

FINAL EVALUATION

PROJECT: XPLOR - A NEW RESEARCH & INNOVATION CENTRE

PREPARED FOR: WAKEFIELD COUNCIL AND BACKSTAGE ACADEMY (TRAINING) LTD

DATE: OCTOBER 2022

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SECTION 1: INTRODUCTION

About XPLOR

The Backstage Innovation Hub/XPLOR (referred to throughout as 'XPLOR') is a partnership project between Wakefield Council and Backstage Academy. Wakefield Council is the grant recipient reporting to MHCLG while Backstage Academy (Training) is the delivery partner.

Found on campus at Production Park in South Kirkby, Wakefield, the £8.8m XPLOR research and innovation centre will deliver a support programme for SMEs across the Leeds City Region and beyond. It covers specialisms such as music, TV, film, sports, corporate events, theatre and arts.

The XPLOR project has secured just over £3.5m grant funding from the European Regional Development Fund (ERDF) to support the delivery of this project.

The funding covers:

- ∞ Design and build of a 2520m² specialist knowledge and innovation centre.
- ∞ Support to SMEs in the live events industry and their supply chain.
- ∞ Identifying cross sector opportunities with SMEs in other sectors.
- ∞ Tailored engagement events, offering access to specialist support, making available workshop and meeting space, providing access to international industry events, and facilitating student projects that support the industry.

The build started in October 2020. At the same time, activities were delivered to prepare eligible SMEs for Research and Development (R&D) support once the centre is open. This started in August 2020 (delayed from May 2020 due mainly to Covid). The target project end date is 31st December 2022.

Figure 1.1: Artists impression of XPLOR



Objectives

The overarching project objectives identified were:

- ∞ To create a specialist knowledge and innovation centre that will focus on R&D for the live events industry and its supply chain.
- ∞ To stimulate R&D investment and innovation in SMEs (mainly those based in the Leeds City Region).
- ∞ To provide opportunities to collaborate between SMEs and academic organisations.

The Evaluation

This report presents a final evaluation of the project as it nears completion. It is in line with relevant technical guidance including:

- ∞ England European Regional Development Fund Programme 2014 to 2020: Project Summative Assessment Guidance (ESIF-GN-1-033) and Appendices (ESIF-GN-1-034), MHCLG, 2017.
- ∞ The Magenta Book, HM Treasury, 2011.
- ∞ The Green Book, HM Treasury, 2020.

Approach

Evaluation evidence was collected through:

- ∞ A review of project monitoring data and funding documents.
- ∞ Analysis of secondary datasets such as from the Office for National Statistics.
- ∞ A literature review of documents about the impact of Covid-19 on the creative industries sector.
- ∞ Interviews with 15 project partners and SME's supported (see **Appendix 2**).
- ∞ A case study of the Advanced Manufacturing Park in South Yorkshire.
- ∞ A value for money assessment using four different approaches.

SECTION 2: PROJECT CONTEXT

This section presents the local context in which the XPLORE project was designed. It then explores how local conditions have changed, and the wider project design in the form of a logic chain analysis.

Rationale

Low skills levels, poor innovation, and deprivation...

The original ERDF funding application in 2018 presented the rationale for XPLORE. This included:

- ∞ Only 28.4% of the working age in Wakefield had higher level skills (NVQ Level 4 and above). This is well below the national average (38.2%). Wakefield was also the largest local authority area in England without a physical university presence.
- ∞ Productivity in Wakefield was in the bottom quartile of UK cities.
- ∞ It ranked poorly for patents per head of population and percent of knowledge intensive businesses. These are two indicators highlighting innovation.
- ∞ Wakefield ranked 254th out of 324 local authorities in the 'Vibrant Economy Index' (2018 Grant Thornton). This reflects low levels of economic growth in key sectors including creative industries.
- ∞ Only 1.6% of employment across Wakefield was in creative industries, three times lower than nationally (4.8%).

- ∞ The Sir Peter Bazalgette Review (2017) for DCMS highlighted several market failures in creative industries including that direct investment into R&D is too low.
- ∞ Wakefield was in the top 20% most deprived boroughs in the country. Production Park was in one of the most deprived areas in Wakefield (see **Figure 2.1**).

But nearby assets to exploit...

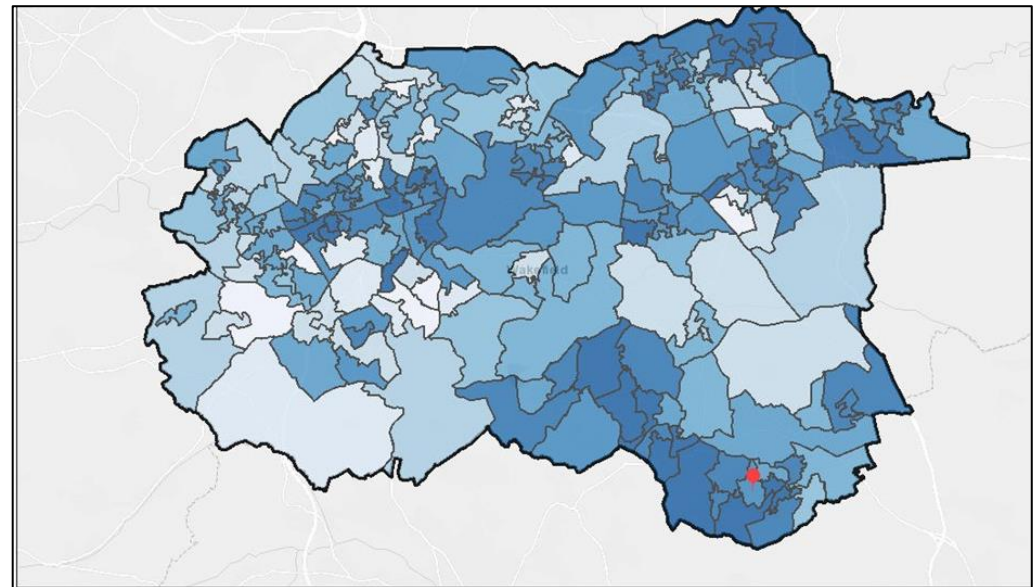
Despite these challenges, several opportunities were present:

