heart of the south west Growth Hub

heart of the south west local enterprise partnership | HM Government

Evaluation of the Heart of the SW Growth Hub

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Executive Summary

This report provides an independent evaluation of the Heart of the South West (HotSW) Growth Hub which is being delivered by SERCO on behalf of the HotSW Local Enterprise Partnership (LEP) and referred to locally as "Services for All." Reporting to the LEP's Business Leadership Group, the purpose of the evaluation was to: examine and appraise the operational effectiveness of the Growth Hub for service users and stakeholders; review operational models from elsewhere; explore its penetration rates; and, assess the difference the Growth Hub has made in terms of economic impact and Value for Money.

The evaluation took place between January and March 2019 and included a number of components. A comprehensive desk based review of monitoring data and documentation was undertaken. Primary research included two online business surveys, supplemented by a telephone booster alongside a series of semi-structured conversations with key stakeholders. A selected review of other Growth Hubs was also undertaken to learn lessons from elsewhere.

Operational Effectiveness

The Growth Hub has delivered - and in some cases over-performed - against its contractual targets. The service delivery has also, for the most part, been well received by businesses and stakeholders. Taking each aspect in turn:

- **Marketing and promotion -** is undertaken by a small marketing team and may be seen as one of the "pinch-points" in terms of resourcing. Many stakeholders felt that awareness of the Growth Hub within the business community could be improved, however, the challenge of engaging harder to reach groups was also acknowledged.
- **The website -** is the primary channel through which business engage with the Growth Hub and it is continuously being developed. It provides a range of resoources that businesses can use as a self-help tool but because of this many users of the Growth Hub are not captured in KPI statistics reported to Government. The events pages were highlighted as a particularly useful feature of the website by stakeholders but it was also felt that they would benefit from more providers adding their events to the calendar which is resource intensive to manage. Other Growth Hubs are exploring the use of online forms to assist with this.
- **The referral process** - appears to be working well and efforts to "hide the wiring" for businesses have paid dividends. However, there was a degree of disappointment expressed from some providers that they had not received as many referrals from the Growth Hub as they had expected. From the Growth Hub's perspective there would ideally be a stronger obligation for providers to feedback to them on what happened as a result of the referral to enable the team to provide the "wrap-around" support that they had envisaged.
- **The intensive advisor support** – is a much smaller part of the service and is currently targeted at businesses operating in sectors that do not typically qualify for any of the available ERDF support. This is highly valued part of the service but could potentially benefit from additional resources to enable more face-to-face engagement with businesses as part

of the diagnostic process. There was also some suggestion that there could be a clearer segmentation strategy to determine which businesses would most benefit from the service.

- **Support for emerging agendas such as scale-ups** – is perhaps more challenging given that the Growth Hub does limited direct delivery so will inevitably be reliant on other providers. However, there is evidence that it does respond to topical issues and changing LEP needs.

- **Stakeholder engagement** – is a vital part of the Growth Hub's role and there is evidence to show that the team has been proactive in building and strengthening relationships both with and between partners. The monthly partner events have been well received and appear to have provided an effective platform for helping partners to understand each other's offer.

- **Business support simplification** – is the "holy grail" for Growth Hubs but given that in HotSW the Growth Hub does not control the supply of business support provision this is arguably not within its gift to achieve. What it has achieved is a good (and highly valued) understanding of the provision that it available and a "front door" through which businesses can access it. However, stakeholders would like to see the service become more "intelligence-led" i.e joining the dots between supply and demand more coherently to inform strategy development and support the simplification agenda.

Comparison with Models Elsewhere

The review of comparators explored how other Growth Hubs have approached a number of structural issues and revealed, for the most part, very little consistency. However, one element stood out as having potential merit for HotSW which was the use of a 'drop-in' surgery style approach, utilising existing physical hubs in the area to extend reach. This approach could enable the HotSW Growth Hub to have more of a physical presence, capitalising on the significant investment that has already been made in enterprise infrastructure locally.

Penetration Rates

Depending on how you measure engagement, the Growth Hub has engaged between 7.4% and 9.2% of businesses within the HotSW area. The penetration rate is a little lower than seen in our comparator areas. The data also show some sectoral and geographic variations in the penetration rates which are explored more fully in the report. There is a particular under-representation of construction businesses and comparatively fewer businesses engaging from Torbay and Somerset.

Impact on Businesses

70% of businesses that took part in our survey had experienced some form of benefit from their engagement with the Growth Hub, the most common being improved business planning followed by improved the business efficiency. Over half the sample indicated that they have or expect to experience a bottom line benefit (i.e. increased jobs, turnover or profit).

After adjusting for additionality, the net jobs uplift is 41.05 FTE and net turnover uplift is £1.86m. The net GVA is estimated to lie between £0.62m and £1.73m.

Value for Money

Value for money was explored in turns of net return on investment (ROI), which found an estimated ROI of between 1.24 and 3.5. This positive ROI represents a significant achievement for a low intensity support service.

Recommendations

In an ideal world more resources would be available to increase the reach and impact of the Growth Hub. However, in the absence of more funding, based on the assessment above, we offer some practical recommendations. It is suggested that consideration could be given to the following areas for future Growth Hub development:

- More systematic use of intelligence to inform strategy and business support provision
- Developing strategies to target the currently under-represented groups
- Developing a clearer strategy for segmenting businesses for intensive support
- Obligating partners to refer back to the Growth Hub
- Automating the Growth Hub's events calendar
- Utilising existing enterprise space across the LEP for surgeries/drop ins

Section 1: Introduction

1.1 Purpose of the Evaluation

This report provides an independent evaluation of the Heart of the South West (HotSW) Growth Hub which is being delivered by SERCO on behalf of the HotSW Local Enterprise Partnership (LEP) and referred to locally as "Services for All." Reporting to the LEP's Business Leadership Group, the purpose of the evaluation is to examine and appraise the operational effectiveness of the Growth Hub for service users and stakeholders. The evaluation has also been designed to explore the difference the Growth Hub has made including its economic impact and to assess Value for Money.

Please note that in HotSW there is also a complementary "Growth Support Programme" which is aligned with the Growth Hub. This service is part delivered through European Regional Development Funds (ERDF) specifically for ERDF eligible businesses and online enquiries from eligible businesses are automatically routed from the Growth Hub to this Programme. The Growth Support Programme is run by Devon County Council and delivered by a range of locality based providers and specialists. It is not within the scope of the current evaluation.

1.2 Introduction to the Heart of the South West Growth Hub

The HotSW Growth Hub provides a single point of contact – completely free at the point of access – for all businesses seeking advice and support on any issues relating to the operations and aspirations of their enterprise; and by signposting them to international, national or local resources. Delivery began in February 2016 and was initially scheduled to run through to February 2019 but a following an agreed extension SERCO will continue to operate the service until March 2020.

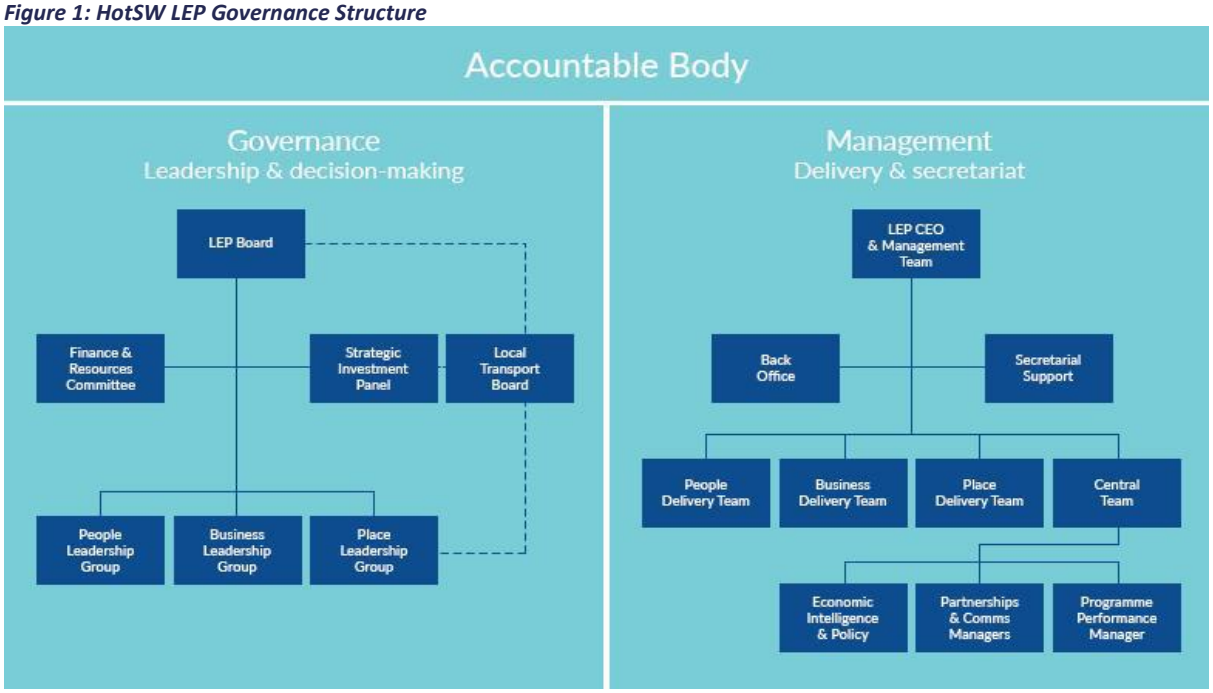
Although Growth Hubs throughout the country have a common objective to simplify the business support landscape, there is no single blueprint for services or delivery. Currently the HotSW Growth Hub operates primarily as a virtual service. It provides an on-line resource and both a web-based and telephone enquiry system where referrals are made to other 'brokered-to' support providers. Where relevant it also provides a more detailed three hour face-to-face diagnostic and if there is not a good fit between an identified business need and the programmes on offer the Growth Hub will deliver more intensive support directly through one of its consultants. This aspect of the service is known as the "Growth Support Service."

As highlighted above, the Growth Hub is closely aligned with the Growth Support Programme which offers a similar but more in-depth service that is only available for ERDF eligible businesses. The Growth Support Programme includes an initial three hour-face-to-face meeting with a business advisor but it then offers a further nine hours of free advice on specific themes. The themes must include digital support but can also include Finance, Human Resources, Innovation, Marketing and Business Planning. The Growth Hub primarily focuses its face-to-face diagnostic support on businesses that would not be eligible for the Growth Support Programme.

The Growth Hub is funded through the LEP and the Department for Business, Energy and the Industrial Strategy (BEIS). The LEP's governance and management arrangements are set out in the diagram below. Decisions on Growth Hub operation and funding are covered by the left hand side,

with secretariat support provided by the Local Authorities. In summary, the LEP Business Leadership Group makes recommendations on Growth Hub operation and direction and reports to the LEP Board where decisions are ultimately made. Monthly reports and performance dashboards are prepared for the LEP Business Leadership Group and the LEP Board so that performance can be monitored and mitigating actions taken as necessary.

Figure 1: HotSW LEP Governance Structure



The Growth Hub has a number of local Key Performance Indicators (KPIs). Its business-facing KPIs which cover triage, diagnostic and signposting include:

- B1: Businesses engaged – 4,200 target;
- B2: Businesses referred to national or local services – 840 target; and,
- B3: Businesses receiving more intensive support – 400 target.

It is also contractually required to follow-up and collect customer satisfaction for all enquiries, except very “light touch” customer interactions, such as a “click through” on a web link.

With a remit to develop strategic partnerships and deliver business support simplification, the Growth Hub also has targets for:

- Operational Level Agreements (OLAs) to be in place with at least 10 delivery partners;
- The delivery of monthly Growth Hub stakeholder briefings (which have more recently been extended to include businesses); and,
- The provision of an annual business support mapping report to the LEP.

SERCO operates the service through a small team of staff which includes:

- A Programme and Partnership Manager;
- A Marketing Manager;
- Three Online/Frontline Business Advisors (one post is currently vacant); and
- A Project Officer.

The team also contracts with a pool of external specialist consultants who deliver the more intensive support as and when required. Although the numbers have varied over the delivery period there are currently six specialists who collectively cover the whole of the HotSW geography and also specialise in particular thematic areas. The Growth Hub is currently looking to expand this pool.

1.3 Approach to the Evaluation

This evaluation took place between January and March 2019 and included a number of components. A comprehensive desk based review of monitoring data and documentation was undertaken. At the time of writing this report, monitoring data was available for 5,317[1] of the businesses engaged (B1), 975 of businesses referred (B2) and 379 of the businesses receiving more intensive support (B3). [2] The monitoring data is collected from businesses at the point at which they engage and is not always 100% complete and may contain errors. The evaluation exercise has not included an audit or data verification process.

Primary research included:

- An online survey of B1 and B2 businesses which was completed by 112 businesses;
- A slightly more in-depth online survey of the B3 businesses, supplemented by telephone interviews and completed by 132; and,
- A series of semi-structured telephone interviews with 11 key stakeholders including a selection of the Growth Hub's 'brokered-to' partners and other business support providers as well as the Growth Hub team.

In addition the research methods have included a brief review of Growth Hubs elsewhere in the country to compare/contrast operational models and learn from their experiences. This has included a review of publicly available information and where possible conversations with respective Growth Hub managers.

Selected case studies that have been prepared by the Growth Hub team have also been included within the report to show some real life examples of the difference it has made.

[1] 3 engaged businesses and 1 referred business who were based outside of the HotSW area have been removed from analysis of the B1 and B2 data respectively.

[2] Table 1 shows performance against the KPIs and therefore data that has been checked and verified by the Growth Hub project team. It does however under report the project's activity as recorded in its live CRM system. To provide an understanding of the different types of businesses interacting with the Growth Hub, some of the analysis presented here draws upon monitoring data extracted from the CRM for the purposes of this evaluation. Because of the different data sources used, there are some discrepancies between the counts reported in the monitoring data and KPI performance data presented in Table 1.

1.4 Structure of the Report

The remainder of the report is structured as follows:

- **Section 2 – Strategic Context** – provides a brief overview of the relevant national and local policy landscape as a backdrop to the report;
- **Section 3 – Business Engagement with the Growth Hub** – provides a profile of the businesses that engage, how they engage and why;
- **Section 4 – Onward Referrals** – focuses on the referral process and support received;
- **Section 5 – The Intensive Support –** covers the "Growth Support Service" element;
- **Section 6 – Satisfaction with the Service –** describes business satisfaction and stakeholder views on the quality of the service;
- **Section 7 - Business Impacts and Value for Money** – describes the current and future benefits for businesses and the additionality of the service;
- **Section 8 – Strategic Impacts** – focuses on stakeholder perspectives of the Growth Hub and the difference it has made;
- **Section 9 – Future Delivery** – covers future business needs and preferred methods for delivery along with stakeholder perspectives on the delivery model; and,
- **Section 10 – Conclusions and Recommendations** – summarises the main findings from the report and areas for future consideration.

Section 2: Strategic Context

2.1 Introduction

This section of the report provides a brief overview of both the national and local policy contexts which form the backdrop to the Growth Hub's operation. It highlights the evolution of the Growth Hub concept and its local implementation, charting the key changes that have occurred which may present both opportunities and challenges for the area.

2.2 The National Policy Context

There have been many changes in the national business support landscape over recent years aimed at streamlining and simplifying provision. In 2008 the previous Labour Government attempted to simplify the business support landscape through the introduction of "Solutions for Business" as a common branding for 30 types of business support. Under the Coalition Government reforms came through the "Business Improvement Programme" and the introduction of a single national access point through the gov.uk website and helpline; and in 2014 the "Business Growth Service" was created (and subsequently wound up) to provide more intensive face-to-face support. However, with an increasing Government emphasis on devolving business support to local areas, the way was ultimately paved for the emergence of Growth Hubs which became the Government's key plank in trying to ensure that business support is simple, joined up and easy to access.

Growth Hubs were designed to bring together public and private sector partners to promote, co-ordinate and deliver business support based on local needs.[3] With 39 Growth Hubs having been developed across England through successive waves and a variety of funding streams, in November 2017 the Industrial Strategy[4] confirmed that the government would provide continued funding support for them to carry on building their reach, developing peer-to-peer networks and connecting businesses to the support available from the private and public sectors. Awareness raising and promotion of the service is left to each Growth Hub. Although there is a centralised Growth Hub website there is not a co-ordinated or centralised promotional campaign.

Growth Hubs continue to be seen as a key part of the Government's drive to meet the country's productivity challenge and through the Industrial Strategy the Government announced its intention to ensure that all businesses in every region have access to a local Growth Hub. However, within this context and responding to other policy objectives, there is now a much greater drive for Growth Hubs to systematically measure their performance and to focus support on high growth potential businesses or "scale-ups."

The Government's "funding principles" for 2018/19 sought to ensure that Growth Hubs offer a consistent, quality and output driven service to business whilst ensuring that core Growth Hub services are prioritised on those activities with the greatest impact on business growth. The principles are designed to support delivery of local Strategic Economic Plans as well as the Industrial Strategy and can be summarised as follows:

[3] http://www.growthhubs.co.uk/
[4] Industrial Strategy – building a Britain fit for the future' – UK Government (2017)

- **Principle 1 – Management, Governance and Co-ordination** – ensuring that Growth Hubs remain under the direct leadership and governance of the LEP and are compliant with the national LEP Assurance Framework;
- **Principle 2 - Data, Monitoring, Reporting, Valuation and Value for Money –** which requires compliance with the new Growth Hub Metrics and Evaluation Framework agreed between Government, the "What Works Centre" and LEPs and includes the use of both aggregated and firm-level data;
- **Principle 3 - Strategic Partnerships and Business Support Simplification** – which focuses on building and strengthening relationships with the key local players across the public and private sectors as well as with national providers;
- **Principle 4 - Triage, Diagnostic and Signposting –** which focuses on providing access to a free and impartial local single point of contact in order to encourage more businesses, particularly those with the greatest growth potential, to take up external advice (public and private); and,
- **Principle 5 – Ambitious and High Growth Businesses (Scale-Ups)** – which is about making the best use of available national and local data sets to identify and target those businesses with the opportunity, ambition and greatest potential to grow.

2.3 The Local Policy Context

Locally, the LEP's priorities for economic growth were initially set out in the (2014) HotSW Strategic Economic Plan (SEP) and were based around:

- **Creating the Conditions for Growth** - improving infrastructure and services to underpin growth;
- **Maximising Productivity and Employment Opportunities** - stimulating jobs and growth across the whole economy; and,
- **Capitalising on our Distinctive Assets** – utilising our distinctive assets to create opportunities for business growth and better jobs.

2014 also saw the first local Growth Hub being launched under the Plymouth and SW Peninsula City Deal, which covered both HotSW and the neighbouring Cornwall and Isles of Scilly (C&IoS) LEP areas. It was part of a national programme, co-ordinated by Lancaster University, known as the Wave 2 Growth Hub programme and was delivered by the Growth Acceleration and Innovation Network (GAIN). Over this period of time a Rural Growth Network Programme was also piloted in HotSW, covering the rural areas. However, both of these initiatives came to a close in 2015 when the City Deal and Rural Growth funding came to an end.

According to research carried out by the LEP at the end of 2015 there were 324 business support schemes operating across the HotSW area (including national schemes) in a fragmented and confused landscape.[5] When a new single dedicated HotSW Growth Hub was procured from February 2016 onwards it was given a clear remit to:

[5] HotSW Business Support Mapping and Simplification Study, 2016

- Cover the entire HotSW area;
- Raise awareness of the benefits of business support;
- Make access as easy as possible for businesses;
- Enable more businesses to better understand what support would help them most and then connect them to that service (diagnostics, referrals and sign-posting);
- Work in partnership with other support providers;
- Facilitate joined up working/relationships with business and aid their customer journey; and,
- Provide business intelligence.

These items formed (and remain) the basis of HotSW's current procured Growth Hub service contract between SERCO and the LEP, irrespective of the evolution of the Government's Growth Hub funding pillars (as identified above).

Over the time the Growth Hub has been operating there have also been some local policy changes. In response to the emerging productivity challenge HotSW LEP has developed its own Productivity Strategy.[6] This sets out an ambition to double the size of the economy over the next 20 years to "raise productivity and to drive prosperity for all." It focuses on the "core offer" of business leadership and ideas; housing connectivity and infrastructure; and, employment, skills and learning. Following its publication more detailed work has been undertaken to develop a detailed delivery plan for the strategy which also covers a number of sector based opportunities:

Advanced Engineering	Digital	Bedrock
• Nuclear • Marine • Aerospace	• Photonics • Big Data • Creative Industries • Healthy Ageing	• High Value Tourism • Farming, Food and Fishing • Defence

In July 2018 it was further announced that HotSW was one of six areas that had been invited to work with Government in its second wave of developing Local Industrial Strategies (LIS). Work is now underway to formulate the HotSW LIS and a "Command Paper" has recently been produced, drawing on the evidence base provided through the Productivity Strategy and sector-based opportunities work. It will be important for the Growth Hub to play a role in these developments as they unfold.

[6] Stepping up to the Challenge, Heart of the South West Partnership Productivity Strategy, 2018

Case Study: The Artisan Bride

A seamstress with 25 years in the bridal industry is using her extensive experience to launch an online retail business, with support from Heart of the South West Growth Hub.

Joanne Christoforides, based in Bridgwater, is a self-taught seamstress with decades of experience running wedding dress boutiques, as well as designing and creating bespoke gowns for brides. Following an 18-month break from the industry, Joanne has been exploring an idea to create an online retail experience, where brides can buy a basic dress but personalise it using innovative layers and embellishment to make it their own.

Having run businesses before, Joanne spent several months developing a detailed business plan. To support her planning, Joanne turned to Heart of the South West Growth Hub, having been signposted to the service through the Government run Business Support Helpline.

She said: “When I start looking into something, I look deeper and deeper. All of these services that exist can only help you if you take that first step, and if you keep the dialogue going. The onus is on you to engage, because it’s your business you’re planning.

“But once you’ve taken this step, these services can **help you navigate the confusing network of support.** I am just at the beginning of several working relationships that I hope will propel my business forward.”

The working business name is the Artisan Bride, and Joanne is working closely with a branding and marketing agency to develop her visual identity and online presence.

She said: “The range has been developed to be simple yet exquisite, and it’s styled to be flexible and forgiving in terms of fit. An important part of my brand is to support brides to have a no stress wedding.”

Challenges have involved obtaining accurate costings for sample products, and researching returns policies and planning this into her budget – managing volume of returns is a key aspect of running an online fashion business.

Adviser Laura Daniel referred Joanne to Get Business, Get Digital for digital marketing and online retail advice, as well as the Local Manufacturing Advisory Programme (LMAP) which is part funded by the European Regional Development Fund for specialist manufacturing support.

Get Business, Get Digital enabled Joanne to receive one to one mentoring in digital marketing, which has given her up-to-date advice on how to structure a website for e-commerce.

The referral to LMAP has also helped her make sense of the variety of business finance options available, for which she is hoping to gain backing for sample development. Overall, the Growth Hub service has helped Joanne to gain confidence and to develop strategies to take her business from planning stage to launch.

Section 3: Business Engagement with the Growth Hub

3.1 Introduction

This section of the report explores the nature of business engagement with the Growth Hub. It covers key engagement metrics and the profile of the businesses engaging. Where appropriate and possible this is compared to the wider business demographic profile to identify where there is under/over representation in activity. This section also explores the reasons why businesses contacted the Growth Hub and how they engaged with it. Sections 4 and 5 go on to discuss the referral process and the intensive support received.

3.2 B1 Engagement Metrics and Business Profile

To date, the HotSW Growth Hub has engaged 5,327 businesses which represents 127% of its B1 target (4,200). This equates to 7.4% of all enterprises in the HotSW LEP area (based on a total count of 71,510 enterprises (UK Business Counts, 2018). It should be noted that whilst UK Business Counts have been used to provide a standard profile of the HotSW and comparator Growth Hub business populations, not all types of business are captured in these counts, with smaller businesses not registered for PAYE/VAT. Therefore the calculated penetration rates will over-estimate the true penetration.

Table 1 below shows a comparative analysis with other Growth Hubs reviewed as part of this study (see section 7.3 for more details of the rationale for this selection). The table is based on the data reported to BEIS in the 18/19 biannual review on the basis of cumulative impact since the launch of each Growth Hub. Making like for like comparisons is very challenging as all the Growth Hubs operate are funded differently and provide different services but the table below shows that the penetration rate achieved by HotSW is a little lower than the other LEPs.

Table 1: Comparative Analysis, Growth Hub Penetration Rates

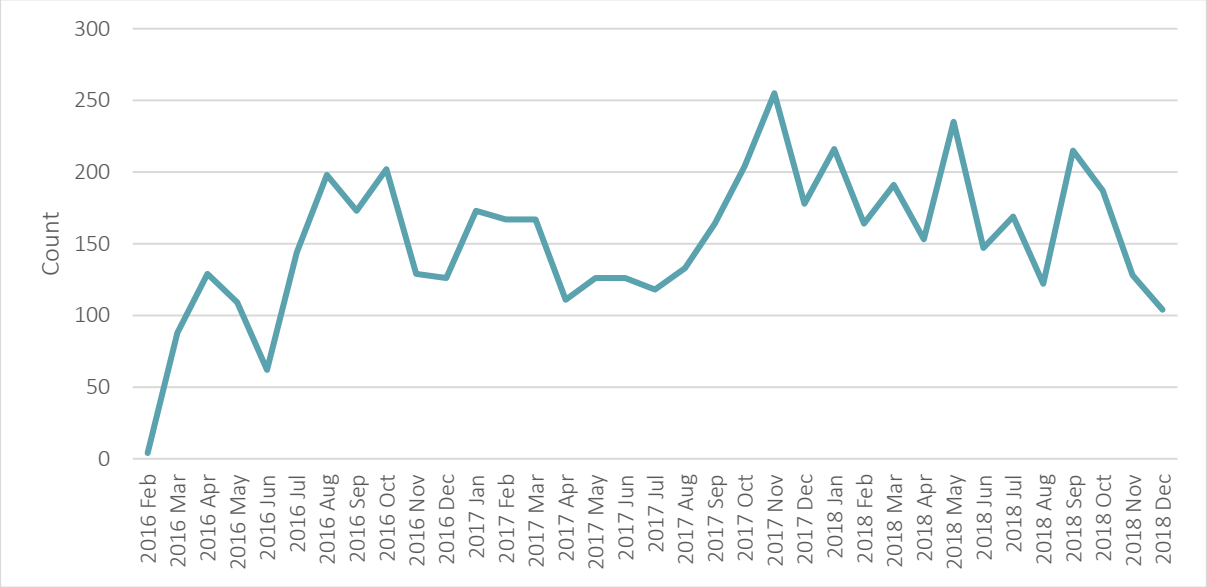
	No of businesses	Unique website users	% Penetration – website users	B1: Businesses engaged	% Penetration – businesses engaged
HotSW	71,510	56,217	78.6%	6,606[7]	9.2%
Marches	30,780	42,246	137.3%	8,296	27.0%
Enterprise M3	79,460	No data	0.0%	No data	0.0%
SEMLEP	90,615	94,190	103.9%	10,012	11.0%
West of England	45,010	30,892	68.6%	5,059	11.2%

Source: Data from individual Growth Hubs, as reported in the BEIS 18/19 biannual review

As shown in Figure 2, the number of businesses that engage with the Growth Hub has been increasing over time, rising from 1,364 in 2016 to 2,031 in 2018.

[7] Note: The figures reported to BEIS in the 18/19 biannual review included engagements made through the ERDF funded Growth Support Programme, on the basis that money from BEIS intended for Growth Hub services was used by the LEP to match fund the ERDF funded Growth Support Programme.

Figure 2: B1 Business Engagement over Time



Source: HotSW Growth Hub Monitoring Data (B1 Data)

A large majority of B1 businesses were trading at the time of their engagement (87.5%, 4,651) and 12.3% (654) were in the pre start-up phase. The remainder were either dormant or had ceased trading.

Almost half of the B1 businesses were sole traders (47.1%, 2,505) and over a third were limited companies (35.2%, 1,872). Table 2 below shows the legal status of all engaged businesses.

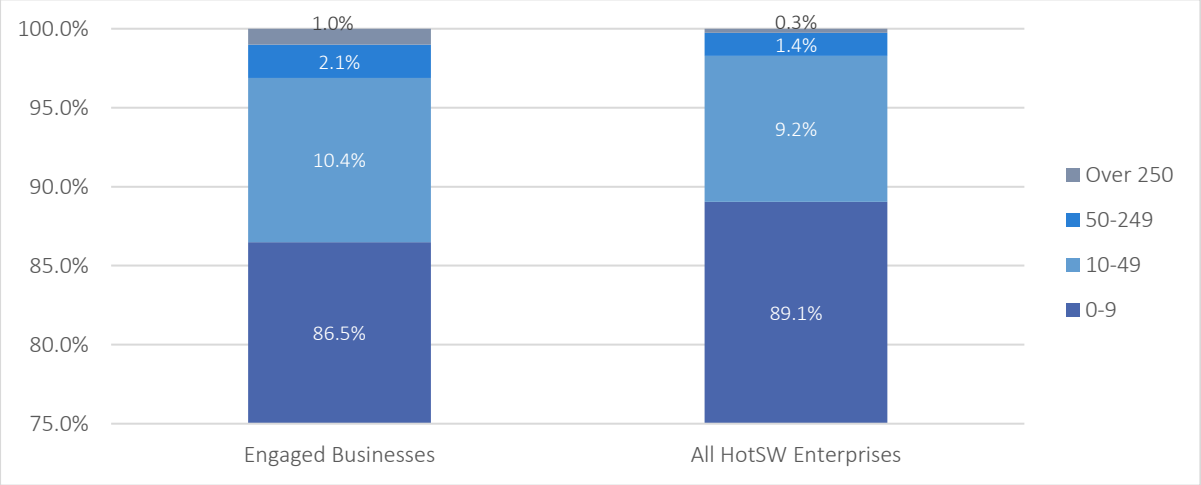
Table 1: B1 Engaged Businesses by Legal Status

Legal Status	Frequency	Percent
Sole Trader	2,505	47.1%
Limited Company	1,872	35.2%
Partnership	367	6.9%
Unincorporated	293	5.5%
Registered Charity	112	2.1%
Community Interest Company	101	1.9%
Limited Liability Partnership	42	0.8%
Guarantee	17	0.3%
PLC	8	0.2%
Total	5,317	100.0%

Source: HotSW Growth Hub Monitoring Data (B1 Data)

As would be expected given the high number of sole traders, a large majority of B1 businesses (86.5%, 4,567) had fewer than 10 employees (micro businesses) and only 1% (53) had over 250 employees. Although this is broadly similar to that of the total HotSW enterprise population (see Figure 3), micro businesses were slightly under represented and SMEs very slightly over represented in the B1 population.

