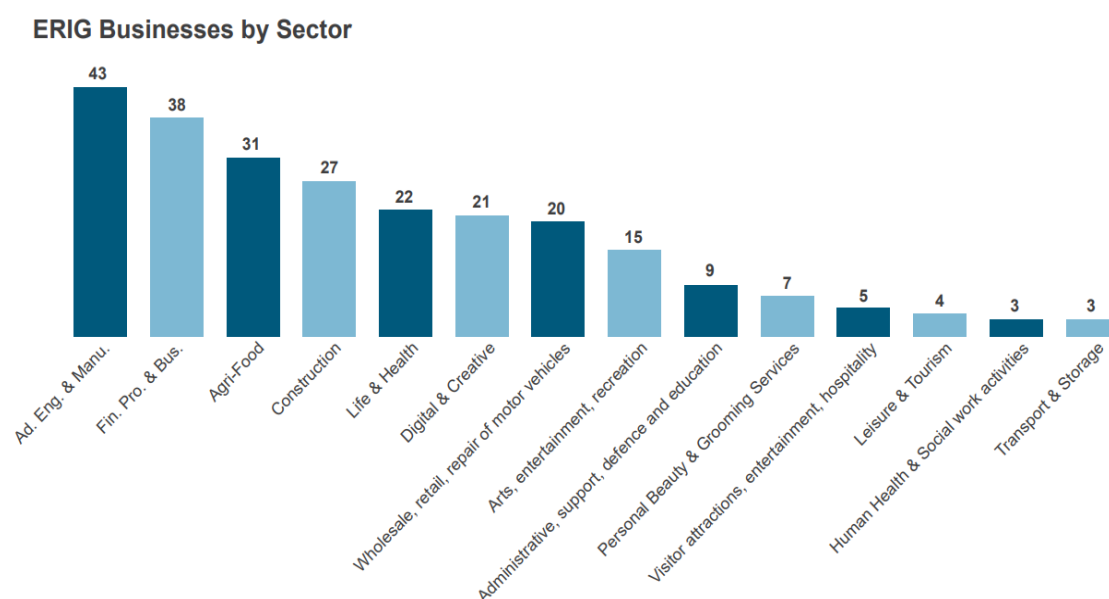
- 156 spent and implemented the supported innovation
- A further 57 had spent some or all of the grant and were progressing and
- 8 businesses had undertaken no spend and have not progressed their project.

In terms of the types of innovations and the areas of operation that was supported:

- 99 of the 248 approved applications undertook product innovations
- 90 undertook service innovations
- 95 undertook process innovations and
- 101 undertook production innovations and a further 92 undertook business model innovations.

The Advanced Manufacturing & Engineering sector accounted for the highest level of applications (43).

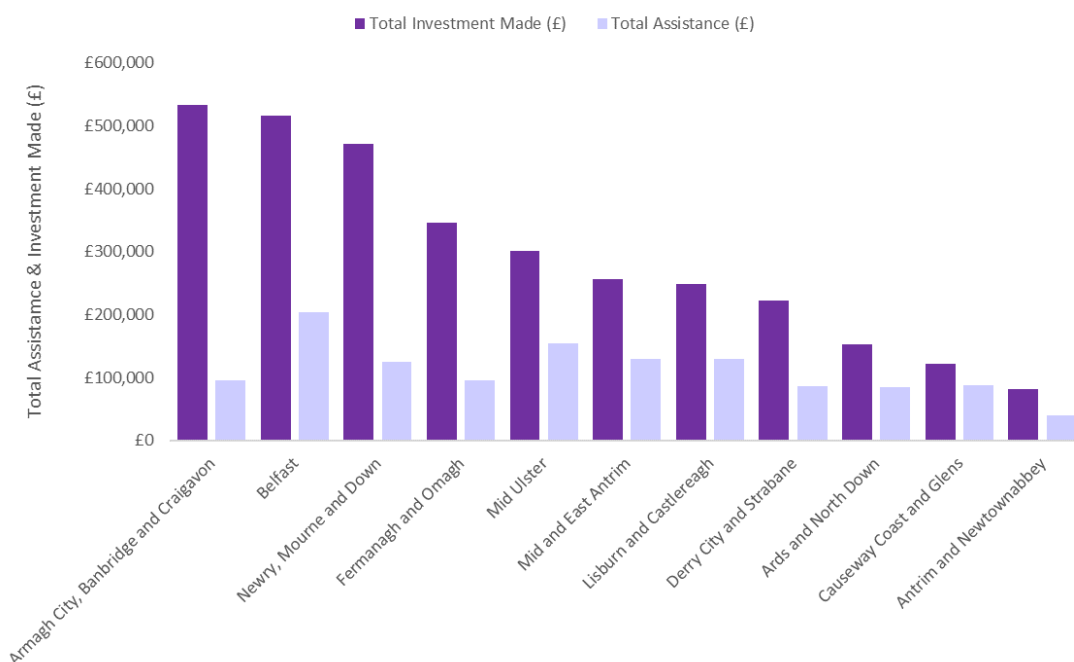
Figure 4.3: ERIG Accepted Applications by Sector



Source: Invest NI

By location, more applications came from Belfast (41) than any other council area, which is unsurprising given the concentration of businesses in Belfast. In considering the total investment as a result of the grant Armagh, Banbridge & Craigavon Borough was expected to make the most investment, with £534,000 total investment resulting from £95,000 worth of grant across 19 businesses.

Figure 4.4 ERIG Grant Received (£) and Total Investment made (£)



Source: Invest NI

Of the 248 businesses that received support, we were able to track the business operations for 204. Research shows that 184, or 90% of business tracked are still active, highlighting that the support may have prevented closure and supported survival. The remaining 10% are either in administration, liquidated or dissolved. The high survival rate raises a point about clawback of funding from the small cohort that are not trading. Having considered the costs, effort, and chances of successfully clawing money back with our insolvency colleagues, the evaluators consider that the return is not worth the cost.

Marketing and Recruitment

Marketing and Recruitment was undertaken by Invest NI's Communications team. The ERIG was marketed via a series of avenues, primarily through social media and offline media, with all costs covered as part of the approved Communications budget of £275,000.

The marketing spend was a comprehensive coverage of media outlets across both online and offline formats, the timeframe was considered the biggest challenge in terms of recruitment.

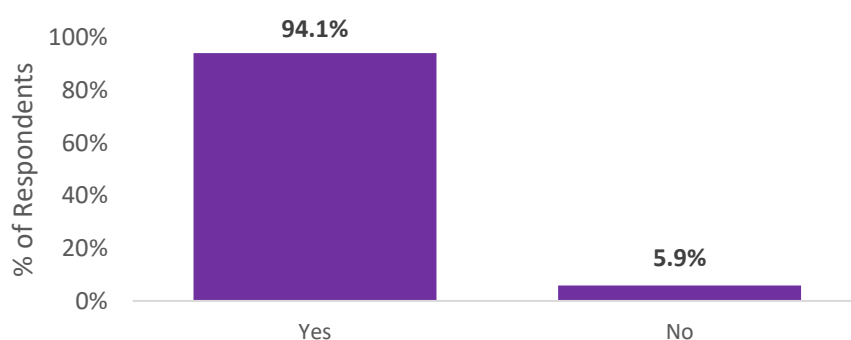
4.4 Impacts/Perspectives of the Economic Recovery Innovation Grant (ERIG)

This sub-section will primarily reflect on a range of opinions about the ERIG, highlighting experiences and impacts. Two avenues were used to gain insights - a comprehensive consultative process with key ERIG and RERAP stakeholders, and a survey issued to participating businesses. A total of 51 survey responses were received.

The Impact of ERIG

When asked whether ERIG improved the innovation capability of their business, respondents were overwhelmingly positive, with 94.1% of respondents stating that it had improved their innovation capability.

Figure 4.5: Do you feel the Economic Recovery Innovation Grant improved the innovation capability of your business?



Source: Grant Thornton (N=51)

When asked how their innovation capacity was impacted, respondents stated the following:

Figure 4.6: How was it beneficial?



Source: Grant Thornton (N=48)

Further comments received highlighted the positive impact of ERIG. A selection of these comments can be seen below.



"I have found the process to be easy to navigate with lots of help and support from the Invest NI team, the scheme has had a huge impact on my business already, I wouldn't have been able to get as far as I have with my new service without the grant. Payment was very prompt and communication has been very good. I've found the portal easy to use and navigate"

"The application process was easy and the payment was fast"

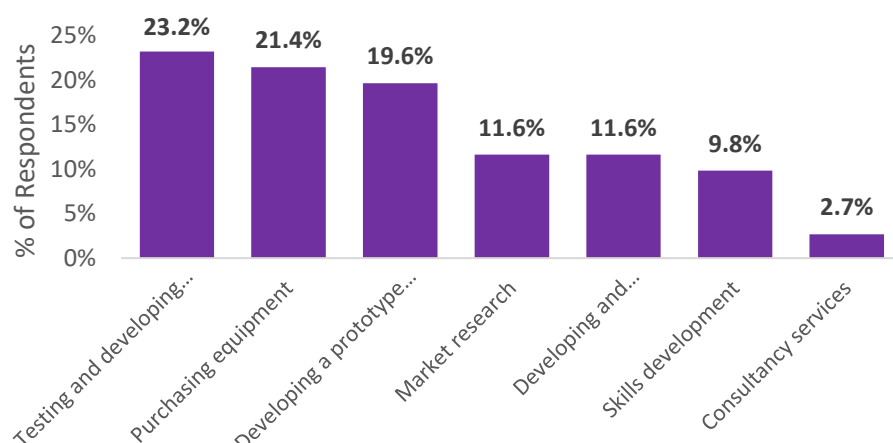
Source: Invest NI

For businesses who felt that ERIG did not improve their innovation capability, it was noted that they said the grant was not sufficient in value, the business did not survive Covid-19 or they were not serviced by Invest NI as a client. However, given that this project was for the wider business base, this did not necessarily mean the recipient became an Invest NI client.

The Area of Innovation Supported

ERIG grant respondents were asked how the grant assisted their business. The majority (23.2%) of businesses stated that it aided in testing & developing a new product or process, in purchasing equipment (21.4%) and developing a prototype or testing or validating an idea (19.6%).

Figure 4.7: What did the Economic Recovery Innovation Grant assist your business with?



Source: Grant Thornton (N=51)

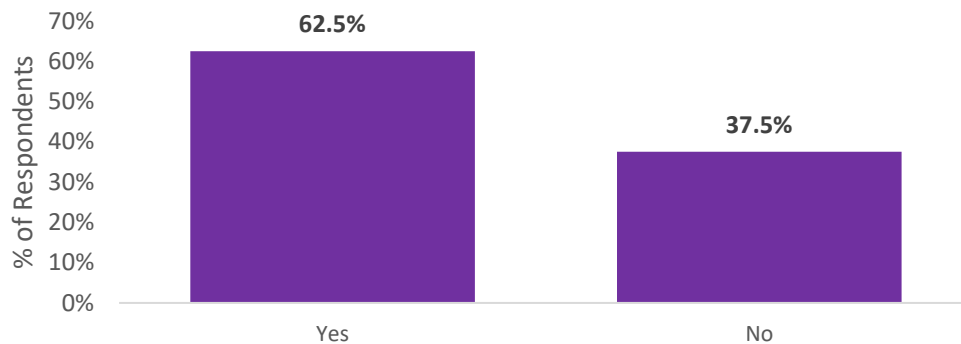
Reflecting on whether the grant had enabled the achievement of actions set out, 74% respondents noted positively it had. Only 4% felt they had not achieved their targets, explaining that this was due to their idea not being feasible, or the undetermined need for the proposed solution given the uncertainty with the Brexit protocol agreement. Those respondents who felt they only partially achieved their targets (22%) explained the reasoning as:

- Work remains ongoing
- Client base not expanded as fully as anticipated
- Funding shortage
- Able to produce a better product but weren't fully able to produce a product that we could grow on a larger scale.

Innovation Progress

To assess the impact of the ERIG on progressing innovation, respondents were asked whether the grant had helped in moving their business along the Innovate NI innovation framework. The majority (62.5%) stated that the grant had indeed aided them to move along this framework, with the remaining (37.5%) answering it had not.

Figure 4.8: Did the Economic Recovery Innovation Grant allow you to progress along Innovate NI's Innovation Framework Pathway to the next level?



Source: Grant Thornton (N=48)

Of those who answered no, the main reasons were as follows:

- I did not know about the framework or that there was another level I could progress to
- No follow up or further support provided
- Failed product
- Ongoing process.

A further question was posed to respondents to gauge if they had progressed their innovation beyond the ERIG and outside the Innovation Framework. Based on the response (n=50), a slight majority (54%) had indeed engaged in further business improvement or innovation projects.

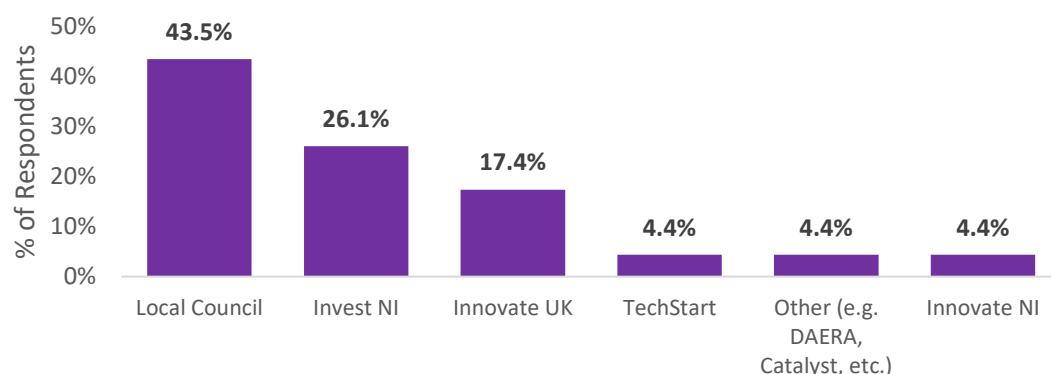
Business Competitiveness

When asked about whether they believed the ERIG grant had increased their competitiveness, 90.2% of respondents (n=51) said it had, while only 9.8% said it had not.

Wider Supports Available

Respondents were also asked had they engaged in any other supports alongside their engagement with the ERIG grant. Based upon the 23 responses to this question, it was noted that other supports were received from Local councils (43.5%); Invest NI (26.1%); Innovate UK (17.4%); Innovation NI (4.4%); and TechStart (4.4%). A further 4.4% stated 'Other' supports outside of those listed above.

Figure 4.9: Did you avail of any additional supports alongside the Economic Recovery Innovation Grant and who provided this support?