- ∞ Leeds City Region had the largest cluster of creative businesses outside London and the South East but lacked the sites to develop further.
- ∞ Production Park was a key asset locally. It included: an existing cluster of live events businesses, a higher education provider in Backstage Academy, and the Production Park LS-Live rehearsal space. This provided an opportunity for Backstage Academy students to create spin-out business, research projects and incubation opportunities.
- ∞ Market research identified unmet local consumer demand and opportunity to expand audience and participation for creative services and events in Wakefield. For example, 54% of Wakefield residents visited an event in the 12 months prior, but only 40% had done so in Wakefield.

- ∞ There had been successful recent infrastructure development in arts and culture in Wakefield, for example, The Hepworth, The Art House and Yorkshire Sculpture Park.
- ∞ The live events industry is worth around £40bn but lacks a research and innovation centre of excellence.

XPLOR could address several of these market failures by creating a cluster of businesses working in the live events industry. It could become the only UK live events focussed R&D centre. It could also create an industry led ecosystem of innovation in the sector. It could also act as the catalyst for further investment in Wakefield and improve employment and skill opportunities.



Figure 2.1: Deprivation across Wakefield



Key:

 Production Park

IMD 2019:

 Least deprived areas
 Most deprived areas

The latest position

The local social and economic context in Wakefield has changed since the project's inception with the biggest factor being Covid-19. This is explored below. Other socio-economic factors have changed also, including:

A growing population...

According to the 2021 Census, 353,300 people live in Wakefield. The age profile is like England's. The population has grown at twice the national rate between 2017 and 2021 (3.7% compared to 1.6%). The biggest increase compared to nationally was in the 35 to 39-year-old age group (15.7% increase compared to 4.2% nationally)¹.

Unemployment rates have almost doubled like nationally...

The Claimant Count rate² in Wakefield is 3.6% (August 2022), up from 1.9% five years earlier. This is largely due to the impact of Covid-19. Nationally, unemployment has increased from 1.8% to 3.8% over the same period³.

¹ Source: ONS, Census, 2021 and ONS, Mid-Year Population Estimates, 2020

² This measures the number of people claiming benefits mainly for the reason of being unemployed. It also includes Universal Credit (UC) claimants including people on a low income, out of work or cannot work.

...but Wakefield has higher economic inactivity rates

Economic inactivity is the working age population who don't work and aren't looking to work. The Economic Inactivity rate is higher in Wakefield (23.3%) than nationally (21.2%). It increased by 1.2% (around 2,400 people) between 2017 and 2022 compared to a 0.6% decline nationally.

The main groups who are economically inactive in Wakefield are: the long-term sick (34% of the inactive group), students (28.5%), and those looking after family/home (16.8%). Students and the long-term sick are the only groups to have seen an increase over this period (up 8,700 people and 1,700 people, respectively). Covid disproportionately impacted these groups⁴.

...and more people with work limiting disabilities

Further, the number of working age people who have a long-term disability which substantially affects their ability to work is higher in Wakefield (29.2%) compared to nationally (23.4%). The rate has increased at a faster rate nationally than in Wakefield⁵.

³ Source: ONS, Claimant Count, August 2022

⁴ Source: ONS, Annual Population Survey, Sept 2021

⁵ Source: ONS, Annual Population Survey, Sept 2021

...And higher skills attainment is falling

The proportion of the working age population in Wakefield with NVQ Level 4 qualifications or above is now 25.8% (compared to 43.2% nationally) - down from 28.4% at project design⁶.

Covid-19 hit the creative industries hard...

Oxford Economics⁷ explored the short-term effects of Covid-19 on the financial sustainability of the creative industries in the UK.

It suggested that with tourism, creative industries are among the most affected by the crisis. They highlighted that a significant number of businesses here were seeing early devastating impacts on their income.

Oxford Economics forecasted a £77bn turnover loss across the sector in 2020 compared to 2019 (31% decline).

This equated to a loss of 122,000 employee jobs and a further 287,000 job losses among self-employed workers, compared to 2019 levels. This equates to 409,000 jobs lost or at risk.

6 Source: ONS, Annual Population Survey, Sept 2021

7 The Projected Economic Impact of Covid-19 On The U.K. Creative Industries, Oxford Economics, June 2020

But the impact has been uneven across the sector...

Creative Radar 2021⁸ assessed the impact of Covid-19 on the sector too. Some key conclusions include:

- ∞ The impact of the pandemic has been uneven. Music & performing arts, film & TV and publishing businesses were most negatively affected.
- ∞ The role of freelancers became more important particularly those that introduced new products because of the pandemic.
- ∞ There was no evidence of substantial regional and national differences in the impact of pandemic on the sector.

Objectives

Three overarching objectives were identified at the outset:

- ∞ To create a specialist knowledge and innovation centre that will focus on research and development for the live events industry and its supply chain.
- ∞ To stimulate R&D investment and innovation in SMEs (primarily those based in the Leeds City Region).

8 Source: Creative Radar 2021, The Impact of COVID-19 on the UK's Creative Industries, NESTA, July 2021

- ∞ To provide collaboration opportunities between SMEs and academic institutions.

Six wider strategic objectives were also set:

- ∞ Growth of the creative industry sector in Wakefield and the Leeds City Region.
- ∞ Increase in employment and skill levels in the creative industry sector.
- ∞ Increased number of young people and women entering and progressing in the creative industry sector.
- ∞ Community and economic benefits for the South East of the district through increased entrepreneurship, business growth and local spend in the area.
- ∞ Fostering entrepreneurial culture in a deprived area of the district.
- ∞ Wider profile for the Wakefield district and economy through a more vibrant cultural and creative economy - leading to increased visitor numbers/spend and inward investment.