Figure 3: B1 Engaged and HotSW Businesses by Number of Employees



Source: HotSW Growth Hub Monitoring Data (B1 Data) and UK Business Counts 2018 for HotSW LEP Area (Nomis)
Base: All Engaged Businesses that Disclosed their Employee Numbers= 5,282; HotSW Business Count = 71,510

Figure 4 shows the sectoral profile of the B1 engaged businesses against the wider HotSW LEP area. The largest proportion of engaged businesses operated in the Professional, scientific and technical activities sector (14.6%, 775), a slightly higher proportion than we would expect given the sectoral profile of HotSW businesses, with only 12.3% of businesses falling into this sector, an over-representation of 18.8%. Figure 5 shows the relative under/over representation between B1 businesses engaged and the wider HotSW business profile. More significantly over represented sectors included Education, over represented by 241.3%, Arts, Entertainment and Recreation (144.8%), Manufacturing (139.4%) and Other service activities (136.7%). In contrast, the proportions of B1 businesses in Agriculture, forestry and fishing and Construction were much smaller than expected, under represented by -80.7% and -75.4% respectively.

Figure 4: Profile of B1 Engaged Businesses and HotSW Businesses by Sector

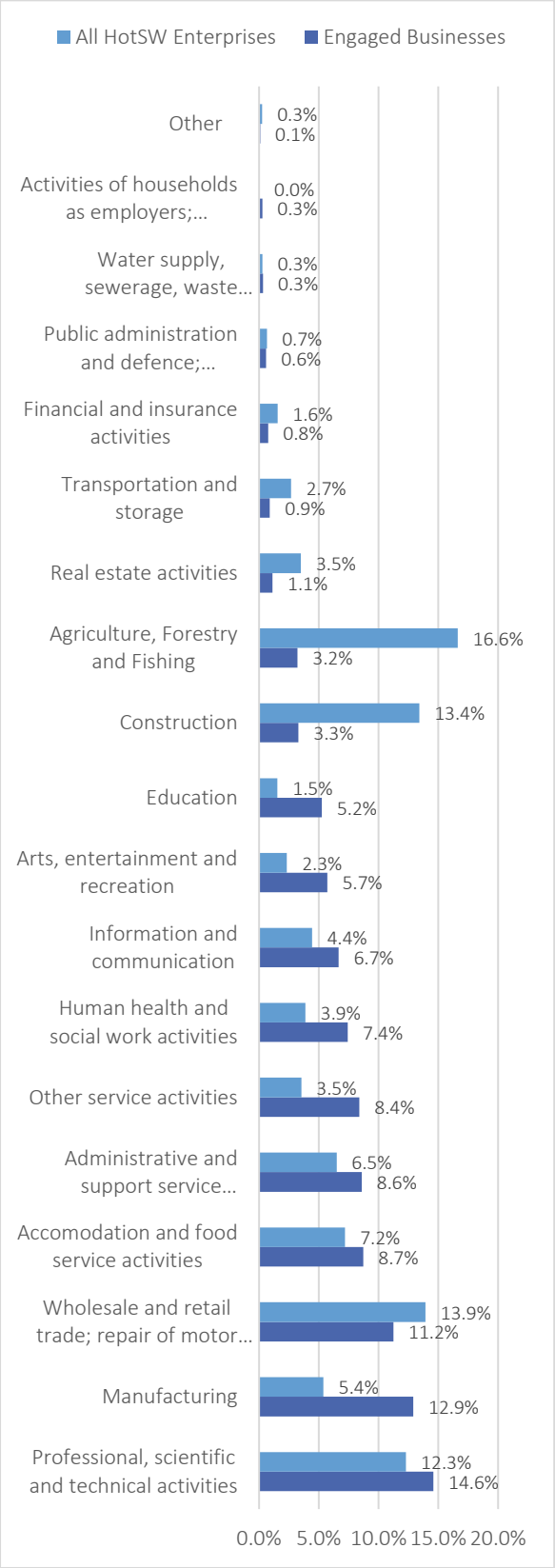
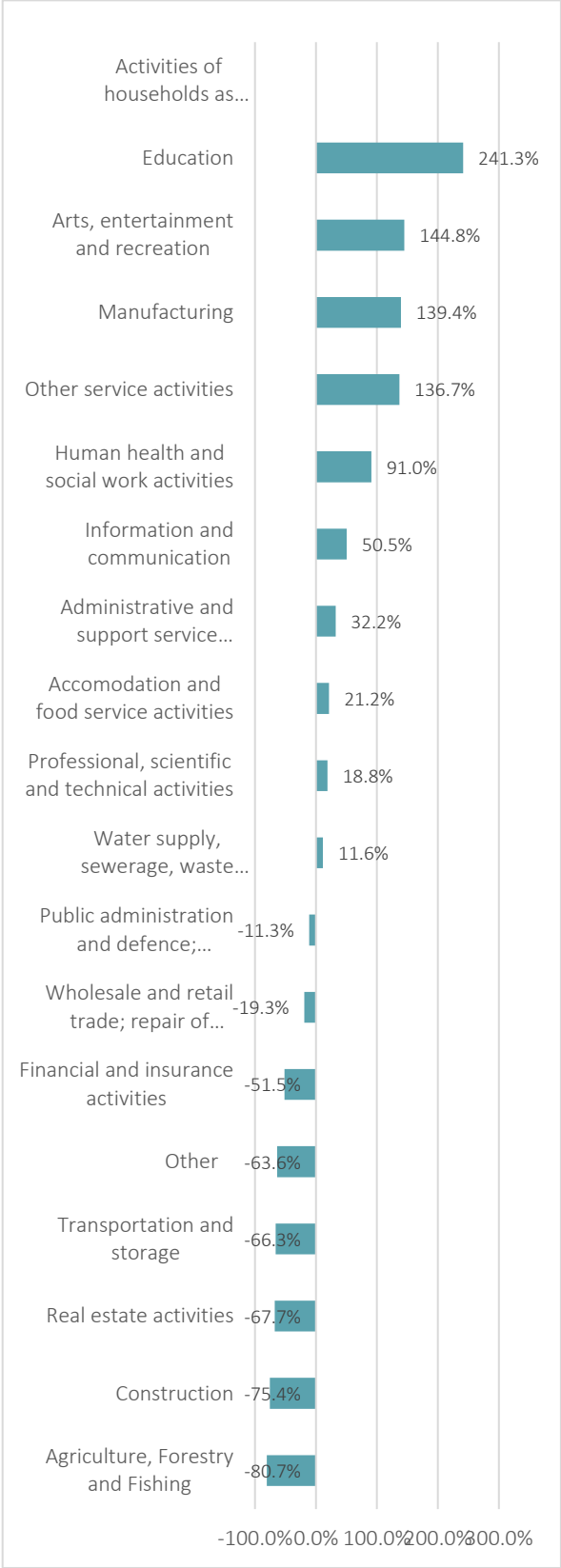


Figure 5: Relative Over/Under Representation Between B1 Businesses Engaged and HotSW Business Profile



Source: HotSW Growth Hub Monitoring Data (B1 Data) and UK Business Counts 2018 for HotSW LEP Area (Nomis)
Base: All Businesses Engaged Providing Sector= 5,315; HotSW Business Count = 71,510

To understand its reach, the Growth Hub also records the Local Authority area in which each business is based; the available data is summarised in Figure 6. The largest proportion of businesses were located in Plymouth (9.5%, 502), followed by East Devon (8.9%, 471) and Teignbridge (8.8%, 468) and the smallest proportion was in West Somerset (2.4%, 129).

Figure 6: B1 Engaged and HotSW Businesses by Local Authority Area

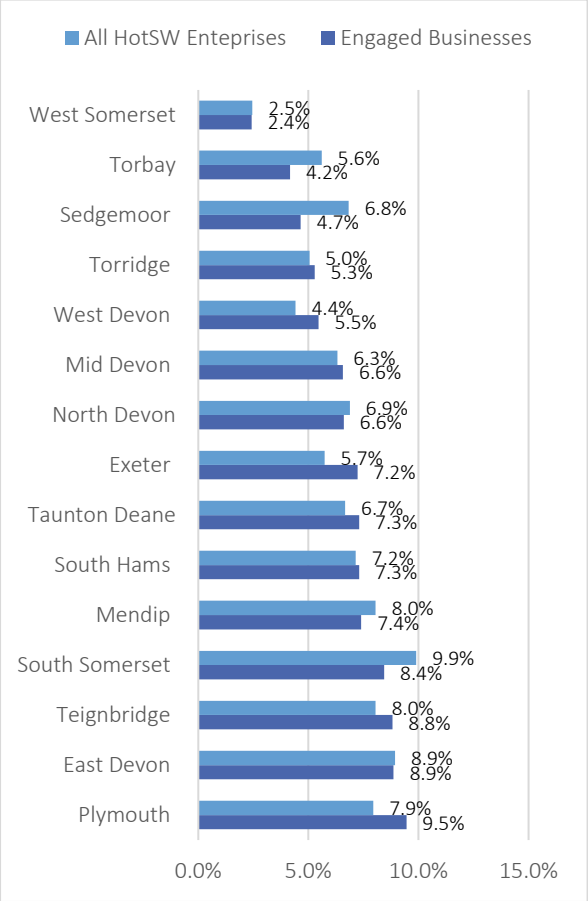
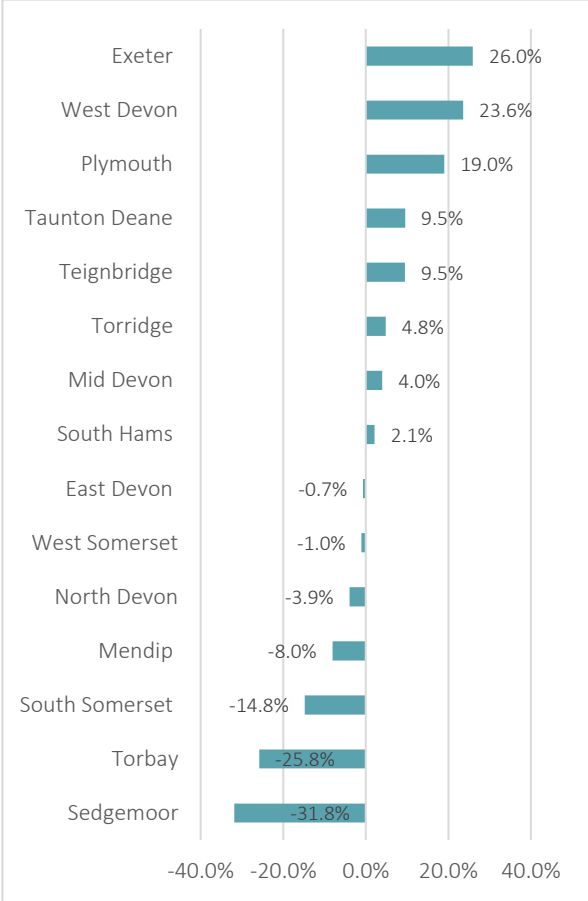


Figure 7: Difference between B1 Businesses Engaged and HotSW Business Profile



Source: HotSW Growth Hub Monitoring Data (B1 Data) and UK Business Counts 2018 for HotSW LEP Area (Nomis)
Base: All Engaged Businesses where Local Authority is known = 5,310; HotSW Business Count = 71,500

As Figure 7 shows, although these proportions are broadly similar to the HotSW profile, some districts were over or under represented. Under-represented areas included Sedgemoor, which is under-represented by -31.8%, Torbay (-25.8%) and South Somerset (-14.8%). Over represented areas included Exeter (26%), West Devon (23.6%) and Plymouth (19.0%). Whilst we cannot know the reasons for this without doing a wider survey of businesses, one potential theory is that both Exeter and Plymouth are cities, which provide a "well networked" business environment, with a greater density of business support providers and commercial services which help to raise awareness of the Growth Hub, although this theory does not explain West Devon. However, it should be noted that each month the Growth Hub reviews coverage across all of the Local Authority areas, sending each Local Authority a dashboard of results for their area and where possible targets engagement activity towards under-represented areas. They also work closely with Local Authority economic development teams to co-ordinate activity at events or support wider marketing efforts.

For instance, the districts of East Devon and Teignbridge included a Growth Hub flyer in all of their business rates letters.

The data show that 56% (2,983) of businesses that engaged with the Growth Hub were classified as rural businesses; this is not dissimilar to the profile of the HotSW area, where 58.4% of businesses are located in rural areas[8].

3.3 Marketing, Promotion and Engagement Routes

Marketing and promotional activities are essential for the Growth Hub and were described as one of the "pinch-points" in terms of delivery, particularly in the absence of any centralised national awareness-raising campaigns.

Our survey found that respondents most commonly found out about the Growth Hub via an event, conference or local networking event and that was particularly the case for the B1 engagements as shown in Table 3, indicated by around a third of respondents.

Table 2: Source of Awareness of Growth Hub by Respondent Type

Source	B1		B2		B3		Total	
An event, conference or local networking event	13	33.3%	21	28.8%	21	15.9%	55	22.5%
Another professional advisor	4	10.3%	5	6.8%	26	19.7%	35	14.3%
Another business or family/friend	2	5.1%	10	13.7%	11	8.3%	23	9.4%
Other	2	5.1%	2	2.7%	19	14.4%	23	9.4%
Marketing material	4	10.3%	3	4.1%	15	11.4%	22	9.0%
Growth Hub website	3	7.7%	12	16.4%	6	4.5%	21	8.6%
Internet search	2	5.1%	2	2.7%	9	6.8%	13	5.3%
Social media	2	5.1%	2	2.7%	4	3.0%	8	3.3%
National Business Helpline	0	0.0%	5	6.8%	2	1.5%	7	2.9%
Don't know/can't remember	7	17.9%	11	15.1%	19	14.4%	37	15.2%
Base	39	-	73	-	132	-	244	-

Source: Marketing Means HotSW Growth Hub Survey

Stakeholder views on the Growth Hub's promotional activities were mixed. Several stakeholders felt that the team is probably doing the best it can with the resources available and highlighted the following strategies as being effective:

[8] South West Rural Productivity Commission, Evidence report, October 2017

- Engagement with partners, directly and through newsletters, so that the message can be cascaded to their own client groups;
- Attendance (with a stand and promotional materials) at key events aimed at both businesses and business support providers; and,
- Hosting their own roadshows.

When asked whether they felt there is a widespread awareness of the Growth Hub within the business community many stakeholders felt it could be better:

> *"There probably isn't as widespread an awareness as there ought to be"*
>
> *"The penetration hasn't been as deep as we would have liked"*
>
> *"I'm amazed by the amount of times that my team sign-post people to the Growth Hub and find they have never heard of it"*
>
> *"I come across businesses quite regularly that have never heard of it"*

However, there was also an acknowledgement that raising awareness of services for businesses can be challenging. It was pointed out that unless businesses are engaged in networking events and/or active on social media it can be very difficult to reach them:

> *"There will always be pockets [of businesses] who have their head in the sand"*

The view expressed was that these types of businesses will require a "non-standard" approach and there was also a recognition that this type of activity can be very resource-intensive. That said, the following suggestions were made for ways to improve the Growth Hub's penetration rates:

- Proactively visiting venues such as Enterprise and Innovation Centres to engage directly with businesses;
- The use of mail-outs in conjunction with other business-facing communications (such as business rate letters);
- Working with business support providers on co-ordinated social media campaigns; and,
- Television and radio advertising.

More generally, it was suggested that having greater day-to-day visibility "on the ground" would be beneficial.

Exploring some of the key activities in more detail:

The Website

The website has been continuously developed over the lifetime of the Growth Hub and provides a range of resources so that businesses can use it as a self-help tool. In addition to the links to support, the website also includes:

- An events directory which has listed 1,558 funded events and workshops since the launch of the Growth Hub and attracted more than 12,500 page views; and,
- A B2B supplier directory, with 142 businesses currently listed.

It has received over 62,000 users to date. The Growth Hub team is aware that some aspects are more frequently utilised than others and data show that the most viewed business support topics were, in order of most views[9]:

- Starting Up;
- Funding and Grants;
- Growing a Business;
- Finance;
- GDPR;
- Locating premises;
- Brexit;
- Social Enterprise;
- Sales and Marketing;
- Rural;
- ICT and Digital; and,
- Skills and Training.

In addition, the survey data suggests that the website had facilitated access to wider sources of support; half of those visiting the website (50.0%, 81) reported finding contact details for other business support providers and 60.5% (49) of them went onto contact them. It should be noted that 15% of these were classed as B1s (i.e. not having received a referral), highlighting the fact that businesses can be signposted to wider business support without this activity counting as a referral. This issue highlights a key dilemma with the HotSW Growth Hub website, which does not require visitors to log on before accessing services. Whilst this makes it easier for any business to access the information they need on a self service basis, it also means that many users of the Growth Hub are not captured in KPI statistics reported to Government. Some comparator Growth Hub websites have been designed to capture key business information.

The West of England Growth Hub website has two ways to search for support:

- An online directory, allowing businesses to search by: type of support (e.g. blog, event, service etc.); category (e.g. finance, people, local legislation etc.) and location
- A 'recommended services for you' tool, where businesses complete some basisc information about their business, their plans to expand etc. and the tool provides automatic results. **https://www.wearegrowth.co.uk/register/**

Stakeholders were broadly positive about the website as a resource and several welcomed the ability to include and update their own content and links within the site:

[9] It should be noted that the order does vary from month to month

"They are very amenable to partners putting [content] on there - that has been really smooth"

The website was generally described as being clear, comprehensive and easy to navigate. The following features were singled out by stakeholders as being particularly useful:

- The latest news and updates – which were felt to be informative;
- The BREXIT preparedness pages – which were described as being very timely for businesses;
- Links to the resources such as the Complete Online Business Reference Advisor (COBRA) factshets which are free to access with a Devon Libraries membership card and described an invaluable resource for both businesses and other support providers; and,
- The events calendar – which was considered to be very well set up and with good functionality including filters for location, dates and topic areas.

However, despite the events pages being highlighted as a key strength, some stakeholders also indicated that they could be improved if more business support providers added their events to the calendar. It takes a lot of effort to keep the pages updated and the Growth Hub has tried to make this as simple as possible by creating a form for providers to fill in. However, there was some debate as to whose responsibility this was – i.e. should the Growth Hub be proactively approaching providers for their content; or should the various providers be responsible for informing the Growth Hub about their events. Either way, it was felt that, as a resource it could be much more powerful with more comprehensive coverage. One solution may be for the Growth Hub website to include an online form for partners to complete when they wish to promote an event, which could then be authorised by a member of the Growth Hub team. This is an approach being developed by the Enterprise M3 Growth Hub as part of its new "on-line community."

Although the website currently contains factsheets, the only other stakeholder suggestion for an improvement to the website would be to include more factsheets, akin to those provided within the Superfast Business Cornwall's Knowledge Bank.[10]

The Enterprise M3 Growth Hub has an information bank that is searchable on the type of information needed and or business objectives

https://www.enterprisem3growthhub.co.uk/information-bank

Social Media

The HotSW Growth Hub service is also supported by a social media presence, with 'boosted' Facebook posts reaching more than 31,000 people. The Growth Hub's use of social media was singled out during the stakeholder interviews but there was not a consistent view on this. Whilst some stakeholders felt that social media had been used effectively others felt that the Growth Hub needs a much better and more co-ordinated social media presence.

[10] https://sfbcornwall.co.uk/knowledge-bank/resources/

Table 4 below shows key social media statistics for the HotSW Growth Hub, compared with the seven other Growth Hubs reviewed as part of our comparator analysis. This shows that other Growth Hubs have achieved a higher social media presence.

Table 3: Comparative Analysis of Social Media Statistics

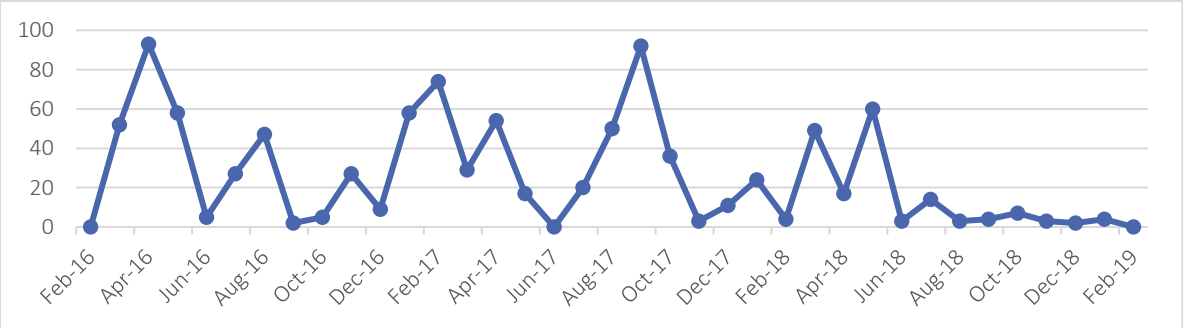
	Facebook Likes	Facebook Followers	Tweets	Twitter Followers	Twitter Likes	LinkedIn Followers
HotSW	242	256	1,810	865	379	101
Marches	497	514	8,939	3,320	2,017	289
Enterprise M3	57	64	5,737	2,389	1,923	202
SEMLEP	359	364	7,499	2,611	2,411	395
West of England	78	90	2,372	1,657	315	172
Swindon and Wiltshire	24	24	1,782	1,923	352	418
Gloucestershire	285	288	3,529	6,094	1,464	765
York, North Yorkshire and East Riding	15	16	7,841	2,111	3,612	/

Source: Data extracted from Facebook, Twitter and LinkedIn Feb/March 2019

Newsletter

The Growth Hub dashboard shows the e-newsletter as a significant source of B1 leads up until May 2018 (see Figure 8 below). Up until this point, the Growth Hub regularly sent out e-newsletters to in excess of 8,000 businesses. The implementation of the General Data Protection Regulations (GDPR) prompted the Growth Hub to review its database and they removed contacts for businesses that had not shown any engagement in the previous 12 months. Figure 8 shows that after this point the number of leads from this source dropped significantly. There are now 3,994 'active users[11]' of the monthly Growth Hub newsletter for businesses. On average 85 new contacts subscribe to the newsletter every month.

Figure 8: Number of B1 Leads Arising from the Newsletter



Source: Growth Hub Monitoring data, Dec 2018

3.4 How and Why Businesses Engaged

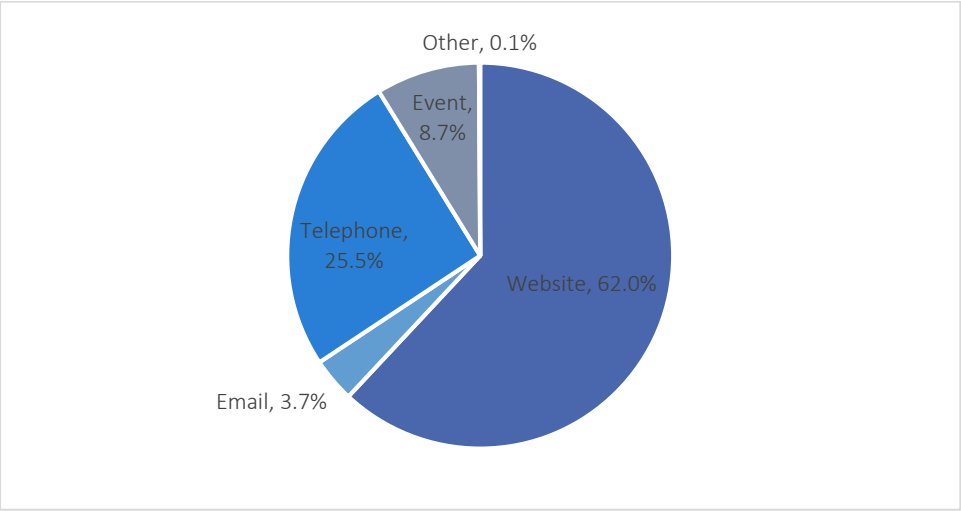
Having already established how businesses became aware of the Growth Hub and considered various promotional activities in more detail above, Figure 9 overleaf shows the main ways in which B1 businesses actually engaged with the service according to the monitoring data. This

[11] *'Active users' are those subscribed after 25th May (GDPR implementation date) or those that have opened one of the last 10 e-newsletters.*

demonstrates that the website is the primary channel with 62% of businesses completing the online inquiry form. This is followed by telephone. The telephone helpline received an average of 130 calls per month in 2016 which fell to 120 in 2017 and then rose again to 129 in 2018.

Only a quarter (24.6%, 60) of all business that responded to our survey had phoned the telephone helpline; B1 respondents (20.5%, 8) were less likely to have used it than either B2 (27.4%, 20) or B3 (24.2%, 32) respondents. Our business survey found that 26.7% (16) of helpline users were pre-starts and 63.3% (38) were rural businesses. When usage of the telephone helpline was cross tabulated with 'future plans for growth', there was little difference found. The least well used methods of engagement were events and email.

Figure 9: Method of Engagement (B1)

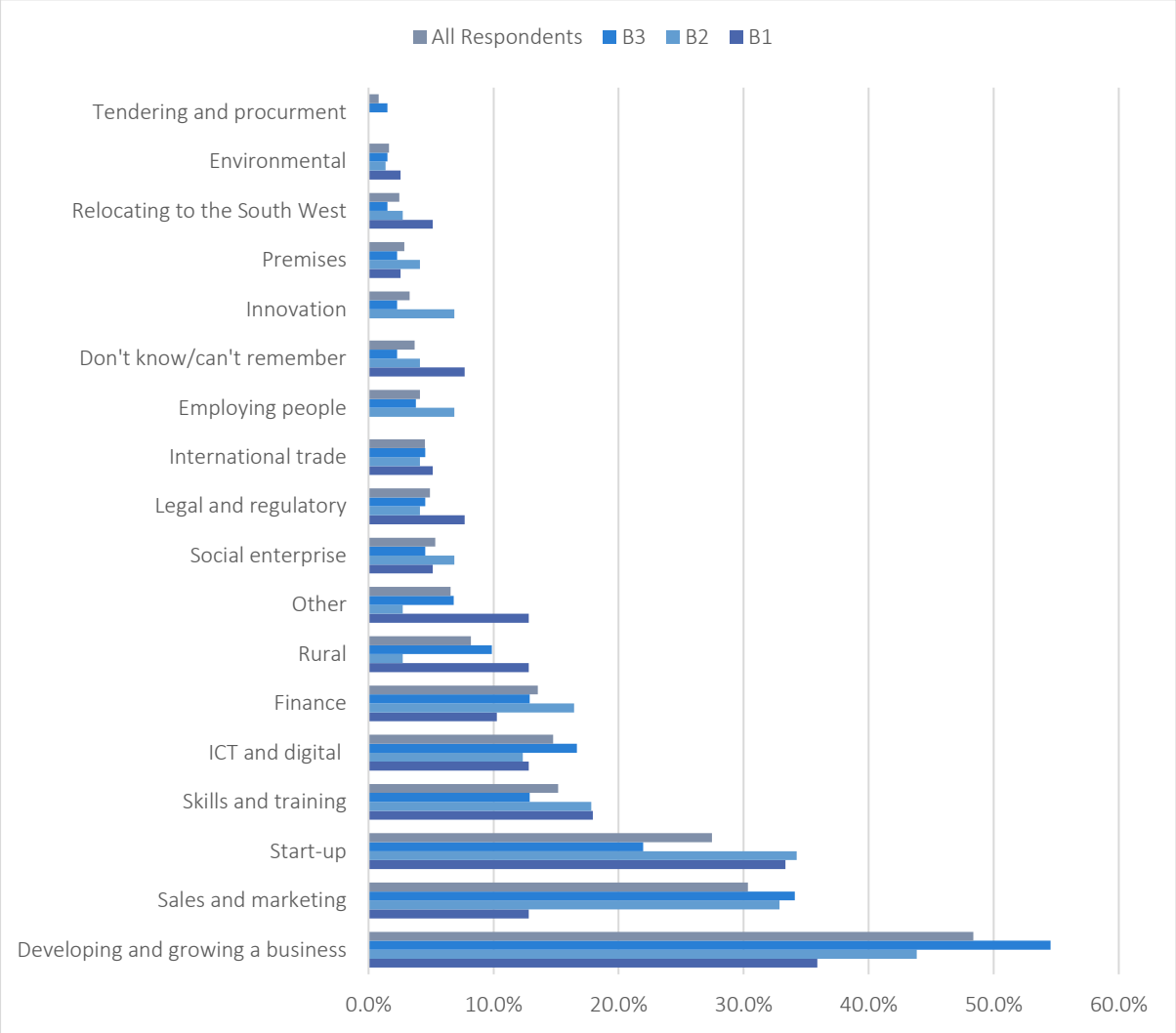


Source: Heart of the SW Growth Hub Project Dashboard, Dec 2018

The Marches Growth Hub took the decision to transfer its local helpline to the National Business Support helpline in April 2018 to allow these resources to be used to address other priorities. Key to making this a success has been monthly meetings with the national business support helpline to share information about the support available in the local area.

The business survey also explored the nature of the initial enquiries made to the Growth Hub and found that almost half of all enquiries related to developing and growing a business (48.4%, 118). Indeed, this represented the most common enquiry for all B1, B2 and B3 businesses that responded. Sales and marketing (30.3%, 74) and start-up (27.5%, 67) were also commonly cited by all respondents as shown in Figure 10.