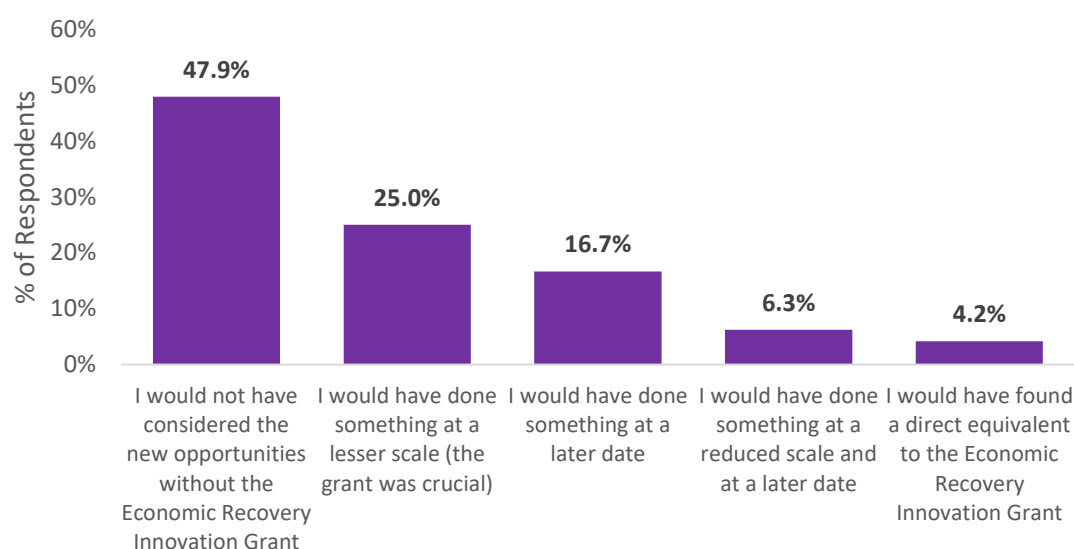
Source: Grant Thornton (N=23)

When asked to elaborate on the forms of support received from Invest NI, these respondents noted financial support, TDI grant support and from programmes such as Ambition to Grow, Scaling to Grow, Innovation Vouchers, Food & Drink Capability.

The Additionality of ERIG

When asked about to 'what extent did the Economic Recovery Innovation Grant enhance your exploration of new opportunities?' respondents were asked to assess the additionality of impacts from the ERIG grant. This question is aimed to take account of the fact that outcomes may have occurred regardless of the ERIG grant. Therefore, we provide an assessment on how much impact is 'unique' to the ERIG grant via Additionality, Attribution, Deadweight and Displacement. Hence, the survey asked business participants whether, in the absence of Invest NI's intervention, they would have sourced a similar programme in terms of scale and timing.

Figure 4.10: To what extent did the Economic Recovery Innovation Grant enhance your exploration of new opportunities?

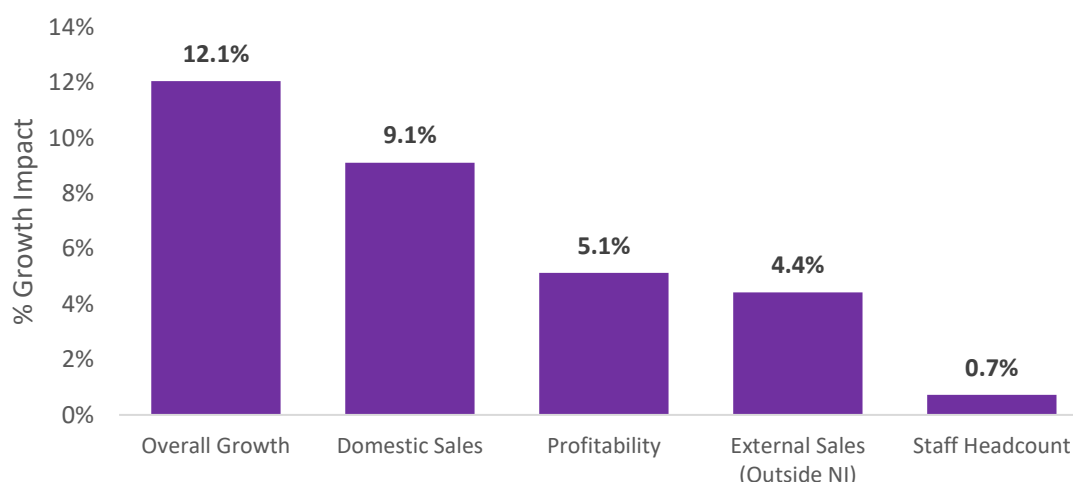


Source: Grant Thornton (N=48)

Note: The additionality is the sum of the above percentages

Using the response to this question, and allocating an additionality proportion to each answer, the Evaluation Team calculate that 75.9% of ERIG grant activities are additional.

Figure 4.11: Did the Economic Recovery Innovation Grant provide any of the following impacts?

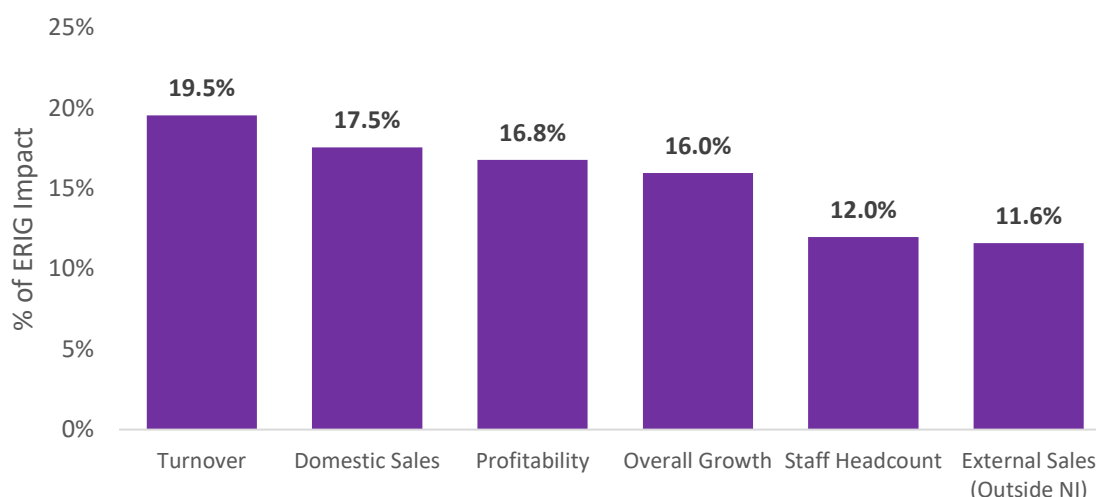


Source: Grant Thornton (N=51)

A further step in the process is the extent to which impacts are attributable to the ERIG. Analysis shows respondents noted a 12.1% change in overall growth, while also seeing a 9.1% change in domestic sales, 5.1% change in profitability, 4.4% in external sales and 0.7% change in staff count. Overall, we can conclude that the ERIG had a positive impact on the outcomes of business given the effect it had on the growth, sales and profitability of businesses who utilised the grant.

Based on the previous question, participants were asked what proportion of the growth was attributable to ERIG. Responses highlighted that 19.5% of the growth in turnover was due to ERIG. The also noted that ERIG contributed to a 17.5% impact of their domestic sales growth and 16.8% impact on profitability growth.

Figure 4.12: What percentage of the change in the above indicators do you believe is due to the Economic Recovery Innovation Grant?



Source: Grant Thornton (N=51)

Not all of this impact will be attributable to the ERIG grant. As such, the economic impact assessment weights the results for both the additional activity and the additional outcomes. We believe this is a conservative and prudent approach. Our economic impact analysis also considers the impact of deadweight, with this information being sourced from the participant survey. Our analysis of the

survey found some participants generated new innovation which were “completely new to Northern Ireland” meaning they would have otherwise not occurred without the aid of the ERIG grant. However, on average our analysis showed that the typical displacement generated by the programme stood at 5.9%.

The economic impact calculations are based on the average turnover sourced from the Business Population 2024, sourced from the ONS. The change in turnover from the survey is used to inform the impact of the ERIG, with the various elements of additionality and displacement applied.

The net economic impact of the ERIG incorporating all of the above is therefore:

Table 4.2: Economic Impact Assessment ERIG – Businesses

Turnover Impact	
Additional Turnover Generated incl. Additionality, Displacement & Impact Additionality	£5,051,249
Turnover to GVA Ratio (%) - Agriculture, fishing, production, construction, distribution and services (2008-21 average ratio)	32.5%
Return Analysis	
GVA Impact	£1,639,369
Full Invest NI Costs - Actual Delivery Cost to date including INI staff costs	£1,228,942
Benefit-Cost Ratio	1.33
Return on Investment	0.33

Source: Grant Thornton Analysis

The ERIG has been assessed as offering a Benefit-Cost Ratio of 1:1.33 for a Return on Investment of £0.33 for every £1 of programme cost.

The Wider Impacts of ERIG

To assess the impacts beyond the wider business outcomes respondents were asked to explain if they had seen any additional benefits beyond those noted above. Respondents were keen to highlight that the ERIG grant helped increase knowledge of processes, improved understanding of market and pricing for customers, opened up awareness of other funding opportunities and the potential for future development.

Figure 4.13: Have you felt/seen any additional benefits from receiving the Economic Recovery Innovation Grant over and above those noted in the previous questions?



Source: Grant Thornton (N=36)

Areas of Improvement

In seeking any areas of improvement to the programme, respondents were asked if there were any areas of ERIG which could be improved. Of the 45 answers to this question, 78% noted there were no areas for improvement. However, the remaining 22% responses outlined improvements required such as in areas such as more structure, mentoring and support services, industry specific advice, tiered process which could lead to more comprehensive support packages.

To conclude the survey, respondents were asked whether they would recommend the ERIG to another business. An overwhelming majority (98%) said they would recommend, with the final 2% explaining they felt the programme lacked support, or that additional funding could have delivered additional jobs.

Equality Consideration

The Evaluation Team's review of the ERIG grant and its activities indicate that the ERIG grant is available to any Northern Ireland SME that meets the criteria set out in section 4.1. It is the Evaluation Team's assessment that the ERIG grant complies with all elements of equality promotion set out in Section 75 of the Northern Ireland Act 1998 and by Invest NI in their Equality Scheme³³.

³³ Equality Scheme for Invest Northern Ireland; Invest Northern Ireland (April 2022); <https://www.investni.com/sites/default/files/2022-05/equality-scheme-for-invest-northern-ireland.docx.pdf>

ERIG Economy, Efficiency & Effectiveness

In considering the economy, efficiency and effectiveness of the ERIG grant, we note the following:

Table 4.3: Economy, Efficiency & Effectiveness Analysis (ERIG)

Measure	Analysis
Economy The Economy measure is concerned with measuring the impact of the programme at an appropriate level of input i.e. impacts have been obtained at the best VfM	<p>The ERIG Programme was subject to an economic appraisal and robust internal casework process. These were used by Invest NI to assess the 'best fit' in terms of delivery options and to understand the types of outcomes that could be generated. This level of scrutiny allowed Invest NI to 'cost effectively' understand the impacts generated from the best option and how these compared relative to the inputs invested.</p> <p>No procurement was needed for the grant, with delivery and management undertaken by Invest NI.</p> <p>The ERIG programme has been assessed as offering an economic return £1,639,369 and a return of investment of £0.33 net total GVA for every £1 of Invest NI/DfE expenditure.</p>
Efficiency The Efficiency measure looks at measuring the impacts relative to the level of inputs i.e. has the maximum level of output been achieved for a reasonable level of input	<p>At the close of the grant application process (31st March 2022), 248 of 253 applicants secured a grant. Given the 5-month timeframe, the target of 780 was pro-rata to 325 businesses – representing a 78% achievement rate.</p> <p>Total Invest NI spend stands at £1.2m, with this representing 31.3% of the overall approved business case budget (£3.9m). Having considered how the programme was designed and delivered and the condensed timeframe, the evaluators are content that the delivery model employed was entirely suitable and was designed (and operated) to deliver maximum output. Given the outcomes achieved within the short timeframe, the programme can be considered a success.</p>
Effectiveness The Effectiveness measure is concerned with understanding the level of impact the programme has achieved relative to aims, objectives, etc.	<p>Participant responses to the survey presents evidence that the ERIG grant promoted tangible business benefits and evidence of innovation interest/uptake for businesses.</p> <p>Feedback from key stakeholders noted a clear need for the grant and its importance in delivering innovative change.</p>

Source: Grant Thornton Analysis

Continuing need for the ERIG

Across all consultations, there was a clearly articulated need for the ERIG. This is perhaps best observed through the lens of four criteria which were identified during the consultations:

Table 4.4: Consultation responses to the need for the ERIG Programme

Is there an economic problem to solve?	Yes – 32% of businesses in Northern Ireland are innovative active compared to 36% of UK businesses. Economic policy seeks to increase this.
Is there a market demand for a solution?	Yes – there is a pressing need to improve innovation and encourage innovation. Engagement with consultees would suggest there is a key demand for innovation and interventions/supports like ERIG.
Is there a viable private/public sector solution?	Yes – there are many innovation supports available such as Innovate NI which provides businesses with Innovation recognitions and is accessible to all businesses. This is highlighted as a first step in Invest NI's innovation escalator (see appendix 3). To reiterate, ERIG was appraised and approved at casework, during which 'need' is assessed.
Can a return to the economy be demonstrated?	Yes – an economic benefit is articulated, suggesting a Total Net GVA impact of £1,639,369.

Source: Grant Thornton Analysis

4.5 Summary

Based on the preceding analysis, the ERIG grant achievement against KPIs is summarised in the table below.

Table 4.5: No. of KPI's achieved by ERIG

Targets	Assessment	RAG Status
Activities		
Encouraging a minimum of 780 locally focussed businesses to introduce and/or enhance innovation activities	On a strict adherence to the original target, the programme did not achieve its aim. However, the reality of the programme delivery phase is that it was significantly curtailed. Over the life of the grant i.e. November 2021 until the 31 st of March 2022 a total of 253 applications were received from 313 eligible businesses. Of these 253 applicants, 248 were successful and approved for a grant, with this representing 76.3% of the overall pro-rata 5-month target. This lower level of approval also translated into a lower level of expenditure, with only £1.2m of the original approved £3.9m being spent – representing 31.9% of original budget, and 73.8% of the pro-rata budget. In the context of the shorter timeframe, the programme was considered a success given the impacts on innovation and entrepreneurship achieved across the 5-month period.	

Source: Grant Thornton Analysis

Note: Red= Significant underachievement; Amber = minor underachievement; Green= Achievement or overachievement.

4.6 Recommendations

The Economic Recovery Innovation Grant has served a purpose to assist businesses to recover from the economic impact of the Covid-19 pandemic by helping them develop new or improve existing products, services or processes through innovation. ERIG presented a clear need to develop a programme that could support micro and small businesses given the environment in which it was developed, with this being demonstrated as per the original business case. The programme achieved significant impacts on improving innovation for micro and small businesses across a cohort of the wider business base.