Inputs

Wakefield Council originally secured £3.56m of ERDF funding, £3.36m from Backstage Academy and £200,000 from the DCMS Culture Fund Grant totalling an overall project fund of £7.13m.

However, in July 2020, Wakefield Council sent a successful Project Change Request due to increasing projects costs caused by the

pandemic. Total costs increased to £8.82m but the ERDF grant remained the same.

Activities

The funding was secured for:

- ∞ The design and build of a 2520m² specialist knowledge and innovation centre in the heart of an existing cluster of businesses that support the live events industry and its supply chain of businesses.
- ∞ Supporting SMEs in the live events industry and their supply chain.
- ∞ Identifying cross sector opportunities with SMEs in other sectors.
- ∞ Tailored engagement events, offering access to specialist support, making available workshop and meeting space, providing access to international industry events, and facilitating student projects that support the industry.

Target Beneficiaries

Target beneficiaries identified were SMEs and freelancers in the creative industries sector. The purpose was to provide them with the tools, resource, knowledge, and workspace so they can develop.

Intended Outputs

Project outputs established are set out below:

Outputs	No.
C1/C4: Enterprises receiving support / non-financial support	60
C5: Number of new enterprises supported	10
C8: Employment increase in supported enterprises	10
C25: Researchers Working in Improved Research Infrastructure Facilities	4
C28: Enterprises supported to introduce new to the market products	10
C29: Enterprises supported to introduce new to the firm products	20
P2: Public or Commercial Buildings Built or Renovated	2520m ²

Outcomes

The following outcomes were identified:

- ∞ Proof of concept - product, service and technology.
- ∞ Progression towards commercialisation by SMEs.
- ∞ Increased company trading and growth - turnover and employment of associated SMEs.

- ∞ Development of new products and services leading to increased market share.
- ∞ Process improvement - eventual impact on SME profitability.
- ∞ High profile facility - catalyst for further private sector investment in the District.
- ∞ Better visibility of opportunities for future entrepreneurs.
- ∞ Increased profile of the Wakefield District as a centre of technology.

Intended Impacts

The intended impacts identified were:

- ∞ Growth of Creative Industry sector in Wakefield District and the Leeds City Region.
- ∞ Increase in employment and skill levels in the Creative Industry sector.
- ∞ Increased number of young people and women entering and progressing in the Creative Industry sector.
- ∞ Community and economic benefits for the South East of the district through increased entrepreneurship, business growth and local spend in the area.
- ∞ Fostering entrepreneurial culture in a deprived area of the district.
- ∞ Wider profile for the Wakefield district and economy through a more vibrant cultural and creative economy - leading to increased visitor numbers/spend and more wider inward investment.

Conclusions on Project Design

The overall programme logic and theory of change is clear.

Clear market failures existed in terms of low skills levels, poor innovation, and deprivation in Wakefield. There also existed a significant creative industries cluster locally that lacked capacity and sites to further develop. Production Park could provide this and benefitted from an existing cluster of live events businesses, a higher education provider in Backstage Academy, and the Production Park LS-Live rehearsal space. This provided an opportunity for Backstage Academy students to create spin-out business, research projects and incubation opportunities.

This project can clearly help address several local challenges including:

- ∞ High levels of deprivation and low prosperity.
- ∞ Increasing economic inactivity.
- ∞ Low levels of enterprise.
- ∞ Fewer jobs available than elsewhere.
- ∞ Low-income levels.
- ∞ Declining higher level skills attainment.
- ∞ Struggling creative industries sector.

- ∞ Diversifying business base which had an over-reliance on mining and manufacturing.

The original need for XPLOR remains relevant. Some local challenges have worsened such as increasing worklessness and Covid-19 hitting the creative industries hard, suggesting the project need is even greater.

The programme was appropriately designed to achieve its objectives. This included a strong partnership between Wakefield Council and Backstage Academy.

Despite the potential national significance of the project; objectives, outcomes and impacts were designed to improve socio-economic conditions and strengthen the creative industries across Leeds City Region. It was recognised that XPLOR would draw national and international recognition but that this had to benefit the local economy.

Targets set were realistic and achievable, although several outputs became a challenge because of the Covid-19 pandemic.

As the funding nears completion, XPLOR is left in a position to maximise its potential and become a very important asset for Wakefield, the Leeds City Region and the UK's creative industries. This is largely as a result of this funding programme and the way it was designed.

SECTION 3: PROJECT PROGRESS

This section summarises progress against output and funding targets as it reaches the final stages of delivery.

Outputs to date

Table 4.1 shows excellent progress against most outputs. This includes the completion of the XPLOR building which is due to be handed over this month (October), ahead of target. Additionally, the output C1/C4 has achieved 100%.

This is positive when considering the extreme challenges to delivery caused by the Covid-19 pandemic. This caused two major challenges:

- ∞ As already outlined, Covid hit the creative industries sector hard. Many businesses closed with others unable to invest in R&D when facing immediate challenges of survival and recovery.

- ∞ Face to face support changed to online.

Feedback on some of the other outputs include:

- ∞ C5 – there are likely to be three or four more new enterprises supported before project end. This was always going to be a challenge due to the pandemic as few new businesses were starting in the sector.

- ∞ C8 – expected to achieve 100% before project end.

- ∞ C28 and C29 – Covid largely stifled innovation and made these outputs challenging. It’s hoped there will be three further enterprises supported under both outputs before project end.

