



GROWTH HUBS NETWORK

MONTHLY INTELLIGENCE REPORTING

Under the core conditions of funding for Growth Hubs, we expect LEPs/MCAs/County Councils and their Growth Hubs to engage closely with the Cities & Local Growth Unit's area teams, and to inform them of any significant new and emerging economic opportunities and shocks. Alongside this, we also expect CLGU area teams and the Department for Business & Trade to be provided with a brief intelligence report **to be received during the first week of each calendar month.**

A template for the monthly report is attached to this guidance note. Reports should cover any significant, new or emerging information on:

- local economic conditions
- local business needs and concerns
- economic opportunities or shocks
- the health of the local business support ecosystem.

The reports need only contain information that in the judgment of the provider is both timely and relevant. Information should ideally be new, provide a significant update on an ongoing issue, and/or be of strategic relevance. Any more detailed information that you may wish to provide should be attached as annexes.

Should there be nothing substantive to report in a given month, we will require confirmation of a nil return.

It is for individual LEPs/MCAs/County Councils to decide how they manage the intelligence gathering and reporting process through their Growth Hubs including whether they intend to work individually, or agree to pool intelligence with one or more members of their regional Cluster (an approach which may be desirable for smaller Growth Hubs).

Returns should be sent to the relevant CLGU area team intelligence contact(s) and copied to Growth.Hubs@beis.gov.uk. Up to date contact details for Area Teams are available from the Growth Hubs team. Where possible please share the full report with the relevant Growth Hub Cluster Lead to help inform their strategic regional-level activity, and you may also choose to share this with other Growth Hubs.

The content of the reports (without these guidance notes) may also be shared with local partners (e.g. local authorities, Chambers of Commerce), but please ensure that business support ecosystem information is provided only to other parts of Growth Hub network and to HM Government. When sharing reports, you must also observe commercial confidentiality, and ensure compliance with statutory data protection requirements.

Guide to the Template

Note: The report does not need to be kept to a single page.

Section A: Local Economic Conditions

Any significant information on local business and economic conditions and trends, positive or negative. This may include specific issues or cross-cutting themes impacting on businesses' performance, productivity or investment, or on the broader local economy.

This could also include information on any specific sectors or locations facing significant impacts, and general business confidence and attitudes.

Section B: Local Business Needs and Concerns

An overview of significant new, emerging and/or ongoing issues that businesses (particularly SMEs) have been raising with the Growth Hub in the past month, or that have been reported by businesses to local partners or representative bodies.

This may include summary information on direct impacts on businesses' performance, productivity or investment.

Section C: Economic Opportunities or Shocks

Headline information on new or impending economic shocks impacting on the local economy and the businesses within it, and new or impending opportunities or large employment/economic gains for the area.

Section D: Business Support Ecosystem

An overview of the current health and effectiveness of the local business support ecosystem including provision of advice and support, funding streams, local and national partnerships, and institutional structures, including any relevant feedback from businesses or local/national partners.

You may also include information on specific examples of new and emerging provision, partnership activity or funding that are significant to the local ecosystem. This can include information directly relating to the activities of the Growth Hub or of third parties.

GROWTH HUBS NETWORK: MONTHLY INTELLIGENCE REPORT

DATE OF ISSUE:	31/07/2024		
GROWTH HUB:	Cumbria Accelerator		
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A: LOCAL ECONOMIC CONDITIONS

Overview

Cashflow continues to be a key concern for local businesses, with skills shortages and VAT also hampering growth.

One Cumbrian small business is now employing the services of a Driving Instructor and funding them to train their staff as a way of recruiting and retaining team members, enabling them to be able to get to the workplace. This is evidence of both the level of challenge in a remote area in getting staff and also the creative lengths businesses are going to to try to remain operational.

While commendable on one hand, it is not something which others could look to replicate, A lack of staff to support operations is now deterring some businesses from seizing growth opportunities. They are in some cases turning down work as they can't be confident of delivering.