5. Regional Entrepreneurship Acceleration Programme

5. Regional Entrepreneurship Acceleration Programme (REAP)

5.1 Background to the Regional Entrepreneurship Acceleration Programme (REAP)

Noting the importance of innovation in driving economic recovery and growth, the evolving nature of innovation during the pandemic, and the challenging conditions for start-ups as a result of Covid-19, the Regional Entrepreneurship Acceleration Programme (REAP) was included as part of the RERAP programme of supports, falling under the Entrepreneurship theme. The programme also had a strong alignment to the innovation and inclusive growth pillars of the 10X strategy, in increasing the understanding of the local entrepreneurship ecosystem to inform a fairer distribution of opportunities for all people.

Established in November 2021, REAP was a highly practical two-year programme aimed at supporting Northern Ireland to develop a new and dynamic approach to innovation; and to encourage the growth of Innovation Driven Enterprises (IDEs). The programme, delivered by the **Massachusetts Institute of Technology** (MIT), involved four action-based learning cycles over a two-year period, which takes participants through a process of analysis to implementation, including the deployment of an MIT framework to assess the region's capacities and comparative advantages, and how they influence the entrepreneurial ecosystem. This enables teams to learn from and collaborate with MIT experts and thought leaders, to build out their action-based strategy for change and leverage global best practices through cross-regional cooperation. The four 3-day workshops are delivered with additional coaching and project mentoring being provided to participants between workshops. Workshops are designed to share global best practices as well as to critique and analyse strategic intervention designs. Between each workshop 'Action Phases' are designed for Teams to complete specific projects and milestones designed to deepen analysis, validate assumptions, and implement new programmes and policies. Teams can leverage the coaching of MIT faculty; the community of their peers to share knowledge and learnings; and the online community Global Innovation Network, which hosts the latest discussions, articles and research papers produced by MIT and partner regions.

The overall objectives of the programme were to:

- Achieve an understanding of the key strengths and weaknesses of the region's entrepreneurship ecosystem by March 2022
- Design an integrated strategy to strengthen the region's entrepreneurship ecosystem by March 2023.

The objectives sought to increase NI's level of entrepreneurial activity through new start-ups and existing businesses with greater levels of survival and growth ambition.

The objectives of the programme for the NI cohort were:

- Establish a backbone organisation
- Provide world class IDE support – delivered via a cohort approach
- Create an Artificial Intelligence (AI) enabled digital portal
- Review current provisions of entrepreneurship and training across the education ecosystem
- Identify international best practice and
- Engage with the relevant government departments and education stakeholders.

Programme Participants

The programme brought together a cohort of 11 key local stakeholders to achieve:

- A better understanding of the strengths and weaknesses of Northern Ireland's entrepreneurship ecosystem
- A strategy to strengthen this ecosystem and
- A fairer distribution of opportunities for all people.

Eligible stakeholders were considered to be decision-makers of executive level who have the ability to influence the creation of policy and programmes in their own sector and bring an intimate understanding of the current ecosystem and its challenges from their perspectives. Team members took on the responsibility of representing the interests of their sector, identifying opportunities, and working to build support in their sector to execute on various elements of their regional REAP team strategy.

MIT REAP participants were drawn from 5 key stakeholder groups (government, risk capital, universities, entrepreneurs and corporates). The NI cohort of participants was comprised of:

- Invest Northern Ireland
- Department for the Economy
- Belfast City Council
- Catalyst
- Derry City & Strabane District Council
- Enterprise Northern Ireland
- Exited Entrepreneur
- Queen's University
- South Eastern Regional College
- Techstart Ventures
- Ulster University

Invest NI took on the role of the REAP 'Champion'. The 'Champion' is defined as the leader of the team and is deeply connected to the mission of inspiring innovation-driven entrepreneurial ecosystems. The individual works in this capacity on a daily basis and will understand the local landscape and which key players to engage, in order, to create the greatest impact.

5.2 Regional Entrepreneurship Acceleration Programme (REAP) Evolution

As part of the overall RERAP programme, REAP was subject to an economic appraisal in October 2021. Approval for the business case was awarded in November 2021. It noted that many businesses believe that the conditions for start-up are now more challenging following the Covid-19 pandemic and therefore there is a need to improve the entrepreneurial ecosystem. It further noted that the NI innovation and entrepreneurship ecosystem is considered to be both evolving and fragmented, causing confusion amongst businesses as to support pathways. REAP, a highly regarded and established programme linked with international networks of good/best practice, could therefore assist in increasing the knowledge of the current NI ecosystem of supports to better assist entrepreneurs and drive innovation across NI.

As previously highlighted, REAP had a focus to increase the understanding and strengthen the local entrepreneurial ecosystem, to inform a fairer distribution of opportunities for all people, and to assist in designing a strategy to strengthen the region's entrepreneurship ecosystem. These goals aligned with Entrepreneurship and Sub-Regional Development themes of the overall RERAP programme of supports. As result, the REAP programme was considered an important element of RERAP.

5.3 Regional Entrepreneurship Acceleration Programme (REAP) Activity

REAP, as part of the overall RERAP programme business case, secured £216,111 in funding. This budget related to the first year of participation. Invest NI committed to supporting participation in the second (and final) year of the programme from its core budgets. Initially, funding for REAP was calculated on the basis of 8 participants. However, this increased marginally due to an increase in the number of participants to 11. As a result, a total of £225,338 was spent, calculated as a 104% spend against its initial target.

As per the Letter of Agreement between Invest NI and the Massachusetts Institute of Technology, Invest NI were to pay US\$400,000 for the Team to participate in MIT REAP, with a minimum commitment of two years. The payment covered workshop attendance, course materials, faculty time, classroom facilities and most meals during the workshops.

No procurement activity was anticipated as the programme was already an established and well-regarded MIT programme.

Regional Entrepreneurship Acceleration Programme (REAP) Delivery

The REAP programme was delivered by MIT under which participants partook in 4 workshops across 3 days, with these including presentations and coaching sessions. Consultations noted that while the workshops were useful, some elements did not relate to the needs of the group. In addition, consultations also stressed that the coaching sessions, in the view of the consultees, were not delivered appropriately and in fact seemed disorganised. However, consultees were keen to stress that overall the programme was useful and helped deliver an overall strategy for Northern Ireland highlighting the need to drive focus and support for IDE's; help reform focus on Proof of Concept; and the formation of entrepreneurship team as well as reform Founder Labs. It should be considered that while some the REAP team highlighted these areas of focus, some aspects have been slow to take off due to focus of the responsible organisation.

The consultees were also keen to stress the programme proved useful in helping to build relationships between stakeholders. The success of this is still felt, with the group meeting monthly to highlight progress and need. In addition, it was highlighted the success of REAP is well felt within the market and in fact the group is considering expanding to include a further 20 organisations to help drive the pillars forward, with these including corporates, skills providers, etc. While this highlights the

importance of the group, it is important to ensure the integrity, collaborative, open and transparent nature of the group remains, with all joining organisations beholding to these standards. A consultee also noted the interest from Intertradelreland to engage and develop a joint group covering cross-border collaboration. It was noted this would be a significant opportunity in terms of network and scale, while also providing a basis for wider reach and impact on areas such as skills, etc. It was highlighted by one consultee that there is a need to roll this joint-group forward as it would allow all groups and potentially wider groups including client executives to 'speak the same language' and provide a consistent voice to the market.

Regional Entrepreneurship Acceleration Programme (REAP) Application Process

MIT, who deliver REAP, admit a cohort drawn from up to eight regions annually, via an online application.

Each REAP Team consists of up to 12 team members. The acceptance of regional teams into MIT REAP is evaluated based on the strength and commitment of the 'Champion' (Invest NI) and ability to engage core team members across the stakeholder groups. All team members must also speak English fluently to participate in the workshops.

Marketing and Recruitment

No marketing was undertaken by Invest NI as the MIT REAP Global programme was already a strong, globally recognised, programme and Invest NI had identified participants based on existing knowledge of ecosystem.

5.4 Impacts/Perspectives of the Regional Entrepreneurship Acceleration Programme (REAP)

The outcomes of the collaborative work from the REAP cohort as evidenced by REAP's Action Phase III presentation. These included:

- A better understanding of entrepreneurial needs and recognition of the need to nurture IDEs differently to other SMEs.
- A feedback loop established to enable ecosystems to learn what works and what doesn't work to feed into future initiatives.
- The fostering of stronger relationships and collaboration amongst the cohort, who are eager to extend this engagement to other important stakeholders in the ecosystem.
- A more coordinated ecosystem, ensuring clear access for all, including those from marginalised groups or communities.
- The identification of a clear pathway to support the formation and growth of more IDEs with global potential.
- The cohort, together with council has secured £27m in funding require to deliver support to both SMEs and IDE.
- The identification of baseline metrics to assess and track the current levels of IDEs in Northern Ireland.

These outcomes received endorsement from DfE, which included several key actions in the 10X Delivery Plan 2023/24³⁴ designed to build on the existing outcomes and included:

- Developing a new Entrepreneurship Strategy (led by DfE in consultation with the REAP partners)
- Introducing the Northern Ireland Entrepreneurship Support Service to support SMEs (to be managed by councils)
- Introducing/relaunching three entrepreneurship programmes (to be managed by Invest NI)

³⁴ 10X Delivery Plan 2023/24; Department for the Economy (2023); <https://www.economy-ni.gov.uk/publications/10x-delivery-plan-202324>

- Business Accelerator Programme
- Proof of Concept Programme
- Corporate Spinout programme
- Implementing a cohort approach for IDEs, for example focusing on specialisms such as enterprise software, deep tech and life sciences.
- Promoting entrepreneurship as a viable career path through education focused initiatives.

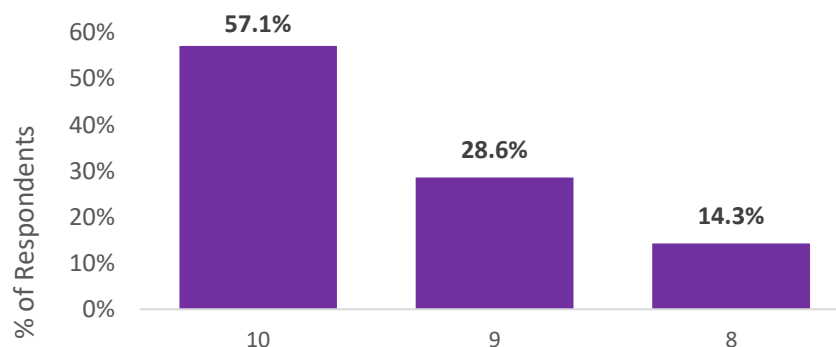
Although 10X is no longer the economic vision for step-change growth for NI, having been replaced by the Minister's economic vision, the principles remain very closely aligned - NI will continue to strive for good jobs, high wages, opportunity for all and lots of innovative, productive businesses.

To further understand the impacts of REAP a survey was issued to participants. A total of 7 survey responses were received out of the 11 distributed. The findings are highlighted below.

The Impact of REAP

To assess the impact of REAP, participants were asked to provide a measure on a scale of 0-10, if the programme was beneficial in terms of enhancing their understanding of the dynamics of regional entrepreneurship ecosystems and the roles of key stakeholders within these. All respondents recorded scores of between 8-10, indicating participants felt a high level of benefit from the programme. The breakdown of scores is highlighted below.

Figure 5.1: Do you feel the Regional Entrepreneurship Acceleration Programme was beneficial in terms of enhancing your understanding of the dynamics of regional entrepreneurship ecosystems and the roles of key stakeholders within these?



Source: Grant Thornton (N=7)

Participants were asked what strengths and weaknesses were identified as part of the entrepreneurial ecosystem. Responses were broken down as follows:

- **Strengths:** The ecosystem is small, easy to navigate across key stakeholder groups and there are lots of supports for founders and a strong willingness to evolve the ecosystem. Strong talent, education system and technical skills, as well as strength in clusters including software and healthtech.
- **Weaknesses:** The culture of entrepreneurship is weak relative to US/MIT, with no strong comparative advantage and still under-developed in many respects. The entrepreneurial ecosystem is confusing; uncoordinated; there is lack of collaboration; and expected outcomes are unclear, with cultural bias away from entrepreneurship. A number of issues surrounding available support were noted such as poor signposting, sometimes in the wrong place, or insufficient recognition for different needs of IDEs compared to SMEs. The entrepreneurial ecosystem is still dependent on Government support as it continues to lack experienced entrepreneurs; experienced founding teams and formal relationships between key players; expertise and specific industry support; sales and marketing skills to promote the ecosystem.

It was also noted that the ecosystem's understanding of the relative importance of IDEs in driving economic development was weak, but this improved for those who were able to participate on the REAP programme and synergy has been formed by enabling key players across the local ecosystem to come together.

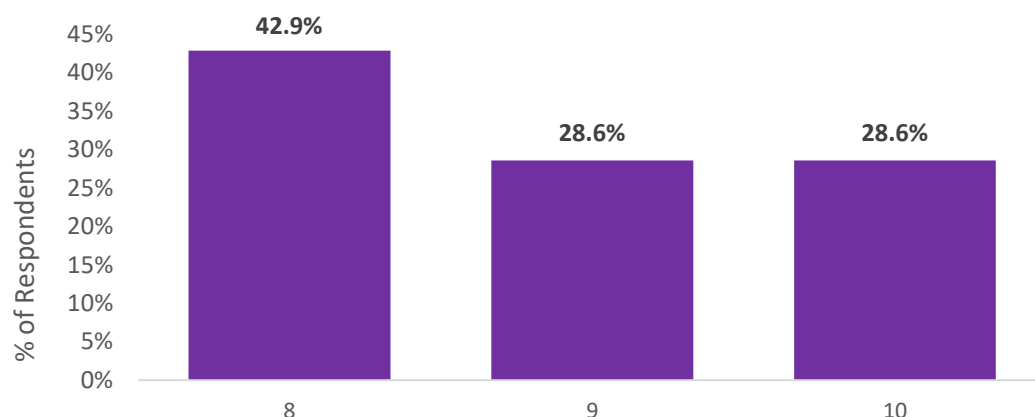
Respondents were asked to explain in what way did their participation in Regional Entrepreneurship Acceleration Programme enhance their understanding of the ecosystem? They noted that participation in the programme presented an opportunity to map supports, identify key players across the 5 pillars of academia, corporates, government, entrepreneurs, risk capital and identify what was currently being done or could be done within the entrepreneurial ecosystem in NI - all of which strengthened their understanding of the ecosystem. Completion of a SWOT of the current ecosystem was cited as beneficial in improving knowledge, as well as helping to understand different priorities, issues and risks. Furthermore, the chance to understand global best practice and carry out research together as a cohort enabled the identification of the key needs and challenges that exist providing a better understanding of the overall innovation culture that exists.

Asked if any new initiatives been implemented/planned as a result of participation in Regional Entrepreneurship Acceleration Programme, respondents referenced the following:

- Co-designed and delivered agile cohort style support designed to suit sector specific groups of IDEs at different stages.
- Backbone structure planned to provide leadership going forward.
- Regular follow up of REAP group to maintain momentum and focus on must-win battles.
- Invest NI has delivered £6.2m worth of programmes, with a further £3.8m delivered by Catalyst.
- Funding to launch pilots in creating more diversity in innovative entrepreneurship with work like Hello Possible, Design Hub, Role Models.
- Learnings were used to configure the operating model for Go Succeed.
- 2 cohorts of IDEs received world class training/entrepreneurial education at MIT, including site visits.