Table 4.1: Output Targets and Performance

Outputs	Target	Performance	
		No.	% of target
C1/C4: Number of enterprises receiving support / non-financial support	60	60	100.0%
C5: Number of new enterprises supported	10	3	30.0%
C8: Employment increase in supported enterprises	10	9	90.0%
C25: Researchers Working in Improved Research Infrastructure Facilities	4	4	100%
C28: Number of enterprises supported to introduce new to the market products	10	4	40.0%
C29: Number of enterprises supported to introduce new to the firm products	20	10	50.0%
P2: Public or Commercial Buildings Built or Renovated	2520m ²	-	On target

Source: Wakefield Council, based on September 2022 claims

Funding to date

Performance against funding targets is based on spend from project inception in August 2020 to September 2022.

Wakefield Council originally secured £3.56m of ERDF funding, £3.36m from Backstage Academy and £200,000 from the DCMS Culture Fund Grant totalling an overall project fund of £7.13m.

However, in July 2020, Wakefield Council sent a successful Project Change Request due to increasing projects costs caused by the pandemic. Total costs increased to £8.82m but the ERDF grant remained the same.

Table 4.2 illustrates spend is near to the 90% retention level and Wakefield Council expect final spend to be very close to the revised targets.

Table 4.2: Funding Spend to September 2022

	Target (adjusted)	Spend to date	
	£	£	%
Capital (ERDF only)	£2,797,500	£2,262,474	80.9%
Revenue (ERDF only)	£762,764	£671,059	88.0%
Total ERDF	£3,560,264	£3,002,536	84.3%
Total Capital	£7,295,529	£5,900,249	80.9%
Total Revenue	£1,525,527	£1,342,118	88.0%
Total	£8,821,056	£7,242,367	82.1%

Source: Wakefield Council, based on March 2022 claims

SECTION 4: PROJECT DELIVERY AND MANAGEMENT

This section explores project delivery and management. Feedback from consultees informs this aspect of the evaluation.

Overall, the project was well-managed. There existed a successful partnership between Wakefield Council and Backstage Academy. Wakefield Council was the grant recipient reporting directly to MHCLG whilst Backstage Academy the delivery partner. This partnership has been a contributing factor in the excellent performance of the project.

The partnership formed as the owners of Production Park wanted to use ERDF funds to develop the XPLOR idea but had no expertise in producing the bid and managing European funds. They approached Wakefield Council to take on this role. The Council felt the project could benefit the district and help meet some of their goals (as outlined in the original rationale in Section 2).

A summary of the effectiveness of this partnership from stakeholder consultation is largely positive. The delivery model was effective in terms of good governance, appropriate systems and processes, a strong and committed partnership, and good communication, with both parties understanding the strengths of each other. The Project Board met monthly, and they were well attended.

The Council is seeking to develop similar models with other private sector organisations in the future. Some examples of what worked well included:

- ∞ Identifying and responding to delivery challenges by issuing a Project Change Request.
- ∞ Responding quickly and effectively to a radical change in delivery to an online model for the SME support / training because of Covid.
- ∞ Ensuring the new build remains on target to open on time despite Covid and the preferred contractor dropping out last minute.
- ∞ Working together to develop innovative approaches to ensure continued income at Backstage Academy, despite closures due to Covid and achieving outputs.
- ∞ Collaborating to ensure the eligibility criteria for beneficiary SMEs were met. This meant the right beneficiaries were targeted and engaged.

The biggest challenge was in the early stages of developing the bid. There was a need for enough flexibility for Backstage Academy to meet their commercial objectives and being rigid enough (around outputs) to meet the needs of Wakefield Council and ERDF funding requirements.

Backstage Academy needed time to understand the requirements of output reporting (and the admin it created) and State Aid rules. Wakefield Council provided excellent support here.

Going forward there could be some conflict achieving the differing objectives. Wakefield Council want to see benefits locally. Although

Backstage Academy want this too, a wish to grow commercially and grow the sector may see a focus on larger UK and global companies.

Overall, both Wakefield Council and Backstage Academy benefitted from the partnership and there is little either would change if they worked together again in future. The two project managers have a strong relationship that is friendly and led to a productive relationship.

SECTION 5: PROJECT OUTCOMES AND IMPACT

The following section highlights performance against the intended outcomes and impacts of the project. It also presents stakeholder feedback on the potential project legacy.

Intended Outcomes and Impacts

XPLOR aimed to achieve the following:

- ∞ Increase trading and growth of businesses supported. This includes increasing turnover and employment of associated SMEs, progression towards commercialisation, and the development of new products.
- ∞ Develop a high-profile centre which acts as a catalyst for further private sector investment in Wakefield. It will also provide better visibility of opportunities for future entrepreneurs.
- ∞ Increase the profile of Wakefield as a centre of technology and innovation.
- ∞ Growth of the creative industry sector in Wakefield and the Leeds City Region.
- ∞ Increase in employment and skill levels in the creative industry sector across Wakefield.
- ∞ Increased number of young people and women entering and progressing in the creative industry sector.

- ∞ Community and economic benefits for the South East of the district through increased entrepreneurship, business growth and local spend in the area.
- ∞ Wider profile for the Wakefield District and economy through a more vibrant cultural and creative economy, leading to increased visitor numbers/spend and wider inward investment.

Outcome and impact performance are presented against several broader areas.

Potential to be a centre of national significance...

- ∞ Stakeholders widely view XPLOR as having the potential to be a UK centre of excellence and a 'one of a kind'.
- ∞ For XPLOR to reach its potential it is critical they make connections and collaborate with key national stakeholders. Stakeholders widely recognise that this is happening. Many new relationships now exist or have strengthened because of the project (see Successes section). This includes with Innovate UK, DCMS, Creative UK and many businesses in the sector.
- ∞ XPLOR has already attracted interest and approaches from several household UK and global brands (examples not given due to confidentiality).
- ∞ It has the potential to attract significant levels of funding in the future, helping with growth. This includes potential funds from Arts

and Humanities Research Council (AHRC) and Innovate UK who both stressed the importance of XPLOR.