The latest Labour Market Briefing is provided at Annex A. The headlines from this are as follows:

Key headlines for Cumbria:

- There were estimated to be 225,669 payrolled employees resident in Cumbria in Jun 2024, an increase of 517 from the revised May figure. This means there are 2,202 more residents in payrolled employment than this time last year (1.0% v 0.8% for the UK). Note: these data measure those on PAYE payrolls which is not the same as total employment as it doesn't include self-employment or other non-PAYE employment.
- Median monthly payrolled earnings in Jun 2024 in Cumbria were £2,276 which is 96% of the UK average. They were highest in West Cumbria (102% of UK) but lower in East Cumbria (91% of UK) which is partly to be expected due to the sector balance and the prevalence of part time jobs in the latter area (NB: these are the ITL area definitions which are not the same as those for the new unitary authorities (see page 4).
- Median payrolled earnings growth in Cumbria year on year was 3.9% which is above the UK (3.6%) and this has been the case in both West and East Cumbria.
- Survey estimates for the year ending Mar 2024 suggest that the proportion of 16-64 year olds in employment in Cumbria was 81.3% compared to the national average of 75.4% (even allowing for survey error this does suggest the rate was higher locally). The rate was 83.0% in Cumberland and 78.9% in Westmorland & Furness (survey error is more significant at this level).

- The economic inactivity rate (those aged 16-64 who are not working or actively looking for work) was estimated to be 16.9% in the year to Mar 2024 (approx. 48,600 resident), lower than the national average of 21.5%. It was lower in Cumberland (15.0%) than Westmorland & Furness (19.4%) although survey error makes this unreliable. Eight out of ten of the inactive in Cumbria do not currently want a job.
- The annual estimates of qualification levels suggest that 34.4% of working age residents in Cumbria were qualified to level 4 or above (eg degree) which, even allowing for the degree of survey error, is lower than the national average of 47.1%
- There were 6,975 claimants of JSA / UC (out of work and seeking work) in Jun 2024 which is 110 more than the revised May figure but is a smaller increase than nationally (1.6% v 3.7%). The count rose in Copeland, Barrow and Eden but fell in Allerdale, Carlisle and South Lakeland.
- Compared to the same time last year, the claimant count (actively seeking work) is 285 higher an increase of 4.2% which is lower than the rise of 8.3% nationally.
- The claimant rate (actively seeking work) in Cumbria was 2.3% in Jun 2024 unchanged from May and it remains below the national rate of 3.9% in all the former district areas. The claimant rate in Cumbria is 0.1ppt higher than a year ago (nationally it is 0.3ppt higher).
- Claimant rates (of those actively seeking work) are below the national average in all age groups at Cumbria level. However, rates for 18-24 year olds remain above the national average in Barrow (6.3% v 5.0%).
- There were 40,900 claimants of Universal Credit in Cumbria in Jun 2024 (in work, out of work or not required to seek work), a rise of 417 (1.0%) from the revised May figure and 4,936 more UC claimants than a year ago (+13.7%).
- The number of claimants fell in the working conditionality group (-168) but rose in the searching/planning/preparing groups (+177) and the no work requirements group (+402).
- The claimant rate for all UC claimants was 13.7% in June 2024 compared to 16.8% nationally and the rate was below the national rate in all 6 former districts. However, UC claimant rates for 18-24 year olds were above the national average in Allerdale, Barrow and Copeland and were also above the national average for 25-34 year olds year olds in Allerdale, Barrow, Carlisle and Copeland.
- 29,554 of the UC claimants had been claiming for more than 12 months in Jun 2024, an increase of 249 from May and 2,105 more than a year ago. This means 72% of UC claimants have been claiming for more than a year.
- In Mar 2024, 14,519 UC claimants were on "UC health" which is 4.9% of all working age residents (aged 16-64) compared to 5.0% nationally. The rate of UC Health claimants was above the national average in the former districts of Allerdale (6.2%), Barrow (5.8%), Carlisle (5.3%) and Copeland (6.1%) but lower in Eden (2.7%) and South Lakeland (2.8%).
- The number of UC claimants on "UC health" has risen by 19.4% (+2,358) in the year to Mar 2024 in Cumbria even though the overall number of UC claimants has only risen by 12.8% over the same period. They now make up 36.2% of all UC claimants which is higher than the national proportion (31.2%).