When asked to rank on a scale of 1-10 to what extent has the Regional Entrepreneurship Acceleration Programme increased your awareness and understanding of the (strengths and weaknesses of the) NI entrepreneurship/innovation ecosystem, all respondents recorded scores of between 8-10. The breakdown of scores is highlighted below.

Figure 5.2: To what extent has the Regional Entrepreneurship Acceleration Programme increased your awareness and understanding of the (strengths and weaknesses of the) NI entrepreneurship/innovation ecosystem?



Source: Grant Thornton (N=7)

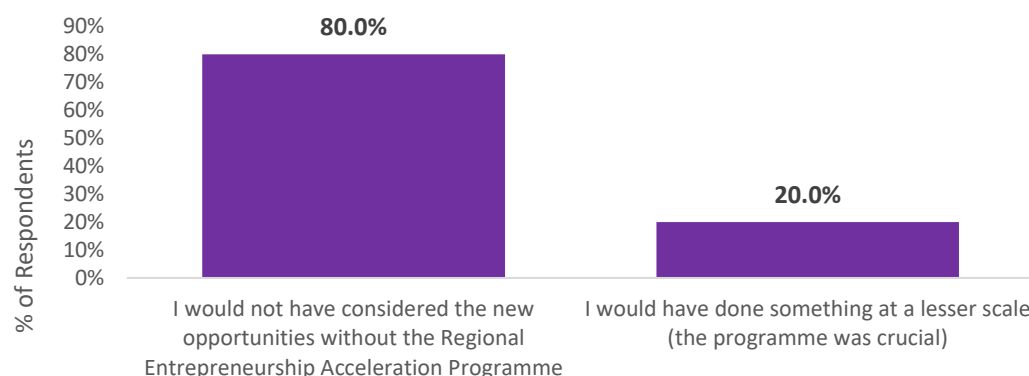
When asked 'what benefits have you/your organisation seen as a result of the Regional Entrepreneurship Acceleration Programme', respondents noted the following benefits:

- Genuine collaboration and the building of stronger and better working relationships between key partners.
- A radically evolved understanding of the IDE journey and the nature of the ecosystem needed at each stage.
- Increased ability to reach the underserved and under-represented in innovative entrepreneurship.
- Increase support for businesses.
- Better sense of common and shared language, for example, IDEs, Disciplined Entrepreneurship/24 steps etc.

When asked to identify what outcomes were realised as part of the programme, participants recalled many of the same benefits to be outcomes. They also identified the development of new programmes and reconfiguration of existing programmes to suit newly identified need, while also citing increases in communication and knowledge. Further, participation in REAP have resulted in a shared agenda and strategic framework and also identified the need to collect data which can inform the ecosystem, such as IDE birth rates, international comparators etc.

A total of 5 responses were received when participants were asked the importance of REAP in enhancing their exploration of new opportunities. Of the responses, 4 participants (80%) concluded they would not have considered the new opportunities without the programme, as shown in the figure below.

Figure 5.3: To what extent did the Regional Entrepreneurship Acceleration Programme enhance your exploration of new opportunities?

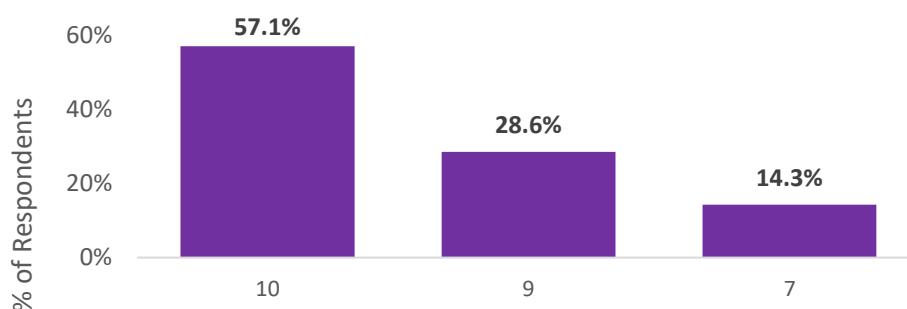


Source: Grant Thornton (N=5)

When asked to what extent will REAP improve the NI entrepreneurship ecosystem in the future, respondents noted the Entrepreneurship Backbone Team, supported by the REAP Steering Group will help drive activity across the NI entrepreneurship ecosystem through a new focused forward work programme and preparation of a programme of activity to deliver shared outcomes – having provided a really strong base on which to build. However, respondents also noted that further progress would require continued commitment and leadership from the Backbone Organisation, as well as Government and Invest NI support. It was further noted that a lack of follow up activities and funding challenges have potentially reduced the impact going forward. Considering the programme is ongoing, the need for follow on support should be implemented as part of any further phases.

When asked on a scale of 1-10 did the programme enhance your understanding of international best practice, all responses were positive as highlighted below.

Figure 5.4: Did the programme enhance your understanding of international best practice?



Source: Grant Thornton (N=7)

Areas for Improvement

When asked if participation in Regional Entrepreneurship Acceleration Programme was worthwhile, all respondents (n=7), answered yes, it was worthwhile, stating collaboration, building of relationships, greater trust, identification and analysis of world class research, recommendations and subsequent implementation of activity post programme as extremely beneficial

Further, when asked to look forward, respondents were asked their opinions on the potential to further build upon REAP to date and if there are there opportunities working together to further enhance the NI ecosystem. All respondents (n=7) agreed yes there was the potential to further build upon REAP and significant opportunities to work together in the future. It was specially noted that there was a real need to maintain the REAP team to ensure the benefits and learnings from the programme can be

fully realised, however there is a need to break out from existing mechanisms that have previously restricted the exploration of new ideas.

Economy, Efficiency & Effectiveness

In considering the economy, efficiency and effectiveness of the REAP, we note the following:

Table 5.1: Economy, Efficiency & Effectiveness Analysis (REAP)

Measure	Analysis
Economy The Economy measure is concerned with measuring the impact of the programme at an appropriate level of input i.e. impacts have been obtained at the best VfM	<p>REAP was subject to an economic appraisal and robust internal casework process. These were used by Invest NI to assess the 'best fit' in terms of delivery options as well as helping to understand the types of outcomes that could be generated. This level of scrutiny allowed Invest NI to 'cost effectively' understand the impacts generated from the best option and how this compared relative to the inputs invested.</p> <p>Invest NI was the official REAP Team Champion and was deeply connected to the mission of inspiring innovation-based entrepreneurial ecosystems. Its role included understanding the local landscape and which key players to engage to create the greatest impact. Invest NI was considered critical in this respect in helping to build regional support and in having an organisational mission which aligned to REAP.</p> <p>No procurement or management was needed for the programme, with delivery undertaken by Massachusetts Institute of Technology.</p>
Efficiency The Efficiency measure looks at measuring the impacts relative to the level of inputs i.e. has the maximum level of output been achieved for a reasonable level of input	<p>At the close of the programme, there had been a slight overspend on the original budget of £216,111, with final spend amounting to £225,338 (104% of the original budget).</p>
Effectiveness The Effectiveness measure is concerned with understanding the level of impact the programme has achieved relative to aims, objectives, etc.	<p>Participant responses from consultations and the survey has noted strong evidence that REAP was effective, with strong tangible outcomes already evident including the fostering of stronger relationships and collaboration, a clear pathway to support the formation and growth of more IDEs and the securing of additional funding to further implement the knowledge gained as a result of the programme. Feedback from key stakeholders noted the importance of this programme in delivering effective thought and practical frameworks for innovation-driven entrepreneurship.</p>

Source: Grant Thornton Analysis

Continuing need for the REAP

Across all consultations, there was a clearly articulated need for REAP. This is perhaps best articulated through the lens of four criteria which were identified during the consultations:

Table 5.2: Consultation responses to the need for REAP

Is there an economic problem to solve?	Yes – there is a need to strengthen the NI ecosystem for entrepreneurs and to better understand entrepreneurial needs and recognise the need to nurture IDEs differently to other SMEs.
Is there a market demand for a solution?	Yes – there is a pressing need for collaborative efforts to improve the ecosystem for entrepreneurs across NI and to increase knowledge of the current ecosystem and utilise and implement areas of best practice.
Is there a viable private/public sector solution?	Partly – there are similar programmes available, such as Stanford's Innovation and Entrepreneurship Programme or Babson College's Entrepreneurial Thought and Action Model. However, REAP stands out for its ecosystem framework, combining academia, business, government, risk capital, and entrepreneurs.
Can a return to the economy be demonstrated?	Yes – an economic benefit is articulated through the development of a strategy highlighting the 'Must Wins'. As well as development of wider initiatives/funding help to support these 'Must Win Battles', with this being published in August 2023.

5.5 Summary

Based on the preceding analysis, REAP's achievement against KPIs is summarised in the table below.

Table 5.3: KPI's achieved by REAP

Targets	Assessment	RAG Status
Activities		
<ul style="list-style-type: none"> Achieve an understanding of the key strengths and weaknesses of the region's entrepreneurship ecosystem to inform a fairer distribution of opportunities for all our people. 	As a result of participation in REAP, and the resulting work including an extensive piece of primary research, key stakeholders have a better understanding of entrepreneurial needs and the strengths and weaknesses of the existing ecosystem.	
<ul style="list-style-type: none"> Work towards designing a strategy to strengthen the region's entrepreneurship ecosystem by March 2023. 	The REAP group undertook an extensive process of primary and secondary research which resulted in the development of a Strategy/Action Plan as well as a supporting Looking Forward / Backward document.	

Note: Red= Significant underachievement; Amber = minor underachievement; Green= Achievement or overachievement.

5.6 Recommendations

MIT's REAP programme has served a purpose to broaden an understanding of the key strengths and weaknesses of the region's entrepreneurship ecosystem to inform a fairer distribution of opportunities for all our people. While there are no specific recommendation to make, seeking out a globally renowned provider such as MIT is a very positive outcome and reiterates that this is something Invest NI should strive to do in all programmes – the ability to deliver outcomes and the quality of provision should always trump the location of the provider and being a small, peripheral economy should not limit NI's ambition to secure best in class provision in all that it does.



6. Economic Recovery Sell Outside Northern Ireland Grant (ERSONI)

6. Economic Recovery Sell Outside Northern Ireland Grant (ERSONI)

6.1 Background and Evolution to the Economic Recovery Sell Outside Northern Ireland Grant (ERSONI)

To support businesses in their recovery from the pandemic and to help embed resilience to changing market conditions and protection against future shocks, the Economic Recovery Sell Outside Northern Ireland Grant (ERSONI) was developed as part of the RERAP programme of supports under the Entrepreneurship theme. Introduced on the premise that assisting business to scale up and sell outside of the local market, can equip them to rebuild and rebound from the pandemic and thereby drive the recovery of the economy, it had a focus supporting export-ready NI companies explore market opportunities. Exporting supports economic recovery and growth and can enable economies to better prepare for shocks, better cope with shocks and recover quicker.³⁵

Businesses that export are generally more productive, create more jobs, pay higher wages, and are considered more resilient to economic shocks. Exporting was therefore regarded as a key activity strand to economic recovery with opportunities for business profit, increased employment, and higher wages. The ability to export was limited during the pandemic due to restrictions on movement and subsequent supply chain issues.

The Economic Recovery Sell Outside Northern Ireland Grant was established November 2021, with a closing date of 31st March 2022. Offering a grant of up to £10,000 to 22 small or micro businesses, the support sought to grow the export capacity and capability of local businesses in the following ways:

- Generating orders for other NI businesses
- Help to test market opportunity
- Help to identify market entry channels
- Increase knowledge of market entry requirements
- Help grow understanding of market dynamics
- Increase internal efficiencies or improvements
- Help identify leads and targets and
- Increase awareness and position or profile.

Company Eligibility

The ERSONI grant was available to all businesses in Northern Ireland that could demonstrate the following eligibility criteria:

³⁵ The Role of Trade on Economic Resilience; World Trade Report (2021); https://www.wto.org/english/res_e/booksp_e/wtr21_e/04_wtr21_e.pdf

- New, or existing micro or small Invest NI clients who had not received grant support within the previous 3 years
- Based in Northern Ireland
- Classified as a SME and
- Can demonstrate potential for sales growth outside of Northern Ireland.

6.2 Programme Evolution

Prior to launch, the ERSONI grant was subject to an economic appraisal in October 2021, as part of the overall RERAP business case. The report highlighted that in spite of existing schemes of similar export focus such as Support to Export/Export Opportunity GAP³⁶, there was a cohort of businesses with export potential across NI that had not engaged or fully engaged with these existing Invest NI supports. Noting barriers such as the necessity for vouched and approved expenditure, it was noted that there would be value in exploring a new scheme, to engage a wider cohort of businesses who had previously not engaged but did have the capacity to export.

As a result, an initial pilot programme, LEAP into Export (the previous name of ERSONI) was designed in April 2021 to encourage more businesses that had the capacity to export to do so. It was identified that the need for such support is strengthened further amongst earlier stage businesses, who are regarded as being particularly vulnerable at present since they typically engage in more high-risk activities. Furthermore, they face liquidity constraints due to their lower ability and timeframe in which to build up cash reserves; they face more barriers in terms of accessing traditional forms of finance; and are in the early stages of their relationships with customers and suppliers.

The programme, initially sought to support sustainable growth among c20 new and/or existing micro and small businesses across NI through the provision of financial support to encourage sales in new external markets and/or to support increases in employment. This would involve supporting 10 new and 10 existing micro and small business with the following grant supports:

- Start-Ups < 5 years trading - Provide £10k to 10 start-up businesses to be delivered through the adaptation of existing mechanisms e.g., FromStudent2FirstSale, FromFurlough2FirstSale, FromKitchen2First Sale, etc.
- Existing businesses > 5 years trading - Provide £15k to 10 existing businesses to be delivered through the adaptation of existing Invest NI mechanisms e.g., Growth Accelerator Programme (GAP), Mini GAP.

However, it was identified that communication surrounding two separate grant offerings with similar aims and objectives might cause confusion in the marketplace and be more difficult to manage within the timeframe for the Regional ERAP. For those reasons, it was considered prudent to only create one grant offering which was marketed as ERSONI.

6.3 Economic Recovery Sell Outside Northern Ireland Grant (ERSONI) Activity

The ERSONI grant secured business case approval as part of the overall RERAP business case. The programme was approved to support 22 businesses with applications taking place between November 2021 and March 2022, and secured approval for a maximum budget of £220,000.