- ∞ The unique specialism in Virtual Production which is completely new and pioneering gives XPLOR a significant strength that they can maximise. Several SMEs and partners highlighted this.

With benefits to the local economy and the potential to be a catalyst for further private sector investment locally ...

- ∞ The owners of Production Park, the Brooks family raised in Wakefield are proud of the area. They want to use this opportunity to raise the profile of Wakefield and see benefits captured locally. They have already worked with The Hepworth and The Art House locally.
- ∞ Production Park (with a raised profile with XPLOR as a further asset) is attracting businesses and others to the site to attend events, open days and to access the facilities. Several of the SMEs suggested they were not aware of Production Park prior to their recent engagement. This has the potential to create local benefit from increased footfall such as hotel visits and retail spend. However, as it stands this may be quite limited with many visitors to the business park driving there and staying on site until driving out of Wakefield after.
- ∞ International companies are already moving on to and expanding on Production Park so they can access XPLOR services. Three highlighted examples include 4Wall, Roe and Tait Inc.

- ∞ Open days created substantial interest in the workspace and incubation space – despite the fact it wasn't available. There will be 20,000sq ft of workshop space with an incubator space with 36 desks and shared meeting rooms, etc. Stakeholders are confident that this will be fully occupied by the end of the year.
- ∞ Interest also comes from companies looking to grow their production teams in the North of England. Several will base themselves at Production Park and others elsewhere. This is encouraging for sector growth and local R&D capacity. Ambitions exist to develop relationships with Backstage Academy. New businesses send students there for placements and internships – bringing new talent and skills to Wakefield.
- ∞ The XPLOR project includes a healthy marketing budget to promote the project and Wakefield in-turn. This includes presenting at events such as South by SouthWest, which is a large collection of parallel, film, interactive media, and music festivals and conferences held in Texas, USA.
- ∞ Production Park has recently welcomed bands such as Depeche Mode, The XX, Coldplay, System of a Down and Little Mix. Additionally, XPLOR has seen interest from several large UK and global brands making visits to Wakefield. This helps put Wakefield 'on the map'.
- ∞ Stakeholders suggest that XPLOR is also creating local interest as passers-by ask about it. There was a local outreach event held at Production Park in December 2021. 1,300 local primary school children attended this. The aim was to raise the profile of careers

available on site. An open day was also held in the summer of 2022 for local businesses to see the facilities. This raised a lot of interest and led to some accessing it again (for example Reel Film). There will be further similar events held.

- ∞ As highlighted, Wakefield has no university presence and low levels of higher skills attainment. The R&D aspect can help improve skills and gain university accreditation (which will also open the door for further funding with AHRC for example).
- ∞ New businesses, and in turn investment, are moving to Wakefield. The reason for this is the strengthening creative industries sector, of which XPLOR contributes significantly to. A recent example is Tileyard who is a globally recognised creative community who is expanding to a new space in Wakefield. It will open in a Grade II-Listed mill complex neighbouring The Hepworth gallery on the city's waterfront, following a multi-million pound restoration of the disused building.
- ∞ There exist significant opportunities to provide environmental benefits too, through carbon savings from reduced travel. This is through using Virtual Production for film scripted dramas. It means TV production can be run from one site in Wakefield rather than travelling to different destinations around the UK and world. One large UK based TV company suggested they could make up to 80% savings here.
- ∞ It was highlighted by several stakeholders that the above could make it more affordable to produce work in the Leeds City Region (than elsewhere) and then set up there.

Achieving the dual aim of national significance and local benefit may be difficult...

- ∞ Several stakeholders highlighted a potential conflict. This is between attracting large companies to use the site, growing the sector nationally and creating a sense of belonging to local businesses and residents.
- ∞ Others go further suggesting that local benefits are unlikely. A recognition exists that the skills needed to benefit from XPLOR and an entrepreneurial culture are limited locally.
- ∞ But others feel the project will have failed if local benefits are not realised. They raise the importance of creating further links with local businesses, schools, and colleges to improve access to training and jobs, developing supply chain opportunities and spending.
- ∞ Feedback from consultees suggest that to date, XPLOR is receiving recognition across the sector and nationally but less so across Wakefield. Stakeholders suggest a benefit in highlighting the artists and companies who have visited to make the people of Wakefield proud. Balancing this with how accessible it feels for local businesses and residents is important.

Increase the number of young people and women entering the sector...

- ∞ Backstage Academy run Specialist degrees for the live events industry. At undergraduate level these include:

- Live events production
 - Live visual design & production
 - Stage & production management
- ∞ At postgraduate level these include:
- Creative technologies for live events
 - Immersive & interactive media design
 - Innovation & entrepreneurship for live events
 - Live event design
 - Virtual production
 - Visual effects for live events
- ∞ Several of the SMEs engaged highlighted how they were supported by students from Backstage Academy. One example is Reel Film who also highlighted that one of the students that supported them was female and they have continued to work with her after the initial support.
- ∞ There exists on-going and developing conversations between Backstage Academy, Innovate UK and Wakefield Council about pilot projects aiming to encourage females to engage in entrepreneurial activity in digital and technology.
- ∞ As highlighted above, some outreach with young people in local schools happened. Likewise, as XPLOR develops, stakeholders hope that businesses engage with Backstage Academy and more young people learn there.

- ∞ XPLOR hosted their first Production Futures event (careers event) in the studio of the new building which attracted hundreds of young people from the local area. It gave them an opportunity to look at careers options in the industry. This gave an optimistic sense of what the future might look like both in terms of engaging young people, and also local skills development.

XPLOR will likely contribute to several wider local objectives too...