- Data for households on Universal Credit are published quarterly and the latest are for Feb 2024. This shows that there were 34,011 households in receipt of Universal Credit, up by 3,372 (11.0%) from a year previously.
- There were an estimated 30,706 children/young people under the age of 20 living in Universal Credit households Feb 2024 which is 4,493 (17.1%) more than a year ago.
- There were 339 young people (aged 16/17) classed as NEET (inc not knowns) in May 2024, 26 fewer than in Apr. There were 224 NEET/NKs in Cumberland and 115 in Westmorland & Furness.
- The NEET rate was 3.3% in Cumbria in May 2024, unchanged from Apr and 0.1 percentage points higher than a year ago. The rate was 3.9% in Cumberland and 2.6% in Westmorland & Furness with the highest rates in the former districts of Barrow (4.5%) and Copeland (4.2%) The national rate was 5.2% (national comparison should be treated with caution).
- The participation rate for 16/17 year olds was 91.1% in Cumbria in May 2024 (898.5% in Cumberland and 93.1% in Westmorland & Furness) compared to 91.8% nationally.
- There were 8,898 active online job postings in Jun 2024, 259 more than in May (3%) with increases in the former district areas of Barrow, Eden and South Lakeland but decreases elsewhere. The volume of new postings during the month was largely unchanged.
- The occupations most in demand were care workers, cleaners & domestics, sales and kitchen & catering assistants.
- The sectors accounting for most postings were employment activities (usually recruitment companies), health, food & beverage services, retail and manufacture of other transport equipment.
- Job-related skills most in demand were housekeeping, auditing, project management and personal care, whilst the personal attributes most in demand were communication, customer service and management.
- The recruiting organisations with the most active job postings were the NHS, BAE Systems, Westmorland & Furness Council and Adecco.
- There were 531 small business start-ups in the quarter ending May 2024 which is 26 more than last quarter but 71 fewer than the same quarter last year.
- Start-ups were highest in real estate & professional services (136), recreation, personal & community services (85) and construction (69).
- There were 197 new Companies House incorporations in Jun 2024, 2 more than in May but 14 fewer than in May last year.
- There were 30,871 active companies in Cumbria at the end of Jun 2024, 37 fewer than in May.
- There were 139 businesses newly recorded as dissolved/in liquidation during Jun 2024.
- Of the active businesses in Jun 2024, 1,942 had posted financial results showing a 10% increase in employment and/or turnover in their most recent accounts (6.3% of businesses) whilst 1,473 had posted results showing a 10% decline in one or both measures (4.8% of all businesses) (note: the majority of businesses do not file detailed financial accounts).

- In Jun 2024, 4.2% of Cumbria's total companies on the Red Flag Alert system were rated as having Red Flags (not including provisional flags). This is lower than the national average of 6.0%. It was highest in the former district areas of Barrow (5.9%) and Carlisle (4.6%).
- A third of businesses on the Red Flag Alert system are assigned a growth score and of these, 17.2% in Cumbria were rated as very likely or likely to grow compared to 15.9% for the UK.

B: BUSINESS NEEDS AND CONCERNS

General business intelligence (input from Enterprising Cumbria team and external advisors)

Challenges to growth:

- *“Throughout the region and across the various sectors, skill shortages and VAT now appear to be the main challenges to business growth”.*
- *“A range of businesses have highlighted the VAT threshold as the key challenge to increasing revenues. There is little incentive for example for a 10 bedroom bed and breakfast to grow revenues over 85,000 - and in many areas of the region there are opportunities to do this.”*
- *“I've spoken with two professional services businesses this month, both in accounting. In one instance the recruitment of an assistant took two years and in another 14 months. Whilst one business still had room for growth the other had decided not to recruit any additional staff despite demand. Their business will not grow but the owner is focusing more on a work life balance. It will be interesting to see if this balance of supply and demand increase the costs of professional services”. A lack of available staff for some is clearly limiting ambition to grow and can lead to businesses missing out on growth opportunities.*

Whilst the UK Election has passed and there's a new Labour Government with a large majority, businesses are now waiting to understand and obtain further details in respect to how the UK Governments policies will play out. Until there is clarity and therefore some confidence, businesses are holding back on investment.

“We have one client who manufactures and installs commercial Solar PV systems and they have grown considerably over the last few years. They currently have £15m worth in value of proposals out, however they have not had an order since the end of April this year, and they will not reduce their prices to “buy” the business like some competitors are doing. Their business clients are waiting to hear if there will be grants, or tax incentives for new Solar PV installs etc”.