Figure 10: Nature of Initial Enquiry by Respondent Type

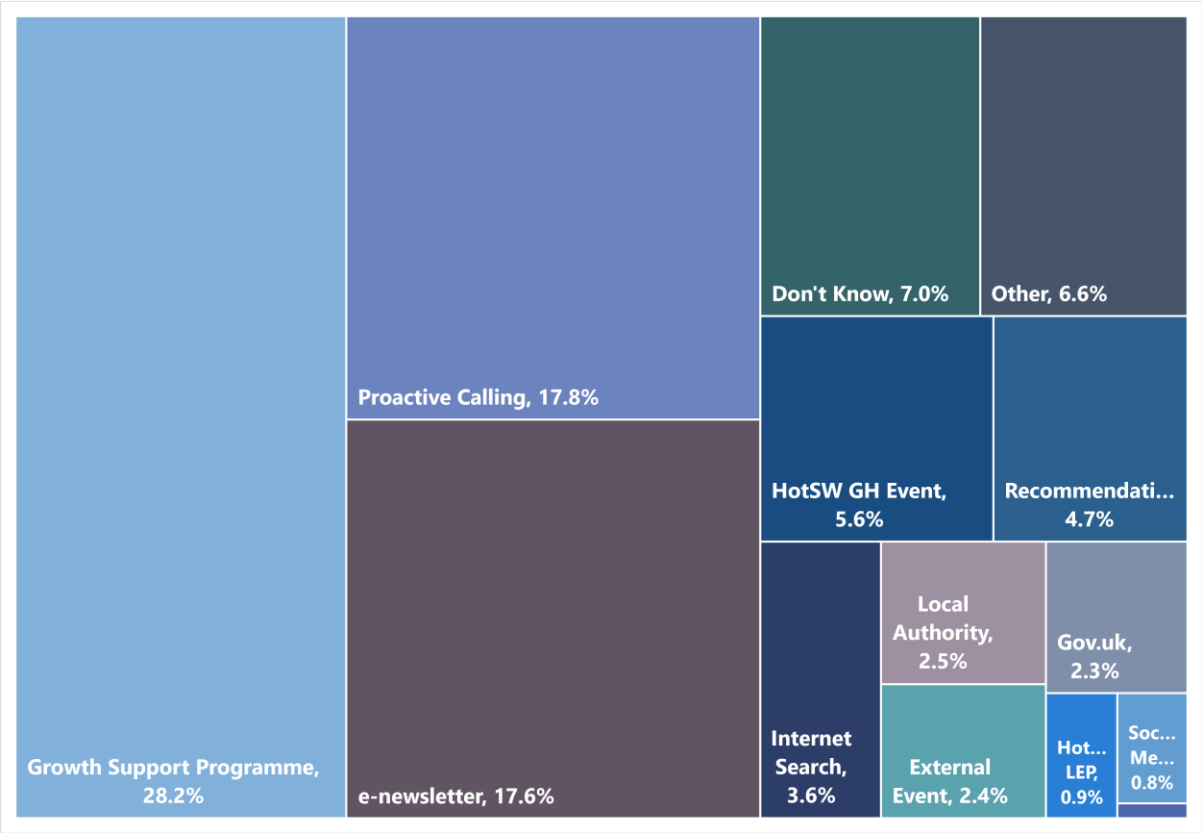


Source: Marketing Means HotSW Growth Hub Survey
Base: All respondents = 244; B1 = 39; B2=73; B3 = 132[12]

Figure 11 overleaf shows the "lead sources" for the Growth Hub, this demonstrates the significance of the Growth Support programme with 28% of leads, followed by proactive calling (17.8%) and the e-newsletter (17.6%). However, some care should be taken when interpreting these figures, as the count is a record of what triggered the B1 engagement, rather than necessarily how businesses actually found out about the service.

[12] Percentages do not total 100 due to multiple responses.

Figure 11: B1 by Lead Source



Source: Growth Hub Monitoring Data, December 2019

Key Findings: Business Engagement

- To date, the HotSW Growth Hub has engaged 5,327 businesses which represents 127% of its overall (B1) business engagement target.
- The Growth Hub has achieved a penetration rate of approx. 9% which is comparable with other Growth Hubs. However, in reality, the true figure is likely to be lower, reflecting the fact that many small/micro businesses are not captured in ONS business count statistics.
- A large majority of B1 businesses were trading at the time of their engagement. Almost half were sole traders and over a third were limited companies.
- A large majority of B1 businesses had fewer than 10 employees and only 1% had over 250 employees.
- The largest proportion of engaged businesses operated in the Professional, scientific and technical activities sector and this is a slightly higher proportion than we would expect given the sectoral profile of HotSW businesses. Other 'over represented' sectors include: Education, Arts, entertainment and recreation and Manufacturing. The proportions of B1 businesses in Agriculture, forestry and fishing and Construction were much smaller than the sectoral profile.
- Geographically, the largest proportion of B1 businesses were located in Plymouth, followed by East Devon and Teignbridge and the smallest proportion was in West Somerset. When compared to the business base in each area, Exeter, West Devon and Plymouth are 'over represented' within the B1 profile and Sedgemoor, Torbay and South are under-represented.
- Many stakeholders felt that awareness of the Growth Hub within the business community could be improved, however, the challenge of engaging harder to reach groups was acknowledged and it was felt that the team is probably doing the best it can with the resources available.
- The website provides a range of resources so that businesses can use it as a self-help tool, facilitating access to wider sources of support but because of this many users of the Growth Hub are not captured in KPI statistics reported to Government.
- Both businesses and stakeholders were positive about the website overall. The events pages were highlighted by stakeholders as one of its strengths but some also indicated that they could be improved if more business support providers added their events to the calendar.
- Evidence shows that the website is the primary channel through which business actually engage with the Growth Hub, followed by telephone, events and email
- The Growth Support Programme, proactive calling and the e-newsletter were the most important sources of leads for the Growth Hub
- Our business survey found that almost half of all enquiries made to the Growth Hub related to developing and growing a business (48.4%) followed by sales and marketing and start-up.

Section 4: The Growth Hub Referral Process

4.1 Introduction

A referral is where the Growth Hub has "proactively managed a referral to a national or local service." This includes the following:

- Introducing the service offer to the client and once they confirm they would like to proceed with a referral the Online Business Advisor will make a referral by email (or in line with any Operational Level Agreements in place). They also ensure that the client is informed of next steps and that they can contact their OBA if they have any additional queries or issues; and,
- Booking a client on an event being hosted by a local or national service.

For the purposes of reporting, a business is only counted once, however, businesses could be referred to more than one provider. To capture this, "non-unique" referral data is used to describe the total number of referrals made by the Growth Hub.

As well as making referrals the Growth Hub also "signposts" businesses to more information and links to sources of support and guidance. It is then up to the business owner to follow-up themselves. Businesses are typically signposted to 5-6 sources of further information when making an enquiry to the Growth Hub. This section of the report explores key referral and signposting metrics and the profile of businesses receiving referrals. It also covers the organisations that are being referred to; take-up of referrals; and, stakeholder perspectives on the process.

4.2 B2 Referral Metrics and Business Profile

Up to the end of December 2018 the Growth Hub had made:

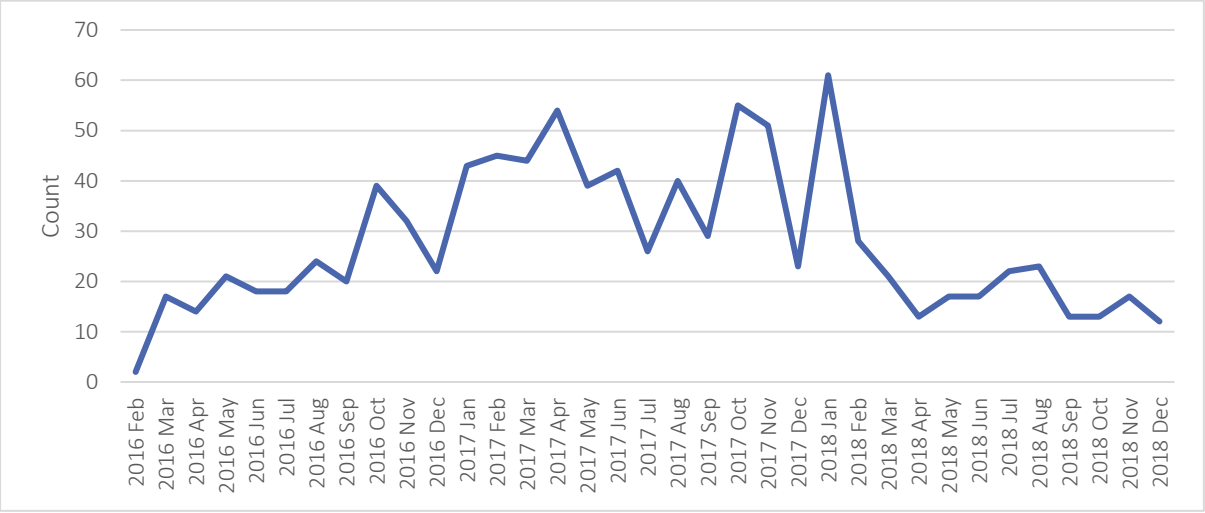
- 971 B2 referrals (unique businesses), exceeding its profiled target by 21%;
- 1,089 non unique referrals; and,
- 5,777 signposts.

As shown in Figure 12, the Growth Hub aimed to refer 840 of the engaged businesses to a scheme, service or grant between February 2016 and December 2018. Monitoring data shows that up until that date, 975 businesses had been referred.[13] More businesses were referred in 2017 (491) than in 2016 (227) and 2018 (257). There are thought to be multiple reasons for this reduction including:

- The challenge of reaching more and more businesses when those most ready to engage have already been supported and counted as B2s; and
- The decision to shift the balance of engagement activity to drive more businesses directly to the ERDF schemes (start-up, growth support programme and enhance) in 2018 with the aim being that that the Growth Hub support would provide the "wrap around support." This was introduced to suppor the Growth Support Programme in particular (which has very high output targets to achieve) and allowed the team to balance the frontline advisor resource with the high volumes of throughput.

[13] One business outside of the HotSW LEP area was removed from this analysis.

Figure 12: B2 Referred Businesses by Month

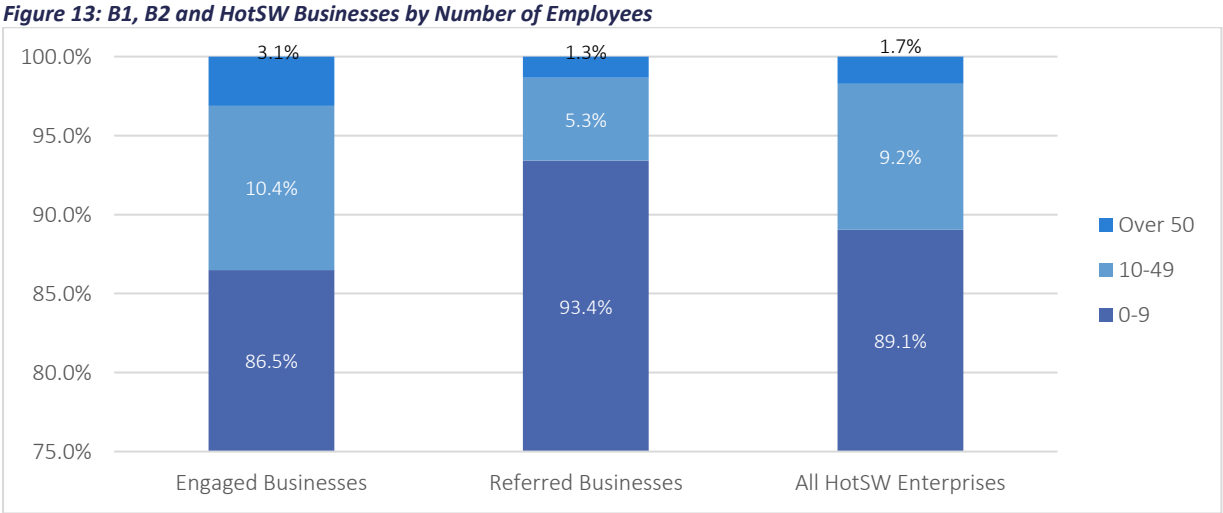


Source: HotSW Growth Hub B2 Monitoring Data

Over two thirds (676, 69.3%) of businesses were trading at the time of the referral and the remainder (299, 30.7%) were in the pre start-up phase. This represents a considerable shift from the trading status of all B1 engaged businesses, where 87.5% (4,651) were trading and 12.3% (654) were pre start-up. This shift may reflect the supply of provision suitable for pre-starts and smaller businesses, or a different attitude towards the available provision from more established businesses, who may perceive that the support available does not meet their needs.

Over half (57.5%, 561) of referred businesses were sole traders compared to 47.1% (2,505) of all B1 businesses and the proportion of limited companies decreased from 35.2% (1,872) to 28.1% (274). Figure 13 below shows that there was also a slight difference between the size of B1 and B2 businesses, with a higher proportion of micro businesses (0-9 employees) referred (93.4%, 907) compared with 86.5% of engaged businesses. Similarly a smaller proportion of businesses with 10-49 employees were referred (5.3%, 51), compared to 10.4% of engaged businesses.

Figure 13: B1, B2 and HotSW Businesses by Number of Employees



Source: HotSW Growth Hub Monitoring Data (B1 and B2 Data) and UK Business Counts 2018 for HotSW LEP Area (Nomis)
Base: Engaged Businesses providing number of employees = 5,282; Referred Businesses providing number of employees = 971; HotSW Business Count = 71,510

The referred businesses operated in 19 different sectors, with Manufacturing (165, 16.9%) followed by Wholesale and retail trade/repair of motor vehicles (108, 11.1%) and Other service activities (107, 11.0%) being the most frequent (Figure 14).

Figure 15 shows the relative under/over representation of referred businesses relative to all Enterprises in the HotSW area[14]. It can be seen that Agriculture, forestry and fishing were underpresented by -83.3%, Construction by 82.4%, Real Estate by 82.4%. This under-representation most likely reflects the under-representation of these sectors in the B1 statistics previously; and, the fact that businesses in these sectors tend not to be eligible for ERDF funded business support services. Conversely, eight sectors were over represented amongst B2 referred businesses with the difference being greatest for Manufacturing which was over represented by 213.9%, followed by Other service activities (209.6%) and Education (186.7%).

Figure 14: Referred and HotSW Businesses by Sector

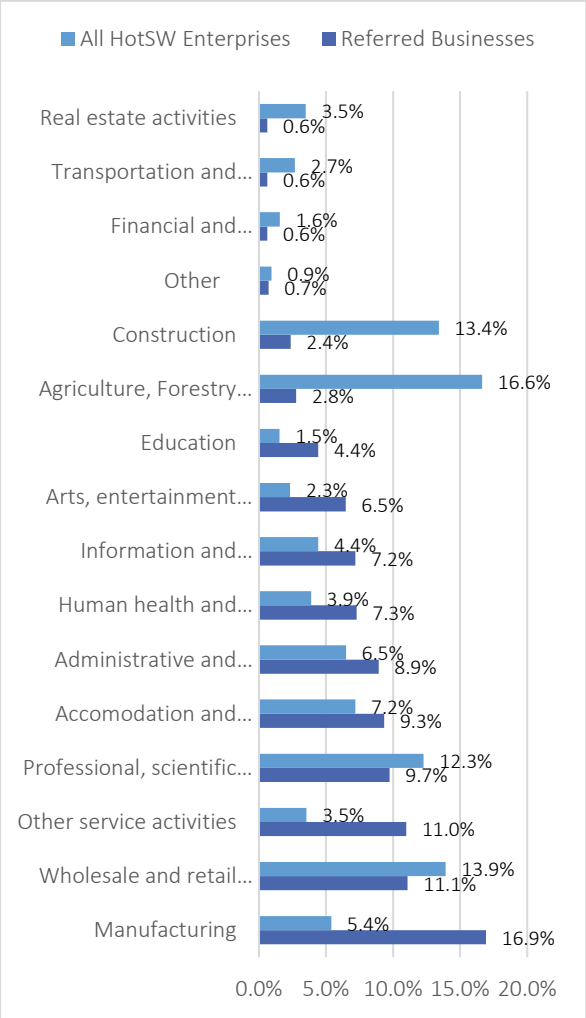
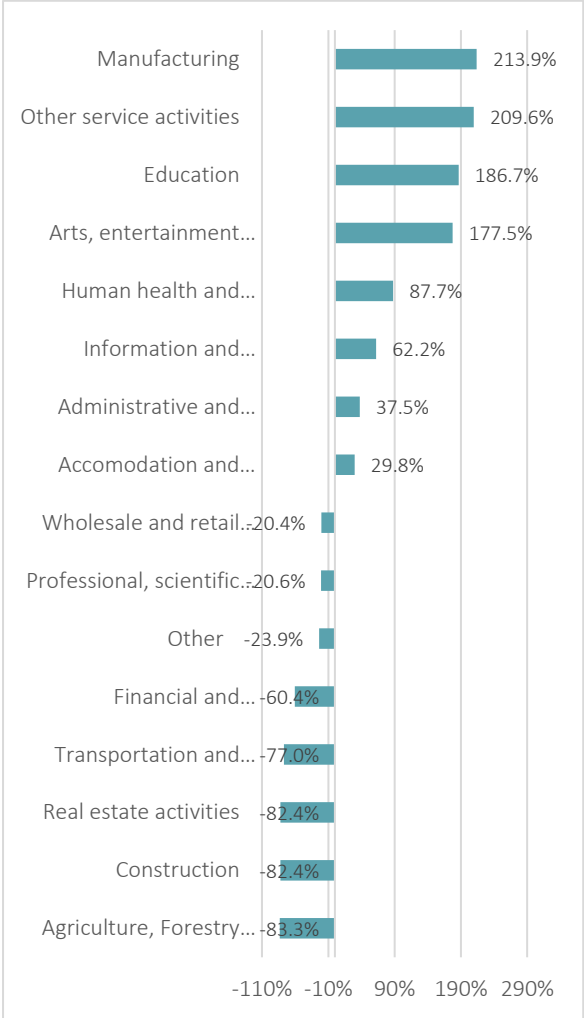


Figure 15: Difference Between Proportion of Referred Businesses and HotSW Businesses by Sector



Source: HotSW Growth Hub Monitoring Data (B2 Data) and UK Business Counts 2018 for HotSW LEP Area (Nomis)
Base: HotSW Growth Hub B2 Businesses = 975; HotSW Business Count = 71,510

[14] Counts of five or fewer have been amalgamated into the 'other' category.

Table 5 compares the sector profile of all those businesses who engaged with the Growth Hub (B1) with those who were referred to a further source of support (B2). Although Professional, scientific and technical businesses represented the largest proportion of all engaged businesses (14.6%, 775), this fell by 4.8% to 9.7% (95) of businesses referred. Conversely the proportion of Manufacturing businesses increased by 4% from 12.9(686) businesses engaged to 16.9% (165) businesses referred.

Table 4: B1 and B2 Business Sector Profile15

Sector	B1 Engaged Businesses		B2 Referred Businesses		Difference
	Count	**Percent**	**Count**	**Percent**	
Professional, scientific and technical activities	775	14.6%	95	9.7%	-4.8%
Manufacturing	686	12.9%	165	16.9%	4.0%
Wholesale and retail trade; repair of motor vehicles and motorcycles	597	11.2%	108	11.1%	-0.2%
Accommodation and food service activities	463	8.7%	91	9.3%	0.6%
Administrative and support service activities	456	8.6%	87	8.9%	0.3%
Other service activities	446	8.4%	107	11.0%	2.6%
Human health and social work activities	394	7.4%	71	7.3%	-0.1%
Information and communication	354	6.7%	70	7.2%	0.5%
Arts, entertainment and recreation	303	5.7%	63	6.5%	0.8%
Education	279	5.2%	43	4.4%	-0.8%
Construction	175	3.3%	23	2.4%	-0.9%
Agriculture, forestry and fishing	171	3.2%	27	2.8%	-0.4%
Real estate activities	60	1.1%	6	0.6%	-0.5%
Transportation and storage	48	0.9%	6	0.6%	-0.3%
Financial and insurance activities	40	0.8%	6	0.6%	-0.1%

Source: HotSW Growth Hub Monitoring Data (B1 and B2 data)
Base: B1 = 5,315; B2=975

Unsurprisingly given that Plymouth had the highest proportion of B1 engagements, the area also accounted for the greatest proportion of B2 referrals, with 14.6% (142) of referrals (Figure 16). This is a notable increase from the 9.5% (502) of businesses engaged and considerably greater than the proportion of Plymouth based businesses in the HotSW area (7.9%, 5,680). Conversely, Sedgemoor was the most under-represented area with only 3.5% (34) of referred businesses being located in this area compared to 6.8% (4,880) in the HotSW, an under-representation of 48.9%, as shown in Figure 17.

[15] SIC categories with fewer than 1% of businesses have been excluded from this table therefore percentages will not total 100.

Figure 16: B2 Referred and HotSW Businesses by Local Authority

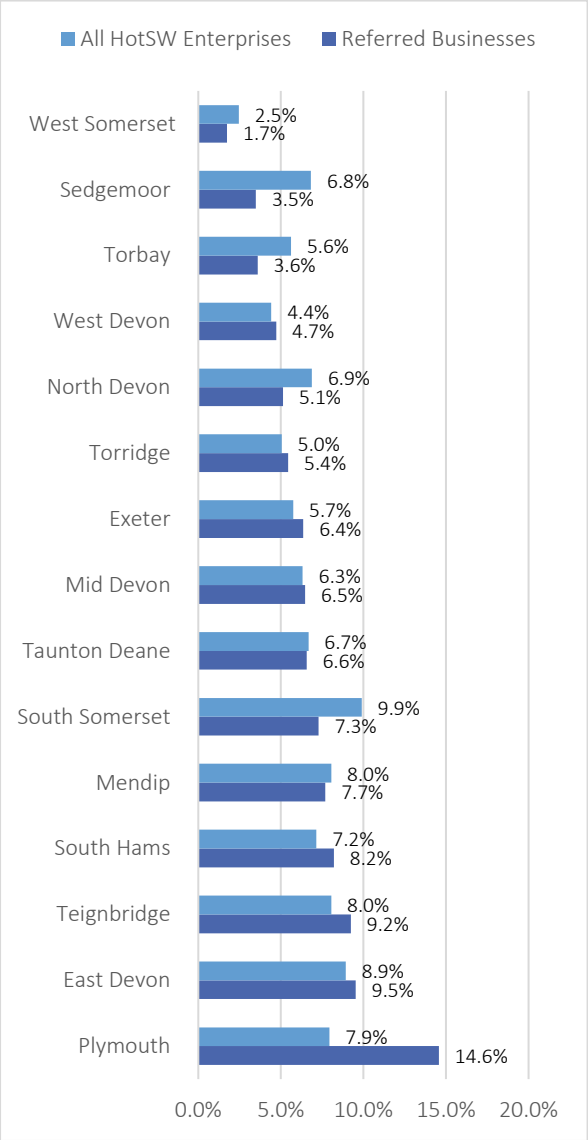
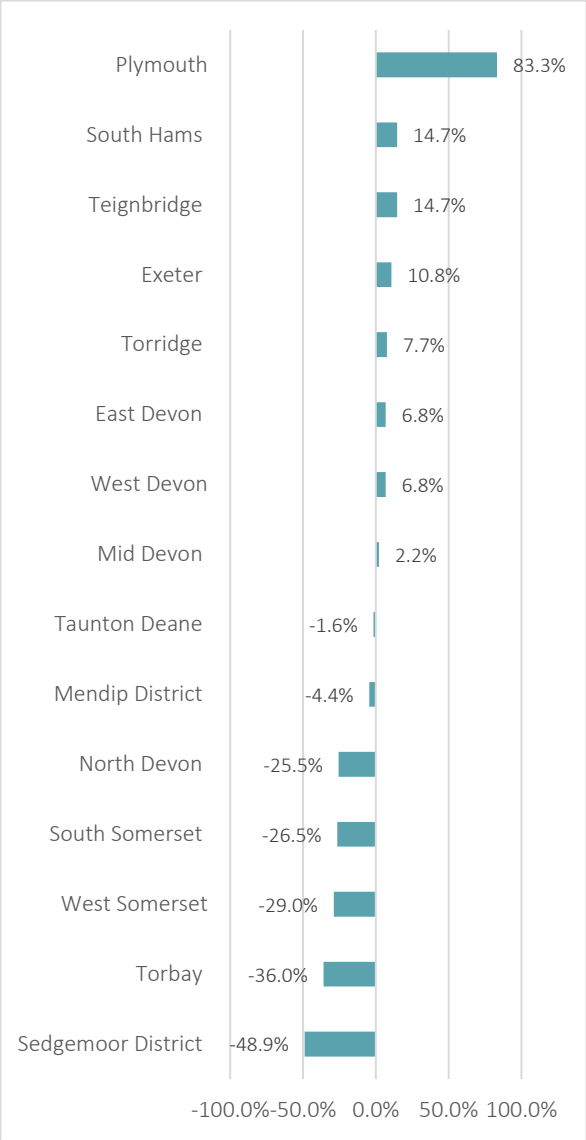


Figure 17: Difference between Referred Businesses and HotSW Business Profile by Local Authority



Source: HotSW Growth Hub Monitoring Data (B2 Data) and UK Business Counts 2018 for Local Authorities (Nomis)
Base: HotSW Growth Hub B2 Businesses = 975; HotSW Enterprise Count = 71,500

4.3 Providers Being Referred To

The monitoring data show that a total of 1,089 referrals were made to 57 schemes, services or grants.[16] The largest number of referrals were made to the ERDF funded HotSW Growth Support Programme (298 referrals), followed by Start Up and Grow (221 referrals). The other schemes that had received 10 or more referrals are shown in Table 6.

[16] Although only one referral per business is counted for the purposes of the Growth Hub's KPIs, businesses could be referred multiple times. All referral activity was recorded in the project's non-unique referral monitoring data.

Table 5: Most Commonly Referred to Schemes

Support Scheme	Total
HotSW Growth Support Programme (ERDF)	298
Start Up and Grow (ERDF)	221
Business Boost	67
Business Mentoring	53
Get Set for Growth	53
Enhance Social Enterprise (ERDF)	35
Skills Support / inc. SSW	34
Local Manufacturing Advisory Programme	28
Better Business for All	24
Get Business Get Digital	24
HotSW Business Café	21
South Somerset District Council	19
South Hams BS (BIP)	17
Dept. for International Trade / Export for Growth	15
Start and Grow (Business West)	15
The Carbon Trust Green Business Fund	15
West Devon Business Support (BIP)	15
Enterprise Solutions (Plymouth University)	13
TDA	13
Enterprise Mendip	12

Source: HotSW Group Hub Monitoring Data (B2 Referrals Non-unique), December 2018

As highlighted above, the Growth Hub has also provided 5,777 "signposts" to 293 sources of information. The top 20 organisations most frequently signposted to are highlighted in Table 7. This shows the importance of COBRA factsheets, gov.uk, as well as private sector resources.

Table 6: Most Commonly Signposted to Organisations/Sources of Information

Organisation	No.
COBRA	750
Gov.uk	335
Marketing Donut	302
Growth Support Programme	238
Start Up Donut	221
Better Business Finance	186
Business Mentors South West	186
Start Up Loans UK	176
Get Set for Growth	151
HMRC	126
Fredericks Foundation	117
Start Up and Grow	114
Cornerstone Enterprise Support Ltd	112
Mplans	106
RDPE Growth Programme	103
Alternative Business Funding	93
Great Business	79
South West Investment Group	78

Source: HotSW Group Hub Monitoring Data, December 2018

4.4 Take-up of Referrals

Over a third (40.5%, 83[17]) of B2 and B3 survey respondents reported that they were referred by the Growth Hub to another business support provider, a large majority of whom (85.5%, 71) took up the referral. Of those not referred, 91.1% (72) said that they were not referred because a referral was not required, but 8.9% (7) stated that the advisor could not find support to meet their needs. Of the 12.0% (10) that did not take up the referral, a variety of reasons were provided including: personal reasons, lack of available support and costs. Two respondents also commented that there had been a lack of any contact with the Growth Hub or that they had been unsatisfied with the contact.

4.5 Stakeholder Perspectives

The referral process was also explored within the stakeholder interviews. Most (though not all) stakeholders felt that following a few teething issues in the early days it is now as good as it can be. Many of the comments about referrals revolved around the relationship between the Growth Hub and the Growth Support Programme where getting the right referral process in place was particularly important. A lot of time was spent in endeavouring to "hide the wiring" for businesses in this regard. As highlighted in the introduction, online enquiries from ERDF eligible businesses are automatically routed from the Growth Hub into this Programme and efforts have clearly been made to make this process as streamlined as possible. Stakeholders tended to agree that the process was working well:

> *"There is a clear and comprehensive journey in place"*

However, some recent changes have been less favourably received. Historically, when a telephone inquiry from an ERDF eligible business came through to the Growth Hub the advisor would complete the online form in conjunction with the business and route it through to the Growth Support Programme in the same way. Evidently, the business is now sign-posted to the form and encouraged to complete it themselves. There is some evidence to suggest that the quality of the information being received has suffered as a result (because the businesses do not always complete the form comprehensively) and it has become harder to track where the it has originated from. We understand, as highlighted above, that in 2018 the Growth Hub purposely shifted the balance of its engagement activity to drive more businesses directly to the ERDF schemes with the aim being that the Growth Hub would provide the wrap-around support. This was introduced because the Growth Support Programme in particular had very high output targets to achieve. This approach also enabled the Growth Hub to balance their frontline adviser resource with the high volumes of through-put (on the basis that the workload for wrap-around or follow-up support could be managed). The team was significantly ahead of its B2 KPI profile at that point so could shift their focus onto other aspects of the Growth Hub service priorities.

More generally, with one or two notable exceptions it was felt that in the majority of cases businesses do get referred to the right support for them. Further, most stakeholders agreed that the process was as seamless as it could be for the business, especially given the additional step in the

[17] 11 B1 respondents also reported that they were referred to another support provider and these responses have been excluded from the analysis; only B2 and B3 respondents were referred (as defined by the project's KPIs) and it is possible that B1 respondents had instead been signposted to further sources of information and guidance.

process for those businesses that are routed to the Growth Support Programme. However, some comments were made to the effect that consistent branding across the whole process could improve it further. Other Growth Hubs such as Marches and Gloucestershire may provide examples of delivering wider activity under the banner of the Growth Hub.

Notwithstanding the largely positive feedback on referrals overall, from a provider perspective there was, however, a degree of disappointment expressed from some quarters that they had not received more referrals from the Growth Hub. One stakeholder in particular indicated that they had not experienced any added value to their own activity which they had been expecting. Further, some individuals mentioned high attrition rates for the referrals that they did receive – i.e. the business does not go on to take up the support offered following initial contact. It is hard to judge whether this is reflective of the quality of the referral itself or a more generic issue about the perceived value of free business support. This finding suggests that some stakeholders in the HotSW area perceive the Growth Hub in quite a transactional way. It is interesting to observe that some other Growth Hubs have achieved a more collegiate approach through:

- Delivering a wider portfolio of activity under the banner of the Growth Hub; and,
- Operating a partnership based model of delivery.

From the Growth Hub's perspective there would ieally be a stronger obligation for providers to feedback to the Growth Hub on what happened as a result of the referral so that the customer journey can more clearly be understood. The Marches Growth Hub are currently working with their network of 23 ERDF funded projects in the area to introduce an obligation for partners to report back on the outcome of referrals received. This is helping to inform the collective understanding of what is happening on the ground to identify gaps in provision.

Additionally, it was pointed out that referrals back to the Growth Hub from service providers is often not given so the wrap around support model has not been as effective as it could have been. From the Growth Hub's perspective the delivery approach would have certainly worked better - and would have provided a better service for the client - if referral back to the Growth Hub happened consistently and in every case.