If XPLOR achieves the success it is predicted to do so by the majority of stakeholders consulted and therefore further contribute to its objectives, it will help to:

- ∞ Raise skill attainment levels especially at the higher end (Level 4).
- ∞ Improve the employment opportunities and earning potential of local residents. Or at the very least, new highly skilled people will move into Leeds City Region.
- ∞ Diversify the local economy.
- ∞ Provide an environment for entrepreneurs to develop.
- ∞ Leverage more funding and support for inclusive cultural and creative activity in Wakefield. This could also broaden and increase private sector funding, reducing dependency on the public sector.
- ∞ Contribute to 'levelling up' and 'place-making' goals.
- ∞ Lower crime rates. Anecdotally it is suggested that it is having the unintended impact of lowering high crime rates on Production Park

and neighbouring business parks. This could be due to increased footfall and other businesses improving their sites.

- ∞ Improve public transport. Access to Production Park by public transport is poor. Local stakeholders recognise this. It is unknown whether this dialogue will develop but if so, it could have wider accessibility benefits for residents in neighbouring communities.

XPLOR has the potential to have a legacy...

Stakeholders highlighted that they feel XPLOR has the potential to have a legacy by:

- ∞ Establishing itself as a Centre of Excellence that attracts global brands who regularly use it and government recognise it as a key national asset. At the same time, XPLOR will realise growth which is inclusive, and knowledge transfer with local businesses is a regular feature. This could be through developing an apprenticeship support programme in partnership with Backstage Academy.
- ∞ Additionally, it should have strong links with 'Advance' (a new support and mentoring programme for creative and cultural practitioners, freelancers and SMEs based in Wakefield and the wider Yorkshire Humber region).
- ∞ Developing a cluster that extends outside the Leeds City Region and includes collaboration with Greater Manchester (e.g. with Media City) and elsewhere.
- ∞ Building on the clear and strong links between Backstage Academy and the R&D activity. Here they should be equipping local young

people with the skills required to be a leader in this field. Similar success as the Research Centre on the Advanced Manufacturing Park (AMP) in Yorkshire is achievable here (but in a different sector). **See Appendix 1.**

- ∞ Additionally, over time, XPLOR benefits other sectors – as has been seen at the AMP.
- ∞ Acting as a catalyst for regeneration across South Kirkby. There exists nearby development land which could accommodate businesses who would benefit from XPLOR.
- ∞ One stakeholder suggested that the creative sector in Wakefield contains many silos. Compared to Leeds, limited networking and knowledge sharing exists. Stakeholders hope that XPLOR can help unite the sector across Wakefield and the Leeds City Region.
- ∞ Production Park capitalises on significant other funding and have developed the skillset to lead on this.
- ∞ Several of the SMEs highlighted that although the technology and facilities are excellent now, they are very much in their infancy and have a lot more potential to grow. Some SMEs felt there is a good opportunity here for XPLOR to develop several case study videos demonstrating different uses.
- ∞ Facilitating collaboration between the innovation at XPLOR and local artists. For example, developing unique art at XPLOR and displaying the work at the Art House in the centre of Wakefield.

SECTION 6: PROJECT VALUE FOR MONEY

This section presents the value for money assessment in four ways. These have been conducted in line with HM Treasury Green Book Guidance and wider technical guidance where relevant:

- ∞ Estimating cost per net outputs (SMEs supported and jobs created).
- ∞ A Cost Benefit Analysis (CBA) to derive the net additional GVA created by through new jobs against project costs to derive the Benefit Cost Ratio (BCR), i.e. the economic return per £1 of ERDF funding.
- ∞ A Social Return on Investment (SRoI) approach including some of the wider benefits captured.
- ∞ Leveraging in other private sector funds i.e. level of private sector funds to public funding.

These assessments use net additional figures. The gross to net additional impact calculations are highlighted in **Appendix 3**.

Costs are based on ERDF spend to date (£3m), other than in the leverage calculation which uses targeted total public sector funding (£3.76m).

Comparisons are made to other ERDF programmes:

- ∞ ERDF Land and Property Projects: £4.95m of ERDF monies which delivered three land and property projects in the Midlands⁹
- ∞ England ERDF Programme 2014 to 2020: average of all ERDF programmes delivered between 2014 and 2020¹⁰

Cost per Net Outputs

Table 6.1 highlights the cost effectiveness of XPLOR based on spend and outputs to date. This suggests that XPLOR has performed well compared to benchmarks.

Table 6.1 Cost per Net Outputs

Programme	SMEs supported	Jobs created
XPLOR	£39,507	£34,914
ERDF Land and Property Projects	£138,675	£49,378
England ERDF Programme 2014 to 2020	£81,266	£30,713

⁹ Source: Final Evaluation of ERDF Land and Property Projects, Aecom, 2015

¹⁰ Source: DCLG, December 2018; England ERDF Programme 2014-20: Output Unit Costs and Definitions

Cost Benefit Analysis

We have estimated the GVA generated by XPLOR by applying the average GVA created per job in the Leeds City Region to the net additional jobs created. This has been divided by the ERDF spend to derive the BCR. The BCR for XPLOR and benchmark comparisons are shown in **Table 6.2**.

Table 6.2 Cost Benefit Analysis

Programme	BCR (GVA : £1 ERDF)
XPLOR	£1.41
ERDF Land and Property Projects	£1.08
England ERDF Programme 2014 to 2020	£1.56

Social Return on Investment

We have extended the CBA to include wider benefits using a SRoI approach. We monetised project benefits including the jobs created (and applying GVA per head). Other benefits monetised include:

- ∞ SME businesses supported financially / non-financially (C1/C4 / C5)
- ∞ Benefits of enterprises supported to introduce new to the market products (C28)

- ∞ Benefits of enterprises supported to introduce new to the firm products (C29)

Benefits are compared to costs to determine the ratio of social return per £1 of investment. It was conducted in line with the Cabinet Office Guide to Social Return on Investment (2012) and wider technical guidance where relevant.

Cost and benefits were adjusted to reflect the following factors:

- ∞ Adjusting all values to reflect 2022 prices.
- ∞ Discounting costs and benefits over the project life (at a rate of 3.5%).
- ∞ The timescale of impact and duration of the effects.