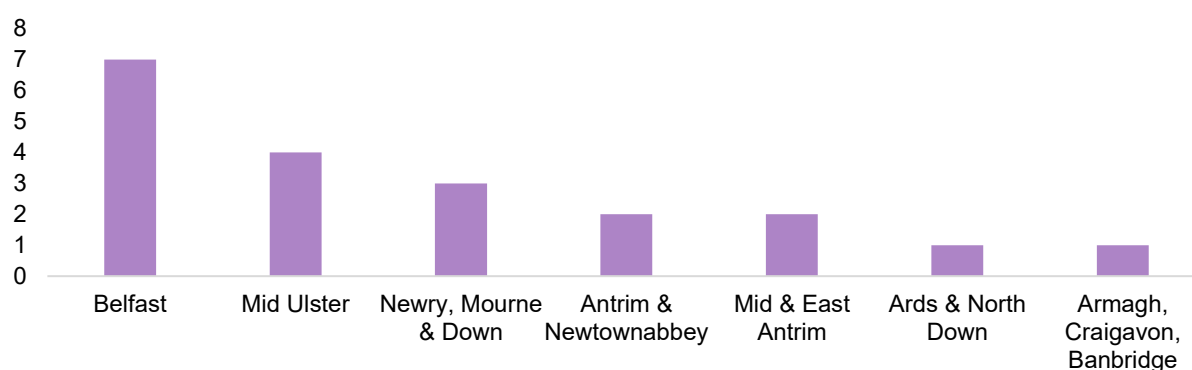
By the time the programme closed in March 2022, the full budget of £220,000 had been spent, with a £10,000 grant issued to 22 businesses. Of the 22 businesses who received the grant support, all

³⁶ Support for Start-Ups with Export Potential; Invest NI; <https://www.investni.com/support-for-business/support-for-start-ups-with-export-potential>

contributed additional funding, equating to a total of £199,409. This brought total investment from both the grant and business contributions to £419,409.

Applicants who received grants were based across 7 local council areas in NI. The breakdown of applicants in their respective council area are highlighted below.

Figure 6.1: Successful ERSONI Grant Businesses by Local Council Area



Source: Invest NI

Economic Recovery Sell Outside Northern Ireland (ERSONI) Delivery

The delivery of the ERSONI grant fell under the remit of 2 Deputy Principals, who were responsible for various strands of the Regional ERAP supports, including ERSONI, liaising with other internal teams such as the communications and finance teams, and those involved in offers & claims.

Economic Recovery Sell Outside Northern Ireland (ERSONI) Application Process

The overall application process consisted of an online application form, which was estimated to take 1-2 hours to complete. Businesses were required to submit the following details:

- Information on the business, such as details on the number of employees and turnover
- Information on the geographical sales markets that the business currently or propose to sell into (e.g. ROI, GB, EU, etc.)
- Information on the proposed project and planned activities
- Actual and Projected sales figures as a result of the project
- Information on the needs of the business for funding and proposed benefits to Northern Ireland on receipt of funding and
- Information on any other government funding proposed or received for this project or other projects.

The application process was simplified, with the aim to encourage businesses that had not engaged or fully engaged with existing Invest NI export supports to avail of this support as a means to support economic recovery.

Recruitment

Invest NI was responsible for the recruitment of businesses to the ERSONI programme. Through active recruitment, a total of 22 business were successfully entered onto the programme, achieving its full target audience. Of the 22 businesses that received support, we were able to track business operations for 20, of which we found that 90% (18) were still active businesses. The remaining 10% were either in administration, liquidated or dissolved.

Marketing and Recruitment

Marketing and recruitment for ERSONI was undertaken by Invest NI's Communications team, with the cost of marketing being absorbed as part of the wider Communications budget (£275,000). Marketing consisted of 5 webinars, event management services, as well as the design and development of a new brochure. A corporate presentation was also created to support engagement and recruitment.

6.4 Impacts/Perspectives of the Economic Recovery Sell Outside Northern Ireland Grant (ERSONI)

The Impact of ERSONI

A survey was issued to ERSONI participants however only one response was received. Based upon this, the evaluators have excluded the survey results from this evaluation, relying instead on information from other sources such as monitoring reports and consultations.

Economy, Efficiency & Effectiveness

Table 6.1: Economy, Efficiency & Effectiveness Analysis (ERSONI)

Measure	Analysis
Economy The Economy measure is concerned with measuring the impact of the programme at an appropriate level of input i.e. impacts have been obtained at the best Vfm	The ERSONI Programme was subject to an economic appraisal and robust internal casework process. These were used by Invest NI to assess the 'best fit' in terms of delivery options as well as helping to understand the types of outcomes that could be generated. This level of scrutiny allowed Invest NI to 'cost effectively' understand the impacts generated from the best option and how this compared relative to the inputs invested. No procurement was needed for the grant, with delivery and management held and undertaken by Invest NI.
Efficiency The Efficiency measure looks at measuring the impacts relative to the level of inputs i.e. has the maximum level of output been achieved for a reasonable level of input	As of the close of the grant application process (31 st March 2022), the full target of 22 businesses were successful in approval for a grant, achieving 100% of its target.
Effectiveness The Effectiveness measure is concerned with understanding the level of impact the programme has achieved relative to aims, objectives, etc.	Participant responses to the survey has noted strong evidence that the ERSONI grant promoted strong tangible business benefits and evidenced exporting interest/uptake for businesses to sell outside the local NI market. Feedback from key stakeholders noted a clear need for the grant and its importance in supporting businesses to adapt to change.

Source: Grant Thornton Analysis

Continuing need for the ERSONI

Across all consultations, there was a clearly articulated need for the ERSONI. This is perhaps best articulated through the following four criteria:

Table 6.2: Consultation responses to the need for the ERSONI Programme

Is there an economic problem to solve?	Yes – too few companies from Northern Ireland are engaged in exporting. There are companies who are capable and ready to export but require support to make the final leap, as this may be considered high risk for their operations.
Is there a market demand for a solution?	Yes – there is a pressing need to support and improve the exporting capabilities of local companies. Engagement with consultees would suggest there is a key demand for interventions/supports to assist businesses to export.
Is there a viable private/public sector solution?	Yes – there are multiple export focused programmes across both the public and private sector.
Can a return to the economy be demonstrated?	Yes – an investment impact of £419,409.

6.5 Summary

Based on the preceding analysis, the ERSONI grant achievement against KPIs is summarised in the table below.

Table 6.3: KPI's achieved by the ERSONI grant

Targets	Assessment	RAG Status
Activities		
To support the sustainable growth of a small number (22) of new and/or existing micro and small businesses across NI to encourage sales in new external markets and/or to support increases in employment.	Over the life of the grant i.e. November 2021 until the 31 st of March 2022 a total of 22 businesses were successful with their application and approved for a grant, with this representing 100% of the overall target.	

Note: Red= Significant underachievement; Amber = minor underachievement; Green= Achievement or overachievement.

6.6 Recommendations

Considering a context where Invest NI already operates a range of trade capability supports and bodies such as Intertradelreland, Northern Ireland Chamber, and some councils offer trade development and market entry support, it does raise a question for the evaluators about the extent to which there was a clear need for ERSONI. Exploring this point with consultees and Invest NI officers referred back to the business case, compiled to support this expenditure. It concluded there was indeed a need, citing that:

“Whilst Invest NI has schemes (such as Support to Export/EO GAP) that have a similar focus to the proposed LEAP into Export strand of activity, most consultees (both internal and external to Invest NI) considered that there is a cohort of businesses with export potential (referred to by one consultee as ‘the best of the rest’) across NI that have not engaged (or engaged fully) with Invest NI. A variety of

factors are considered to influence this. However, amongst those is a view that aspects of Invest NI's processes relating to grant distribution (such as the necessity for vouched and approved expenditure) may be off-putting to some businesses, but also inadvertently create a barrier for smaller businesses relating to expenditure liquidity issues. Consultees were of the view that there would be value in exploring new ways of working with such businesses to ascertain whether this might engender greater engagement and ultimately the growth of those businesses."

The evaluators accept the business case finding on need but would recommend more research to consider the point raised that 'Invest NI's processes...may be off putting to some businesses'. This could be a fundamental barrier to economic development and Invest NI's effectiveness.



7. Clinical Entrepreneur Programme (CEP)

7. Clinical Entrepreneur Programme (CEP)

7.1 Background and Evolution to the Clinical Entrepreneur Programme (CEP)

As part of the support to Entrepreneurs that was outlined as a key theme in the RERAP business case, the need to support the Life & Health Sciences was identified. The sector holds a significant importance to the 10X strategy, where it was identified as a key sector of opportunity and growth. Although the 10X strategy is no longer the main economic strategy moving forward, the Life & Health Sciences sector remains key a priority for growth/opportunity for the Minister for the Department for the Economy (DfE). In February 2024 the Minister set out his vision for the economy with focus on four key objectives - increasing the number of good jobs, promoting regional balance, raising productivity and reducing carbon emissions. In line with this and DfE's Departmental Business Plan for 2024/2025, a range of sectoral action plans for seven of the most innovation, productive and internationally oriented parts of the local economy were developed. This included the Life & Health Sciences sector³⁷, highlighting the importance of the sector to the NI economy. To support the sector's development and foster entrepreneurship and innovation within it, Invest NI, as part of the RERAP programme, offered support through the pilot Clinical Entrepreneur Programme (CEP). The CEP programme was established in November 2021 and ran until the 31st of March 2022. In September 2022, Invest NI secured funding to support the CEP Programme for a further 3 years up to March 2026. This extension indicates an ongoing and strong need remains.

The aim of the CEP is to promote entrepreneurial thinking, while allowing those in the sector to remain in their current role. The programme is aimed at those employed by the NHS and allows applicants to test innovation ideas, without leaving the health service and provide support and scale in delivering innovation that supports patients, staff and the wider NHS/healthcare sector. The Northern Ireland CEP support is open to anyone from the NHS or the Health & Social Care Trusts. As part of the RERAP programme, CEP aimed to support c.10 participants between November 2021 and March 2022.

The CEP is run by the NHS England and delivered by the Anglia Ruskin University. The programme was launched in 2016 and has run on an annual basis ever since. Invest NI funds the programme to be delivered to participants in Northern Ireland, with the programme being championed by Health Innovation Research Alliance Northern Ireland (HIRANI).

Company Eligibility

The CEP was open to staff from NHS and/or Health & Social Care Trusts across Northern Ireland. Applicants were to be over the age of 18 years old and be in one of the following roles:

- Doctors
- General Practitioners
- Medical, nursing, midwifery and paramedic students
- Dentists and Dental Hygienists
- Nurses

³⁷ Life and Health Sciences Action Plan; Department for the Economy (2024); <https://www.economy-ni.gov.uk/sites/default/files/2025-01/Life%20and%20Health%20Sciences%20-%20Sectoral%20Action%20Plan%20-%2028Final%20January%202025%29.pdf>

- Midwives
- Pharmacists (including Community Pharmacists)
- Psychologists
- Allied Health Professionals (such as Physiotherapists, Paramedics, Radiographers, Occupational Therapists, SLTs, Dieticians etc)
- Ambulance staff
- Healthcare Scientists
- Medical Associate Professions (including Physicians Associates etc)
- Clinical Support Staff (such as phlebotomists, healthcare assistants/ carers, porters)
- Healthcare managers (such as operational managers, project managers, general managers etc)
- Administrative and Clerical Staff and
- Optometrists.

7.2 Programme Evolution

As part of the overall RERAP programme, the CEP was subject to an economic appraisal in October 2021 and received approval in November 2021. Following the pilot programme, it was agreed that further scoping of support would be undertaken to assess need and demand for ongoing support. As a result of this scoping the CEP was subject to its own business case, which was undertaken in August 2022, in order, to continue the support for the CEP programme for the next 3 years following the initial support under RERAP. Given the focus of the CEP programme on developing entrepreneurship and innovation CEP was considered under the Entrepreneurship theme.

As noted in the ERIG section, the Entrepreneurship element focussed on supporting employment through the protection of jobs, etc. However, this focus shifted due to the rise in vacancies and fall in furloughed jobs to the promotion of innovation activities. As a result, this seen the introduction of the CEP programme as a way of developing and encouraging innovation from the NHS, which is seen as an entrepreneurial workforce.

7.3 Clinical Entrepreneur Programme (CEP) Programme Activity

CEP secured funding for £42,000 as part of the overall RERAP pilot business case, to be used to support c.10 participants at a cost of £3,500 per participant. Applications were open for interested parties from November 2021 until March 2022, however a subsequent business case was submitted in August 2022 to extend the programme for the next 3 years. Under this business case, funding was approved for £110,000, with this again to support the cost of up to 30 entrepreneurs or 10 per annum.

Applications through the original business cases closed on the 31st of March 2022, with only £24,500 worth of the approved £42,000 being spent. This represented 58.3% of the approved budget being used.

A Post-Project Evaluation (PPE) was undertaken to assess the impacts of the pilot run of the support of the CEP. Through the funding available, Invest NI supported the participation of 7 participants at a cost of £24,500. Feedback directly from Anglia Ruskin University, in respect of Northern Ireland participation, noted some of the key achievements as of March 2023 included:

- Clinical Conditions addressed within innovations: Mental Health; Cardiovascular Disease; Cancer; Addressing Health Inequalities: Ageing; Respiratory Disease; Obesity; Dementia; Maternity and Neo natal.

- Adoption of innovation to NHS achievements – 1 participant achieved across 13 NHS trusts and 100 private sector sites; 1 other participant achieved adoption in 5 private sector sites, 1 NHS Trust, 2 Academic Institutions and 26 GP Practices.
- Commercialisation – 1 participant achieved sales with local health trust in Northern Ireland and GP Federation, also working with local charity focused on Mental Health.
- Other Achievements – 1 participant reported download of app in 178 countries with 6,000 users.
- 4 UK companies were established, and 6 full-time equivalent (FTE) jobs were created during the Programme period.
- External Funding - £230,000 leveraged to date across 3 participants (£10,000 of that being private funding). 1 participant also submitted an application to Techstart funding.
- Contracts awarded (2 participants) £130,600.
- Award – participants have received nominations and awards for their innovative idea including: Women in Business; Institute of Directors UK Pitching Finalist; Great British Entrepreneur Awards 2022 Finalist.

These outcomes were noted by the PPE as delivering a significant positive impact to the Northern Ireland economy. The PPE also goes on to say that the early stages of the programme has gained some momentum and was deemed positive for the overall Life & Health Sciences sector in Northern Ireland. **The PPE recommended the continuation of the CEP engagement as this would encourage innovation take-up in Northern Ireland.** Despite this, Grant Thornton evaluators have a concern over the significant underspend – underspend of more than 10% represents a 'material underspend' in Invest NI. As noted above, the timeline for CEP was hindered due to this being a pilot programme, however the programme itself did achieve material impact as highlighted above. The programme has been considered a success with the impacts of the programme being deemed significant enough that has seen Invest NI extend the programme for another 3 years.

Clinical Entrepreneur Programme (CEP) Delivery

The CEP programme was funded by Invest NI, with HIRANI providing support through the championing and management of the CEP programme. The Invest NI team was responsible for the approval and funding of applications. This funding was used to access the overall CEP programme delivered by the Anglia Ruskin University.