“While service industry inflation in July remains stubbornly high at 4.06% against an average of 2%, we are finding that insurance premium renewals are running at approximately 20% higher than last year, businesses are needing to shop around to find value”.

“Inflationary costs are baked in; as shared before, the last 18 months of high inflation is still unravelling and many businesses we speak to are seeing inflated costs and expenses hit their business and reduce profitability. Even though sales revenue has gone up for many, through

increasing prices, profitability is down. Increase in wages year on year, has had a big impact and for service businesses, wages are now well over 50% of the business expense lines. SMEs in particular are wary of putting their prices up too much, or too regularly, as they feel they risk losing their customers. And unfortunately, SMEs don't have the benefit of scale to reduce costs or to have stronger buying power with their suppliers”.

Finding reliable contractors for the building trade is difficult; where is the labour coming from to build 300k homes a year which is now the Government policy?

There remain relatively few charging points in the Lake District for electric vehicles, is 2030 a realistic date for full conversion to electric. What are the consequences if we fail?

Consumer spending is muted particularly on big ticket items, (cars, large screen TVs etc), but consumers will spend going out to restaurants, gigs and events and upgrade their holidays

Middle Management - for SME's still huge gaps in capability within existing roles and very difficult to attract and recruit qualified experienced Managers. Many are trying to develop their own, but obviously this has a direct impact on the business, as there's normally a cost and also specifically, time out of the business, for those managers whilst they do training and leadership development. It's been noted, quite a lot of business events and training courses are not that well attended currently, as businesspeople don't have the spare time, capacity to network or be out of the business.

“One business we have been supporting had 5 contracts in their pipeline and over a period of 3 months customers all pulled out for different reasons. This led to a dramatic fall in confidence of the owner”.

Westmorland & Furness-specific issues

“The lack of grant funding within the South of Cumbria is not ideal as there is investment which could be encouraged with a match-funded offer. This would be really beneficial right now.

Lack of premises is also a concern. I have 3 clients looking for buildings at the moment and there is nothing available or is extremely expensive.

The road infrastructure also continues to be a problem. Unfortunately there have been a few accidents recently on the A590 causing delays and also the rail continue to strike”.

Hospitality and Tourism businesses

Businesses have reported an uplift in bookings in the past few weeks - which could be a number of factors (post-election date, possibility of interest rate decrease, last minute bookings for the school holidays).

Bookings seem stronger across the region (although still behind 2023) and as many businesses are still closing a couple of days per week(because of challenges in recruitment) growth is being delivered in a shorter operating timeframe , profitability has improved as has work life balance.

Cafes and restaurants in tourist spots are advising of an increase in business levels, however some destination 'things to do' locations are reporting a shortfall in visitor numbers and/ or decreased footfall, so performance is still patchy.

"A lot of sympathy from residents in the Lake District regarding the protests in Mallorca. Thousands of people have taken to the streets in Mallorca protesting against mass tourism and overtourism on the Spanish holiday island. Locals have been living in caravans due to rising rental prices caused by the tourism boom. Similar problems in Cumbria with second homes, Airbnb, very few rentals available at a reasonable price. Difficult to recruit & retain staff especially in the leisure industry."

Several conversations over retaining staff and keeping them motivated.

Some initial worries over the fall in bookings (compared to last year) at the beginning of this season. This especially impacts businesses which operate in tourist dependent areas due to the need to generate sufficient income in busy periods to last throughout the year.

Marketing

"Other advisors may have more insight into this but two clients this month have said that they have seen a decrease in their revenues produced through social media advertising and are reviewing their digital marketing strategy to add Google advertising." Businesses are still hungry for new sales opportunities but unclear on where they best get a ROI.

Farming and rural businesses

The strain of an uncertain future continues to weigh heavy on many farming families in Cumbria at the moment.