We estimate that XPLOR has generated a social return of £3.77 return per £1 of ERDF spent or £3.53 return per £1 of total public money spent.

Relevant comparisons are not available here but according to the Green Book a BCR above £2 is generally considered high. This suggests XPLOR represents excellent value for money when considering a wider range of benefits.

Generating further funding

Another way of assessing value for money is to assess the extent to which public funding generated further private investment. The total XPLOR project cost is forecast at £8.82m, of which £3.76m is public funding with the remaining from a private source. This means the XPLOR project generated £1.35 for every £1 of public money. Put

another way, 57% of the project cost was covered by private sector investment.

Conclusions

Four different measures of value for money have been assessed. Overall, XPLOR performs well in terms of cost per net outputs and BCR using the GVA approach. The SRoI assessment and leveraging in additional private sector funding suggests an excellent value for money return.

CONCLUSIONS AND LESSONS

Conclusions

Overall, the programme design and logic chain appear to be sensible and reflect local needs. The project had effective management arrangements in place. Wakefield Council were the grant recipient reporting directly to MHCLG and Backstage Academy the delivery partner. The biggest challenge here was in the early stages of developing the bid and ensuring it met the commercial objectives of Backstage Academy whilst being rigid enough to meet the needs of Wakefield Council and ERDF funding requirements.

The original costs of the project increased but the ERDF funding remained the same. Overall spend is near to the 90% retention level and Wakefield Council expect final spend to be very close to the revised targets by the project end.

Excellent progress was also made against most outputs. This includes the completion of the XPLOR building which is due to be handed over this month (October), ahead of target. Additionally, the output C1/C4 (business support) has achieved 100%. This is positive when considering the extreme challenges to delivery caused by the Covid-19 pandemic.

The project has made very good progress against many of its intended outcomes and impacts. This includes: having the potential to be a centre of national significance; generating significant benefits to the local economy such as through increasing skill levels and improving

employment opportunities and benefitting existing businesses through increased footfall; and being a catalyst for further private sector investment locally. There is some, albeit a little more limited, progress towards increasing the number of young people and women entering creative industries locally.

Many of the target outcomes are long-term and would never be realised fully within the timescales of the programme. It is positive to see that all stakeholders feel there will be a positive legacy beyond this funding.

The project has provided excellent value for money. This has been assessed in several ways:

- ∞ Highly cost effective in terms of SMEs supported and jobs created compared to relevant benchmarks.
- ∞ Generating £1.41 of GVA per £1 of ERDF funding.
- ∞ The SRoI assessment estimates that XPLOR has generated a social return of £3.77 return per £1 of ERDF spent or £3.53 return per £1 of total public money spent.
- ∞ Generated £1.35 of private sector funding for every £1 of public money. Put another way, 57% of the project cost was covered by private sector investment. This is an excellent degree of leverage.

A summary of the overall strengths and weaknesses of the project are set out below.

Strengths and successes:

- ∞ Effective governance and management within Wakefield Council has meant that the team have managed and delivered the project despite a highly challenging situation i.e. the Covid-19 pandemic.
- ∞ The unique nature of the business support has been reported as being new and pioneering.
- ∞ All SMEs reported that the XPLOR support team were knowledgeable and friendly. They were good at explaining technical concepts to those outside the industry.
- ∞ The project may not have come to fruition due to Covid. Backstage Academy raised a significant amount of match funding. The closure of their main studio caused significant cashflow issues. They successfully flexed their offer and hosted boxing, international netball and other events that could continue while other live events could not.
- ∞ Demonstrated excellent progress against many of the outputs despite the challenges of Covid. Again, they flexed the original proposition and used other existing space on site to deliver outputs.
- ∞ Overseeing the construction of the new facility during Covid and delivering this on time.
- ∞ Created positive 'noise' about XPLOR. Key national stakeholders such as Innovate UK recognise this. Significant interest from UK and global companies also.
- ∞ International companies are already moving on to and expanding on Production Park so they can access XPLOR services. Three highlighted examples include 4Wall, Roe and Tait Inc.
- ∞ A strong and collaborative partnership approach between Wakefield Council and Backstage Academy. New and stronger relationships now exist between Backstage Academy and AHRC, Innovate UK, the UK immersive technology network, large global businesses, several local SMEs, and XR Stories. Relationships with key partners have been beneficial to the project and will be maintained moving forward.
- ∞ Collaboration between XPLOR and Backstage Academy is seen as a real strength by stakeholders and will benefit both and many students over the years as they gain valuable experience and connections with businesses on site.
- ∞ XPLOR won the prestigious Innovation Award at the Educate North Awards, which celebrate educational excellence in the North. The award recognises XPLOR's contribution to the UK economy through its original and creative initiatives in the sector.
- ∞ Going forward there is real potential to generate significant carbon savings, in terms of reduced travel using Virtual Production.

Case study – 3D printing (sculpting)



Artist Mohammad (Mo) Barrangi is an internationally renowned illustrator and printmaker who has limb difference and is only able to draw with his right hand and left foot. For his latest exhibition, Mo wanted to recreate his 2D illustrations as sculptures, however his physical disability would have made modelling extremely difficult. XPLOR's 3D modelling and engineering expertise enabled Mo to bring his vision to life, by printing the models in miniature for approval before scaling them up to full size for exhibition. Three different types of 3D printers were required, as well as several vital calculations by XPLOR's engineering team to ensure the complex model was created consistently.

This is one example of what innovative technologies and 3D printing can offer creators.

Weaknesses and challenges:

- ∞ Most stakeholders recognise that there is more that can be done in terms of engaging the local community and bringing more benefits to the South East of the district. With the site positioned close to the motorway it leaves little reason to visit any other area of Wakefield. It is easy to access without spending elsewhere.
- ∞ Likewise, although there is recognition that it is a male dominated sector and there is a need to diversify, it was noted by most stakeholders that the XPLOR team was all male too.
- ∞ Some SMEs reported that there is a need to showcase what the new technology is capable of so that they understand how they can benefit from it.
- ∞ Backstage Academy underestimated the amount of admin needed to evidence outputs at the outset.