In terms of delivery by Anglia Ruskin University, applicants were given a mixture of teaching and learnings, with this covering mentoring, one-to-one clinics, workshops, webinars, etc. Six modules were delivered, with these including:

- **NHS & Healthcare Systems:** This provided applicants an overview into the healthcare systems and how they operate and an exploration into wider systems across the NHS/America
- **Starting Up:** This provided applicants and understanding into key business skills and the principles of the CEP and how this can develop and accelerate innovative ideas
- **Communications:** This provided applicants with an understanding into how they can communicate their ideas to different audiences
- **Funding:** This provided an overview into how you can drive your innovation forward through the application of different funding sources including Angel investment, etc.
- **Teams & Leadership:** This will provide applicants the ability to explore team dynamics and how to deliver effective leadership and
- **Healthcare Technology:** This will help applicants understand digital health and explore its components and how digital health adheres to clinical and ethical guidelines.

Overall, the CEP programme provides participants with a well-rounded ability to engage and exploit their innovation to provide innovation benefits as well as wider entrepreneurial and social benefits. In addition to this as the CEP programme brings together participants from across the UK it provides participants from Northern Ireland the opportunity to represent the region highlighting the innovative skill.

Clinical Entrepreneur Programme (CEP) Application Process

The application process was undertaken digitally and managed by the Anglia Ruskin University. Interested applicants would apply through the designated NHS Clinical Entrepreneur website (<https://nhscep.com/>). Applicants were requested to provide the following:

- A 1-minute video pitch on the innovation/idea
- Description of your research focussing on the problem, market research and already existing supports
- The motivation for applying to the programme and
- Letters of support from 2 professional contacts.

Applications are reviewed by two independent reviewers. Following this initial review, the CEP team review the application, with the views of both the CEP team and independent reviewers being considered as part of the application. If the applications meet the criteria threshold, it will be accepted onto the programme.

The management of the programme was handled by Invest NI with the delivery and application process managed and implemented by the Anglia Ruskin University. Upon acceptance, applicants could present this receipt to Invest NI in order to receive the £3,500 support offered. Invest NI upon submission of acceptance would issue a LoO to the applicant, with this acting as the contractual agreement for payment or covering of cost of their participation.

Clinical Entrepreneur Programme (CEP) Recruitment

The CEP supported 7 participants at a cost of £24,500 between November 2021 and March 2022. Of the c.10 target this represents a 70% achievement for a 58.3% spend of allocated budget (£42,000). Despite the lower level of recruitment it was noted that the impact would have been larger, however the shorter time frame restricted the full potential of the programme being achieved. Overall, the pilot programme despite missing the engagement target was deemed a strong success. The impacts of the programme have been outlined under programme activity above.

Of the 7 businesses that received support we were able to track business operations for 5, of which we found that 80% were still active businesses. With the remaining 20% either in administration, liquidated or dissolved.

Furthermore, at the time of writing of the PPE 6 entrepreneurs have applied for Year 1 (2023/24). No procurement was needed for the programme, with this being a fund support for an external programme as such all management and delivery of the programme being undertaken by Anglia Ruskin University.

Marketing and Recruitment

As the CEP programme was already a strong globally recognised programme, no marketing cost was incurred. However, Invest NI did market the programme via LinkedIn channels and it was widely promoted by HIRANI. The CEP programme itself is the largest workforce entrepreneurial development programme of its kind and so it already has a strong reputation and recognition across the NHS and wider UK. Since its inception in 2016 the CEP programme has supported over 1,200 innovators across the UK, with £971m being raised as a result.

Equality Consideration

The Evaluation Team's review of the CEP programme and its activities indicate that it was open to all NHS or Health & Social Trust workers as long as they meet the criteria set out in section 6.1. It is the Evaluation Team's assessment that the CEP programme complies with all elements of equality promotion set out in Section 75 of the Northern Ireland Act 1998 and by Invest NI in their Equality Scheme³⁸.

³⁸ Equity Scheme for Invest Northern Ireland 2022-2025; Invest NI; <https://www.investni.com/sites/default/files/2022-05/equality-scheme-for-invest-northern-ireland.docx.pdf>

Clinical Entrepreneur Programme (CEP) Programme Economy, Efficiency & Effectiveness

In considering the economy, efficiency and effectiveness of the CEP programme, we note the following:

Table 7.1: Economy, Efficiency & Effectiveness Analysis (CEP)

Measure	Analysis
Economy The Economy measure is concerned with measuring the impact of the programme at an appropriate level of input i.e. impacts have been obtained at the best VfM	The CEP Programme was subject to an economic appraisal and robust internal casework process. These were used by Invest NI to assess the 'best fit' in terms of delivery options as well as helping to understand the types of outcomes that could be generated. This level of scrutiny allowed Invest NI to 'cost effectively' understand the impacts generated from the best option and how this compared relative to the inputs invested. A further business case was used to assess the need and potential to continuation of the programme for an additional 3 years, with this being undertaken in August 2022. This business case was subsequently approved with an additional funding £110,000 approved. In fact at the time of writing of the PPE 6 entrepreneurs have applied for Year 1 (2023/24). No procurement was needed for the programme, with this being a fund support for an external programme as such all management and delivery of the programme being undertaken by Anglia Ruskin University. The CEP programme has been assessed as offering a leveraged investment return £230,000 and a return of investment of £5.47 total leveraged funding for every £1 of Invest NI expenditure.
Efficiency The Efficiency measure looks at measuring the impacts relative to the level of inputs i.e. has the maximum level of output been achieved for a reasonable level of input	As of the close of the support (31 st March 2022) 7 applicants were successful and partook on the CEP programme. This falls short of the c.10 target set out in the initial business case for RERAP. However, the impacts achieved by these 7 participants have made this programme a success, with these impacts outlined above. The support spent to aid these 7 successful applicants stood at £24,500, with this being 58.3% of the overall approved budget (£42,000). However, consultees noted the wider impacts achieved from the CEP programme would see this as a success.
Effectiveness The Effectiveness measure is concerned with understanding the level of impact the programme has achieved relative to aims, objectives, etc.	Insights from Invest NI and the PPE suggest that there is a strong and continued need for the CEP programme support. Given that it aligns with the Ministers Vision and the wider UK Industrial Strategy (Invest 2035), which highlight Life & Health Sciences as a key sector for growth/potential. Additionally, the results from the PPE suggest that strong tangible business benefits and evidenced innovation have been achieved. As a result, the CEP programme has been granted an extension for the 2023 to 2026 period.

Source: Grant Thornton Analysis

Continuing need for the CEP

Across all consultations, there was a clearly articulated need for the CEP. This is perhaps best articulated through the lens of four criteria which were identified during the consultations:

Table 7.2: Consultation responses to the need for the CEP Programme

<p>Is there an economic problem to solve?</p>	<p>Yes – as noted Northern Ireland businesses have a lower level of innovation (32%) compared to UK businesses (36%). Addressing aiding the development of the NHS will have significant benefits both in terms of efficiency as well as care, with this being key given the aging population facing the developed world. Promoting the CEP programme will also boost the development of the Life & Health Science sector, which is a key sector for growth going forward as highlighted by the Invest 2035 and Minister's Vision. In addition to this the innovation developed has the potential to improve productivity and efficiencies within the health sector. Implementing the innovation supported could result in improved productivity and cost savings improving the effectiveness of the devolved health authorities such as the HSCNI providing a saving and greater impact for every pound spend on health from the public purse.</p> <p>In addition, as a result of the CEP programme Northern Ireland can also develop its Life & Health Science sector through better innovation. As well as this it is important that we continue to develop the wider entrepreneurial base of Northern Ireland. The CEP programme has proven to make a significant contribution to achieving that. The CEP also provides Northern Ireland early start-up Life & Health Sciences businesses the opportunity to highlight their business/innovation and engage in wider collaboration with other businesses/health groups in a UK context without the CEP programme this would have otherwise not occurred.</p>
<p>Is there a market demand for a solution?</p>	<p>Yes – given the continuation of the programme and the uptake of 6 applications for the Year 2023/24 there is a continued demand for support and CEP programme engagement. The market failure was noted as part of the business case, with this being the need to improve the cost effectiveness and efficiency of the HSCNI given the current budgetary pressures.</p>
<p>Is there a viable private/public sector solution?</p>	<p>No – there are no other supports that would aid participants to cover the cost of the CEP programme.</p>
<p>Can a return to the economy be demonstrated?</p>	<p>Yes – an economic benefit is articulated, achieving a return of investment of £5.47 total leveraged funding for every £1 of Invest NI expenditure. Alongside the return on investment as part of the CEP programme a Pitstop event is held, which invites all participants for a 2-day event in Northern Ireland. This event allows businesses from Northern Ireland to engage with participants improving knowledge share and wider collaboration, with the rest of the UK. This event allows Northern Ireland based businesses to highlight their capabilities, develop opportunities and explore the potential for collaboration.</p>

7.4 Summary

Based on the preceding analysis, the CEP programme achievement against KPIs is summarised in the table below.

Table 7.3: KPI's achieved by CEP

Targets	Assessment	RAG Status
Activities		
c.10 clinical and non-clinical staff participation on the CEP programme	Over the life of the programme i.e. November 2021 until the 31 st of March 2022 a total of 7 received support and engaged on the CEP programme, with this representing 70% of the overall target. However, the programme was considered a success given the impacts on innovation and entrepreneurship achieved.	

Note: Red= Significant underachievement; Amber = minor underachievement; Green= Achievement or overachievement.

7.5 Recommendations

The CEP Programme has a broad reach across the UK and beyond including networks, mentoring and ability to connect entrepreneurs within the Health Service. A similar accredited Programme of this scale would not be easy to replicate. It is recommended that Invest NI evaluate the Programme outcomes at the end of the current funding period (post March 2026) to determine future support.



8. Economic Recovery Sub-Regional Grant

8. Economic Recovery Sub-Regional Grant

8.1 Background to the Economic Recovery Sub-Regional Grant

The impact of Covid-19 was profound, and different across local sub-regions, exacerbating existing disparities. Consequently, the Economic Recovery Sub-Regional Grant (ERSRG) was developed to support the recovery of the NI economy at sub-regional level and to support sub-regions to emerge stronger from the pandemic. Further, in identifying areas of economic disadvantage and inequality, it became evident that many of the challenges faced straddle local council boundaries, promoting the case for more collaborative working across neighbouring council areas.

The grant was developed to support 11-15 council-led research reports, examining the wider economic outlook of their specific sub-region to identify collaborative council-led interventions, informing decisions relating to future economic development in their council area or groupings of areas. Collaboration was a key driver of the grant, with councils encouraged to work together to address areas of economic disparity. Research would be under-taken so that findings and subsequent interventions could be implemented in the period 2022-2024. Reports would outline the relevant proposed and fully costed (and timebound) economic interventions addressing the research findings.

The Sub-Regional Development strand of activity sought to give communities, through their local councils, a stronger voice to identify pressing economic priorities. Through research it endeavoured to identify measures that could be delivered quickly on the ground, and potentially be delivered through further Economic recovery funding, subject to budget availability from the NI Executive, or the UK Shared Prosperity Fund.

It was anticipated that the research would identify key sectors and strengths and weaknesses across sub-regions so that all businesses and individuals would have the best opportunity to:

- Avail of economic opportunities in local and external markets
- Prosper through a higher skills base, higher productivity, and enhanced competitiveness
- Benefit from a higher level of sustainable and environmentally responsible commercial opportunities.

As such, these outcomes would help drive inclusive and regionally balanced economic recovery.

Grant Eligibility

All councils were invited to apply for the Economic Recovery Sub-Regional Grant.

8.2 Programme Evolution

ERSRG was subject to an economic appraisal in October 2021, as part of the overall RERAP programme of supports. Initially a £750,000 budget was proposed to assist councils in their research projects, however the findings from the business case led to the re-evaluation of the funding amount.

The business case found that while all councils welcomed funds to undertake research to consider economic needs in their area, the majority voiced reservations as to the deliverability of (potentially) considerable pieces of research by March 2022. This was based on a number of reasons, including the differing capacity of council's economic development and procurement teams. Many teams were already at capacity due to the existing large quantity of activities and fundings from other sources of support. Further, the capacity within the marketplace amongst consultants and research organisations to conduct the scale of research that might be required if all 11 councils were to seek to procure similar research at the same time was raised. The potential for the duplication of activity was also raised, based upon existing research activity which had recently or was currently underway including that to inform City Deals, and the Dublin-Belfast Economic Corridor Partnership. It was further identified that sub-regional development was in a state of uncertainty, following the UK's exit from the EU, the workings of which had not been finalised with respect to sources and level of funding for such activity. As a result, any future work resulting from research findings was also uncertain.

Councils were unanimous in the importance of sub-regional development to achieve a more balanced economy and supported a need for research and planning activity to identify different areas' strengths and weaknesses, and opportunities for interventions that will support their economic aspirations. However, the level and breath of the need were not uniform across council areas.

As a result of the above concerns and barriers, the original full budget of £750,000 which set out to cover the implementation of any projects that might be suitable for delivery in 2021/22 as well as research project costs, was amended. To reduce the risk of considerable underspend, the budget was reduced to £250,000.

8.3 Sub-Regional Development Grant Activity

The Sub-Regional Development Grant secured £250,000 of funding as part of the RERAP business case. Applications for councils opened in November 2021, with submission to be received by the 28th February 2022 to allow time for applications to be processed. Upon closing of the support on 31st March 2022, 81% of the approved grant funding or £202,560 had been spent.

A total of 10 projects were funded from across 9 council areas. Fermanagh and Omagh District Council received assistance for 2 projects. Councils were initially awarded grants of between £20,000 - £30,000 to support research to be undertaken into the wider economic outlook in their specific sub-region, identifying possible future interventions. However, not all of the grant funding awarded to each council was required, resulting in the 19% underspend. Councils instead required assistance of between £10,000 and £30,000 to fund their research projects.

Sub-Regional Development Grant Delivery

The Sub-Regional Development Grant was funded by Invest NI who also managed and administered the operations and delivery of programme.

Sub-Regional Development Application Process

To avail of the Sub-Regional Development Grant, an online application form was required to be completed and submitted.

The application form requested the following information:

- A description of the research to be carried out
- The main priorities and activities to be included

- The rationale for the research and to demonstrate the need, outlining the issues and opportunities it hopes to address
- Identification of key outputs/ outcomes and overview of how these could be aligned to longer term plans for the years 2022-23 and 2024-25
- Identification of how the research will contribute to other existing and emerging local, regional and national strategies in both short and medium term
- Identification of any similar research projects
- If the project was in collaboration with other sub-regions.

Payment of the grant would be made to councils on a vouched and approved basis following receipt of claims documenting payment to any external consultants/research organisations upon delivery of agreed project outputs.