Key Findings: Business Referrals

- The Growth Hub has made 971 unique referrals (21% above its target) and 1,089 non unique referrals. It has also informally sign-posted 5,777 businesses to different forms of support.
- Over two thirds of businesses were trading at the time of the referral and the remainder were in the pre start-up phase which is somewhat different to the B1 business engagement profile.
- Over half of referred businesses were sole traders and 28% were limited companies.
- An even larger majority of referred businesses had fewer than 10 employees (when compared to the B1 profile).
- There were both similarities and differences between the sectoral distribution of B1 and B2 businesses. Both groups had a relative 'under-representation' in Agriculture, forestry and fishing as well as Construction when compared to the business base. However, whilst Professional, scientific and technical businesses represented the largest proportion of all B1 businesses, Manufacturing along with Wholesale and retail and Other service activities represented the largest proportion of B2 businesses. Over represented sectors were Manufacturing, Other services and Education.
- Unsurprisingly given that Plymouth had the highest proportion of B1 engagements, the area also accounted for the greatest proportion of B2 referrals. Sedgemoor was the most under-represented area for B2s.
- Monitoring data show that referrals were made to 57 different schemes, services or grants. The largest number were made to the ERDF funded HotSW Growth Support Programme, followed by Start Up and Grow. The sign-posting has been to a much broader range of sources.
- The referral process was explored within the stakeholder interviews. Most (though not all) stakeholders felt that following a few teething issues it is now as good as it can be.
- In particular it is evident that efforts have been made to "hide the wiring" for businesses that are referred to the ERDF Growth Support Programme and this is working well.
- However, some recent changes to the process have meant that business telephone enquirers connected to the ERDF funded Growth Support Programme are now sign-posted to the online form and encouraged to complete it themselves which is thought to be affecting the quality of the information received. In 2018 the Growth Hub purposely shifted the balance of its engagement activity to drive more businesses directly to the ERDF schemes with the aim being that the Growth Hub would provide the wrap-around support.
- Additionally, notwithstanding the largely positive feedback on the referral process overall, from a provider perspective there was a degree of disappointment expressed from some quarters that they had not received as many referrals from the Growth Hub as they had expected.
- From the Growth Hub's perspective there would ieally be a stronger obligation for providers to feedback to the Growth Hub on what happened as a result of the referral so that the customer journey can more clearly be understood.
- Equally, it was suggested that the delivery approach would have worked better - and would have provided a better service for the client - if referral back to the Growth Hub happened consistently and in every case thus enabling the team to provide the wrap-around support that they had envisaged.

Section 5: Intensive Support

5.1 Introduction

The Growth Hub provides more intensive support to a smaller number of businesses in the form of the "Growth Support Service." Following a description of the service, this section of the report reviews the profile of businesses benefitting from this element of the Growth Hub's offer as well as business perspectives on the service.

5.2 About the Service

The Growth Support Service provides a three hour one-to-one advice session with a business advisor, providing an opportunity for the participant to talk through their ambitions. Following the session, businesses are provided with a support plan detailing practical steps to move the plans forward. The service is currently primarily targeted at businesses in the following sectors as they do not typically qualify for any of the ERDF support that is available:

- Agriculture and fisheries;
- Education;
- Retail;
- Farm diversification;
- Tourism; and,
- Food processing.

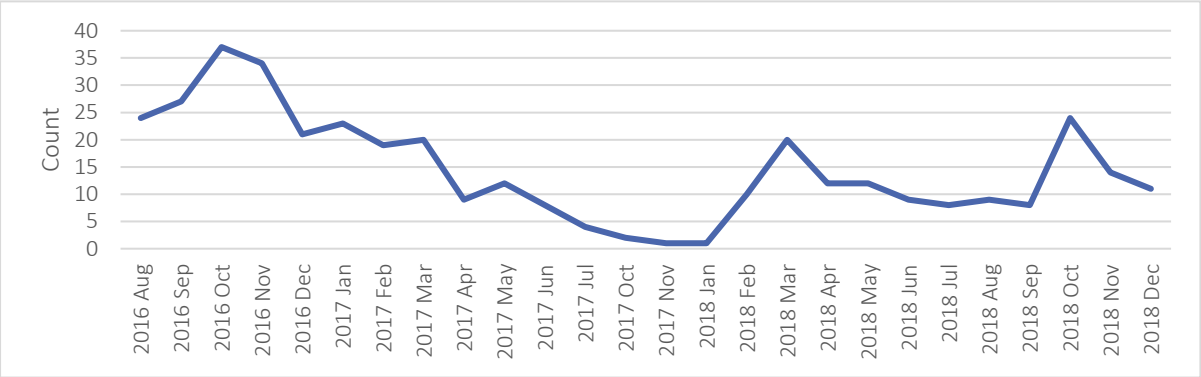
Newly started businesses must already be registered with Companies House or HMRC and have clear plans for how they will grow their business to benefit from this element of the service. The service prioritises businesses that are looking to create jobs or increase turnover over the next 12 months, although there was some indication from the stakeholder interviews that it would benefit from a clearer targeting/segmentation strategy.

5.2 B3 Intensive Support Metrics and Business Profile

The Growth Hub has intensively supported 377 businesses. This represents 94% of its B3 target. However, whilst it has not yet achieved its overall target for B3 delivery, it is nevertheless considered to be 'on track' having achieved 99.2% of it profiled target for December 2018.

Monitoring data was available for 379 businesses in receipt of B3 intensive support. As shown in Figure 18, this activity was at its highest in October and November 2016 (37 and 34 businesses were supported) and lowest in 2017 Quarter 4 (3 businesses).

Figure 18: B3 Businesses Receiving Intensive Support Over Time

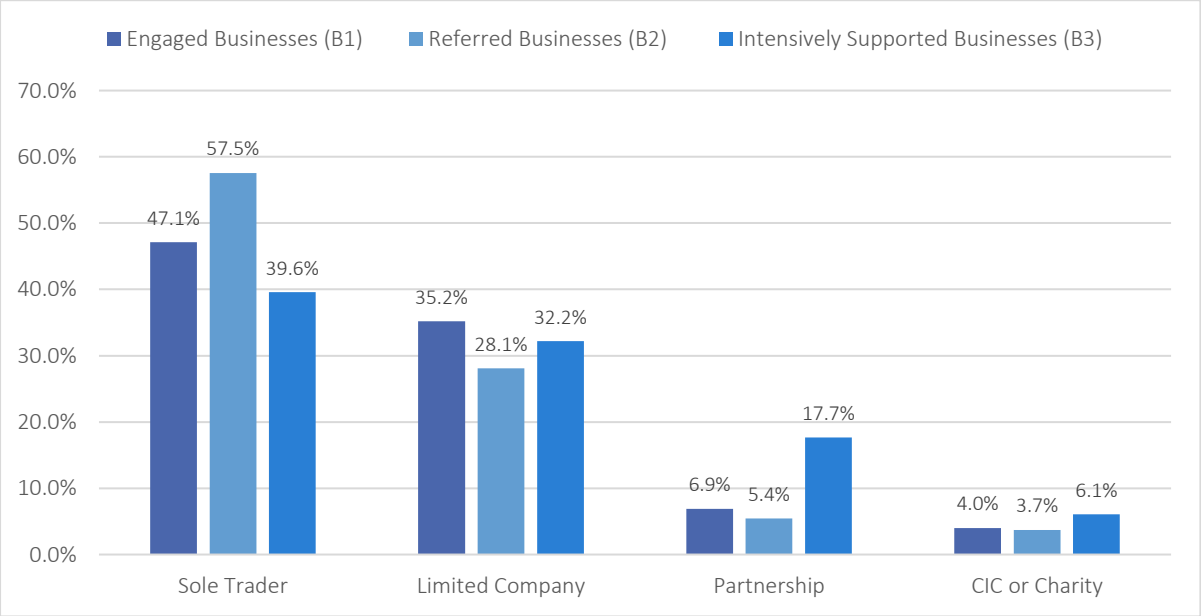


Source: HotSW Growth Hub Monitoring Data (B3 Data)

As would be expected, a higher proportion of those receiving intensive support were trading (92.6%, 351) compared to both the B1 engaged (87.5%, 4,651) and B2 referred (69.3%, 676) business profiles. The remainder of intensively supported businesses were either pre-start or dormant (7.4%,28).

Over a third (39.6%, 150) of businesses receiving intensive support were sole traders, a lower proportion than seen in the B1 and B2 groups. 32.2% (122) were limited companies – a similar profile to that seen in the B1 and B2 groups, although the B3 group included a higher proportion of partnerships (17.7%, 67) than seen in the B1 and B2 groups as shown in Figure 19.

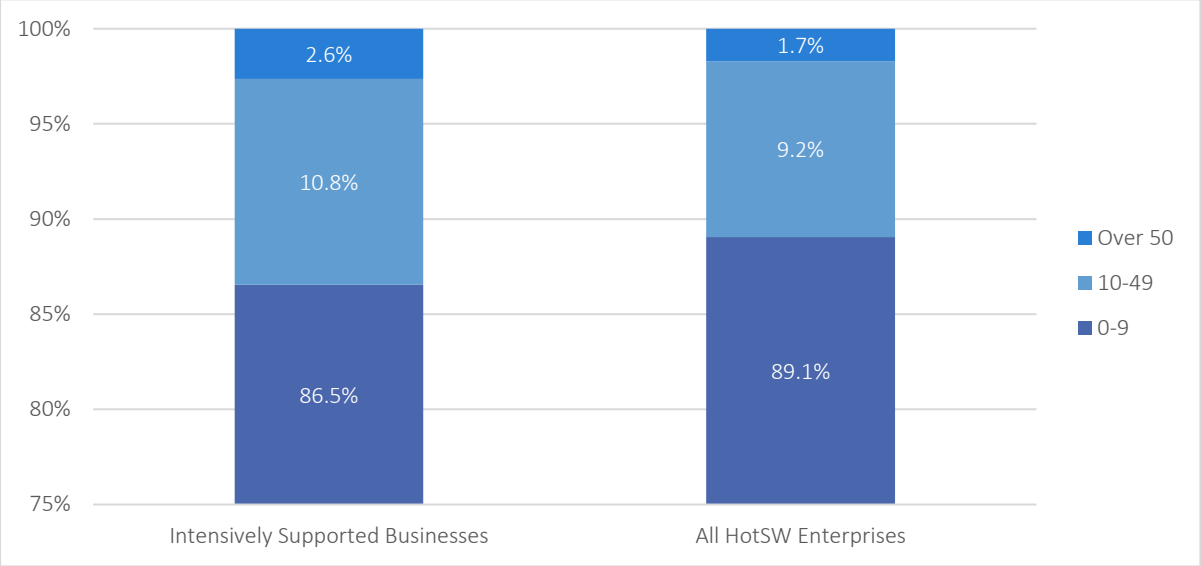
Figure 19: Legal Status by Growth Hub Activity Strand



Source: HotSW Growth Hub Monitoring Data (B1, B2 and B3 Data)
Base: Engaged Businesses = 5,317; Referred Businesses = 975; Intensively Supported Businesses = 379

The size profile of intensively supported businesses is similar to both that of engaged businesses and all HotSW enterprises; 86.5% (328) had fewer than 10 employees and only 2.6% (10) had over 50. Figure 21 summarises the size profile of the B3 businesses compared with the HotSW business population.

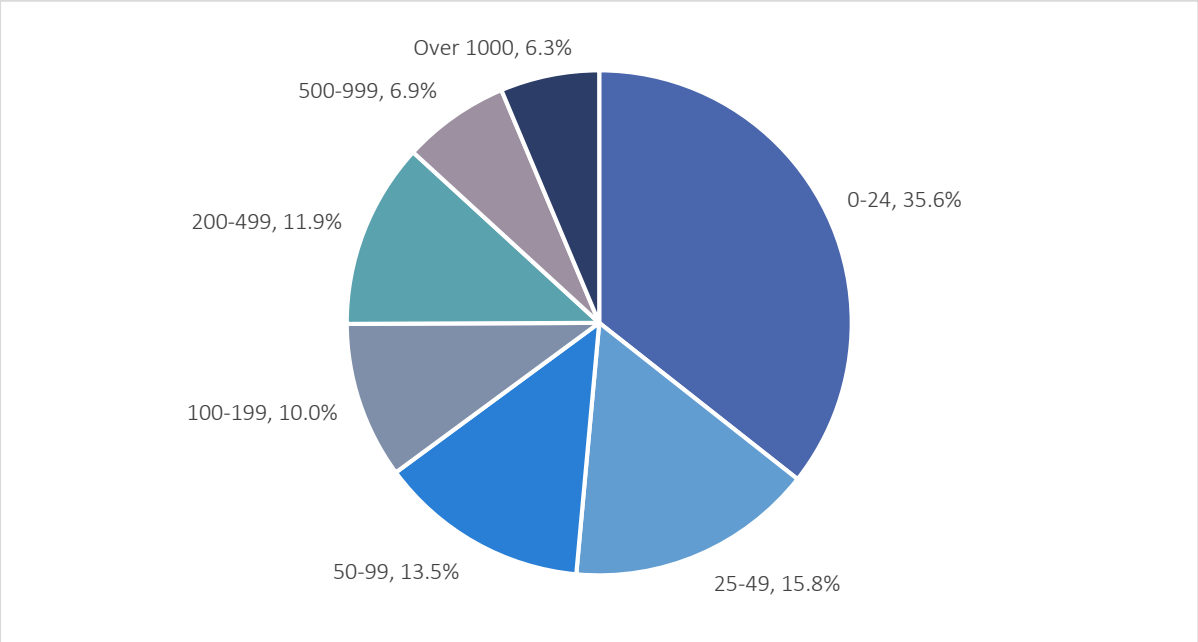
Figure 20: B3 Intensively Support and HotSW Businesses by Number of Employees



Source: HotSW Growth Hub Monitoring Data (B3 Data), UK Business Counts 2018 for Local Authorities (Nomis)
Base: All Intensively Supported Businesses = 379; HotSW Enterprises = 71,510

Unlike the B1 and B2s, turnover data is available for intensively supported businesses. As shown in Figure 21, over a third of B3 businesses (35.6%, 135) had a turnover of between £0 and £24,000 (18 of these were pre start-ups) and only 13.2% (50) had a turnover of more than £500,000. The mean average turnover was £357,389, but the median was £40,000, highlighting the skewed distribution.

Figure 21: B3: Intensively Supported Businesses by Turnover (1,000)



Source: HotSW Growth Hub Monitoring Data (B3 Data)
Base: All Intensively Supported Businesses = 379

These B3 businesses operated in 16 different sectors and as shown in Figure 22, Accommodation and food service and Manufacturing were the most common (both 54, 14.2%). The least common were Other with 1.1% (4), Construction with 1.3% (5)(9) and Information and communication with 2.4% (9) of businesses referred. When compared with the HotSW profile, we can see that Education

accounted for 12.8% (47) of intensively supported businesses compared with 1.5% of the HotSW business population, a 706.2% over representation. Similarly, Manufacturing and Arts, entertainment and recreation were over represented by 164.3% and 149.3% respectively. In contrast, a much lower proportion of Construction businesses were supported intensively 1.3%(5), compared with the profile of the business population at 13.4%, an under-representation of -90.2%.

Figure 22: B3 Intensively Supported Businesses by Sector[18]

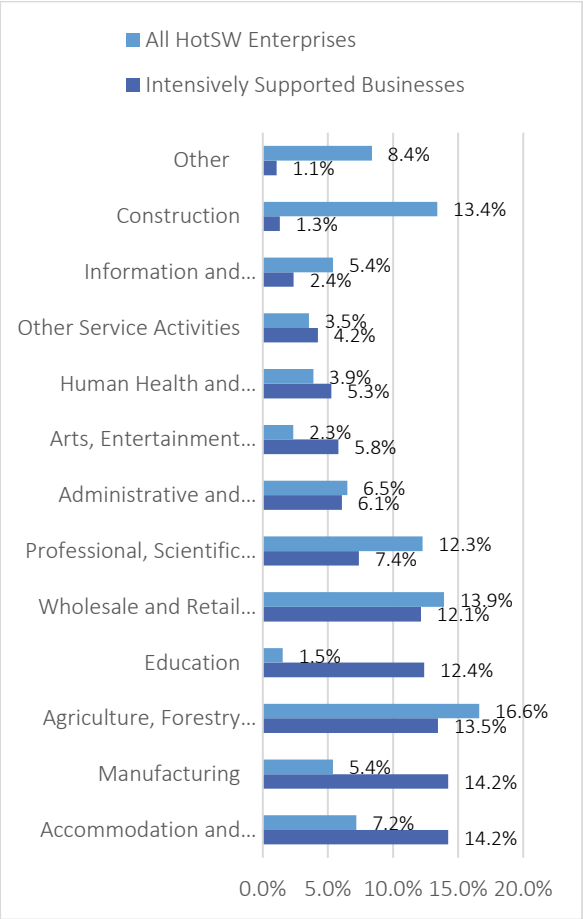
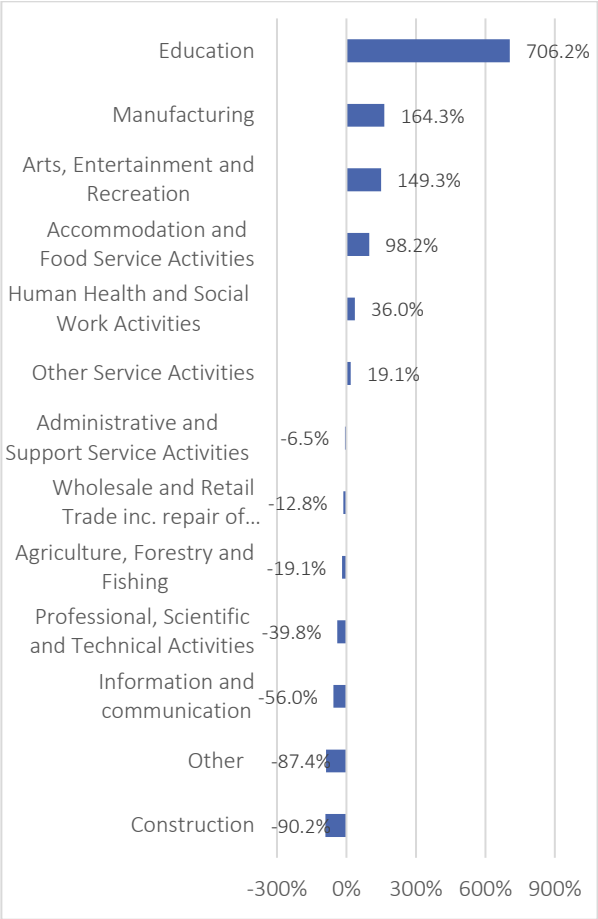


Figure 23: Relative Difference between Intensively Supported Businesses and the HotSW Population by Sector



Source: HotSW Growth Hub Monitoring Data (B3 Data) UK Business Counts 2018 for Local Authorities (Nomis)
Base: All Intensively Supported Businesses = 379; HotSW Enterprises = 71,510

A comparison of B1, B2 and B3 profiles shows that although Manufacturing also accounted for the largest proportion of all engaged and referred businesses, there were proportionatley more B3 businesses within the Accommodation and food service sector (compared to 8.7% (463) of engaged and 9.3% (91) of referred businesses). However, the most significant difference can be seen within Agriculture, forestry and fishing which made up 3.2% (171) of all engaged busineses, 2.8% (27) of referred businesses and 13.5% (51) of intensively supported businesses. There is also a notable increase in the proportion of Education businesses in the B3 population (12.4%, 47) when compared with both B1 engaged (5.2%, 279) and B2 referred (4.4%, 43) businesses. In contrast, the proportion of Professional, scientific and technical activities businesses is proprtionally lower - from 14.6% (775) of engaged and 9.7% (95) of referred to 7.4% (28) of intensively supported businesses. As Figure 24

[18] Counts of five or less have been amalgamated into the 'other' category.

shows, this sector is under-represented by -39.8% when compared to all HotSW enterprises. These sectoral patterns are not surprising, given the priority given to businesses not eligble for ERDF support.

Case Study: Sweet Cumin

An award-winning cook and Indian food producer is exploring how to take her business national with Heart of the South West Growth Hub.

Bini Ludlow runs Sweet Cumin, a cookery school that teaches Indian and traditional Gujarati cooking, having been taught by her mother at aged eight how to use spices and the best ingredients.

She set up Sweet Cumin in 2012, with just £200 of her own money. When a friend asked Bini to combine her teaching and knowledge of Indian cookery and create some ready meals for her, she realised there was an opportunity to share her food and unique recipes with people who don't want to cook.

She developed Bini Frozen Ready Meals, a range of authentic Indian dishes that she distributes to around 25 retailers including high-end delis and food shops. Based in Midsomer Norton, Somerset, Bini currently produces 1500 meals from home. Her food has gained her numerous awards and TV appearances including Taste of the West, BBC's Harvest and a finalist in ITV's Food Glorious Food.

Having heard about the service through Federation of Small Businesses, she contacted the Growth Hub to find out how she could go about growing the Bini brand and expanding the number of stockists. Bini initially worked with Heart of the South West Growth Hub adviser Laura Daniels, who referred her for a one-to-one session with Growth Support Service adviser Elliot Forte.

Bini said: "Elliot was incredibly helpful. I had produced a business plan, and he has helped me to focus on key targets and break it down into manageable tasks.

"It's easy to get overwhelmed by all the business advice and support out there. The Growth Hub offers free support, and because it's impartial it can help me concentrate on the right support for me and my business."

The next steps for Bini involves moving food production out of her kitchen and into a dedicated unit, to increase capacity. She aims to be stocked in 300 outlets within the next five years. The Growth Hub introduced her to the Local Manufacturing Advisory Programme delivered by SWMAS.

"I am really excited about working with SWMAS because they will help me with practical aspects of manufacturing," she added. "I would like to be able to concentrate on developing new recipes and building the brand. I would love to see my meals stocked in London and nationally - in quality supermarkets and food shops."

Whereas Plymouth businesses represented the largest proportion of both B1 and B2 businesses, Torridge (12.7%, 48), North Devon (12.4%, 47) and South Hams (10.3%, 39) were the most common locations amongst B3 intensively supported businesses. Relative to the HotSW business profile, these areas were over represented amongst B3 businesses and conversely, Sedgemoor, Torbay

South Somerset were the most under-represented by -116%, 50.3% and 41.8% respectively. The data shows that with the exception of Mendip, Somerset businesses were under-represented in the profile of intensively supported businesses. The reasons for the lower take-up in Somerset are currently unclear, as not all of these districts are under-represented in terms of overall engagement (See figure 7 previously).

Figure 24: B1, B2, B3 and HotSW Businesses by Local Authority

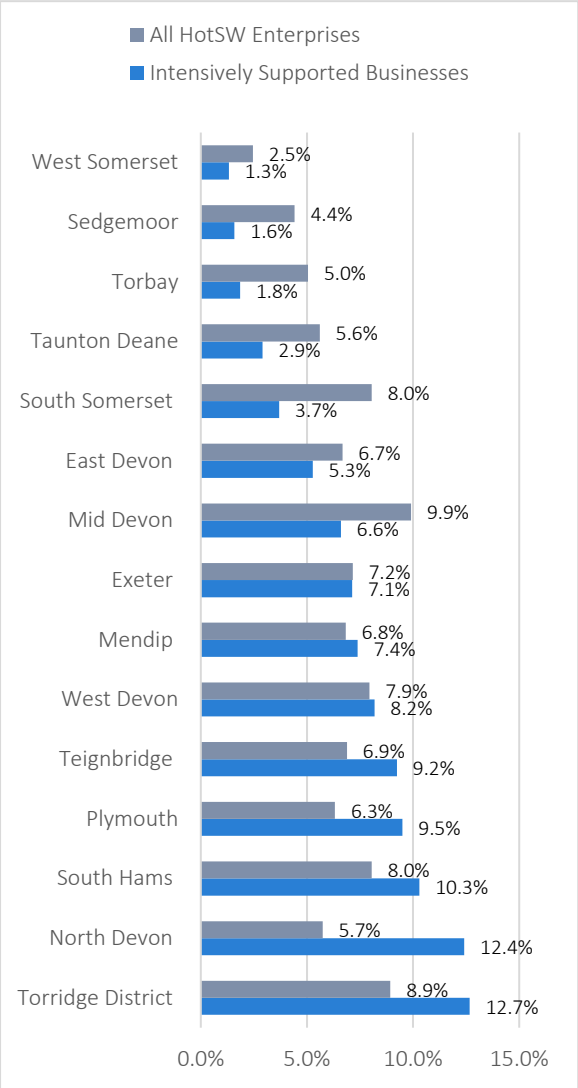
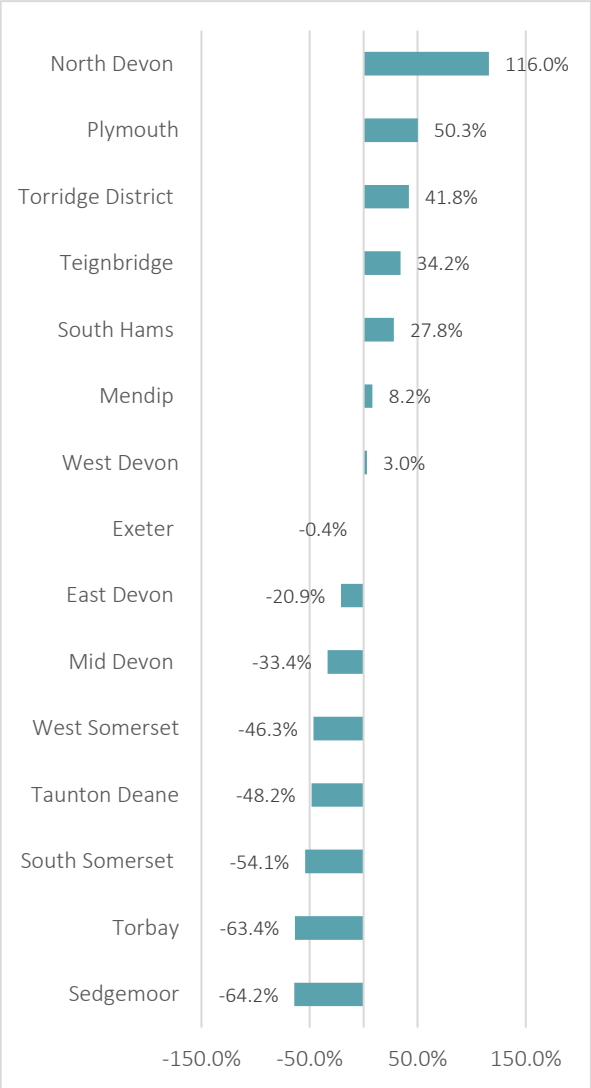


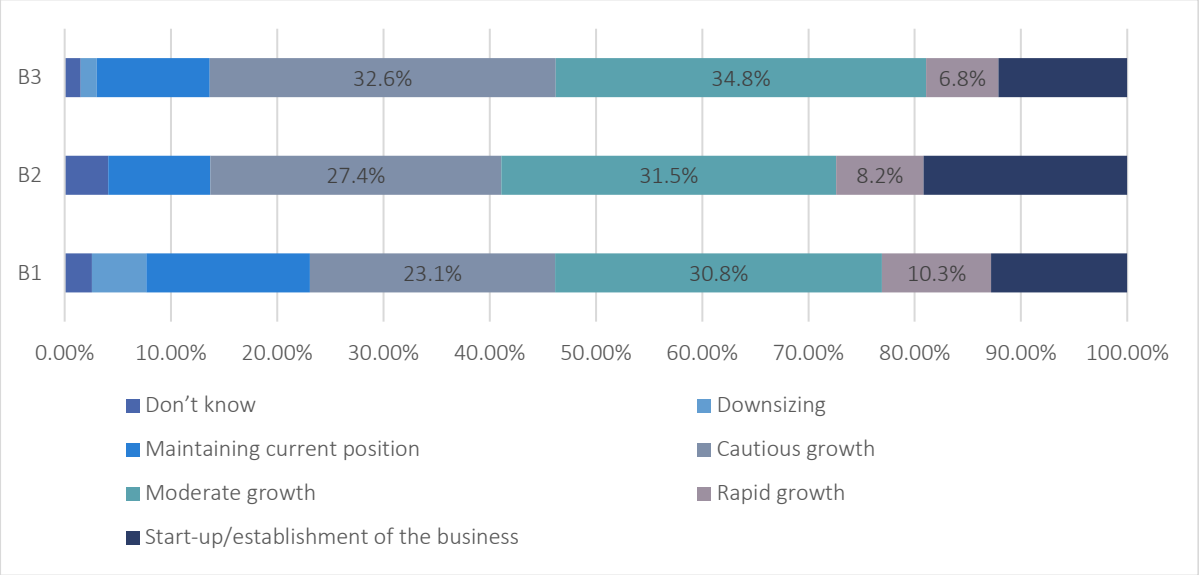
Figure 25: Relative Difference Between the Proportion of Intensively Supported Businesses and the HotSW Business Population



Source: HotSW Growth Hub Monitoring Data (B1, B2 and B3 Data), UK Business Counts 2018 for Local Authorities (Nomis)
Base: All Engaged Businesses Providing Local Authority = 5,310; All Referred Businesses = 975; All Intensively Supported Businesses = 379; HotSW Enterprises = 71,500

Figure 26 shows a breakdown of business survey results in terms of business' current plans for growth. Whilst we need to be cautious of the small sample size in particular for the B1 and B2 group, the findings suggest that B3 businesses were more likely to have positive plans for growth with 74.2% (99) currently planning for cautious, moderate or rapid growth, compared to 67.1% (49) of B2s and 64.2% (25).

Figure 26: Current Plans for Growth by B1, B2 and B3 Status



Source: Marketing Means Growth Hub Survey
Base: B1=39; B2=73; B3=132

Key Findings: Intensively Supported Businesses

- This part of the service is currently primarily targeted at businesses in sectors that do not typically qualify for any of the ERDF support that is available.
- Newly started businesses must already be registered with Companies House or HMRC and have clear plans for how they will grow their business to benefit from this element of the service.
- The service prioritises businesses that are looking to create jobs or increase turnover over the next 12 months, although there was some indication from the stakeholder interviews that it would benefit from a clearer targeting/segmentation strategy.
- The Growth Hub has intensively supported 377 businesses. This represents 94% of its B3 target. However, whilst it has not yet achieved its overall target for B3 delivery, it is nevertheless considered to be 'on track' having achieved 99.2% of it profiled target for December 2018.
- As would be expected, a higher proportion of those receiving intensive support were trading compared with the B1 and B2 profile.
- Over a third of businesses receiving intensive support were sole traders, a lower proportion than seen in the B1 and B2 groups and almost a third were limited companies.
- The size profile of intensively supported businesses is similar to that of the B1 businesses.
- Given the focus of this aspect of the service it is not surprising that the sectoral spread of businesses is smaller than for the B1s and B2s and we see the largest proportions coming from the Accommodation and food service sector alongside Manufacturing. There are also far more Agriculture, forestry and fishing businesses within this group.
- The geographic profile of B3 businesses differs considerably from both the B1s and B2s with Torridge, North Devon and South Hams being the most common locations for this group. Sedgemoor and Torbay under-represented and with the exception of Mendip, all Somerset districts were under-represented.
- Almost 75% of intensively supported businesses currently have positive plans for growth, slightly higher than that observed for engaged and referred businesses.