1. Concern brewing as a result of change of government. Expected announcements on SFI 24 have not happened. Are we going to see significant policy changes from DEFRA under a new government?
2. Weather patterns since the turn of the year have been challenging causing losses and much stress during the winter and spring at lambing time.
3. Many spring sown crops did not get planted due to weather and changes of policy where large tracts of productive land have been turned over to SFI winter bird feed or herbal leys. Concern is that there won't be much barley and barley straw available to feed livestock.
4. Many farmers in Cumbria also struggled to make silage and hay in recent weeks again due to weather. Quality of crop may have suffered which will affect cattle and sheep performance through winter.
5. Early breeding sheep sales in South have been achieving record prices which bodes well for Cumbrian farmers selling this Autumn. Trade is driven by demand. Confidence is high in the sheep sector as demand for UK sheep meat continues to grow both in the UK and the export markets abroad. Also, the constant removal of hill sheep from the uplands driven by government policy is now starting to take effect. Hill sheep are the backbone of the sheep industry, and their loss will eventually cripple the industry. Many farmers are quite depressed by the current direction of travel in "environment over food".
6. Milk prices are stable but not fantastic. Many Cumbrian farmers are having to take stock as to their future as significant capital investment will be required in future due to further

regulation in the industry but there are also good funding opportunities available through government funded grants for those that want to have a go.

7. Many tenant farmers have been served notices to quit in Cumbria from Landlords wishing to take land back in hand to take advantage of generous funds available for tree-planting, or to prove a working stake in the land which will be required to continue to take advantage of significant inheritance tax property reliefs. Landlords and tenants should be able to reach a fair and equitable deal to keep the farmers on the land, but some estates are neither fair or equitable. An extremely challenging time in the tenant farming sector in Cumbria at the moment.

Innovation support

Businesses accessing support to work on innovation activity this month are focusing on:

- Improving the customer experience and increasing return custom through enhancement of technical solutions on the client's website
- Research into development of a mobile application to allow the client's customers to access materials previously only available in printed form
- Greater understanding of the businesses carbon emissions and conducting research on opportunities for reduction and implementation
- Exploration of how SMEs in the region can enter new/parallel markets to improve productivity/profitability.

Foreign-owned businesses input

A specialist manufacturer reports full order book which has not been experienced for several years.

A 4* North Cumbria hotel reports that bookings are up 20% compared to this time last year and overseas visitors are up via coach parties. Overseas independent travellers are also on the increase. Wedding receptions and bookings are also on the increase and now running at about 2 per month, these can be very lucrative. UK business travel is also increasing with the hotel very busy Monday to Thursday.

West Cumbrian manufacturer continues to report significant shipping delays due to Middle East situation which is having a knock on effect on their delivery of goods to customers. The cost of carriage has increased by 300 % and whilst they are passing on some increased costs they also have to absorb it themselves. Similarly a S. Lakeland business reports delays and a significant rise in costs.

Several high energy user smaller manufacturing businesses starting to actively look at renewable energy schemes.

No specific intel this month

D: BUSINESS SUPPORT ECOSYSTEM

Grants

Following the announcement of Cumberland UKSPF / REPF grants the following responses were received by one of our advisors:

- *“Some businesses are very nervous about applying because of the perceived complexity of the forms at the expression of interest stage. However I did support 14 businesses to complete these forms and 12 have received grants and /or an invitation to apply”.*
- *“Three businesses have since come back to me with concerns about the deadline of the 9th of August for the full application as we are now at the beginning of the school holidays. There seems to be little confidence that they will be able to obtain the three quotes required at the application stage. There is a shortage of contractors in the area and most seem willing to come provide a quote in the timeframe required”. This is a key area of concern especially for capital expenditure, if works cant be completed within short timeframes grant money will not be able to support. This again points to the short-term issues around UKSPF funding.*
- *“One client has come back and said that one council are no longer accepting planning applications (I suspect for the funds to be spent in time it would be too late to do so at this stage) but I didn't really have an answer for them as to why this was”.*

“Although there have been business support grants available, managing client expectations is fairly common in helping them understand the current business support landscape where general business grants are simply not available. There seems to be an assumption that "Business Support" would for them include some non-refundable business grants to help them with various aspects of their business. Which as we know is simply not the case”.

“One Business applied for a grant and got no response despite several emails over a period of several months. Finally, told not eligible because they had received a similar grant two years previously. This uncertainty wasted both the business' time and the potential contractor's time”.

UKSPF paperwork

“Only a minor challenge has been delays with some clients signing the appropriate forms and returning them in a timely manner. For example when clients are sent the Subsidy Control and SME Registration Forms a few clients have only signed one of the forms and somehow missed signing the second form thinking it was a duplicate. Overall it has been a pleasure working to support the clients on this programme, and each client has given excellent feedback at the end of their session and several areas of business support have been covered in detail that has helped them get more clarity, focus and a realistic achievable action plan. Each client has been offered the opportunity to follow up with any questions or a bite sized catch up session at any time, we feel this is important for consistency as well as upholding the good reputation of the Cumbria Business Support Programme”.