Sub-Regional Development Grant Recruitment

A total of 9 councils received the sub-regional development grant. This included:

1. Antrim & Newtownabbey Borough Council
2. Ards and North Down Borough Council
3. Armagh City, Banbridge and Craigavon Borough Council
4. Belfast City Council
5. Derry City & Strabane District Council
6. Fermanagh and Omagh District Council
7. Lisburn & Castlereagh City Council
8. Mid and East Antrim Borough Council
9. Newry Mourne and Down District Council

8.4 Impacts/Perspectives on the Sub-Regional Development Grant

To gain insight into the Sub-Regional Development Grant, a consultative process with key stakeholders was undertaken with participating councils.

Consultees noted the need for the grant and the benefits/outcomes it provided in gaining valuable research at council level including that of local businesses to inform economic development, that otherwise may not have been realised. Consultees noted the ease in the application process, which was welcomed at the time, given the impact on workloads as a result of Covid-19. However, they also noted the tight timeframe and the challenges this presented in terms of accruing consultants to carry out their research projects. Having had more time, many consultees felt the scope of their projects could have been expanded.

Councils also recognised the need for collaboration at sub-regional level but also highlighted that there are individual challenges that exist across local areas and therefore it is important that both individual and collaborative economic development at sub-regional development level are considered.

Table 8.1: Economy, Efficiency & Effectiveness Analysis (Sub-Regional Development Grant)

Measure	Analysis
Economy The Economy measure is concerned with measuring the impact of the programme at an appropriate level of input i.e. impacts have been obtained at the best VfM	<p>The Sub-Regional Development Grant was subject to an economic appraisal and robust internal casework process. These were used by Invest NI to assess the 'best fit' in terms of delivery options as well as helping to understand the types of outcomes that could be generated. This level of scrutiny allowed Invest NI to 'cost effectively' understand the impacts generated from the best option and how these compared relative to the inputs invested.</p> <p>No direct procurement was needed for the grant, with delivery and management held and undertaken by Invest NI.</p>
Efficiency The Efficiency measure looks at measuring the impacts relative to the level of inputs i.e. has the maximum level of output been achieved for a reasonable level of input	<p>As of the close of the grant application process (31st March 2022) 10 applications had been approved from 9 local councils, amounting to £202,560. This equated to 81% of the overall approved budget.</p> <p>While this resulted in an underspend, evaluators are content that the delivery model employed is entirely suitable and has been designed (and operated) to deliver maximum output. It was noted by consultees that the tight timeframe and deliverability of potentially considerable pieces of research by March 2022 was a concern. Full expenditure may have been achieved with some extra months and time to engage with councils more fully.</p>
Effectiveness The Effectiveness measure is concerned with understanding the level of impact the programme has achieved relative to aims, objectives, etc.	<p>Stakeholder consultations noted strong evidence that the Sub-Regional Development Grant promoted strong tangible benefits, delivering successful research that councils can use to inform economic development policies and activities. Feedback from key stakeholders noted the grant was successful in delivering research which otherwise would not have happened.</p>

Continuing need for the Sub-Regional Development Grant

Across all consultations, there was a clearly articulated need for the Sub-Regional Development Grant. This is perhaps best articulated through the lens of four criteria which were identified during the consultations:

Table 8.2: Consultation responses to the need for the Sub-Regional Development Grant

Is there an economic problem to solve?	Yes – there are inequalities across council areas in NI, with many challenges or barriers common across neighbouring council areas. This suggests that the identification of local challenges and barriers and through collaborative efforts tackling problems at scale could be more effective.
Is there a market demand for a solution?	Yes – there is a pressing need to create a more regionally balanced economy. Engagement with consultees would suggest there is a key demand for supports to help tackle inequalities and sub-regional level.
Is there a viable private/public sector solution?	Yes – Councils, through their rate setting process do allocate funding to economic development to better understand their economic development needs and challenges. Labour Market Partnership funding, and new sub-regional local economic partnerships both attract funding.
Can a return to the economy be demonstrated?	Yes – through the development of sub-regional economic development research aimed at addressing inequality. Sub-regional economies will benefit from higher paid jobs and higher productivity levels, closing the inequality gap.

8.5 Summary

Based on the preceding analysis, the Sub-Regional Economic Recovery Grant achievement against KPIs is summarised in the table below.

Table 8.3: KPI's achieved by the Sub-Regional Development Grant

Targets	Assessment	RAG Status
Activities		
Support local councils to work with all relevant stakeholders to develop research reports to inform decisions relating to economic development in their area or a grouping of areas.	Over the life of the grant i.e. November 2021 until the 31 st of March 2022 a total of 10 applications were supported through the grant. These 10 applicants received £202,560 of support, representing 81% of the overall budget spend.	

Note: Red= Significant underachievement; Amber = minor underachievement; Green= Achievement or overachievement.

8.6 Recommendations

This support was appropriate in the context of a highly uncertain operating context following the pandemic. There are no specific recommendations.



9. Green Local Opportunities

9. Green Local Opportunities

9.1 Background to the Green Local Opportunities

To support the development of the green economy and promote green business, a Green Local Opportunities theme was brought through and approved as part of the RERAP business case. It was designed to promote green technology and support the aims of the Invest NI existing Aerospace Diversification Programme. Specifically, the aim of the Green Local Opportunities programme was to support the expansion of the work being undertaken by the Aerospace Diversification Programme as well as to develop and implement a marketing and communications strategy/action plan to promote Green Economy Opportunities.

The assessment into the impact of Green Local Opportunities will be undertaken as part of PPE for the Aerospace Diversification Programme. This PPE will only provide a brief outline into its impacts under RERAP.

9.2 Green Local Opportunities Programme Activity

Green Local Opportunities secured funding for £207,000 as part of the overall RERAP programme business case to deliver the support for the Aerospace Diversification Programme. The overall support was open from November 2021 until March 2022, with the aim of identifying additional green opportunities under the Aerospace Diversification Programme.

The support under the Green Local Opportunities programme helped extend the pre-existing contractual agreement of the Aerospace Diversification Programme. The aim of this extension was to complete the work carried out as part of the Aerospace Diversification Programme to map, explore and identify opportunities of the Green Economy against the Aerospace skills/capabilities. In addition, the extension also allowed the mapping for potential collaboration across other Northern Ireland sectors providing greater market reach. The mapping exercise led to the identification of over 1,000 opportunities with companies. This report built upon the findings from the Green Review report commissioned by Invest NI that stated the complexity of the 'green sector' and identified that further work was needed to assess/scope the opportunities within different sectors. Upon the close of the support on the 31st of March 2022, of the £207,000 funding approved to support the Aerospace Diversification Programme, 100% of this approved budget line was spent. In addition to this, a further £18,000 was used to support the delivery of an event on "Northern Ireland Focus on Offshore Wind: Emerging Opportunities" hosted in the Titanic Hotel.

The outcome of this resulted in the completion of the Aerospace Diversification Project/Report that considered the Green opportunities facing the Aerospace sector and its supply chain. This research and activity has subsequently formed the basis and foundation for future 'green' work and the building out of the 'green' economy team within Invest NI.

Green Local Opportunities Delivery

The Green Local Opportunities was a contractual extension of a pre-existing arrangement for the Aerospace Diversification Programme. Delivery for this programme was undertaken by an external provider, with CPD being advised on the extension and the extension being agreed upon based upon the following clause sourced from the original RERAP business case:

"The proposed modification is for additional work only which was provided for in 4.4 of the original specification i.e. the Contractor may be required to provide additional advice or undertake additional

work, which is directly related to the delivery of the stated objectives. The Contract will include flexibility to allow Invest NI to respond and react to any industry or economic changes and amend or update activities to gain maximum benefit against the objectives. This will be on an ad-hoc basis as and when required by Invest NI and will be based on the contracted daily rates as per the Pricing Schedule. The cumulative value and contract period remains in line with the original contract value and timeframes. On these considerations and the information provided there would appear to be reasons to modify the contract in line with Reg 72 (1) (a)"

In addition to this, Invest NI was confident given the experience and knowledge of the provider they would be able to provide addition in scope by 31st March 2022, with payment to be delivered upon receipt of additional research.

Marketing and Recruitment

Marketing spend was managed by Invest NI's communication team and any expenditure was managed under the original Communications budget allocated at the original business case (£275,000). The marketing spend helped support the delivery of an event on "Northern Ireland Focus on Offshore Wind: Emerging Opportunities" hosted at the Titanic Hotel on 22nd March 2022. A total of 88 attendees were at the event, with attendees being from a range of key stakeholders including the Department for the Economy, Belfast City Council, etc.

In addition to the event spend, wider communication expenditure was made regarding information and comms to help highlight the importance/impact of the Green Economy, with this including the development of 5 case studies on Green Growth. These case studies have been used to help inform the wider impact and benefits of the Green Economy.

9.3 Summary

The impacts from the Green Local Opportunities programme will be assessed as part of the wider Aerospace Diversification Programme PPE. However, under the aims of the Green Local Opportunities programme a constituted spend of £207,000 was made, with this resulting in over 1,000 opportunities in the global green economy being identified matched to Northern Ireland company capability. As well as this, two detailed reports were delivered - 'Future Green Economy' and 'Green Economy Strategic Roadmap' - focussing on the key areas of Low Carbon Transportation, Energy Generation and Low Carbon Heat. The programme achieved its delivery aims.



10. Assessment & Recommendations

10. Assessment & Recommendations

10.1 Introduction

The preceding chapters have assessed each of the programmes and supports that comprise Invest NI's Regional Economic Recovery Action Plan (RERAP)³⁹. To highlight the overall impact of the programme this section of the evaluation will focus on the overall impact of the programmes. Rather than duplicate the previous analysis, this section will reiterate thematic issues such as the rationale for support and provide an aggregation of impacts.

10.2 The rationale for support

As outlined in chapter 2, there was clear evidence for the need for each of these programmes as a way of driving recovery among Northern Ireland's business base. The Enterprise Barometer found that 85% of micro, small and self-employed businesses had been negatively impacted by Covid-19. This was driven by the severe economic contraction experienced, where economic output contracted by 14.8% between Q1 and Q2 2020, the single recorded largest quarter-on-quarter fall. The impact of the pandemic and the access to limited resources, which caused liquidity constraints seen the business death rate rise by 24.6% year-on-year between 2020 and 2021⁴⁰. Based upon this, an intervention was required to drive recovery and support businesses through the difficulties and drive innovation, entrepreneurship and regionally balanced growth. The aim of the RERAP intervention was to stave off the worst impacts of Covid-19 and ensure business survival.

10.3 Aggregated impact of Regional Economic Recovery Action Plan (RERAP)

This section aggregates and presents the impacts and outcomes for each programme in table 10.1 below. It should be considered that an economic impact has only been calculated for the ERIG programme, due to the low survey return rate for the other RERAP supports.

³⁹ Except the Green Local Opportunities Programme that will be evaluated fully elsewhere.

⁴⁰ Northern Ireland Business Demography Statistics 2021; Department for the Economy (2023); <https://www.economy-ni.gov.uk/news/northern-ireland-business-demography-statistics-2021>

Table 10.1: Summary Regional Economic Recovery Action Plan (RERAP) Outcomes/Impacts

Programme	Key Outcomes/Impacts	Summary Finding
Economic Recovery Innovation Grant (ERIG)	On a strict adherence to the original target, the programme did not achieve its aim. However, the reality of the programme delivery phase is that it was significantly curtailed. Over the life of the grant i.e. November 2021 until the 31 st of March 2022 a total of 253 applications were received from 313 eligible businesses. Of these 253 applicants, 248 were successful and approved for a grant, with this representing 76.3% of the overall pro-rata 5-month target. This lower level of approval also translated into a lower level of expenditure, with only £1.2m of the original approved £3.9m being spent – representing 31.9% of original budget, and 73.8% of the pro-rata budget. In the context of the shorter timeframe, the programme was considered a success given the impacts on innovation and entrepreneurship achieved across the 5-month period.	<ul style="list-style-type: none"> The ERIG programme supported SMEs to develop or enhance innovative products, services, or processes to embed resilience. While the programme faced underspend challenges, it successfully supported 248 businesses, with most innovations focusing on products, processes, and business models. The majority of participating businesses remained active, reflecting the grant's role in supporting survival and recovery.
Regional Entrepreneurship Acceleration Programme (REAP)	<p>As a result of participation in REAP, and the resulting work including an extensive piece of primary research, key stakeholders have a better understanding of entrepreneurial needs and the strengths and weaknesses of the existing ecosystem.</p> <p>This knowledge will provide the building blocks for a new Entrepreneurship Strategy, which will be forthcoming.</p>	<ul style="list-style-type: none"> Delivered in collaboration with the Massachusetts Institute of Technology, REAP aimed to strengthen Northern Ireland's entrepreneurial ecosystem. The programme provided key insights into regional strengths and weaknesses, fostering collaboration and informing future strategic initiatives to align with the Economy vision.
Economic Recovery Sell Outside Northern Ireland Grant (ERSONI)	Over the life of the grant i.e. November 2021 until the 31 st of March 2022 a total of 22 businesses were successful with their application and approved for a grant, with this representing 100% of the overall target.	<ul style="list-style-type: none"> ERSONI targeted micro and small businesses, encouraging them to enter new external markets to drive growth and resilience. The programme supported 22 businesses, successfully facilitating market diversification and employment growth.
Clinical Entrepreneur Programme (CEP)	Over the life of the programme i.e. November 2021 until the 31 st of March 2022 a total of 7 received support and engaged on the CEP programme, with this representing 70% of the overall target. However, the programme was considered a success given the impacts on innovation and entrepreneurship achieved.	<ul style="list-style-type: none"> CEP enabled clinical and non-clinical staff to develop innovative solutions within the Health & Social Care sector. The programme supported 7 participants, enhancing their ability to scale healthcare innovations and improving collaboration within the healthcare ecosystem.
Economic Recovery Sub-Regional Grant	Over the life of the grant i.e. November 2021- 31 st March 2022 a total of 10 applications were supported through the grant. These 10 applicants received £202,560 of support, representing 81% of the overall budget spend.	<ul style="list-style-type: none"> Economic disparities across council areas in Northern Ireland were exacerbated during the pandemic, highlighting the need for targeted regional support. The Economic Recovery Sub-Regional Grant funded research to identify interventions for inclusive regional economic recovery,

Programme	Key Outcomes/Impacts	Summary Finding
		supporting 10 councils and achieving 81% of its budget spend.
Green Local Opportunities	<p>The impacts from the Green Local Opportunities programme will be assessed as part of the wider Aerospace Diversification Programme PPE. However, under the aims of the Green Local Opportunities programme it provided 2 reports (one above target), an event on Offshore Wind, as well as wider communication/marketing materials i.e. case studies.</p> <p>In addition to the £207,000 awarded for programme delivery, a further £18,000 was spent bringing the actual total expenditure to 109% of the original business case.</p>	<ul style="list-style-type: none"> • This programme expanded existing aerospace diversification initiatives to explore opportunities in the green economy. • It identified collaboration potential in areas such as energy, hydrogen, and decarbonisation, raising awareness and aligning capabilities across Northern Ireland's key sectors.