Section 6: Satisfaction with the Service

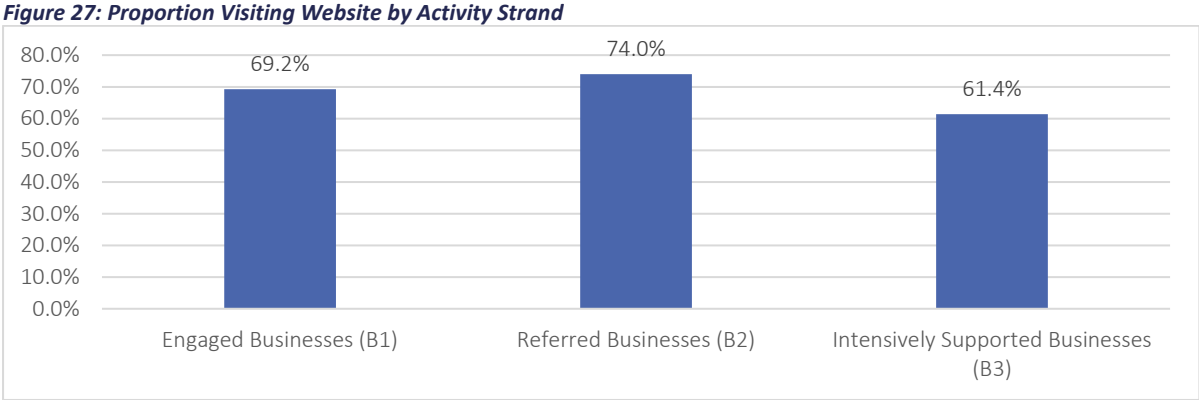
6.1 Introduction

Having provided an overview of the businesses engaged (B1), businesses referred (B2) and businesses provided with intensive support (B3) in the preceeding sections, this section of the report discusses satisfaction with various aspects of the service. It draws on both our business survey findings and the data routinely captured by the Growth Hub. It also covers stakeholder perceptions of the quality of the service.

6.2 Engagement through the Website and Hotline

Of the 244 business that responded to our survey, 66.4% (162) had visited the Growth Hub website. Although some caution should be used when comparing responses between the B1, B2 and B3 respondents due to the variation in sample sizes, B2 respondents were more likely to have visited the website (74.0%, 54) than either B1 (69.2%, 27) or B3 (61.4%, 81) respondents, as shown in Figure 27.

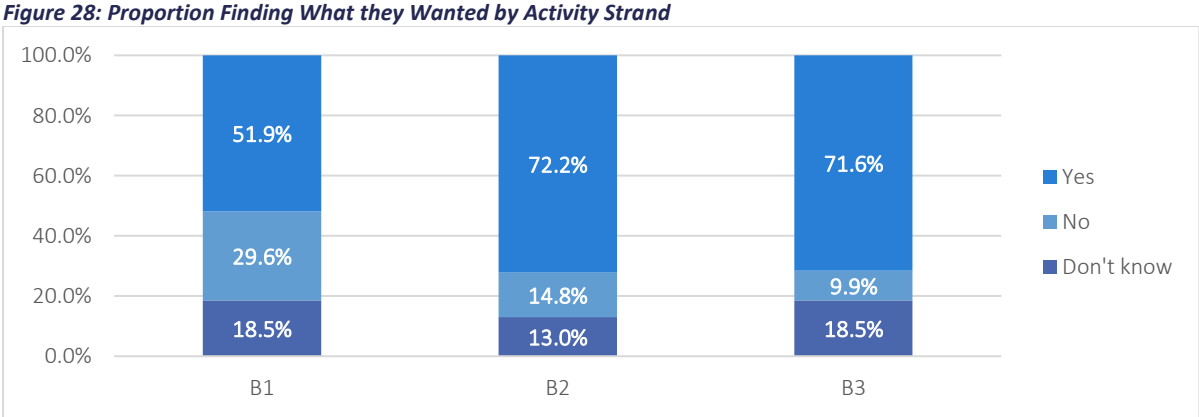
Figure 27: Proportion Visiting Website by Activity Strand



Source: Marketing Means Growth Hub Survey
Base: B1=39; B2=73; B3=132

Over two thirds of all respondents (68.5%, 111) said that they found what they were looking for on the website, although, as shown in Figure 28, B1 respondents were less likely to have done so (51.9%, 14) than B2 or B3 respondents.

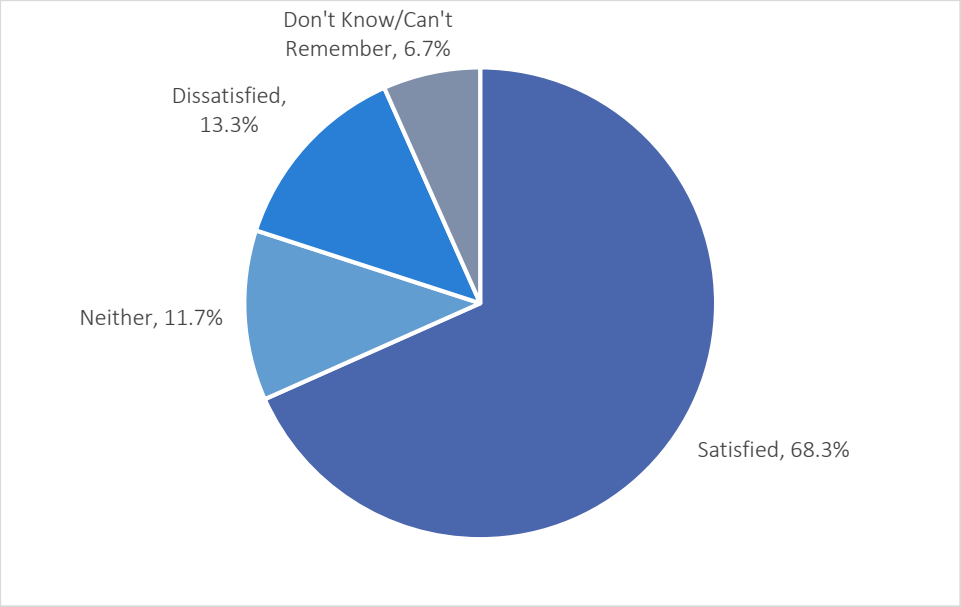
Figure 28: Proportion Finding What they Wanted by Activity Strand



Source: Marketing Means Growth Hub Survey
Base: B1=27; B2=54; B3=81

Only a quarter (24.6%, 60) of all business that responded to our survey had phoned the telephone helpline. As shown in Figure 29, the majority of respondents were satisfied with the helpline (68.3%, 41), 11.7% (7) expressed no opinion (a neither/nor response) and 13.3% (8) were dissatisfied. Although the survey did not capture the reasons for this, we can see that five of those who were dissatisfied were B2 beneficiaries.

Figure 29: Satisfaction with Telephone Hotline

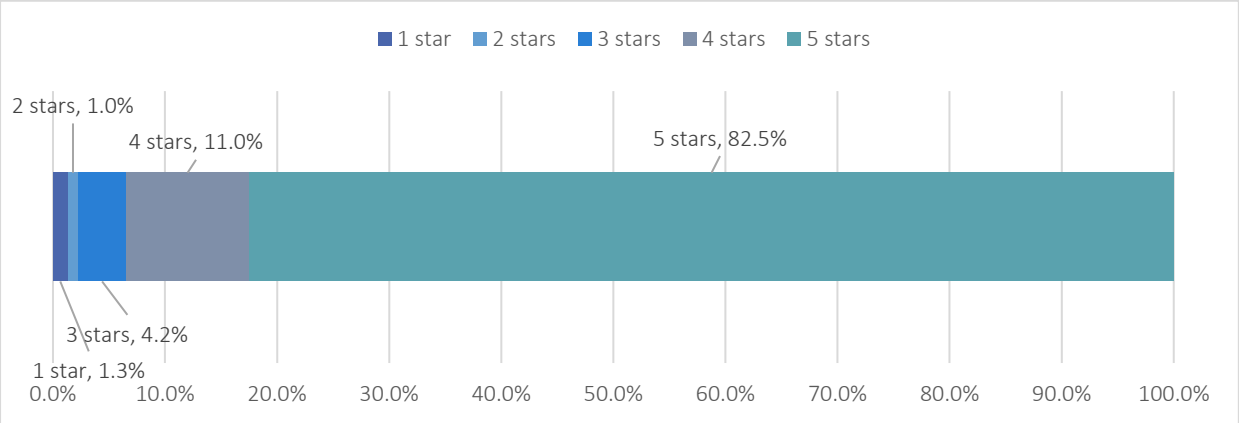


Source: Marketing Means Growth Hub Survey
Base: All Respondents Using the Hotline = 60

6.3 Onward Referrals

The Growth Hub's monitoring data shows high levels of satisfaction with referrals; a large majority of both B2 and B3 beneficiaries (94%, 288) felt that the scheme they were referred to was the right one for them (based on the proportion providing a four or five star response). Figure 30 summarises all responses to this question.

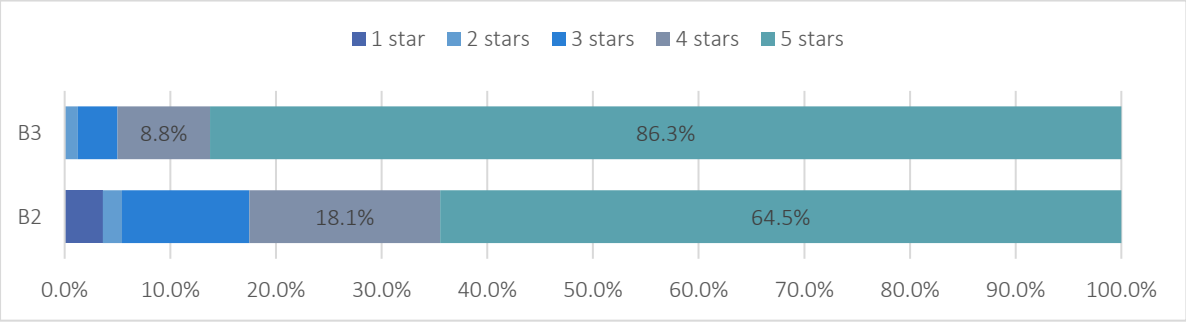
Figure 30: B2 and B3 Businesses' Satisfaction with Referral (was the scheme the right one for you)



Source: HotSW Growth Hub Customer Satisfaction Data
Base: All businesses answering the question (308)

Satisfaction with the service that they were referred or introduced to was also high; 83% (137) of B2 beneficaries and 95% (152) of B3 beneficiares gave a four or five star satisfaction rating (see Figure 31).

Figure 31: B2 and B3 Satisfaction with Service Referred To

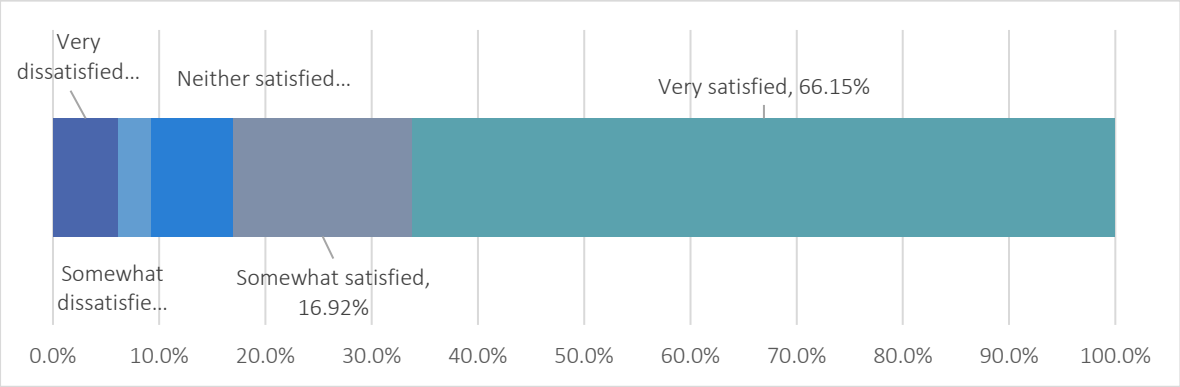


Source: HotSW Growth Hub Customer Satisfaction Data
Base: All businesses answering the question (B2 = 166/ B3=160)

6.4 The Intensive Support

Of the B3 businesses surveyed, 98.5% (130) confirmed that they had received a one-to-one session with a business advisor. When asked how satisfied or dissatisfied they were with the quality of this service, 83% stated that they were satisfied.

Figure 32: Satisfaction with the 1:1 session with a business advisor



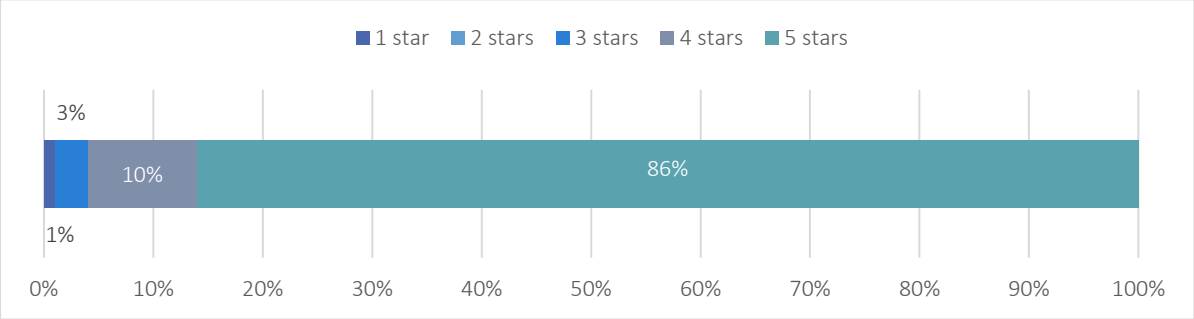
Source: Marketing Means HotSW Growth Hub Survey
Base: B3 respondents = 130 (all recalling one to one support)

6.5 Overall Satisfaction with the Service

B1 beneficiaries are routinely asked by the HotSW Growth Hub to state how likely they would be to recommend the service to a business partner or friend on a five point scale from very likely (five stars) to very unlikely (one star). A large majority (96%, 344)[19] provided a four or five star response and therefore were likely to recommend the service. All responses to this question are shown in Figure 33 below.[20]

[19] The questions used by the HotSW Growth Hub were those set by the Department for Business, Energy and Industrial Strategy.
[20] No respondent provided a 2 star rating.

Figure 33: Likelihood of Recommending Growth Hub Service



Source: HotSW Customer Satisfaction Tables
Base = All businesses answering the question (360)

The Growth Hub also captures qualitative feedback from B1 beneficiaries; the following quotes are typical of the comments made by those engaging in 2018:

> *"Excellent. Very helpful and easy to work with"*
>
> *"Very prompt call back. Friendly and helpful advice"*
>
> *"Was helpful and constructive and had provided considerable information to help me make a decision"*

A series of open ended, or qualitative, responses were also made by B2 and B3 beneficiaries and indicate that they were very satisfied with the Growth Hub's services. Examples of the types of comments given in 2018 include:

B2 beneficiaries:

> *"Great advice I didn't know I could get"*
>
> *"Very professional service that has set up fantastic business support through an advisor to underpin sustainable growth. Highly recommend."*

B3 beneficiaries:

> *"A friendly, effective service from a knowledgeable practitioner"*
>
> *"I was extremely impressed with the advice I had from [Advisor] and encouraged to take on further development I previously did not hope to aspire to. Many thanks!"*

Only two less positive comments were received from B2 beneficiaries reporting that they had either had no contact with the service or that they would benefit from additional support. Our own business survey also captured some open comments about the Growth Hub service and a selection of positive and negative comments are highlighted in Table 8 overleaf. However, it is also clear from reviewing wider comments, that respondents are often confused about who has provided services to them.

Table 7: Open Comments about the Growth Hub Service

Positive Comments	Negative Comments
Engaged Businesses (B1)	
"I have found it a huge help just being able to talk to someone and get their advice and being impartial has been so important to me"	*"Frankly I was disappointed by my attempt to get some support for my new business via FSB & the Growth HUB"*
Referred Businesses (B2)	
"Growth hub very useful when arriving in the area and being a first port of call for getting information. I also want to get back to them when I've my own studio to work from - so I know they're there. I also keep an eye on courses / workshops coming up. So it is an invaluable source of information for me" *"Long may it continue ... it has been pivotal in the current expansion of my business"*	*"I would like the advisors to advise not point me towards companies trying to sell services"* *"The growth hub doesn't deliver tangible results to businesses in our area, it seems very focused around the cities of the region and not on rural businesses. Assistance is difficult to access, with confusing routes to business support and the growth hub doesn't help at all to lessen the confusion, just adds another layer of bureaucracy that doesn't benefit business"*
Intensively Supported Businesses (B3)	
"I found the advisors really helpful and have a lot of new tools and resources to work with, thank you" *"We had great support from our business advisor who helped us define our business strategy and impacts as a social enterprise"* *"The growth programme support has been instrumental to the start up and development of my business. Without the support job creation and sustainability would have been very difficult to achieve Thank you"*	*"I'm about to refresh myself regarding what's on offer from the Growth Hub. When planning a new business its not unusual to have to go back to square 1 when discoveries about your proposed business model require a fresh outlook and approach. I felt that my session with the adviser was of limited use because although I was most impressed and respectful of what he had achieved in his own business career, I also suspected that he assumed that as a start up, I really only had limited ambition and would probably end up as a sole trader. I didn't feel that he really understood my concept, though I accept that it's for me to bring clarity to the discussion. When we met, to be fair, it was very early days and thus I may have got the wrong end of the stick. Perhaps he was just being sensibly cautious, when I wanted to really go for it! Whatever, I feel that it is important that any contact with The Growth Hub doesn't dampen the zest and enthusiasm that an entrepreneur has for the potential of his or her business idea. As a result, I've begun to search for a more dynamic mentor who will challenge my thoughts and ideas, but who is not risk averse and can see the wisdom of holding on to a broader, more exciting vision"*

6.6 Stakeholder Views on the Quality of the Service

Stakeholders were generally positive when asked to reflect on whether the Growth Hub provides a quality service for businesses. Reasons given included:

> *"They are very responsive and supportive"*
>
> *"It's a good service which has really made a difference"*
>
> *"Businesses get sign-posted to what they need"*

Others reflected on the fact they don't hear businesses complain about their interactions with the Growth Hub which they take as testament to the fact that it provides a quality service.

However, some stakeholders also felt that it could do more. In particular, it was suggested that the service would benefit from the advisors being able to offer more face-to-face engagement with businesses as part of the initial diagnostic. It was felt that many businesses, especially smaller ones, prefer a personal approach and that some level of "human interaction" is often required in order to get to the heart of what a business needs (which may not always be what it thinks it needs).

Additionally, some highlighted the potential confusion for businesses between the Growth Hub itself and the 'brokered-to' partners but particularly the ERDF Growth Support Programme which was thought to detract from the quality of the offer. Although this point may be more about identity and branding it was nevertheless felt by some to be a limiting factor for the service as a whole.

Key Findings: Satisfaction with the Service
• Over two thirds of our survey respondents found what they were looking for on the website, although B1 respondents were less likely to have done so than B2 or B3 respondents. • Only a quarter of all business that responded to our survey had phoned the telephone hotline but the majority (over 68%) that had done so were satisfied with it. Just over 13% were dissatisfied and most of them were were B2 beneficiairies. • The Growth Hub's monitoring data shows high levels of satisfaction with referrals. 94%of B2 and B3 beneficiaries felt that the scheme they were referred to was the right one for them. Satisfaction with the service that they were referred or introduced to was also high. • Of the B3 businesses surveyed, 98.5% confirmed that they had received a one-to-one session with a business advisor. When asked how satisfied or dissatisfied they were with the quality of this service, 83% stated that they were satisfied. • B1 beneficiaries are routinely asked by the Growth Hub to state how likely they would be to recommend the service to a business partner or friend on a five point scale from very likely (five stars) to very unlikely (one star). A large majority (96%) provided a four or five star response. • Stakeholders were also generally positive when asked to reflect on whether the Growth Hub provides a quality service for businesses. • However, some stakeholders felt that it could do more. In particular, it was suggested that the service would benefit from the advisors being able to offer more face-to-face engagement with businesses as part of the initial diagnostic. • Some also highlighted the potential confusion for businesses between the Growth Hub itself and the 'brokered-to' partners but particularly the ERDF Growth Support Programme as a limiting factor.

Case Study: Southcombe Farm

A farmer from Devon, who has diversified to focus his attention on unique holiday opportunities, has seen an increase in visitor numbers thanks to support from Heart of the South West Growth Hub.

Paul Clark, who runs Southcombe Farm in Holsworthy, used the support he received to focus on the areas of his business that had the most potential for growth. He met Growth Hub Business Adviser Laura Daniel at a workshop. Following an initial conversation to understand the business, Laura referred Paul to the Growth Hub's Growth Support Service which offers a free face to face advice session with a local business adviser.

Paul said: "I felt overwhelmed with my day-to-day jobs and was spending too much time on the wrong areas of my business, which was mainly producing grass-fed lamb.

"Working with my adviser allowed me the space to think and really focus my attention on the areas that have potential for growth – the self-catering cottages and the canoe experiences.

"My adviser was able to help me look at each area of the business separately and create steps for what needed to be done."

The support led to Paul making the decision to scale down the sheep activities on the farm and focus on the creation of a marketing and development plan for his tourism business.
Paul said: "The initial step was to create a separate website for the canoe experience business, which included online booking for the first time.

"I have also been able to focus on the USPs for the cottages, as well as begin an ongoing programme of development work at the site. My aim is to create an environment on the farm where people will want to stay, relax and enjoy without necessarily wanting to go out and about visiting attractions everyday."

This work includes the creation of a beach area on the river, the introduction of hammocks, upgrading garden furniture and creating an animal petting areas featuring Paul's lambs.

"It was really straightforward to get support from the Growth Hub," said Paul. "With the changes I'm making following the support, I am really optimistic for the next year and beyond."

Section 7: Business Impacts and Value for Money

7.1 Introduction

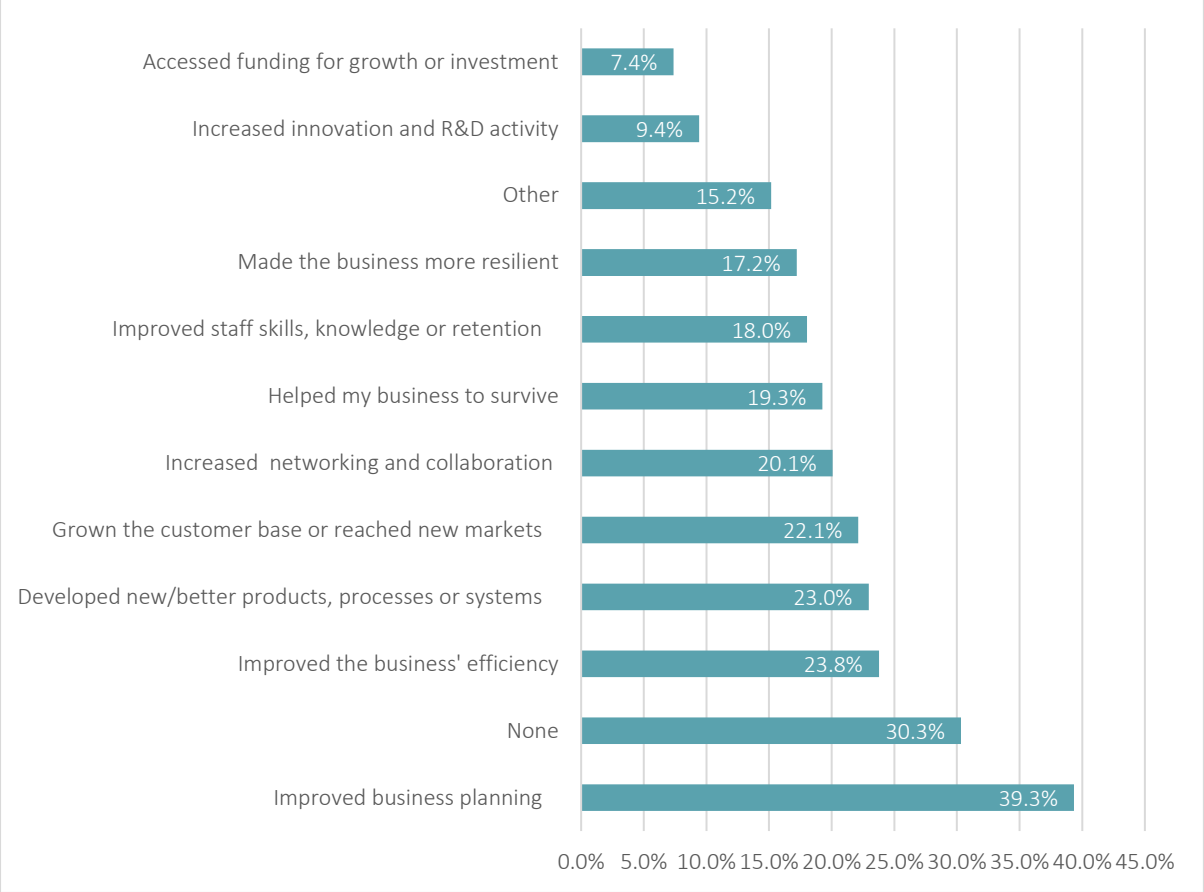
This section of the report explores the benefits that businesses have experienced to date as well as their expected future benefits. It goes on to explore the impact on key "bottom-line" indicators such as jobs, turnover and profitability and uses these to estimate the gross and net impact of the support. The section concludes with an assessment of Value for Money.

7.2 Intermediate Business Benefits

The survey asked all respondents to select, from a given list, all the benefits they had experienced or expected to experience in the future as a result of the support provided through or recommended by the Growth Hub.

Figure 34 below shows the types of benefits experienced to date by all businesses participating in the survey. Of note is the fact that only 30% of participants selected 'none', indicating that the remaining 70% of respondents have experienced at least one benefit.

Figure 34: Benefits Achieved to Date (all respondents)



Source: Marketing Means HotSW Growth Hub Survey
Base: B1 = 39; B2 = 73; B3 = 132; All Respondents = 244

The most frequently selected benefit across the whole sample was 'improved business planning' (39.3%, 96), followed by 'improved the business efficiency (23.8%, 58) and 'developed new/better products, processes or systems' (23.0%, 56). Of the 15% (37) selecting 'other', the benefits included:

- Increased confidence/ provision of encouragement (1 B2 and 4 B3 respondents);
- Start-up support (4 B2 and 3 B3 respondents);
- Improved website or digital marketing (3 B2 and 2 B3 respondents);
- Support was on-going or it was too early to say what the benefits had been (1 B1 and 2 B2 respondents); and,
- A negative effect, where time had been invested by the respondent and no benefits received (1 B2 respondent).

Table 9 below shows the breakdown of benefits achieved to date by the level of support received. Perhaps unsurprisingly, this shows that across all benefits listed, the B3 respondents were more likely to have experienced a benefit. Only 18.9% of B3 businesses experienced no benefits, indicating that 81.1% experienced at least one benefit and likewise, 60.3% of B2 respondents and 48.7% of B1 respondents had experienced at least one benefit.

Table 8: Benefits Achieved by Level of Support (B1/B2/B3)

	B1	B2	B3	All
Improved business planning	23.1%	28.8%	50.0%	39.3%
None	51.3%	39.7%	18.9%	30.3%
Improved the business' efficiency	10.3%	8.2%	36.4%	23.8%
Developed new/better products, processes or systems	17.9%	16.4%	28.0%	23.0%
Grown the customer base or reached new markets	15.4%	16.4%	27.3%	22.1%
Increased networking and collaboration	15.4%	19.2%	22.0%	20.1%
Helped my business to survive	2.6%	9.6%	29.5%	19.3%
Improved staff skills, knowledge or retention	5.1%	11.0%	25.8%	18.0%
Made the business more resilient	0.0%	4.1%	29.5%	17.2%
Other	10.3%	17.8%	15.2%	15.2%
Increased innovation and R&D activity	2.6%	4.1%	14.4%	9.4%
Accessed funding for growth or investment	5.1%	1.4%	11.4%	7.4%

Source: Marketing Means HotSW Growth Hub Survey
Base: B1 = 39; B2 = 73; B3 = 132; All Respondents = 244

Table 10 overleaf shows the future benefits expected as a result of the support provided through or recommended by the Growth Hub. When compared with Table 9 above, we can see a lower proportion of businesses selecting 'none', indicating that a higher proportion of businesses expect to experience at least one benefit in the future (69.1%). Interestingly, the proportion of B1 and B2 businesses selecting 'none' has dropped significantly, indicating that there is perhaps a greater time lag between the intervention and benefits being realised for these groups than for the B3 group.

When compared with Table 9 above we can also see the proportion of businesses selecting each benefit had risen (except for 'improve business planning'), indicating that a greater proportion of businesses expect to see benefits in the future than have already achieved these benefits. This is unsurprising given there is often a time lag between taking action and the accrual of benefits.

Table 9: Future Benefits Expected by Level of Support (B1/B2/B3)

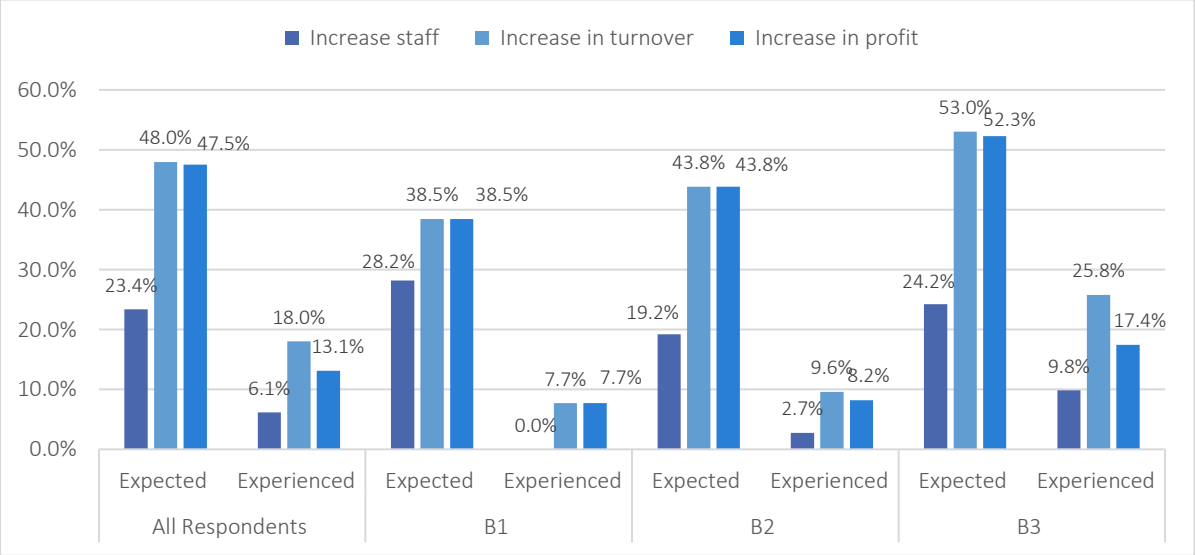
	B1	B2	B3	All
Improve business planning	12.8%	39.7%	46.2%	38.9%
Grow the customer base or reached new markets	33.3%	37.0%	37.9%	36.9%
Improve the business' efficiency	7.7%	27.4%	42.4%	32.4%
Increase networking and collaboration	17.9%	38.4%	27.3%	29.1%
None	35.9%	26.0%	28.0%	28.7%
Develop new/better products, processes or systems	12.8%	23.3%	34.1%	27.5%
Made the business more resilient	5.1%	23.3%	35.6%	27.0%
Helped my business to survive	15.4%	16.4%	35.6%	26.6%
Access funding for growth or investment	20.5%	19.2%	17.4%	18.4%
Improve staff skills, knowledge or retention	12.8%	8.2%	19.7%	15.2%
Increased innovation and R&D activity	10.3%	6.8%	18.2%	13.5%
Other	5.1%	9.6%	6.8%	7.4%

Source: Marketing Means HotSW Growth Hub Survey
Base: B1 = 39; B2 = 73; B3 = 132; All Respondents = 244

7.3 Bottom-line Benefits

All respondents that had achieved the "intermediate benefits" above were asked if the support they had received had led to, or they expected it to lead to, increases in number of staff, turnover or profit. Only a minority of respondents had experienced these impacts at the time of the survey with larger proportions expecting to in the future. Figure 35 below shows that across the whole sample, only 6.1% (15) of respondents reported an increase in staff to date, but 23.4% (57) expect to see an increase in the future. In terms of turnover, 18.0% (44) had experienced an increase to date, with 48% (117) expecting to see an increase in the future. Similarly, in terms of profit, 13.1% (32) had experienced an increase to date and 47.5% (116) expected to see an increase in the future. 54.5% (133) of the whole sample indicated that they have or expect to experience at least one bottom line benefit. Unsurprisingly this was higher amongst B3s, with 60.6% (80) indicating at least one benefit, compared to 48.0% (35) for B2s and 46.1% for B1s (18).