From a programme management perspective the varying requirements for DBT Growth Hub and UKSPF programmes are challenging. The DBT Growth Hub paperwork is completed by the advisor and is very straightforward and light touch. The UKSPF paperwork requires significantly more resource, intervention, monitoring and follow-up, with Minimal Financial Assistance eligibility checks and outcomes monitoring requiring client signatures, and other paperwork also needing to be completed. The amount of time on paperwork reduces the time available to the client in terms of actual advice and support under the programme.

Securing the signatures is also challenging when the majority of support is offered via video call and often results in advisors needing to chase clients for signatures and returned forms.

It is hoped that processes and requirements will be streamlined for the delivery of future support programmes so that there is a consistency of approach and paperwork.

These issues in turn affect the outputs and outcomes achieved under UKSPF programmes and also the monies drawn down. Some clients are failing to 'complete' as the suite of paperwork is not signed off and advisors cant be paid.

Additional Information (list any annexes below)

Annex A – Cumbria Labour Market Briefing



Labour Market Briefing July 2024.pdf

Annex B – Cumbria Economy Tracker



Cumbria Economy Tracker_V47_July_2024

Annex C – Economic Press Cuttings

C: NEW JOB LOSSES, WARNINGS, OR POTENTIAL ECONOMIC SHOCKS					
COMPANY	DATE	LOCATION(S)	SECTOR	JOBS/£	SOURCE/DETAIL
Carpetright	22 nd July 2024	Cumbria - Barrow, Carlisle, Kendal and more nationwide	Retail	1000 job losses	GBN - Carpetright is set to be saved from administration by rival flooring retailer Tapi, who put forward a multi-million-pound rescue deal. However, despite the deal, 200 shops are still expected to close. Tapi Carpets & Floors is expected to buy the Carpetright brand name alongside 54 stores and two warehouses in a deal to save the company from collapse - but the deal will not save the majority of the business. The deal will save over 300 jobs but does not include its head office or 200

					other stores, resulting in around 1,000 job losses. The high street retailer currently has 272 stores and employs 1,852 people in the UK. Jeevan Karir, managing director of Tapi, said that initially, it had wanted to save all of Carpetright, but it "quickly established saving the entire business was unviable".
Halifax	5 th July 2024	TBA	Banking	Job losses TBA	Halifax is set to close dozens of bank branches within the next year in a blow to many local communities with the bank recently confirming extra closures. Bank branch closures are gathering pace across the UK amid changes to the banking sector and consumer behaviour. The other banks included in the group are Lloyds Bank and the Bank of Scotland. These new closures from Halifax are set to take place between October 2024 and June 2025 , with 17 sites to shut down on top of previously announced ones.
D: NEW OPPORTUNITIES, INVESTMENTS, AND JOB GAINS					
COMPANY	DATE	LOCATION(S)	SECTOR	JOBS/£	SOURCE /DETAIL
Aldi	9 th July 2024	Nationally	Retail	Up to 40 new jobs	Aldi has revealed their new stores which are set to open in the coming months. The supermarket will open more than 10 new stores across the UK as it looks to bring its low prices to even more shoppers. Aldi is on track to open 35 new stores in total this year, with each creating around 40 new jobs on average. Its latest store was opened earlier this month in Goole, East Yorkshire, and forms part of Aldi's long-term target of 1,500 stores in the UK. The supermarket is set to invest £550million in expanding its UK footprint this year alone. Jonathan Neale, Real Estate Managing Director at Aldi UK, said: "At Aldi, we want to ensure that high quality yet affordable food is available to everyone which is why we are continuing to expand across the UK.
Innovate UK	Opens 25 th July 2024	UK		£25 million	Innovate UK, part of UK Research and Innovation, is investing up to £25 million in the best game changing and world leading ideas, designed for swift, successful commercialisation. The Innovate UK Smart grant has focused scope and eligibility criteria to support

					micro, small or medium-sized enterprises (SMEs) and their partners in developing genuinely new innovations with significant potential for rapid economic return to the UK. The application process reflects the importance of obtaining economic benefits from public funding, and the potential for successful commercialisation, growth, and exports.