Source: Grant Thornton

10.4 Programme Recommendations

On the basis of the review of the operations of each of the programmes and their impacts/outcomes Grant Thornton provided insight into potential recommendations **should** these programmes or similar be run again. The table below outlines the recommendations and learnings Grant Thornton have noted in the delivery and operation of each of programmes.

Table 10.2: Regional Economic Recovery Action Plan (RERAP) Programme Recommendations

Programme	Recommendations
Economic Recovery Innovation Grant (ERIG)	The Economic Recovery Innovation Grant has served a purpose to assist businesses to recover from the economic impact of the Covid-19 pandemic by helping them develop new or improve existing products, services or processes through innovation. ERIG presented a clear need to develop a programme that could support micro and small businesses given the environment in which it was developed, with this being demonstrated as per the original business case. The programme achieved significant impacts on improving innovation for micro and small businesses across a cohort of the wider business base. On this basis, no recommendations are proposed.
Regional Entrepreneurship Acceleration Programme (REAP)	Maintain partnerships with globally recognised programmes to build on REAP's successes and leverage international best practices for regional entrepreneurship development.
Economic Recovery Sell Outside Northern Ireland Grant (ERSONI)	Considering a context where Invest NI already operates a range of trade capability supports and bodies such as IntertradeIreland, Northern Ireland Chamber, and some councils offer trade development and market entry support, it does raise a question for the evaluators about the extent to which there was a clear need for ERSONI. Exploring this point with consultees and Invest NI officers referred back to the business case, compiled to support this expenditure. It concluded there was indeed a need, citing that:

Programme	Recommendations
	<p><i>"Whilst Invest NI has schemes (such as Support to Export/EO GAP) that have a similar focus to the proposed LEAP into Export strand of activity, most consultees (both internal and external to Invest NI) considered that there is a cohort of businesses with export potential (referred to by one consultee as 'the best of the rest') across NI that have not engaged (or engaged fully) with Invest NI. A variety of factors are considered to influence this. However, amongst those is a view that aspects of Invest NI's processes relating to grant distribution (such as the necessity for vouched and approved expenditure) may be off-putting to some businesses, but also inadvertently create a barrier for smaller businesses relating to expenditure liquidity issues. Consultees were of the view that there would be value in exploring new ways of working with such businesses to ascertain whether this might engender greater engagement and ultimately the growth of those businesses."</i></p> <p>The evaluators accept the business case finding on need but would recommend more research to consider the point raised in the business case that 'Invest NI's processes may be off putting to some businesses'. This could be a fundamental barrier to economic development and Invest NI's effectiveness.</p>
Clinical Entrepreneur Programme (CEP)	The CEP Programme has a broad reach across the UK and beyond including networks, mentoring and ability to connect entrepreneurs within the Health Service. A similar accredited Programme of this scale would not be easy to replicate. It is recommended that Invest NI evaluate the Programme outcomes at the end of the current funding period (post March 2026) to determine future support.
Economic Recovery Sub-Regional Grant	This support was appropriate in the context of a highly uncertain operating context following the pandemic. There are no specific recommendations.
Green Local Opportunities	No recommendation noted.
Regional Economic Recovery Action Plan (RERAP) Programme level	<ul style="list-style-type: none"> • Streamline and Promote Accessibility of Support Programmes: The business case for ERSONI highlighted a concern that some SMEs are discouraged from applying for support by cumbersome processes. Ensuring as streamlined and simple an application process as possible would encourage SME uptake. While Local Councils and colleges were used, the establishment of Local Economic Partnerships should offer an even more effective route to efficiently outreach to under-represented groups. • Continuation of International Partnerships: It is important to continue to leverage global expertise and engagement on the REAP with MIT enhanced credibility and recognition and ensures programme inputs and quality remain high. • Enhance Exporting Opportunities: Continue supports that target SMEs and address the barriers facing SMEs when it comes to engagement through allowance of flexible grant distribution, etc. Also undertake a continuation review of current offerings to ensure no overlap is noted between current exporting programmes/schemes.

Programme	Recommendations
	<ul style="list-style-type: none"> Consideration of Timelines & Delivery: Consideration of timelines needs to be made as the timelines of RERAP was 5 months and this proved challenging in terms of recruitment/participation. Timelines were outside Invest NI's control and dependent on availability of funding but it is a reminder that order to maximise benefits and participation a longer time frame needs to be considered for pilot programmes in order to fully test impact and see outcomes. Strengthen Sub-Regional Collaboration for Regional Development: Given the importance of regional development and balance, enhanced collaboration between key stakeholders, councils and Invest NI could be used to drive wider economic development aligning to the Ministers Vision. Improve Monitoring & Evaluations: Throughout this process, Grant Thornton noted that consultations highlighted this programme was undertaken more than 2 years ago. Consultees highlighted that reviewing the impacts and processes proved difficult given the time elapsed. Future programmes should include a more timely monitoring and evaluation process. Clawback: Given the very limited prospect of successfully recovering funds from ERIG insolvent businesses, the evaluators conclude that the required costs associated with staff time, legal support etc. render the pursuit of clawback neither appropriate nor value for money (VfM).



Appendices

Appendix 1: Regional ERAP Programme Initiatives

Noting the challenges presented by and the profound impact of the Covid-19 pandemic, Invest NI developed the Regional ERAP programme, focused on driving recovery and the rebuilding the NI economy.

To encourage innovation and resilience, this programme was designed to provide a range of initiatives under three main themes: **Entrepreneurship, Sub-Regional Development and Green Local Opportunities** and include:

Entrepreneurship

1. **Economic Recovery Innovation Grant (ERIG)**
Encouraging a minimum of 780 locally focused businesses/impacted sectors to introduce and/or enhance innovation activities to embed resilience and agility to be able to respond to changing market conditions.
2. **Regional Entrepreneurship Programme (REAP)**
A cohort of 11 stakeholders to participate in the Regional Entrepreneurship Programme (REAP) delivered by Massachusetts Institute of Technology, to achieve a better understanding by March 2022, of the key strengths and weaknesses of NI's entrepreneurship ecosystem, ensuring its linkage into a 10X Economy.
3. **Economic Recovery Sell Outside Northern Ireland Grant (ERSONI)**
Piloting a more flexible approach to support sustainable growth of a small number of c22 new and/or existing micro and small businesses across NI to encourage sales in new external markets and/or to support increases in employment.
4. **Clinical Entrepreneur Programme (CEP)**
Trialling the participation of a small number (c10) of clinical and non-clinical staff from NI's Health & Social Care organisations in the NHS UK Clinical Entrepreneur Programme in order to develop and scale their innovative ideas.
5. **Communications**
Communicating the available Entrepreneurship supports above, ensuring adequate reach to under-represented groups e.g. Youth, Women, Part-time etc. Initiatives 1 and 3 sought applications directly from businesses and those applications were subject to assessment against the individual scheme eligibility criteria.

Sub-Regional Development

1. **Economic Recovery Sub-Regional Grant**
Providing support for organisations involved in regional economic development to collaborate at a sub-regional level. Led by Councils, the grant enables these organisations to undertake research into the wider economic outlook of their specific sub-region. The research was to focus on identifying possible future interventions, either collaboratively across Councils or at an individual Council level, which could be implemented in 2022-26 (subject to budget

availability) to ensure economic recovery is inclusive and regionally balanced. 11 - 15 Applications were expected from Councils and were subject to individual assessment.

Green Local Opportunities

1. Supporting the expansion of provision of work being undertaken under Invest NI's existing Aerospace Diversification Programme.

The additional work was to help to explore and identify new opportunities in the green economy, in particular, new diversification opportunities for the aerospace supply chain and to identify new areas for collaboration with the technology sector in the areas of energy, hydrogen, decarbonisation etc. It also encouraged the identification of new opportunities to be mapped to the skills and capabilities in the aerospace sector, while also highlighting opportunities for collaboration with complementary skillsets that exist across other NI sectors such as broader manufacturing, technology and software, which together would provide supply chain opportunities and a greater market reach.

This included a small communications campaign to raise awareness and to support the findings of the Green Review, which had recently been undertaken by Invest NI.

Appendix 2: Purpose of This Evaluation

The main objectives of the evaluation of the Regional Economic Recovery Action Plan (Regional ERAP) are as follows:

- To set out the objectives of the ERAP interventions and assess the extent to which it met its stated objectives and all associated targets.
- To review the validity of original rationale for the intervention, including the nature and scale of the market failures and/or equity issues that the intervention was seeking to correct
- To thoroughly assess the appropriateness of the intervention's delivery model and the effectiveness of the intervention's management and operating structures.
- The evaluation should take into consideration how the intervention could help inform other research initiatives focused on Entrepreneurship and Regional Balance to support the DfE Minister's Economic Vision and the outcomes of the Invest NI Independent Review.
- To benchmark the management, performance and impact of the intervention against appropriate comparators.
- To thoroughly assess the inputs⁴¹, outputs, outcomes and impacts⁴² associated with the intervention, to include a detailed assessment of the overall economic and wider impacts.
- To identify the internal and external factors which have impacted upon the performance of the intervention either positively or negatively, within the period.
- To determine the Return on Investment associated with the intervention, clearly identifying actual and anticipated values.
- To assess the impact ERAP support had on the survival rate of businesses.
- To assess the economy, efficiency and effectiveness with which public funds have been used on the intervention.
- To assess the extent to which the intervention represents good Value for Money (VFM) and appropriate use of public funds across the full spectrum of relevant VFM indicators.
- To present a succinct set of conclusions from the evaluation, taking account of all of the evidence gathered during the assignment.
- To consider the appropriateness and VfM of Invest NI pursuing clawback from ERIG supported businesses facing insolvency.
- Objectives in relation to REAP: To increase the knowledge and understanding of what a good ecosystem looks like; To enhance collaboration and trust across the IDE ecosystem; To analyse the NI ecosystem and develop objectives and action plan; To inform an engagement plan to communicate to ecosystem and potential founders.
- The recommendations should be numbered and concisely worded and be Specific, Measurable, Achievable, Relevant and Time-Bound (SMART) where possible/relevant.
- The evaluation must address equality considerations as follows:
 - take into account the requirements of Section 75 of the Northern Ireland Act 1998⁴³;

⁴¹ This should include a comparison of the costs actually incurred on the intervention with those estimated at the outset, and clearly explain any reasons for variances. A full economic cost analysis (including opportunity costs) must be undertaken in accordance with NIGEAE guidance.

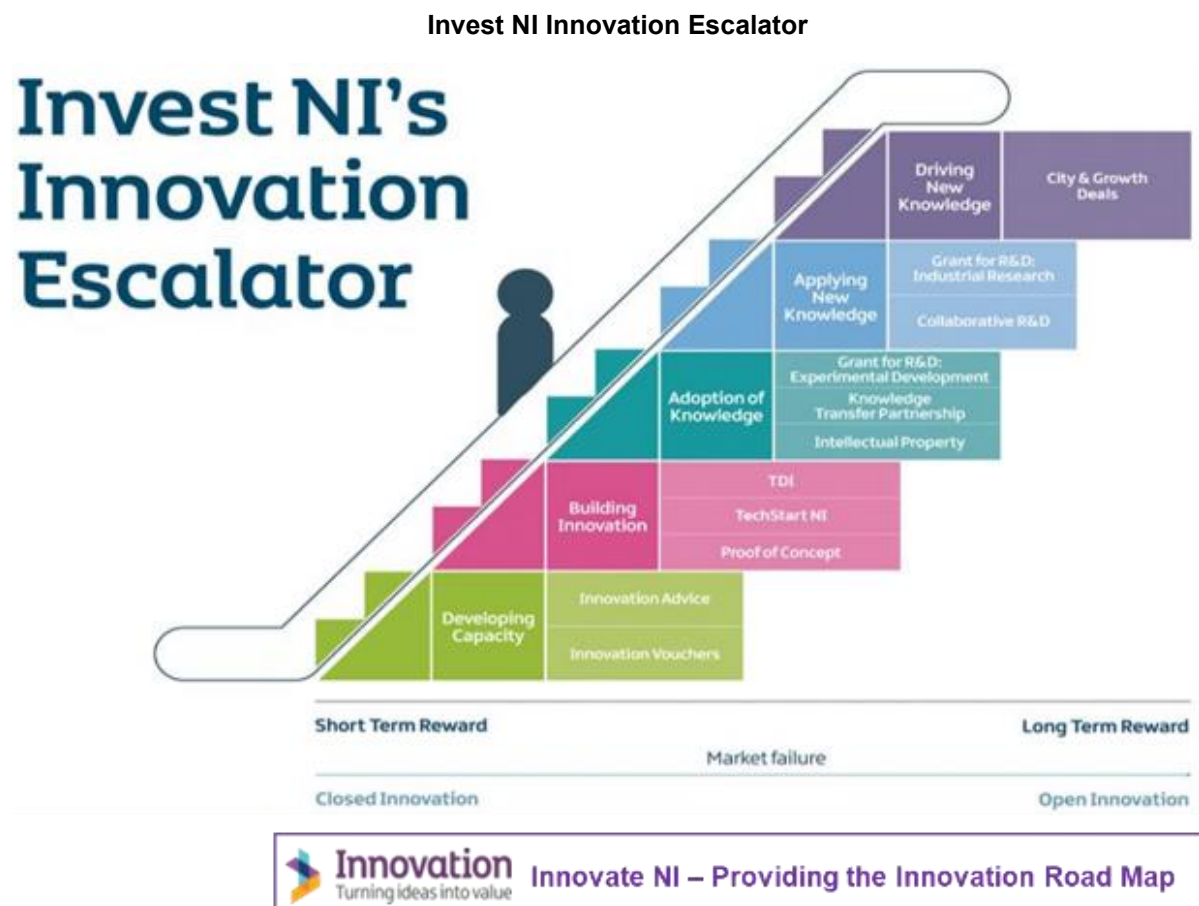
⁴² To include all relevant impacts, including an assessment of the gross and net turnover, employment, GVA and productivity impacts. This should take account of **attribution, deadweight/additionality, displacement, leakage and substitution effects**.

⁴³ Section 75 of the Northern Ireland Act 1998 requires Invest Northern Ireland, in carrying out all its powers, duties and other functions, to have due regard to the need to promote equality of opportunity:

- between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation ;
- between men and women generally
- between persons with a disability and persons without; and
- between persons with dependents and persons without.

- in respect of any recommendations made consider whether there are any likely impacts on anti-poverty, social inclusion, equality of opportunity or good relations. In doing so, the Contractor may recommend measures to mitigate against any adverse impacts.
- consider the accessibility of the programme for all, in line with the Disability Discrimination Act 1995.
- The evaluation must address Rural Needs considerations as follows:
 - take into account the requirements of the Rural Needs Act (NI) 2016 (see <https://www.daera-ni.gov.uk/articles/rural-needs>);
 - in respect of any recommendations made consider whether there are any likely impacts on the social and economic needs of persons in rural areas. In doing so, the Contractor may recommend measures to mitigate against any adverse impacts.

Appendix 3: Invest NI Innovation Escalator



Source: Invest NI