Figure 35: Experienced/Expected Impacts by Respondent Type



Source: Marketing Means HotSW Growth Hub Survey
Base: B1 = 39; B2 = 73; B3 = 132; All Respondents = 244

The characteristics of those businesses that have - or expect - to achieve a bottom line benefit have also been explored in order to identify any trends/patterns that could help inform future segmentation approaches. Businesses reporting or expecting to see an increase in jobs, turnover or profit were:

- More likely to be B3s. 60.6% of B3s had or expected to see an increase in jobs, turnover or profit, compared with 46.2% of B1s and 48.0% of B2s;
- More likely to be rural. 58.2% of rural businesses had or expected to see an increase in jobs, turnover or profit, compared to 46.8% of urban businesses; and,
- More likely to have a positive plans for current growth. 65.3% of businesses with a cautious plan for growth, 54.3% of those with a moderate plan for growth and 57.9% of those with a rapid growth plans had or expected to see an increase in jobs, turnover or profit.

Whilst there were some differences by sector, it is most likely that these differences reflect the sectoral emphasis of the B3 support provision. The differences between pre-start/trading businesses were marginal.

Gross Impact – Jobs

Just 9.8% (13) of B3s had increased the number of staff they employed and only 2.7% (2) of B2s had done so[21]. The monitoring data for these businesses shows that all 15 businesses had fewer than 10 employees and 5 of them had 'no employees'. A total of 17.9 additional Full Time Equivalent (FTE) staff members were taken on by the 15 businesses (1.6 FTE by B2 respondents and 16.3 FTE by B3 respondents). When 'scaled-up' to the appropriate population of businesses (i.e. the total population in each group surveyed), we estimate that the total gross increase in jobs is 65 FTE.

Table 10: Gross Job Impacts by Type of Support

	B1	B2	B3	Total
Number of businesses that have created a job	0	2	13	15
Total Jobs created in sample (FTE)	0	1.6	16.3	17.9
Sample size	39	73	132	219
Average jobs created	0	0.0219	0.123	
Population	364 'minimal contact' B1s	944	362	
Estimated gross impact	0 FTE	20.5FTE	44.5FTE	65FTE

Source: Marketing Means HotSW Growth Hub Survey
Base: B1 = 39; B2 = 73; B3 = 132; All Respondents = 244
Population: HotSW Growth Hub monitoring data (Dec 2018)

Gross Impact - Turnover

A quarter (25.8%, 34) of B3s reported an increase in turnover compared to 9.6% (7) of B2s and 7.7% (3) B1s.[22] Of these, businesses in the Accommodation and food services sector and Education sectors accounted for 15.9% (7) each of businesses reporting an increase. Likewise, businesses with

[21] 1 B1 also reported an increase in staff, but then stated this question was not relevant when asked to report how many staff members had been taken on. This response has been excluded from the analysis.
[22] 1 other B3 and 2 other B2 respondents also reported an increase in turnover, but then stated that this question was not relevant or reported a 0% increase. These responses have been excluded from the analysis.

a turnover of between £0-24,000 constituted 45.5% (20) of all those experiencing an increased turnover. The actual percentage increase was reported by 42 respondents and their responses fall into the categories shown in Table 12 below. For the businesses in each group, we were then able to calculate the average turnover uplift. This ranges from 1.5% for B1s to 13.8% for B3s. However, it should be noted, that these figures are conservative, as some businesses were not able to quantify the uplift in percentage terms and these were assumed to be zero. The analysis then used baseline turnover data (from the Growth Hub's monitoring records supplied with the sample) to estimate the median baseline turnover for the sample and from this the average turnover uplift in pounds[23]. This was then multiplied by the population for each group to produce an estimate of the gross impact in terms of turnover. This calculation has resulted in a gross impact of approx. £2.96m turnover for the Growth Hub.

Table 11: Breakdown of Turnover Increase and Calculation of Gross Impact

	B1	B2	B3	All
No increase	31	58	86	175
Don't know	5	9	13	27
1-9%:	2	0	7	9
10-24%:	0	4	16	20
25-49%:	0	0	4	4
50-74%:	1	1	3	5
75-99%:	0	0		0
100% or over:	0	1	4	5
Average turnover uplift (%)	1.5%	2.4%	13.8%	9%
Median turnover (from monitoring data supplied with sample)	£35,000	£12,000	£50,000	n/a
Average turnover uplift (£)	£525	£288	£6,900	n/a
Population	364 'minimal contact' B1s	944	362	1,670
Estimated gross impact - turnover	£191,100	£271,872	£2,497,800	£2,960,772

Source: Marketing Means HotSW Growth Hub Survey
Base: B1 = 39; B2 = 73; B3 = 132; All Respondents = 244
Population: HotSW Growth Hub monitoring data (Dec 2018)

Gross Impact – Profit

17.4% (23) of B3s had experienced an increased profit, considerably higher than either B2s (8.2%, 6) or B1s (7.7%, 3). All but one of these were a micro business and half (16) had a turnover of £0-£24,999. Further, 32 of these respondents estimated the percentage increase and the distribution of these increases are seen in Table 13 overleaf. As we do not have baseline profit data, we have not attempted to estimate a gross impact in relation to profitability.

[23] It should be noted that the monitoring data in relation to turnover is not 100% complete, therefore may not be 100% reliable.

Table 12: Percentage Increase in Profit

	B1	B2	B3	All
1-9%:	2	0	8	10
10-24%:		3	9	12
25-49%:		0	3	3
50-74%:		2	1	3
75-99%:		0		
100% or over:		1		
Don't know/unclear	1		2	

Source: Marketing Means HotSW Growth Hub Survey
Base: B1 = 39; B2 = 73; B3 = 132; All Respondents = 244
Population: HotSW Growth Hub monitoring data (Dec 2018)

7.4 Estimating GVA Impact

As the Growth Hub does not collect GVA data from businesses, it is necessary to calculate the GVA impact arising from the business growth using proxy indicators. There are two proxy indicators available to us:

- Calculating GVA from job creation – applying a GVA per filled job figure for HotSW of £42,146/filled job; and,
- Calculating GVA from turnover increases – applying typical turnover: GVA ratios. This data is taken from the ONS Annual Business Survey[24]. This data estimates that typically GVA represents 33.2% of turnover across the whole economy[25].

Table 14 shows that the estimated GVA arising from the jobs uplift equates to £2.96m and the GVA arising from the turnover uplift equates to £0.98m. As both of these are proxy methods, it suggests that the true value lies between the two figures. This range should also be considered a minimum range, given that many respondents found it challenging to estimate their bottom line benefits and a high proportion indicated that they expected to see bottom line benefits in the future.

Table 13: GVA Impact Arising from Jobs and Turnover Growth

	B1	B3	B3	All
Gross jobs uplift	0 FTE	20.5FTE	44.5FTE	65FTE
Gross turnover uplift	£191,100	£271,872	£2,497,800	£2,960,772
Estimated GVA arising from jobs		£863,993	£1,875,497	£2,739,490
Estimated GVA arising from turnover	£63,445.2	£90,262	£829,270	£982,976

Source: Buckman Associates, 2019

7.5 Additionality

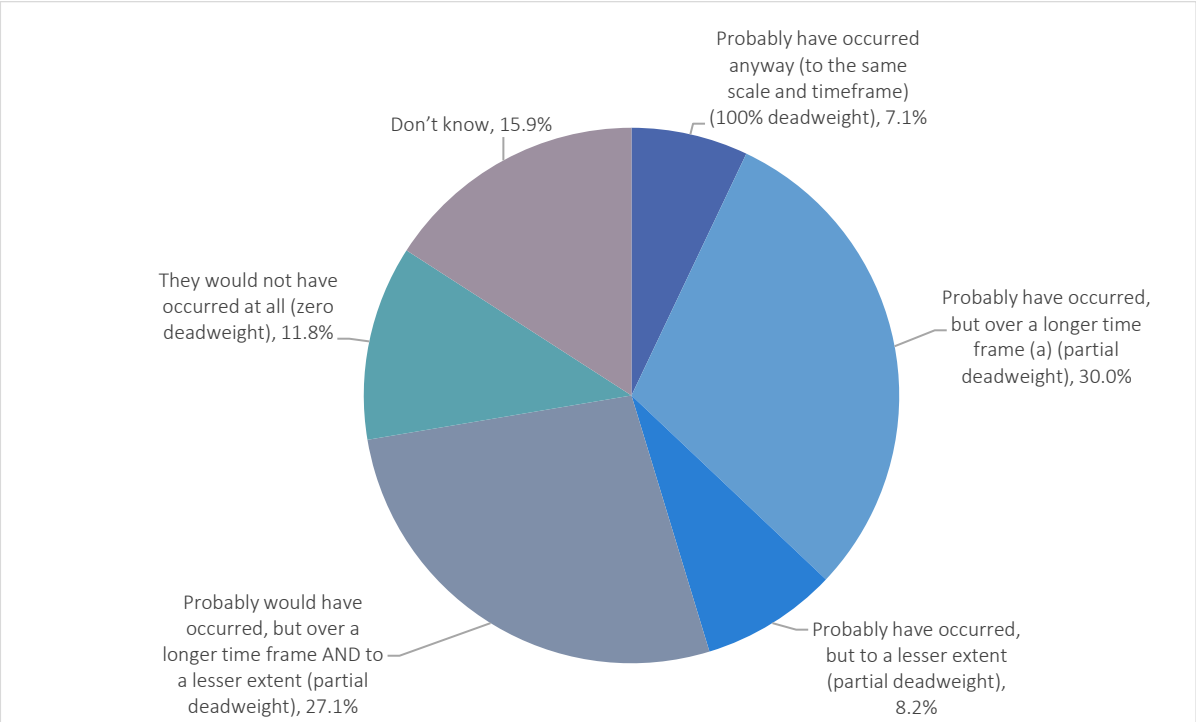
The evaluation has explored additionality through several questions in the business survey, as well as through the Growth Hub's customer feedback data. Those businesses who reported achieving bottom line benefits were asked what proportion of the identified growth they would attribute to

[24] Annual Business Survey (2016 results) - ONS
[25] This figure represents a 3 year average (smoothing out inter-year variability in the data) for the whole economy (excluding financial businesses) across the UK

the support received through or referred to by the Growth Hub. Whilst not all respondents were able to quantify this, 52 respondents answered the question, with answers ranging from 0% through to 100%. The average attribution was 33% for the whole sample, but this varied according to the type of support, standing at 6.7% for B1s, 29.5% for B2s and 35.5% for B3s.

The survey also explored the issues of deadweight in a more qualitative sense by asking about the extent to which the impact would have occurred anyway without the support. As shown in Figure 36 below, 11.8% (20) of all respondents reporting an impact felt that the impacts would not have occurred at all if they had not received support from the Growth Hub (no deadweight). In contrast, only 7.1% (12) felt that it would have occurred anyway (100% deadweight). The remainder, felt that the impact would have been lesser (8.2%, 14), taken longer (30%, 51) or a combination of lesser and longer (27.1%, 46).

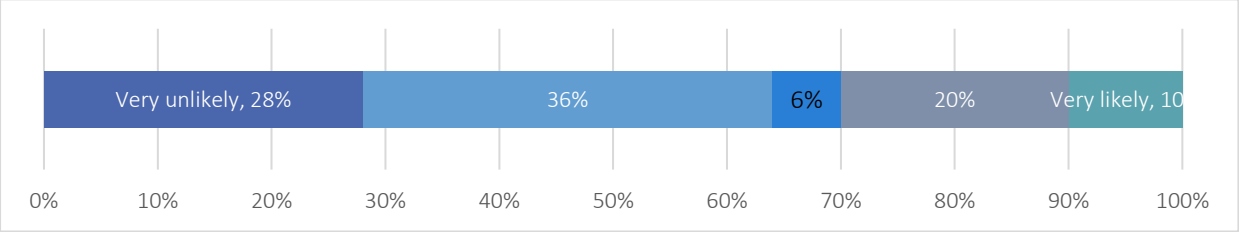
Figure 36: What Would Have Happened Without Support - whole sample



Source: Marketing Means HotSW Growth Hub Survey
Base: All Respondents Reporting an Impact (B1 = 9; B2 = 44 ; B3 = 107; All Respondents = 170)

Some insight into the additionality of the Growth Hub's more intensive support is also provided by the customer feedback data (see Figure 37). Over a quarter (28%, 44) of B3 beneficiaries stated that in the absence of Growth Hub support they were very unlikely to have carried out the same activity and a further 36% (57) indicated that they were unlikely to have done so – indicating positive additionality of 64%.

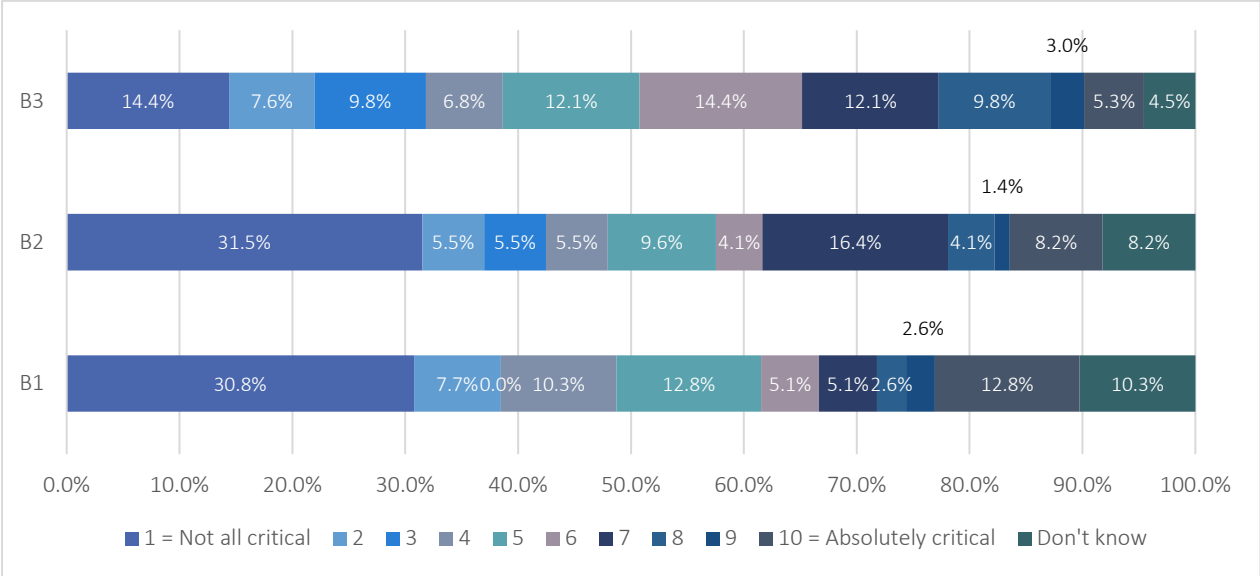
Figure 37: Likelihood of Undertaking Activity in the Absence of Growth Hub Support



Source: Growth Hub customer feedback data. B3 only
Base: 157

Figure 38 below explores the extent to which the Growth Hub was critical for business growth and success. Overall, the business survey found that 16.8% of beneficiaries ranked this at 8 or above.

Figure 38: Extent that the Support has been Critical for Business Growth and Success



Source: Marketing Means HotSW Growth Hub Survey
Base: All Respondents Reporting an Impact (B1 = 9; B2 = 44 ; B3 = 107; All Respondents = 170)

Overall the evaluation evidence suggests:

- That additionality is low, as would be expected from a low intensity service; and,
- That additionality is highest amongst B3s and lowest amongst B1s, as would be expected reflecting the intensity of the support.

It is proposed that the following reductions are made to the gross impact findings to account for deadweight:

- B1 – 90% reduction
- B2 – 70% reduction
- B3 – 60% reduction

Table 15 below shows that the Growth Hub has created 41.05 net additional jobs, with an associated GVA uplift of between £0.62m and £1.73m

Table 14: Net Economic Impacts by Type of Support

	B1	B2	B3	All
Net jobs uplift		14.35	26.7	41.05
Net turnover uplift	£171,990	£190,310	£1,498,680	£1,860,980
Net GVA arising from jobs		£604,795	£1,125,298	£1,730,093
Net GVA arising from turnover	£57,100.68	£63,183.40	£497,562.00	£617,846.08

7.6 Value for Money

In this section, we explore the Value for Money from the investment in the Growth Hub through a Return on Investment (ROI) calculation. Please note that an attempt was also made to benchmark the HotSW Growth Hub against other Growth Hubs in England. However, whilst we have been able to secure financial and KPI data from some other Growth Hubs in order to undertake this exercise, the lack of consistency in how they have reported this information makes reasonable comparisons impossible.

Return on Investment

ROI explores the ratio between costs and benefits, discounted over time. As we have estimated GVA arising from job creation as well as GVA arising from turnover uplift, Table 16 below shows that the net return on investment ranges from 1.24 to 3.5, depending on the route to GVA utilised. For a low intensity support service, a positive ROI is a considerable achievement.

Table 15: Return on Investment

	Public sector cost assumptions	Benefit assumptions	Other assumptions	Estimated net Return on Investment
GVA arising from jobs growth	£1.44m investment since launch in Feb 2016 through to December 2018	Net GVA =£1,730093	Net GVA will persist over 3 years[26]. Costs/benefits will be discounted by 3.5%	£1 invested equals £3.5 in net benefits
GVA arising from turnover growth	£1.44m investment since launch in Feb 2016 through to December 2018	Net GVA =£617,846	Net GVA will persist over 3 years. Costs/benefits will be discounted by 3.5%	£1 invested equals £1.24 in net benefits

[26] As benchmarked in RDA Evaluation Practical Guidance on implementing the evaluation framework, December 2009

Key Findings: Impact

- 70% of businesses participating in our survey reported experiencing at least one business benefit as a result of the support provided through or recommended by the Growth Hub.
- Intensively supported businesses (B3) were more likely to have experienced at least one benefit than referred (B2) or engaged businesses (B1).
- 39.3% of businesses reported achieving improved business planning, 23.8% reported improved business efficiency and 23.0% have developed new/better products, processes or systems.
- A greater proportion of businesses expect to see benefits arise in the future, particularly amongst businesses referred (B2) and businesses engaged (B1) suggesting that there is a greater time lag between receiving the support and benefits accruing for this group.
- Over half of the sample indicated that they have or expect to experience a bottom line benefit (i.e. increased jobs, turnover or profit), with a higher proportion found amongst intensively supported busiensses.
- Despite the high numbers experiencing or expecting to experience bottom line benefits, few businesses were able to quantify the scale of these benefits. The estimated gross jobs arising from the Growth Hub and associated support equates to 65 FTEs when scaled up to the whole population and the estimated gross turnover uplift is £2.96m. However, these figures are likely to under-estimate the gross impact, as not all respondents could estimate the scale of growth.
- When converted to GVA the estimated Gross GVA uplift arising from job creation was £2.74m and the gross GVA uplift arising from increased turnover was £0.98m. As both of these are proxy methods, the true value is likely to be in this range.
- Additionality was found to be low, as would be expected from a low intensity service and varies across the three groups. The gross findings have been reduced by 90% for B1s, 70% for B2s and 60% for B3s, reflecting the evaluation evidence.
- The net jobs uplift is therefore 41.05 FTE and net turnover uplift £1.86m. The net GVA is estimated to lie between £0.62m and £1.73m.
- Value for Money was explored in turns of net ROI, which found an estimated ROI of between 1.24 and 3.5. This positive ROI represents a significant achievement for a low intensity support service.
- Benchmarking with comparator areas was attempted, but the differences in terms of methodologies used for reporting costs and benefits make this meaningless.

Section 8: Strategic Impacts

8.1 Introduction

This section of the report provides an overview of the Growth Hub's strategic impacts. It draws on information provided within the bi-annual reports to BEIS along with feedback provided by stakeholders that were consulted during the evaluation. It focuses on strategic relationship development, the degree to which the Growth Hub is helping to simplify the business support landscape and its capacity to respond to emerging agendas such as support for scale-ups.

8.2 Developing Strategic Relationships

Growth Hubs have an important role to play in building and strengthening relationships both with and between partners. According to the October 2018 bi-annual report, the Growth Hub had 18 Operational Level Agreements (OLAs) in place with key local and national players including the Department for International Trade (DIT) and the associated ERDF Export for Growth project. It also had a further 35 Business Support Provider Agreements (BSPAs) in place with various business support schemes and service providers. The Growth Hub is particularly proud to have developed what it describes as one of the strongest Better Business for All (BBfA) joint working partnerships in the country. They have produced joint assets including a comprehensive set of resources on a dedicated BBfA area of the website,[27] a short video jointly to promote regulatory services advice to business, an easy to use directory of Local Authority and Regulatory authority contacts and comprehensive information, guidance and signposting.

As highlighted in the introduction, the Growth Hub is tasked with delivering partner events on a monthly basis at different locations across the whole of the LEP area. This established practice compares favourably with some of the comparator LEPs, some of which are looking to introduce regular meetings with partners or have recently done so. In addition the Growth Hub works with partners to deliver shared events, such as the business sessions at the LEP Conference. Evidence from both stakeholders and the bi-annual reports indicates that attendance at these events can vary and not all of the stakeholders that engaged with the evaluation had attended any of the events personally. However, where feedback was received, the consensus was that they are extremely well run and are very useful:

> *"Good [for] networking and helps everyone to keep up to date with what each other is doing"*

> *"They are useful and the tone, style and content is about right"*

One stakeholder also commented on how welcoming the Growth Hub team were at their partner events, taking time to make sure that attendees are comfortable with the format. The view expressed was that the events provide a good platform for enabling different providers to have a better understanding of each other's offer and some stakeholders indicated that they had helped to improve relationships between the different providers. However, it was also pointed out that, in some respects, the tendering process for the Growth Support Programme and other interventions

[27] https://www.heartofswgrowthhub.co.uk/better-business-for-all/

such as Enhance (for Social Enterprise) which required organisations to come together to bid for contracts may have had a more significant impact on relationships.

Overall the Growth Hub team was described by stakeholders as being communicative, collaborative and open. Stakeholders generally felt that it had been proactive in building relationships and most were confident that the Growth Hub is engaging effectively at a local level with the public sector and with those organisations that deliver publicly funded business support. However, it appears that its efforts to forge wider strategic relationships – i.e. with the private sector and with national providers are less visible. The recent bi-annual reports highlight activities such as:

- Developing a free B2B supplier directory for commercial providers on the Growth Hub website with over 140 suppliers listed. This directory is designed to reinforce connections to the private sector, providing suppliers with a route to market and providing businesses with an easy place to seek out the right supplier to meet their specific needs;
- Participation in a major Export Roadshow event hosted by DIT;
- Working with the National Business Support Helpline and Regulatory Delivery unit at BEIS;
- Engagement in conjunction with the LEP on a Memorandum of Understanding (MOU) with Innovate UK; and,
- Emerging connections with the European Space Agency (ESA) and associated activity such as the applied satellite technology catapult in Cornwall.

However, when pressed stakeholders found it hard to comment on these broader relationships. It was suggested that most of the significant private sector business support providers such as banks and solicitors will have an awareness of the Growth Hub and a number of them are known to engage with Growth Hub events. However, stakeholders questioned how deep those relationships go and even less was known about the Growth Hub's engagement with national organisations.

8.3 Simplifying the Business Support Landscape

Building on the above, one of the main aims of Growth Hubs is to help simplify the business support landscape. However, in reality this may be beyond their gift to achieve in full as they have limited control over the supply of business support provision. This is particularly the case locally in a landscape that includes a separate ERDF Growth Support Programme. It is perhaps not surprising therefore that stakeholder views on the extent to which this objective has been achieved were mixed:

> *"Not sure… I'm really positive about the Growth Hub and the energy of the team. It has certainly brought something different into the landscape but I'm not sure that anything has really been simplified"*

What Growth Hubs can do, however, is to a) clearly identify the support that is on offer; and, b) make it easier for businesses to access that support. From our Growth Hub's perspective what they have tried to do is package together baskets of support and simplify the messaging around them (i.e. packs for start-ups, packs for scale-ups etc). Locally, in addition to developing OLAs/BSPAs, the LEP has given the Growth Hub a contractual requirement to provide an annual update of a business support mapping exercise that was completed during 2015/16 and this has been achieved. Further,

notwithstanding the comments above about relationships with the private sector and non-local provision, stakeholders commented positively on how hard the Growth Hub team has worked to identify relevant providers and really understand their offer. Indeed many indicated how they rely on the Growth Hub for that intelligence:

> *"All business support providers are bombarded on a daily basis with information and it's a constant challenge to sift through and stay up to date, particularly with ERDF programmes which come and go. The Growth Hub keeps on top of who is out there and what they are doing so we knows where to go to for what"*

> *"It's really complicated out there, even for people like me who operate in that space. The Growth Hub keeps on top of what's going on/who is doing what etc and I rely on them to be on top of it"*

The second part of the equation is delivered through the provision of a single point of contact, or "front door" for businesses that are looking to access support and stakeholders were generally positive about this:

> *"A single point of access has got to be a good thing for businesses"*

> *"It has definitely made things simpler"*

However, reflecting previous comments, some stakeholders felt that there is still confusion within the business community as a result of the Growth Hub/Growth Support Programme dynamic. Others also felt that the "front door" has only made things simpler for those that know about it and indicated that there is much more work to be done.

8.4 Responding to Emerging Agendas

Stakeholders were asked to comment on how well the Growth Hub has been able to respond to new agendas as they emerge. The feedback here was mixed. Some stakeholders pointed to particular briefings that the team has given along with new features emerging on the website as signs that the Growth Hub is responsive. There is certainly evidence that the Growth Hub has been pro-active on its website around topical issues. For example:

- It provided an on-going General Data Protection Regulation (GDPR) campaign leading up to and beyond the GDPR implementation date of 25th May; and,
- It provided BREXIT preparedness pages in the run up to the UK's withdrawal from the European Union.

There was also some suggestion that one of the strengths of the present service is that they have responded well to developing their service based on the LEP's changing needs and also the feedback received from the wider business community. However, other stakeholders suggested that the Growth Hub by and large tends to deliver "business as usual" irrespective of emerging agendas. One of the challenges here is that within the current model the Growth Hub does limited direct business support delivery so will inevitably be reliant on other provision to respond to some of these

challenges. Equally challenging is the fact that, as a procured service, there is a limit to what can reasonably be delivered differently within the scope of a specified contract, although the Growth Hub believes that it has responded in good faith to requests for changes. However, it was suggested that changes of direction would be easier to implement with more notice and greater clarity over expectations. Meetings that brought together the Growth Hub, the LEP and BEIS to review and plan the forthcoming year's activities may be beneficial.

One of the key areas of focus for the government in recent years has been support for "scale-ups" and this has now been embedded within the funding principles for Growth Hubs (see section 2). In response, a research project was initiated in 2017, working through the Great South West partnership of LEPs, to better understand the scale-up potential and growth aspirations of businesses locally; and to identify recommended actions to maximise the potential growth from those businesses. The Growth Hub subsequently formulated an action plan for identifying businesses that were suitable for scale-up support. Separately from this we understand that a paper was also presented by the Business Leadership Group and approved by the LEP Board last year. This included a request to run a pilot scale-up programme which is in the process of being procured by the LEP drawing on lessons from attendance at a Scale-up Institute Workshop in Leeds.

Key Findings: Strategic Impacts

- The Growth Hub has 18 Operational Level Agreements (OLAs) in place with key local and national players including the Department for International Trade (DIT) and a further 35 Business Support Provider Agreements (BSPAs) in place with various schemes and providers.
- There is evidence that the Growth Hub has been proactive in building and strengthening relationships both with and between partners, however, from a stakeholder point of view this has predominantly been with the public sector and local providers of publicly funded business support. Efforts to engage more broadly have been less visible locally.
- The monthly Growth Hub events for partners have been well received and appear to have provided an effective platform for helping partners to understand each other's offer.
- The extent to which the Growth Hub has simplified the business support landscape is less clear, however, given that it does not control the supply of business support provision this is arguably not entirely within its gift to achieve
- What it has achieved is a good (and highly valued) understanding of the provision that it available and a "front door" through which businesses can access it.
- Stakeholders were positive about the role it has played in this regard. However, some felt that there remains confusion within the business community, particularly as a result of the Growth Hub /Growth Support Programme dynamic. Others indicated that the "front door" is only available for those businesses that know about it, suggesting that there is still work to be done on marketing the offer to raise awareness.
- Feedback on the extent to which the Growth Hub has been able to respond to new agendas as they emerge was mixed. There is certainly evidence that the Growth Hub has been pro-active on its website around topical issues and some felt that one of the strengths of the present service is that they have responded well to developing it based on the LEP's changing needs, however, other stakeholders felt that it tends to deliver "business as usual" irrespective of emerging agendas.
- One of the challenges here is that within the current model the Growth Hub does limited direct business support delivery so will inevitably be reliant on other provision. Equally challenging is the fact that, as a procured service, there is a limit to what it can reasonably deliver differently within the scope of a specified contract. Timing and clarity can add to this challenge.
- Regarding scale-up support specifically, as one of the government's biggest emerging agendas for Growth Hubs, an action plan has been formulated and a pilot project is being procured.