Lessons

Lessons for grant recipient/ project delivery body

- ∞ Stakeholders hail the partnership between Backstage Academy and Wakefield Council largely a success, but with some early teething problems. This was largely due to different needs and approaches from the private and public sector. For future similar collaborations more foundation work could take place with expectations around roles, funding requirements and timescales agreed upfront.
- ∞ Linked to this, Backstage Academy suggested that all the implications of State Aid rules were not clear which meant that

support given through business seminars, conferences etc could not be free of charge. This created challenges generating outputs as these need to be commercially funded.

- ∞ Beyond the original funding, it is not clear how meeting the dual aims of the long-term sustainability of XPLOR and attracting big businesses alongside the regeneration benefits to Wakefield locally will be met. It may be useful to develop an approach to capturing key outcomes and maintain a strong relationship between Wakefield Council and XPLOR/Backstage Academy.
- ∞ A couple of SMEs highlighted that Virtual Production is prohibitively expensive for them to use and it may still be cheaper to fly and film in the destination where the story is set. There is a desire from SMEs to see the sustainability credentials and prove it is contributing with facts e.g. carbon saved.

Lessons for those designing and implementing similar interventions

- ∞ The construction supplier pulled out last minute costing the project a few months. Wakefield Council and Backstage Academy acted fast to minimise delays.

- ∞ Ability to flex and respond to challenges faced. For example, as Backstage Academy did by changing their offer and extending it to Boxing and activities.
- ∞ Ensure that businesses have access to relevant partners and their skills (e.g. those accessing XPLOR had access to Backstage Academy students).
- ∞ Consider evaluation during the programme design – including an assessment of the extent to which targets are realistic and achievable.
- ∞ Networking and attendance at many events can be key to raising a projects profile and generating a ‘noise’.

Lessons for policy makers

- ∞ Part funded by ERDF, one stakeholder described the AMP as the regeneration story of the UK. Valuable lessons exist here (see **Appendix 1**).

APPENDIX 1: CASE STUDY: ADVANCED MANUFACTURING PARK (AMP)¹¹



AMP is a 150-acre manufacturing technology park in South Yorkshire. The Advanced Manufacturing Research Centre (AMRC) was the anchor tenant and is a network of world-leading research and innovation

centres working with manufacturing companies around the world. This includes Boeing, Rolls-Royce, BAE Systems and Airbus to many smaller companies.

AMP has achieved significant success. In 2020/21 alone it: stimulated £486m R&D activity; engagement with 5,897 industrial partners and 4,687 SMEs; ran 2,234 commercial projects, 443 collaborative R&D projects and 261 projects with academic institutions¹².

AMP has created around 500 jobs. Valuable lessons exist for XPLOR:

- ∞ Helped develop national manufacturing expertise by collaborating and allowing access to their technologies. It has an open-source research model and shares discoveries across different networks.
- ∞ It has been a hub of knowledge transfer creating a significant talent pool. AMRC has sought to address future skill gaps and delivered apprenticeships, bespoke programmes for schools and continuous professional development.
- ∞ Encouraged agglomeration effects using nearby development land with the number of research centres growing from one to seven and many businesses locating near to AMP.
- ∞ Created an export market with high-value jobs.
- ∞ Once seen as the “elephant in the room”. It has taken time to become the success it is now. It has continued to grow and diversify over time. It has gained access to many large funding streams. Sectoral focus has shifted over time and at different points has included nuclear, medical, and aerospace expertise.
- ∞ Although there have been benefits for the Sheffield City Region, these are relatively modest compared to the national impact.

¹¹ Image source: <https://www.built-environment-networking.com/news/55728-2/>

¹² source: <https://hvm.catapult.org.uk/annual-review-2021/2020-21-in-numbers/>.

APPENDIX 2: CONSULTEES

We would like to thank the following people for their support and input to this evaluation.

Organisation	Name
West Yorkshire Combined Authority	Tony Corby
Creative England	Kate Gledhill
XR Stories – University of York	Robin Cramp
InnovateUK	Andy Curtis
Arts and Humanities Research Council	Tao-Tao Chang
Backstage Academy	Rachel Nicholson
XPLOR	Jim Farmery
Wakefield Council	Mike Denby
Wakefield Council	Andrew Balchin
Wakefield Council	Clare Hunt
Wakefield Council	Jonny Croston
The Art House	Damon Jackson-Waldock
National Coal Mining Museum	Liz Orme
Reel Film	Adam Chandler
Shrewd Marketing	Claire Frankland

APPENDIX 3: GROSS TO NET ADDITIONAL IMPACT CALCULATIONS

Impact Indicator	Gross Impact	Impact area = Leeds City Region							
		Less Deadweight / reference case		Less Displacement / substitution		Less Leakage		Net Additional (plus multipliers)	
		Measure	Adjustment	Measure	Adjustment	Measure	Adjustment	Measure	Adjustment
Construction jobs	76	76	0%	57	25%	52	10%	1.3	67
Construction apprenticeships	4	4	0%	3	25%	3	10%	1.3	4
Operational jobs (XPLOR team)	10	10	0%	8	25%	8	0%	1.3	8
Number of SME businesses supported	60	57	5%	51	10%	51	0%	1.3	51
Number of new enterprises supported	3	3	5%	3	10%	3	0%	1.3	3
Employment increase in supported enterprises	9	9	5%	8	10%	8	0%	1.3	8
Number of enterprises supported to introduce new to the market products	4	4	5%	3	10%	3	0%	1.3	3
Number of enterprises supported to introduce new to the firm products	10	10	5%	9	10%	9	0%	1.3	9