Section 9: Future Delivery

9.1 Introduction

This section of the report explores the question of how the Growth Hub could evolve going forwards. It draws on evidence from:

- The business survey which asked what businesses want from the Growth Hub;
- Our review of comparator areas which explored models from other places; and,
- Our interview with stakeholders which covered their perspectives on the delivery model.

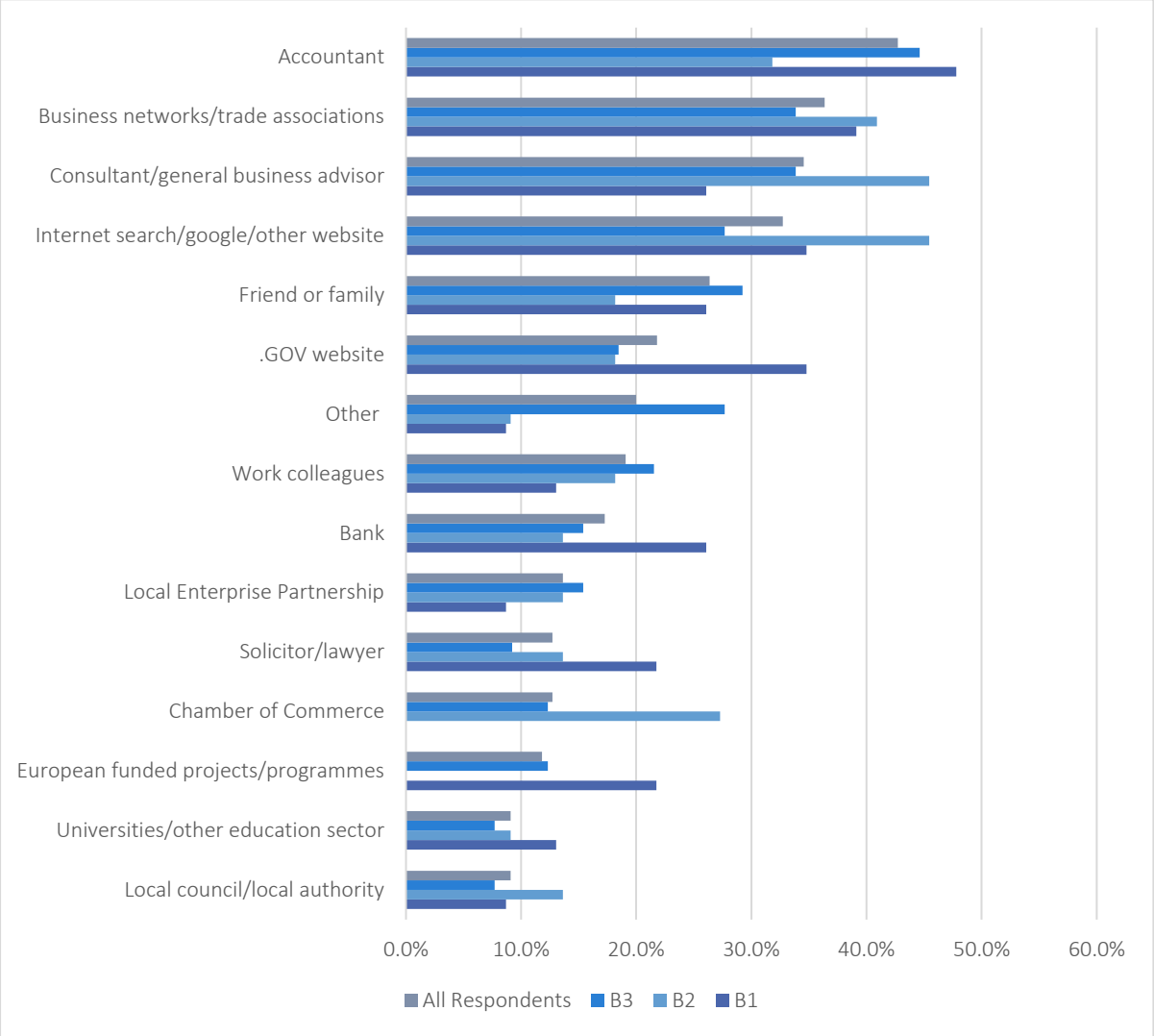
However, a full options appraisal or the detailed development of future proposals is outside the scope of this evaluation. This section therefore offers some "food for thought" for the LEP as it develops its plans to take the Growth Hub forward post March 2020.

9.2 Business Support Needs

45.1% (110) of businesses that participated in our survey had accessed business support services in the past (rising to 60.0% for B1 businesses but only 30% for B2 businesses). Interestingly, 50% (56) of businesses that had future plans for growth[28] had accessed support services in the past, compared to 41.0% (54) of those that did not have plans to grow. Of those that had used support before (see figure 39), the most frequently used types of support were accountants (42.7%, 47), followed by business networks/trade associations (36.4%, 40) and then consultants/general business advisor (34.5%, 38). When explored by B1/B2/B3 status we see the overall pattern is maintained, although B2s were less likely to use an accountant (31.8%) and more likely to use an internet search/google/other website or consultant/general business advisor (45.5%, 10).

[28] Those indicating their future plans for growth were either cautious, moderate or rapid

Figure 39: Types of Organisation that have Provided Advice in the last 12 Months.



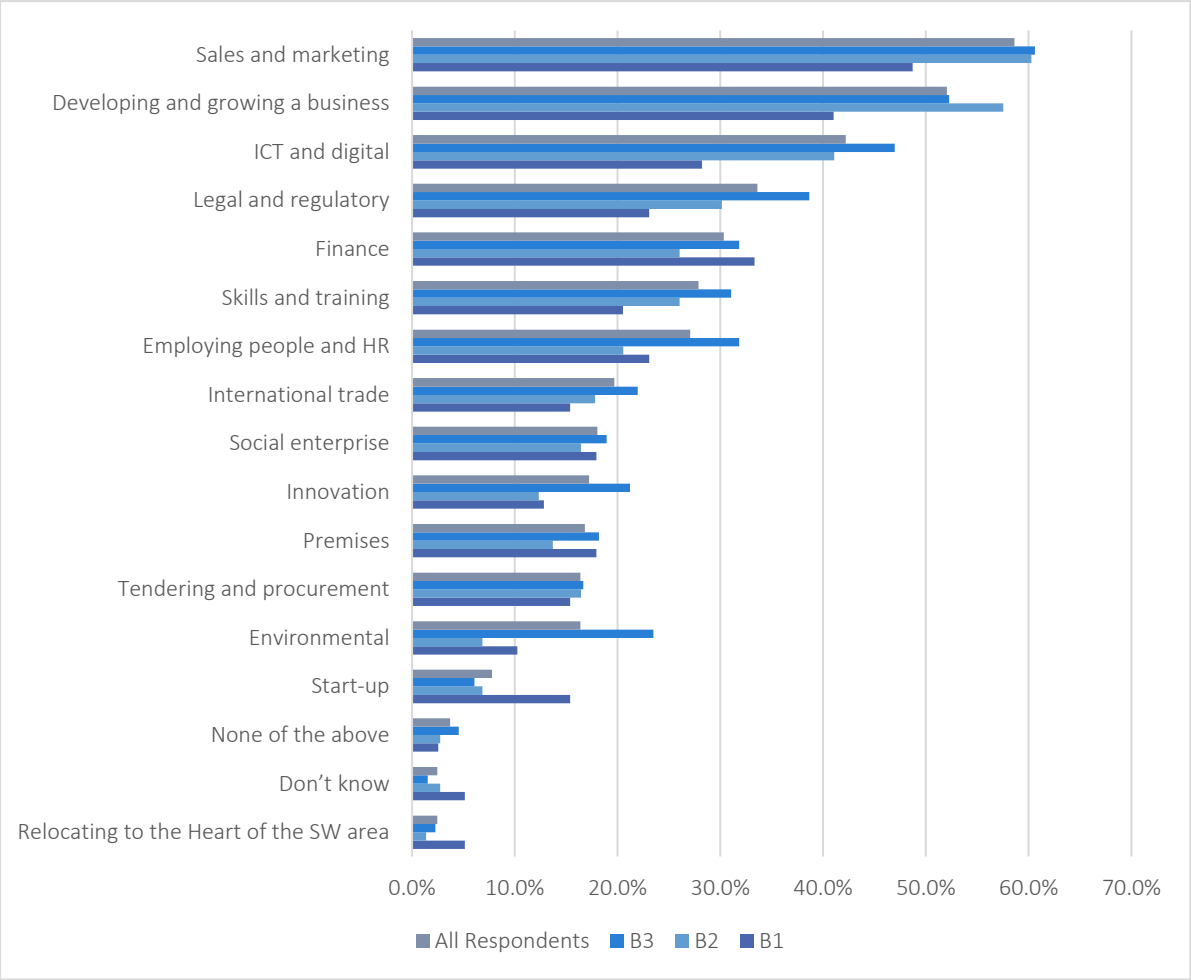
Source: Marketing Means HotSW Growth Hub Survey
Base: B1 = 39; B2 = 73; B3 = 132; All Respondents = 244

Results show that 69.7% (170) of respondents felt that they have a good knowledge of where to go if they need support with their business. This was highest amongst B3s at 75.8% (100) and lowest amongst B1s (48.7%, 19). However, this did not vary when cross-tabulated by those that had accessed support before, suggesting that accessing support previously does not necessarily equip businesses with knowledge of where to go for support. However, 75.9% (85) of businesses with future plans for growth did have good knowledge of where to go, compared with 64.4% (85) of those who did not have future plans for growth.

Figure 41 overleaf shows the type of support that businesses feel they are likely to need in the future. This shows that 58.6% (143) are likely to need 'sales and marketing' support in the future and this was the most frequently selected in all three groups (B1, B2, B3). This was followed by 'developing and growing a business' with 52.0% (127) of the whole sample selecting this type of support. Overall the types of support required did not vary markedly between the B1, B2, and B3 groups. The most significant difference was that B3s selected on average 4.3 types of support,

compared with B2s, who selected 3.6 and B1s who selected 3.4. This may indicate that intensive support helps businesses to better understand their future support needs.

Figure 40: Type of Business Support Needed in the Future



Source: Marketing Means HotSW Growth Hub Survey
Base: B1 = 39; B2 = 73; B3 = 132; All Respondents = 244
Note: Totals exceed 100% as respondents were able to select more than one option.

When explored in terms of businesses with future plans for growth, compared with those without future plans for growth, we see the same top three types of support. However, those respondents with future plans for growth were more likely to require support with 'legal and regulatory' (ranked 4th with 41.1% %, 46) and 'employing people' (ranked 5th with 35.7%, 40). Those without future plans were more likely to select 'finance' (ranked 4th with 28.0%, 37). Those businesses with plans for growth selected on average 4.6 types of support compared with 3.5 for those without plans for growth. This indicates that they have a greater awareness of their support needs.

Table 16 overleaf shows that respondents prefer to receive 1:1 business reviews face to face, as well as 'advice to start or grow their business.' However, on-line was the preferred method to receive information on business support programmes, events or workshops, latest business news and to access supplier databases. Few respondents selected the telephone as their preferred method of engagement for any of the activities. Of the various 'other' responses (9%, 22) received common themes included networking events - in particular aligned to their sector or area of interest.

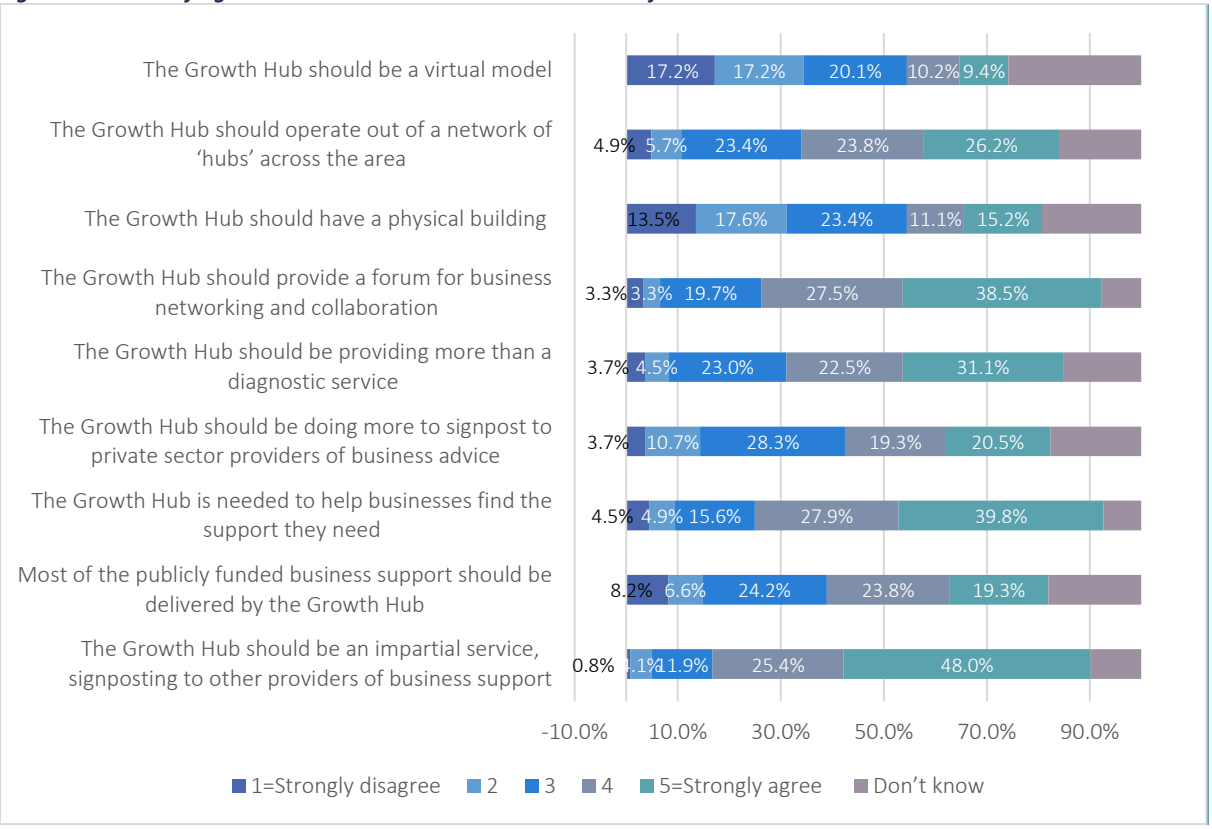
Table 16: Preferred Method of Engagement

	Don't know/ not applicable	Face to Face	On-line (website, emails, chat etc.)	Telephone
Information on business support programmes	4.5%	16.8%	74.6%	4.1%
Information about events or workshops	4.5%	5.3%	87.3%	2.9%
1:1 business review	11.5%	68.0%	18.0%	2.5%
Advice to start or grow my business	15.6%	58.6%	23.4%	2.5%
Latest business news in my area	8.2%	3.3%	87.3%	1.2%
Supplier database	22.1%	3.3%	72.5%	2.0%

Source: Marketing Means HotSW Growth Hub Survey
Base: All Respondents = 244

The survey also asked respondents to rank the extent to which they agreed with a series of statements about the role of the Growth Hub. As can be seen from Figure 41, there was strong agreement that the Growth Hub should be an impartial service that sign-posts to others but just over 40% agreed or strongly agreed that it should deliver publicly funded business support. There is some indication that a physical presence would be desirable and around half of businesses surveyed felt that it should operate out of a network of hubs. There was also interest in the Growth Hub providing a forum for business networking and collaboration with almost two-thirds of respondents either agreeing or strongly agreeing with this statement.

Figure 41: Extent of Agreement with Statements about the Role of the Growth Hub



Source: Marketing Means HotSW Growth Hub Survey
Base: All Respondents = 244

As well as the feedback above, businesses were able to provide open comments about the future role of the Growth Hub. A selection of comments is included below:

- *"Good to have **local drop-in sessions** or events. Helps to be able to mix with others and for the hub catch people in different areas".*
- *"Hopefully it will continue and provide business support for businesses like ours as it can be **quite isolated** otherwise".*
- *"I found it very useful and it is important that people keep being signposted to it so they know it is there. **They do not need to take over or duplicate what local groups are doing**, the Hub offers something different".*
- *"I have found it a huge help Just being able to talk to someone and get their advice and being **impartial** has been so important to me"*
- *"I think it's a great organisation. I haven't heard a lot from them since I got the help other than generic emails so perhaps they could **improve their aftercare** and make it more **personal**".*
- *"I think it's **outdated now.** Technology has moved on so dramatically that the Growth Hub needs to move with the times and equip people with how to run their business and change with the changing dynamics in the business world. It needs to be more **specific to the organisation or business itself** rather than trying to cover all business types across completely different industries. People want individual support for their area. There also needs to be **more online workshops or webinars or blogs to train people** how to do things. They could also network individual businesses that are the same or similar so that they can help each other online to improve whichever area they're focusing on".*
- *"I think that the advisers that they select to offer the advice need to be **specialists and professionals** who have established businesses…, I believe that they're getting worse because they are **focused on their own ends**, their own projects and hitting their personal targets to keep going and therefore they don't seem to be very aware of the quality of service they're offering to the user. They should provide grant money and **enable us to select our own advisers** - they could have a list which we could select from, which they did do once previously….. It could also be useful for them to use advisers who we already know e.g. our own accountants. This could save time. Currently, I think an awful lot of time is **wasted by ticking boxes** - they come round and ask you questions about your business and that's it because the time is up and you get very little from them.*
- *"I'd like to see more networking. It feels more like a service than a community - perhaps it could develop more of an **interactive, community**".*
- *Offer a **wider range of training courses** and run courses in **multiple locations** across the region. Somebody needs to provide these services in a way that is accessible for average SME's (meaning people who are busy as hell)…*
- *"I think it's a great idea and potentially very useful for small businesses in the SW, especially as a free service. However, I was very disappointed with the facility that I accessed i.e. the "one to one" business advice, which did not deliver as expected. I think the quality of the business advisers needs to be more carefully assessed and advisers should be **better matched to users requirements**. Also, there should be a more formal process, in place, for **follow ups**…*

- *"Growth Hub should offer courses on how to be a director, business planning and practical advice and access to funding. Without meaningful teeth and resources government or other funding is wasted".*
- *"They should work out a way to **make people want to read their newsletter**. I think they should listen to the Audiobook "Do open" which is about emails and newsletters to get some advice and inspiration. **Too often they look boring** - they don't make it interesting and too often you're busy and it doesn't look like there's anything there. They write the letter as though it's for them but **I'm not interested in how good it is for them - I'm interested in what benefit it will provide for my business"**.*
- *"To have more in depth involvement, engagement is too time limited".*

9.3 Comparator Areas

Whilst it is understood that every Growth Hub has been set up slightly differently, there are nevertheless a number of key variables that determine the shape/characteristic of Growth Hubs. These include their approach to:

- **Direct delivery versus signposting** – i.e. the extent to which the Growth Hub delivers direct business support or simply signposts to other providers;
- **Physical bases/multiple bases/virtual delivery** – i.e. the role of physical space within the Growth Hub offer;
- **Support for sectors/themes/types of business such as scale ups** – i.e. the extent to which the Growth Hub prioritises support for specific business needs or local priorities;
- **Business networking/ownership** – i.e. the extent to which the Growth Hub provides a forum for business networking/collaboration or representation for the business community; and,
- **The preferred delivery organisation** – i.e. whether the service is delivered internally (by the LEP itself), through a partnership model or externally through procurement.

In our review of comparator areas, we have explored how other LEPs have approached these issues. The review has drawn on a combination of desk based research as well as conversations with key contacts at some of the Growth Hubs, where this has been possible to arrange, as detailed in Table 17 below.

Table 17: Comparator Areas

Comparator Area	Desk Based Review	Conversation
Marches	✓	✓
Enterprise M3	✓	✓
South East Midlands	✓	✓
West of England	✓	✓
Swindon and Wiltshire	✓	
Gloucestershire	✓	
York, North Yorkshire and East Riding	✓	

Source: Buckman Associates Ltd, 2019

The process of selecting the comparator areas started with a search for Growth Hub evaluation reports from across the UK, with a preference for areas that had similar characteristics to HotSW. This was supported by BEIS who emailed Growth Hub leads from across the country help find Growth Hubs who were prepared to share evaluation material. This initial search found several evaluation studies; of particular relevance was the Marches Growth Hub, which included a review of other similarly rural Growth Hubs. These formed a "shortlist" for further research and BEIS were asked to help us make contact with representatives from each. For each Growth Hub we reviewed information on-line and then developed a series of follow-up questions to explore through conversation. In the time available, we have been able to complete conversations with four representatives from other areas. A detailed overview of each comparator area is included in appendix 1 (including those where it has not been possible to follow-up). Table 18 overleaf provides a summary of the key findings for the Growth Hubs where we have been able to establish contact.

Table 18: Summary of Comparator Growth Hubs (GH)

Growth Hub Parameters	Marches	Enterprise M3	SEMLEP	West of England
Size of business base	30,780	79,460	90,615	45,010
Direct Support vs signposting	Focuses on linking businesses to intensive support delivered by partners BUT partner projects are delivered under the banner of the GH. The GH is pioneering a partnership approach to data sharing, with providers required to share data	Delivers a universal service and dedicated growth service. Also bidding for ERDF funds to deliver internationalisation support. Uses quarterly business support provider forum to ensure effective signposting	Has combined two GHs. Previous experience found that direct delivery led to the GH being perceived as a competitor, inhibiting referrals. ERDF is now used to fill gaps and provide additionality. A Partnership manager is employed to improve relationships	Up until now the GH has operated a low intensity model of signposting and referral to other support. However it is now migrating to a new medium intensity model that will include more face to face diagnostic followed by appropriate referrals
Physical presence	Virtual Hub with 3 physical hubs resourced and staffed by partners (including a university)	Virtual service	Under the old model, an informal physical presence evolved which proved popular with micros and start-ups but has not been taken forward	Virtual service with regular, scheduled 'drop in' service at key locations across the area as well as events
Support for sectors/themes/ scale-ups	Open to all, but with some nuancing through the physical hubs	The re-focused service includes a specialist growth service for businesses operating in key sectors/niches and scale ups, in response to need for greater segmentation	The newly launched service includes: • A gateway for all • A core business advice service providing face to face • A high growth business advice service for scale ups	The new model includes a high growth support service for scale-up businesses as well as a strategic account management function
Business networking/ ownership	Stakeholders in the Marches area believe it should avoid becoming a membership organisation.	Link with Enterprise Nation to offer 1 month free trial membership	Link with Enterprise Nation to offer 12 months' support	Has a support provider network, with quality assurance processes including provider charter
Delivery organisations	Partnership model - currently delivered in house by the LEP and its partners at the physical hubs. Whilst this has brought additional resource it has not been without challenge	Procured and delivered by BE group with expert partners SETsquared, Business South and the County Councils. Considered bringing in-house, but decided not to	The new model is delivered in house by the LEP. It is believed that the LEP's independence from its constituent local authorities gives it credibility with private sector	The service is delivered in house by the West of England Combined Authority on behalf of the LEP
Innovative ideas	• Transfer of helpline to national business support helpline • Skills Portal • Partnership model of delivery has levered significant resources		Once the new model is operational, a key objective will be to improve the linkages between the LEP and the Growth Hub to ensure the service is more integrated (i.e. working closely with the inward investment teams)	• Innovative on-line tools • Drop-in surgery style delivery across area • Development of account management function

7.4 Stakeholder Perspectives

Stakeholders were also asked whether they thought the Growth Hub's current delivery model is right for the HotSW area moving forward. The generic feedback indicated that the model broadly works as it is, although many felt that the team would benefit from additional business advisor resource. The view expressed was that whilst the Growth Hub's online resources are very good a lot of businesses prefer to have a face-to-face diagnostic and often respond better to that approach:

> *"Often a business doesn't actually know what it needs - it may say it needs one thing but it can be symptomatic of another problem that the business is unaware of and it's only by human interaction that those things emerge"*

Another related suggestion was that the team could benefit from the availability of more experienced online advisors who could use a clearer initial diagnostic tool (something like Forum 21) to better segment the inquiries that do come through, thus ensuring that resources for face-to-face work are most effectively targeted. Whilst a face-to-face diagnostic is often provided by a delivery partner in the current model, including the ERDF Growth Support Programme, evidence suggests that there is still a degree of confusion about who is eligible for what. Also, given that these schemes may not be there in the future, the requirement for more face-to-face interaction could become more acute.

Over and above this, when asked to comment on the more detailed aspects of delivery some people readily admitted that they were "on the fence," recognising the pros and cons of different approaches and feeling the need to have more evidence of how delivery works (or not) elsewhere to inform their opinions. Where firmer views were expressed they tended to be quite divergent. For example when asked whether the Growth Hub could/should be more involved in direct delivery some felt that it definitely should do so and others felt that this would compromise its integrity and impartiality. Likewise, when asked whether a physical base was needed whilst most people felt that a physical presence would be very beneficial to help increase visibility and collaboration a small number felt that it was an unnecessary waste of money. These views are summarised in section 7.5.

Stakeholders were also asked to reflect on what else, if anything, the Growth Hub could be doing to support the LEP in addressing the area's productivity challenge. There was some appetite here for an increased focus on scale-ups. A variety of other suggestions were also put forward including an increased emphasis on up-skilling businesses in particular areas such as Leadership and Management as well as Digital and Access to Finance/Bid Writing. Additionally, several stakeholders indicated that they would like to see the service become more "intelligence-led." It was pointed out that the Growth Hub routinely gathers information on business requirements and also on business support provision. Stakeholders would like to see these activities joined together more coherently and potentially contextualised through economic intelligence and business surveys in order to inform strategy development.

7.5 Summary of Evidence

Growth Hub Parameters	Lessons from Elsewhere	Business Perspectives	Stakeholder Perspectives
Direct support vs signposting	• Too much direct delivery can damage the relationship with wider providers (SEMLEP) • Growth Hubs are managing the relationship with the provider network in varying ways ranging from quarterly meetings, to the introduction of a partnership manager, although HotSW has already been doing this • In the Marches, wider ERDF provision is delivered under the banner of the Growth Hub and the Growth Hub is working towards a model of data sharing to allow monitoring/tracking across the ecosystem	• Almost three-quarters of businesses that responded to the survey agreed or strongly agreed that the Growth Hub should be an impartial service that sign-posts to others • Just over 40% agreed or strongly agreed that most publicly funded business support should be delivered by the Growth Hub	• Mixed views. Support for this from some quarters but also a concern that direct delivery could duplicate other provision or even distort the market • Could limit the diversity of provision and expertise • Impartiality of the Growth Hub could also be compromised • Some suggestion that it could potentially fill gaps where there is no provision • However, there was widespread support for an increase in 1:1 face-to-face business advisor time as part of the initial diagnostic
Physical presence	• Most Growth Hubs have focused on virtual delivery • The Marches have achieved a strong physical presence through a partnership approach where partners cover the cost of running and staffing the centres. Whilst this has levered considerable resources, it has not been without delivery challenges • The West of England has adopted a 'drop in' surgery style approach, utilising the existing network of incubation/enterprise centres in the area. This may have merit in HotSW	• Just under 20% of businesses that responded to the survey agreed or strongly agreed that growth Hub should operate as a virtual model • Just over a quarter of businesses that responded to the survey agreed or strongly agreed that the Growth Hub should have a physical building • Around half of businesses that responded to the survey agreed or strongly agreed that the Growth Hub should operate out of a network of hubs	• Most (though not all) felt that a physical presence would be beneficial but some considered it to be a waste of money • Any physical space would need to be a very visible • The geographical challenges of HotSW were noted (i.e. where would you put a physical base/bases) • Some suggestion that the Growth Hub could work with partners to hold drop-ins or surgeries across the area at designated times/locations • Also noted that more linkages could be made with the network of enterprise centres that HotSW has part funded

Growth Hub Parameters	Lessons from Elsewhere	Business Perspectives	Stakeholder Perspectives
Support for sectors/themes/ types of business	• Whilst some Growth Hubs are targeting specific sectors, most have or are developing scale-up support of some kind	• N/A - businesses not directly consulted on this	• Again mixed views. Some support for a greater focus on LEP priority areas but not at the expense of other business sectors • Introducing sector specialisms could present a delivery challenge • Also a concern that businesses don't always relate to a specific sector and could be inappropriately pigeon-holed • Some sector specific web pages could be useful • Some good practice identified in other local programme delivery where businesses have been brought together around themes rather than sectors
Business networking/ ownership	• Whilst none of the Growth Hubs reviewed for this study were based on a business membership style model, others elsewhere are run by Chambers of Commerce or set up to be a membership organisation • Nearly all Growth Hubs had some form of business directory; the West of England has developed a quality assured provider directory, whilst others have used 'Enterprise Nation'	• Two-thirds of businesses that responded to the survey agreed or strongly agreed that the Growth Hub should provide a forum for business networking and collaboration	• Caution about duplication with other networking or representative bodies • Could be restrictive if businesses wanted to engage that weren't a member
Delivery organisations	• Three of the four Growth Hubs reviewed were delivered 'in house' or in house through a partnership approach with other Local Authorities • SEMLEP believe that the LEP's independence from its constituent Local Authorities gives it more credibility with the business community	• N/A - businesses not directly consulted on this	• Very mixed views. Some felt that bringing it in house could: make it more agile; increase alignment with other local priorities and potentially avoid bureaucracy. Others cautioned about the potential lack of credibility if it was brought into the LEP and had concerns about it getting caught 'in the politics' • Also a view expressed that the people (rather than the organisation) are the most important consideration – getting the right delivery team

Section 10: Conclusions and Recommendations

10.1 Introduction

This final section of the report draws together the findings from our assessment of the Growth Hub and presents some concluding comments. These have been grouped together, for ease of reference, under the main evaluation objectives. The second half of the section goes on to offer recommendations for future delivery.

10.2 Assessment of the Growth Hub

Operational Effectiveness

Evidence shows that the Growth Hub **has delivered - and in some cases over-performed** - against its contractual targets as summarised in Table 19 which indicates that it is operationally effective. The service delivery has also, for the most part, been well received by businesses and stakeholders alike.

Table 19: Summary of HotSW Growth Hub Achievements against Targets

	Deliverables	Overall Target	Profile Target (Dec 2018)	Actual
B1	Number of (countable) businesses engaged	4,200	4,075	**5,327**
B2	Number of businesses referred to local or national schemes	840	805	**971**
B3	Number of businesses receiving more intensive support	400	380	**377**

Source: HotSW Growth Hub Dashboard, December 2018

The evaluation has considered various aspects of its operation in more detail, including:

- **Marketing and promotion** – which is undertaken by a small marketing team and may be seen as one of the "pinch-points" in terms of resourcing. Many stakeholders felt that awareness of the Growth Hub within the business community could be improved, however, the challenge of engaging harder to reach groups was also acknowledged and it was felt that the team is probably doing the best it can with the resources available. The limitations to its visibility were also noted given that the Growth Hub does not currently have a physical base. There is potentially scope for greater collective marketing/promotion of the Growth Hub by all local partners, reflecting the limitations of the central budget. Equally, BEIS could consider a central marketing campaign to raise awareness of all Growth Hubs.
- **The website** – which is the primary channel through which business actually engage with the Growth Hub and it is continuously being developed. The website provides a range of resources so that businesses can use it as a self-help tool, facilitating access to wider sources of support but because of this many users of the Growth Hub are not captured in KPI statistics reported to Government. Overall the website was seen as a good resource by stakeholders although some B1 businesses in particular reported that they could not find what they were looking for on it. The events pages were highlighted as a particularly useful feature by stakeholders but would benefit from more providers adding their events to the

calendar. Online forms, such as those being developed by Enterprise M3 could potentially assist with this.

- **The referral process** – which seems to be working well. Efforts to "hide the wiring" for businesses that are referred to the ERDF Growth Support Programme have paid dividends. Notwithstanding the largely positive feedback on the referral process overall, however, there was a degree of disappointment expressed from some providers that they had not received as many referrals from the Growth Hub as they had expected. From the Growth Hub's perspective there would ideally be a stronger obligation for providers to feedback to the Growth Hub on what happened as a result of the referral. Equally, it was suggested that the delivery would work better if referrals back to the Growth Hub happened consistently and in every case, thus enabling the team to provide the "wrap-around" support that they had envisaged.
- **The intensive advisor support** – which is a much smaller part of the service and is currently targeted at businesses primarily in sectors that do not typically qualify for any of the available ERDF support. This is highly valued part of the service but could potentially benefit from additional resources to enable more face-to-face engagement with businesses as part of the diagnostic process. There was also some suggestion that there could be a clearer segmentation strategy in place to determine which businesses would most benefit from the service.
- **Support for emerging agendas such as scale-ups** – which is perhaps more challenging. It is evident that he Growth Hub has been pro-active on its website around topical issues and changing LEP needs, however, some stakeholders felt that it tends to deliver "business as usual" irrespective of emerging agendas. One of the challenges here is that within the current model the Growth Hub does limited direct delivery so will inevitably be reliant on other providers. Equally challenging is the fact that, as a procured service, there is a limit to what it can reasonably deliver differently within the scope of a specified contract. Timing and clarity on expectations can add to this challenge.
- **Stakeholder engagement** – which is a vital part of the Growth Hub's role and there is evidence to show that the team has been proactive in building and strengthening relationships both with and between partners. The monthly partners events have been well received and appear to have provided an effective platform for helping partners to understand each other's offer.
- **Business support simplification** – which is the "holy grail" for Growth Hubs but given that in HotSW the Growth Hub does not control the supply of business support provision this is arguably not within its gift to achieve. What it has achieved is a good (and highly valued) understanding of the provision that it available and a "front door" through which businesses can access it. However, stakeholders would like to see the service become more "intelligence-led." The Growth Hub routinely gathers information on business requirements and also on business support provision. It was suggested that joining these activities together more coherently and contextualising them through economic intelligence and business surveys could be a powerful tool to inform strategy development and support the simplification agenda.

Comparison with Models Elsewhere

Every Growth Hub has been set up slightly differently and in our review of comparator areas we have explored how other LEPs have approached a number of structural issues:

- The comparators recognised the need for Growth Hubs to be perceived to be **independent/impartial** and indeed SEMLEP found that when the Northamptonshire Growth Hub delivered a large ERDF project involving significant intensive support, it was perceived to be a competitor by other providers in the area. The Marches on the other hand responded to this challenge by delivering wider ERDF provision **under the 'banner'** of the Growth Hub;
- Most Growth Hubs have focused on virtual delivery models, except for the Marches, which has a **strong physical presence, funded and resourced via partners**. The West of England however, has adopted a **'drop-in' surgery style approach**, utilising existing physical hubs in the area. This approach would have some merit in the HotSW area, **capitalising on the HotSW's significant investment in enterprise infrastructure**;
- Whilst some Growth Hubs are targeting specific sectors, most have or are developing scale up support of some kind. Ensuring that the HotSW scale up project and the Growth Hub complement and support each other will be critical to addressing this agenda effectively;
- Three of the four Growth Hubs reviewed were delivered 'in house' or in house with complementary support delivered by partners in local authorities. Whilst SEMLEP believes that the **LEP's independence from its constituent Local Authorities gives it more credibility**, the partnership model adopted by the Marches LEP allowed some **integration between the Local Authority services and the Growth Hub, bringing added value**. The partnership style of working adopted by the Marches LEP mean that the relationship between the Growth Hub core team and its partners is more collegiate. Meanwhile the West of England LEP is looking to **further integrate the Growth Hub with wider combined Authority/LEP activities**, including the development of a **key account function**.

Penetration Rates

Depending on how you measure engagement, the Growth Hub's **penetration rate is between 7.4% and 9.2%, which is a little lower** than seen in our comparator areas. However, in practice, the calculated penetration rate for all the Growth Hubs is likely to be **an over-estimate** as the ONS business counts tend to under-estimate the number of micro businesses, self-employed and pre-starts. The data also show **some sectoral and geographic variations** and these differ between the B2, B2 and B3 cohorts:

- **B1 businesses** – show an over-representation within the Education, Arts, entertainment and recreation, Manufacturing and Other service activities. The proportions in Agriculture, forestry and fishing, Construction and Real estate on the other hand are much smaller than the sectoral profile. Geographically, Exeter, West Devon and Plymouth are over represented within the B1 profile and Sedgemoor, Torbay and South Somerset are under-represented.
- **B2 businesses** – also show an over-representation in Manufacturing, along with Other service activities, Education and Arts entertainment and recreation. Agriculture, forestry and fishing and Construction continue to be under-represented within this group.

Geographically, Plymouth continues to be over-represented within the B2s and Sedgemoor is the most under-represented area.

- **B3 businesses** – show an over-representation in Education followed by Manufacturing. Under-representation continues to be seen in Construction but is less significant for B3s in Agriculture, forestry and fishing – reflecting the focus on sectors not eligible for ERDF support. However, we do see a B3 under-representation in Information and communication and Professional, scientific and technical activities. The geographic profile of B3 businesses also differs considerably from both the B1s and B2s with Torridge, North Devon and South Hams being the most common locations for this group. Sedgemoor and Torbay businesses were the most under-represented and with the exception of Mendip, **all Somerset districts were under-represented**.

Impact on Businesses

Our evaluation has shown that **70% of businesses that took part in our survey had experienced some form of benefit** from their engagement with the Growth Hub, the most common being improved business planning followed by improved the business efficiency. Unsurprisingly, the B3s tended to report the most benefits.

Over half the sample indicated that they have or expect to experience a bottom line benefit (i.e. increased jobs, turnover or profit), with a higher proportion found amongst intensively supported businesses. Despite the high numbers experiencing or expecting to experience bottom line benefits, **few businesses were able to quantify the scale of these benefits**. The estimated gross jobs arising from the Growth Hub and associated support equates to **65 FTEs** when scaled up to the whole population and the estimated **gross turnover uplift is £2.96m**. However, these figures are likely to **under-estimate the gross impact**, as not all respondents could estimate the scale of growth. The estimated gross GVA uplift arising from job creation was **£2.74m and £0.98m** was associated with the turnover uplift. As both of these are proxy methods, the true value is likely to be in this range. **Additionality was found to be low**, as would be expected from a low intensity service and varies across the three groups. After adjusting for additionality, the net jobs uplift is 41.05 FTE and net turnover uplift £1.86m. The **net GVA is estimated to lie between £0.62m and £1.73m.**

Value for Money

Value for money was explored in turns of net return on investment (ROI), which found an estimated **ROI of between 1.24 and 3.5**. This positive ROI represents a **significant achievement for a low intensity support service.** Benchmarking with comparator areas was attempted, but the differences in terms of methodologies used for reporting costs and benefits make this meaningless.

10.3 Recommendations

In an ideal world more resources would be available to increase the reach and impact of the Growth Hub. However, in the absence of more funding, based on the assessment above, we offer some practical recommendations. It is suggested that consideration could be given to the following areas for future Growth Hub development:

- **More systematic use of intelligence to inform strategy and service delivery**. This would ideally combine the supply and demand side data that the Growth Hub routinely collects with a wider set of intelligence such as economic and business trend data as well as bespoke business surveys. Although this is beyond the scope of the current Growth Hub contract, by systematically "joining the dots" the Growth Hub would have a clear evidence base from which to prioritise service delivery. This type of information could also play a vital role for the LEP and its partners in their efforts to address the area's productivity challenge and simplify the business support landscape.

- **Developing strategies to target the currently under-represented groups**. Evidence from the evaluation has shown that the Growth Hub's penetration rates vary across different geographies and sectors. Although this information is regularly shared with Local Authority partners it is suggested that more focus could be given to understanding the reasons for the under-representation and working proactively with partners in the localities to address this. This may require targeted campaigns with local partners to both raise awareness and convert engagements.

- **Developing a clearer strategy for segmenting businesses for the intensive support**. Given that resource for the face-to-face diagnostic work is limited, it is suggested that the Growth Hub could adopt a clearer, evidence based approach to channelling those resources in order to maximise impact. This would need to be developed with reference to emerging developments such as the scale-up pilot that is currently being procured in order to position this work most effectively within the wider landscape.

- **Obligate partners to refer back to the Growth Hub**. The Growth Hub's intention to refer businesses on to other business support providers with minimal diagnostic work on the understanding that businesses will be referred back for 'wrap around' care is limited by the fact that many organisations do not consistently refer their client back to the Hub post engagement. Growth Hubs elsewhere are working on methods to make this and data sharing obligatory and it is suggested that HotSW may be able to learn lessons from those endeavours. This would support local intelligence around the full customer journey for businesses that do engage with support but it would also ensure that businesses continue to be supported throughout their journey.

- **Automate the Growth Hub's events calendar**. The events pages on the website were singled out as both a strength and weakness. Whilst the concept and functionality have been warmly welcomed, evidence suggests that the delivery may be let down by the partners not routinely providing details of their events. It is very resource intensive for the

Growth Hub team to be proactively managing this and evidence from elsewhere indicates that one solution may be to provide an automated online system that partners can upload themselves.

- **Utilising existing enterprise space across the LEP for surgeries/drop-ins**. There is evidence that the Growth Hub's lack of physical presence may be a limiting factor for its service delivery but the creation of physical delivery spaces would be disproportionately expensive, especially within the HotSW geography. Evidence from elsewhere – and indeed from the delivery of other programmes within HotSW itself – indicate that an alternative approach could be to work with partners to develop a 'drop in' surgery style approach that builds on existing assets. HotSW has an excellent and growing array of enterprise and incubation spaces across the patch which could potentially be used by the team at set times during the week for direct business engagement. This activity could also potentially link with banks to support access to finance.

Appendix 1: Review of Comparator Areas

Name	Marches Growth Hub
Area covered	The Marches LEP area is one of the largest LEPs in the country (covering 2,300 square miles). It is home to 29,800 SMEs in a mix of rural and urban settings.
Key products/services offered	The aim of the Marches Growth Hub has been to offer a single point of access to information and guidance on business support available to enterprises across the region, regardless of size or stage of development. Support includes: • Website/virtual hub providing ability to search for advice and support, information about finance and funding, networking and events, employment and skills and research and development. It includes links to initiatives and programmes in the area • A skills portal enabling employers to search for courses and training, developed in partnership with the Marches Skills Provider Network • A monthly newsletter 3 physical hubs situated across the area providing a place where businesses can access face to face advice and support, meeting rooms for hire and networking The Shropshire Hub also has a place on the mobile library enabling the team to go out to over 240 villages over a 2 week period. The local helpline was transferred to the National Business support helpline in April 2018 as the majority of callers were pre-start businesses. The transfer has allowed these resources to be re-allocated to deliver other Growth Hub priorities. Key to making this a success has been monthly meetings with the national business support helpline and sharing information about the support that is available in the area, to ensure it is fully informed. The development of the skills portal has helped employers find training and skills development opportunities as well as understand the skills/apprenticeship offer and has been welcomed by the business community.
Virtual/Physical offer	The Marches Growth Hub includes a virtual hub which is supported by 3 physical hubs situated in Hereford, Shrewsbury and Telford and Wrekin. Two of the hubs are situated in buildings operated by the University of Wolverhampton with the aim of improving links with graduates and the wider business community, encouraging innovation and helping businesses to understand the needs of the local business community. This approach has been successful in achieving this aim with good levels of student traffic and graduate start-ups. The third is co-located with the Chamber of Commerce and

	DIT within the Shropshire Council owned building. The physical hubs are staffed by the three local authorities and the University of Wolverhampton who provide business support/economic development generalists to support the operation and provide a signposting service. The cost of the physical hubs are borne by the local authorities and university partners. This approach is thought to be: • right for the area and its diverse needs • welcome on the ground, in particular where the hub offers space for people to meet, work and also feel part of a business community • important, allowing the physical hubs to target specific sectors and types of business according the needs of their localities • cost effective and recognises the strength of partners and • aligns with local authority account management system and ties in with wider economic growth initiatives championed by the LEP The 3 physical hubs have the freedom and flexibility to deliver wider services to suit the needs of their local area and have tried innovative methods of engagement including: • Links with town councils/town clerks • Forming links with HR specialists/recruitment agencies • Development of 'netwalking' events to encourage businesses to come and talk and have a walk However, there are some challenges in co-ordinating this approach, including: • The use of differing CRMs between different partners has made monitoring challenging, although this is being resolved • Inconsistent communication/messaging by different partners has resulted in confusion
Sectoral/thematic focus	Overall the Growth Hub is open to all, although local delivery at the 3 physical hubs may be nuanced towards local priorities.
Role in direct delivery of support	The Marches Growth Hub focuses on linking businesses to intensive support from partners, rather than delivering business support themselves. Growth Hub partners however, deliver wider support under the banner of the Growth Hub (including a £1.2m ERDF funded project 'Building Business Confidence Programme', which is a mentoring scheme for both start-up and growing businesses. The project provides additional diagnostic support and business advice through the three physical hubs and also enables effective referrals to in-depth business support on offer). Stakeholders believe that it should remain a signposting service and avoid becoming a membership organisation and/or be involved in provision of

	diagnostic advice and support that is publicly funded. They believed its focus should be on lead generation/stimulating demand for business support.
Funding model	The Marches Growth Hub is designed to maximise leverage of public and private sector funds, with the BEIS grant (£205k 2018/19) being used to pay for the staffing and management of the virtual hub/hotline with the physical hubs paid for by partners. Contributions from partners (in relation to the physical hubs) for 2018/19 include: • Shropshire Council – approx. £130k • Telford and Wrekin Council – approx. £150k • Herefordshire Council – approx.. £70k • University of Wolverhampton – approx. £35k • University Centre Shrewsbury – approx. £2k
Delivery model	Delivered in house by the LEP and its partners. The Growth Hub has both a Steering Group and Operational Group. A key function of the Operational Group is to bring together the leads of all three physical hubs, the virtual hub as well as providers of the 23 other ERDF funded projects in the area to review what is happening on the ground, what businesses want and how support could be improved to reach un-engaged businesses. This is supported by comprehensive data which not only includes referrals to organisations, but the outcomes achieved through those referrals. However, this has been hard work to develop and still requires work.
KPI delivery	

	Cumulative since launch
Businesses that have received 'light touch' triage, information and or signposting support (excluding website traffic)	8,296
Total number of unique visitors to website	42,246
Businesses receiving 'medium intensity' information, diagnostic and brokerage support	191
Businesses receiving 'high intensity' support e	271

Implications for HOTSW	The Marches LEP has been able to resource physical hubs through its relationships with partners who have contributed buildings and staff to enable a physical presence to be developed. This model has proven to be cost effective, but is not without its challenges. Other practice for consideration by HOTSW includes: • The skills portal • The operational group to understand and interpret intelligence • Transferring the local helpline to the national helpline

Name	Enterprise M3 Growth Hub
Area covered	Enterprise M3 covers the counties of Surrey and Hampshire and is one of the most successful LEPs in England, 6th largest in terms of GVA. Running from the New Forest to Staines upon Thames, the Enterprise M3 area has no large conurbation, but does include 2 national parks and a rich natural environment.
Number of businesses	79,460
Key products/services offered	All businesses at any stage of their development can access and benefit from the Enterprise M3 Growth Hub's services including the Information Bank, the Resource Network and the Helpline (60 minutes free expert advice). The website includes a list of events and an offer of 1 month free trial to Enterprise Nation. Additionally, there is specialist growth advice targeted at businesses operating within key sectors. This came about following an independent review that found the Growth Hub could do more to segment its provision ensuring that in depth support is only provided to businesses with the most growth potential. The Growth Hub is currently in the process of launching its online community, which will include bespoke content, discussion forums and the ability for partners to upload events.
Virtual/Physical offer	The service is primarily virtual. Face to face interactions occur through the specialist growth service and events hosted by the growth hub.
Sectoral/thematic focus	If businesses operate in priority or niche sectors they are offered a personal service which includes: Dedicated Growth Champions who focus on supporting individual business's growth plans Bespoke growth plans developed with businesses based on their unique requirements and circumstances A trusted expert services network; the introduction of experts with a proven track record of delivering growth results with clients A wide variety of expertise including: developing new markets; finding finance; innovation; product development and developing staff Impact assessment; growth results really matter to businesses and to the local economy
Role in direct delivery of	At the current time, the Growth Hub delivers its universal service for all as well as the Growth Service dedicated to scale ups and businesses in niche/priority

support	sectors. It is currently part of a broader consortium that is bidding for ERDF funds to deliver internationalisation support. The LEP recognises the challenge of operating in the direct delivery space and uses a quarterly business support provider forum to bring the key providers around the table, to ensure that the Growth Hub is able to sign post effectively.	
Funding model	The Growth Hub receives £287k from BEIS which is topped up with £63k from SEEDA legacy funds held by the LEP.	
Delivery model	The Enterprise M3 LEP has procured its Growth Hub service, which is delivered by BE Group with its expert partners, SETsquared, Business South and the County Councils of Hampshire and Surrey, the Enterprise M3 Growth Hub is driving impact by working in new ways based on what businesses tell us they need, to help them fulfil their potential. The independent review considered alternative delivery mechanisms, but concluded that the best option was to continue with the existing model, with some re-focusing. The LEP was able to refocus the work as the changes were within scope of the original tender.	
KPI delivery		Cumulative since launch
	Businesses that have received 'light touch' triage, information and or signposting support (excluding website traffic)	Not provided
	Total number of unique visitors to website	Not provided
	Businesses receiving 'medium intensity' information, diagnostic and brokerage support	Not provided
	Businesses receiving 'high intensity' support	Not provided
Implications for HOTSW	The Enterprise M3 Growth Hub is also a procured service and the nature of the contract means that subsequent changes to re-focus the service have not presented difficulties. The Growth Hub has re-focused its services to ensure resources are used most cost effectively with only businesses with growth potential receiving more in-depth support.	

Name	South East Midlands LEP
Area covered	The Growth Hub supports small and medium sized businesses based in the South East Midlands area: Aylesbury Vale, Bedfordshire, Cherwell, Milton Keynes and Northamptonshire. It has one of the fastest growing economies in the country and is the number 1 LEP area for innovation.
Number of businesses	90,615
Key products/services offered	The South East Midlands LEP launched a new service in January 2019 which brought together the 2 Growth Hubs that previously served the area (following the merger of two LEPs). The new service includes has three core elements: • A Gateway service – connecting businesses to the best support aligned with their needs through a phone/email hotline • A core business advice service - providing face to face support to businesses that may not currently be aspirational, but could be and • A high growth business advice service – providing face to face support for businesses identified as having the potential for scale up It also produces: • Online resources • A monthly newsletter • Workshops (provided by the Growth Hub as well as other providers) • Membership of Enterprise Nation to help businesses access peer to peer support and access advice
Virtual/Physical offer	The service is now a virtual offer with no physical hubs.
Sectoral/thematic focus	The service is open to all sectors.
Role in direct delivery of support	As well as signposting SEMLEP also provide direct support through an events programme and are preparing to launch a new fully funded offer to deliver enhanced business support to scale-up businesses who have potential for significant expansion in the immediate future. However, experience prior to the merger found that delivery of too much direct support (e.g. via ERDF projects) can lead to other delivery partners viewing the service as a competitor.
Funding model	BEIS grant £451,000, plus ERDF support of : Velocity Growth Hub ERDF project of £426,293 ReadytoGrow ERDF project of £109,573

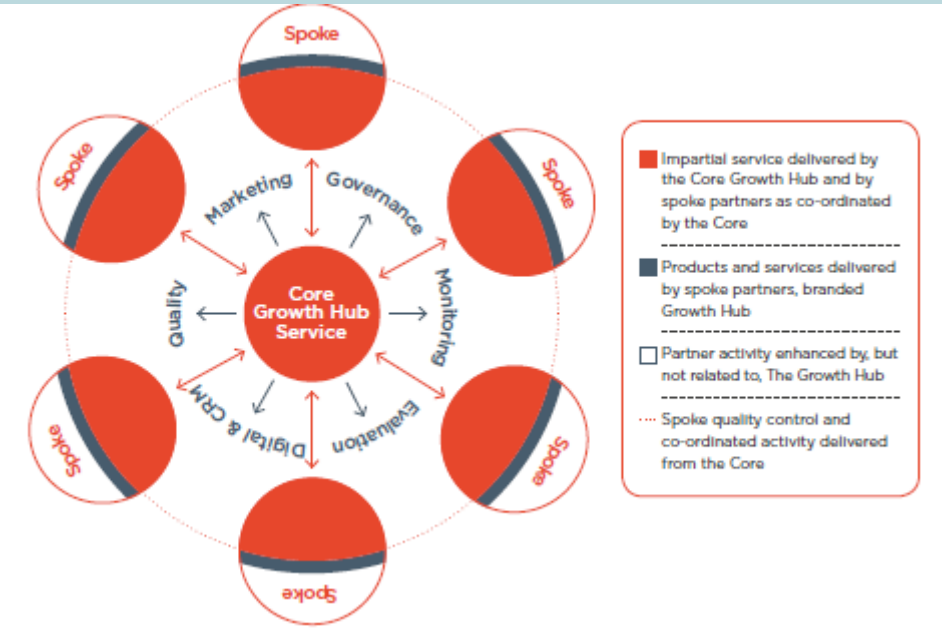
	Innovate Northamptonshire £457,838 (Note, the ERDF funding relates to past provision and is not part of the future funding model) As well as in kind support from the University of Northampton in the form of equipment and use of facilities.	
Delivery model	The new merged Growth Hub will be delivered 'in house', with the option to have additional staff seconded in from partner organisations. This will allow the Growth Hub operation to be more effective and responsive in meeting the delivery needs of their LIS and provide an opportunity to work in a more integrated way with the LEP in terms of data sharing, data analysis and supporting inward investment in the area. Prior to the merger one Growth Hub was delivered via a local university and the other had been delivered via a local chamber of commerce initially, until they pulled out. The team are of the view that the LEP's independence from local authorities in the area provides it with credibility with the business community to deliver the service internally.	
KPI delivery		Cumulative since launch
	Businesses that have received 'light touch' triage, information and or signposting support (excluding website traffic)	10,012
	Total number of unique visitors to website	94,190
	Businesses receiving 'medium intensity' information, diagnostic and brokerage support	7,269
	Businesses receiving 'high intensity' support	1,284
Best Practice and learning points	• The experience of delivering a large ERDF project through one of the Growth Hubs prior to the merger confirmed that this can result in the Growth Hub being perceived as a competitor • The independence of the LEP from Local Authorities gives the LEP the credibility to deliver the service internally • The internal service deliver allows closer integration with the wider LEP activities	

Name	West of England Growth Hub
Area covered	The West of England Growth Hub covers the West of England LEP area which includes Bristol, Bath, South Gloucestershire and North Somerset.
Number of businesses	45,010
Key products/services offered	The Growth Hub offers free support to businesses of all sizes and sectors, acting as a gateway to help businesses access specialists in business development, such as innovation, exporting, accessing finance or training. Businesses can use a self-service route online or contact the Growth Hub team, where advisors will listen to their needs and refer them to the right service. The self service route has three online tools to help businesses find the support they need: • Recommendations – The business completes some basic information about their company and the things they need help with and the tool will find and recommend suitable services • Search – Asks a series of questions about support needs to deliver a set of suitable services • Directory – Allowing the user to filter by type of support, category of support and business location The contact route allows businesses to phone or email the growth hub team. Alternatively, the Growth Hub team also provide a 'drop in' service at a number of key locations across the West of England, in the form of 'in-residence days'. In residence days run to a schedule, with set days each month, so it's always easy to work out where the team can be found. Businesses can drop in to these sessions with appointments lasting from 5minutes to 45minutes depending on need and can be booked in advance. The centres do not charge for room hire, as the presence of a business advisor on an agreed day each month, is beneficial to the business centre and has started to form part of their 'offer' when marketing their centre. The regular schedule is key to the success of this service, which helps to ensure that the Growth Hub is delivery to all parts of the geography, not just the city centre in Bristol. The website also includes an events page, where partners can list events.
Virtual/Physical	The service is primarily virtual, but supported with the drop in 'in residence'

offer	service, as well as events.	
Sectoral/thematic focus	The Growth Hub is sector/place blind.	
Role in direct delivery of support	The West of England Growth Hub has to date, focused on delivering a 'low intensity' service for all businesses, although it is currently migrating to a new, medium intensity model, which includes: **'Universal' support** – untailored services available to businesses of all shapes and sizes, with the Growth Hub team focussed on helping businesses to navigate these to easily reach free local and national resources. This may be predominantly through the website and Business Navigator. **'High Growth' support** – a more targeted programme for high growth potential firms via face-to face meetings with Business Engagement Officers, other WECA officers, and partners. These interactions will be 1:1 and '1:many' through events. The targeting would need to be informed by market intelligence and aligned with the 'competitive advantages' identified in the emerging Local Industrial Strategy. **Strategic account management programme** – strategically significant companies in the WoE, targeted for regular account management from senior WECA and UA officers. These are companies whose investment decisions will impact on the regional economy due to size, extent of supply chains and/or international prominence. This will require an ongoing high-level dialogue about barriers to growth, risks, and opportunities.	
Funding model	The West of England Growth Hub received £328,000 core funding from BEIS.	
Delivery model	The service is delivered in house by the West of England Combined Authority on behalf of the LEP.	
KPI delivery		Cumulative since launch (prior to recent changes)
	Businesses that have received 'light touch' triage, information and or signposting support (excluding website traffic)	5,059
	Total number of unique visitors to website	30,892
	Businesses receiving 'medium intensity' information, diagnostic and brokerage support	n/a
	Businesses receiving 'high intensity' support	n/a

Best Practice and learning points	Key areas of best practice/learning points for the Heart of the SW area are: • Use of online tools to help businesses find the support most relevant to them • Use of regular 'drop-in' sessions at key locations across the region has helped to raise awareness and encourage use of the Growth Hub service outside of Bristol as well as proving beneficial to the drop in locations (e.g. enterprise hubs) • The development of an 'account management function' for the area's key businesses is expected to improve ongoing dialogue with businesses whose investment decisions will impact on the regional economy. However, whilst this function will be carried out under the banner of the Growth Hub it will be delivered by senior WECA and local authority officers

Name	GFirst LEP **Note, this is based on published information and evaluation material about the Growth Hub. It was not possible to interview a representative.**
Area covered	The GFirst area compares well with other LEP areas seeing an above average growth in productivity since 2017. In 2017, Gloucestershire had 33,520 businesses.
Key products/services offered	The Gloucestershire Growth Hub evolved in a unique way as a partnership between the University of Gloucestershire and GFirst LEP to achieve a shared vision for a growth hub that *'drives high value, innovative and enterprising growth for the businesses of Gloucestershire with a Business School at its core, with global impact and strong business engagement, achieved through focusing on knowledge exchange and employability for students'.* In 2013 the University of Gloucestershire was unique in securing £2.7m HEFCE Catalyst funding to progress the first phase of the Gloucestershire Growth Hub for 3 years. This provided enormous flexibility for the Growth Hub to establish and operate over its first 3 years. Post HEFCE funding, the Growth Hub has re-positioned its services around the use of ERDF funding to support the core Growth Hub offer. But in addition to this, Local Growth Fund resources are being used to expand the network of sites and expand the Universities' Oxtalls campus with the creation of a physical hub that integrates the Growth Hub and Business School. The current offer is segmented according to the growth stage of the business: • All Gloucestershire businesses are able to access the online business support, attend our networking events and use The Growth Hub space. • The next tier (access to the Insight, Highlight and Spotlight business growth events) will be open to businesses that meet European Regional Development Fund (ERDF) eligibility criteria. • At a higher level, in-house Business Navigators and Business Guides are on-hand to offer bespoke support to businesses that show moderate growth and high growth respectively. Therefore an early-stage business can access each level of support in turn; as it grows and meets the criteria for the next. All businesses need to register online, through the online assessment tool which allows an assessment of eligibility and suitability.

Virtual/Physical offer	Business support can be accessed remotely via the website, telephone, or in-person either at the business premises or one of the 3 sites. The Growth Hub now has sites at Cirencester, Gloucestershire University and Tewkesbury. All offer co-working space, meeting rooms and networking alongside the opportunity to access advice. The University site also provides access to thought leading subject matter experts in the form of academic staff, access to students and graduates. The network model is based round the premise that in return for capital investment, partners deliver a Growth Hub service to businesses in their location and or specialist services for the network. All network partners work closely with the Core Growth Hub to deliver a 'no wrong door' approach to business engagement across the county. This has enabled the growth hub to extend the reach of what will become a county wide offering to business. Future hubs are planned in Cheltenham, Stroud and Mitcheldean and in addition, access points are available in 31 libraries supported by library staff.
Sectoral/thematic focus	The Growth Hub's offer is sector blind, with the exception of ERDF components
Role in direct delivery of support	The model below illustrates the role of the core growth hub and partners in delivering core growth hub and non-growth hub related activities.  As well as delivering the 'core Growth Hub', the University of Gloucestershire also delivers a further three European funded projects funded through 'the Growth Hub.
Funding model	Not clear from published material
Delivery model	The Gloucestershire Growth Hub is delivered through a partnership between

	the University of Gloucestershire and GFirst LEP (though a collaboration agreement).	
KPI delivery		Cumulative since launch
	Businesses that have received 'light touch' triage, information and or signposting support (excluding website traffic)	Not obtained
	Total number of unique visitors to website	Not obtained
	Businesses receiving 'medium intensity' information, diagnostic and brokerage support	Not obtained
	Businesses receiving 'high intensity' support e	Not obtained
Best Practice and learning points	• The requirement for all businesses to register online and the online diagnostic tool • The network model is very different from the current HotSW model, but there may be elements of the 'no wrong door' approach that could benefit the HotSW area	