



SCR Growth Hub Impact Evaluation Final Report

Sheffield City Region Growth Hub

December 2019

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General Disclaimer

The analysis contained in this impact evaluation report is based on management information provided by the Sheffield City Region Growth Hub. The evaluation has not included a data verification exercise.

Contact

Name Daniel Murray

Phone 07787 192 032

Email daniel.murray@carneygreen.com

www www.carneygreen.com

1. Executive summary

Growth Hub quantitative impacts

- 1.1 Sheffield City Region (SCR) Growth Hub's quantitative performance to date can be summarised as follows:
 - **Job creation:** 2,355.5 (gross) and 1,126 (net) jobs created¹ across the SCR
 - **Gross Value Added (GVA):** £114m (gross) and £55m (net) GVA
 - **Business funding:** £11.1m of business funding² awarded 320 grants to 310 businesses across the SCR
 - **Private sector leverage:** £119m of private sector leverage across the SCR
- 1.2 The Growth Hub has performed well against its gross job creation target: achieving 94.2 per cent of its job creation target (2,355.5 gross) and 45 per cent of its job creation target (1,126 net) with c22 months of its target delivery cycle remaining (to March 2021). In addition, a forward projection indicates a strong over performance on job creation of +1,219.5 which broadly reflects the predicted jobs in the Growth Hub's Client Relationship Management (CRM).
- 1.3 These outcomes compare favourably with other Growth Hubs and reflect the Department for Business, Energy & Industrial Strategy (BEIS) view that the SCR Growth Hub ranked in the 'upper quartile of the top quarter' against its peers nationally.
- 1.4 This strong performance is also testament to the volume and quality of data capture (via the CRM primarily) which compares favourably to the peer Growth Hubs analysed within this evaluation. This finding is further supported by BEIS's use of the Growth Hub's CRM as a good practice exemplar for other organisations looking to replicate its data capture and production of effective business information and impact insights.
- 1.5 This impact evaluation has shown that whilst the tiered model of the Growth Hub is well understood, the regional role of the Growth Hub requires further clarity. For example, the question of how best the Growth Hub can contribute to the SCR's Local Industrial Strategy

¹ All jobs identified as 'created' have been achieved following a direct intervention by the Growth Hub. For example, the Growth Hub team will have spent time working with the job creating business prior to its referral; i.e. identifying growth challenges and key priorities, getting them 'support-ready' and recommending the best available programme to maximise its growth objectives.

² Including Local Growth Fund business funding and Growth Hub Enhancement Project (GHEP) grants.

remains unanswered. The Growth Hub's impact, as evidenced in this report, should inform that regional role definition; for example, the Growth Hub has achieved most impact when working with large businesses with 'growth potential' and when delivering high intensity support. To maximise the Growth Hub's future impact these conditions should be replicated and scaled where possible.

Growth Hub qualitative Impacts

- 1.6 The Growth Hub is well managed, effectively operated and generally considered to be making an impact across the region. The Growth Hub team are viewed as 'dynamic' and 'can do' individuals with a strong commercial focus both in operation and attitude.
- 1.7 There is an increased understanding from businesses across the region that the Growth Hub is a single-entry point for business support advice and guidance. There has also been a steady increase in the volume and quality of referrals from the Growth Hub leading to increasingly positive outcomes for the businesses involved.
- 1.8 The Growth Hub's team of experienced business advisors specialising in business growth, skills and access to finance has delivered a range of softer/wider benefits for the businesses they have worked with, for example:
 - **Educational benefits:** helping businesses to benchmark and self-assess
 - **Opportunity cost benefits:** helping businesses to save both time, money and staff resources which can be utilised in more impactful ways
 - **Business confidence:** helping businesses make bolder more informed decisions
 - **Independent advice:** helping business build resilience and trust in their own judgement, experience and analysis
- 1.9 The Growth Hub has promoted and delivered a collaborative approach both in practice and ethos which has led to ever-increasing partnership working between the Growth Hub team and delivery partners across the SCR; as evidenced by the Growth Hub's responsiveness to promotion requests, data enquiries and/or general policy related queries. In addition, the Growth Hub has run a series of events to promote collaboration.
- 1.10 The Growth Hub has developed a strong database of SCR business management information and a unique 'in-house' perspective on regional business needs. The team are regularly asked, formally and informally, to provide a 'business view' on a range of enterprise-related policy proposals across the region.

Growth Hub engagement

1.11 A total of 6,086 businesses have engaged with the SCR Growth Hub since its creation. This figure represents 11 per cent of the total SCR business population and is broadly representative of that population, for example:

- **By local authority area:** Apart from Barnsley MBC, which is significantly overrepresented (+8.2%), all local authorities are within +/- 5 per cent of over or under representations
- **By size of business:** All of the size categories (micro (0-9), small (10-49), medium (50 to 249) and large (250+)) were within +/- 4 per cent 'over' or 'under' represented
- **By industrial sector:** 10 different sectors (ranked 1 to 10) account for 80.5 per cent of the businesses engaged

Value for money (VfM) / financial impact

1.12 This impact evaluation has shown the Growth Hub to be well managed in terms of budget control and financial management. Comparative data on expenditure management from other Growth Hub's is limited, however, for a four-year core budget of £4.4m to be showing a total underspend of <£10k indicates strong financial management.

1.13 The Growth Hub is funded from a range of sources (including Local Growth Fund; BEIS grant; and SCR LGF Growth Deal) and only has secure funding until March 2021. This short-term year by year funding regime, whilst a reality for all Growth Hubs, has made longer term strategic planning or investment extremely problematic for the Management Team. In the SCR Growth Hub's specific case, the majority of funding was already allocated³ prior to the appointment of the Head of Growth Hub which further restricted its ability to commission services or invest in specific products which could contribute to its financial self-sustainability or to the development of Growth Deals; as proposed in the original SCR Strategic Economic Plan (2014).

Method of measuring, evidencing and demonstrating Growth Hub impacts

1.14 The Growth Hub's approach to data capture is market leading within the context of the peer Growth Hubs considered as part of this study. Whilst this evaluation does make recommendations about expanding data capture to include softer/wider impacts, the baseline data currently captured clearly satisfies exiting reporting requirements and has also allowed a clear assessment of jobs and GVA.

³ For example, from a c£1m budget the following programmes (£828k) were already committed: ESIF Launchpad (£350k), GHEP (£328k), Rise (£150k)

Future impact measurement

1.15 The evaluation offers the following recommendations regarding the Growth Hub's future approach to impact measurement:

- **Focus on the 'so what?' question:** the Growth Hub should carefully consider the value of any data capturing activities to ensure that all intelligence gathered can usefully contribute to: shaping the future of a Growth Hub service and demonstrating how the Growth Hub is contributing to the SCR's revised SEP and industrial strategy
- **Introduction of a follow-up survey:** The Growth Hub should consider introducing a short-automated follow-up survey following advisor's initial meeting with the business. This could be done online via an email link or through an automated text/SMS or phone survey. This exercise would capture the immediate benefits of that initial meeting whilst its value is at the forefront of the business representative's mind
- **Changes to the Business Review:** To establish a continuous conversation with businesses, the previously executed Business Review exercise should be repeated as a focused annual or six-month event to ensure that every Growth Hub-impacted business has a minimum of one contact a year. To support this process from a resourcing point of view, the Growth Hub should consider requesting additional resources internally (linked to the SCR's pending Monitoring Evaluation Framework) or request the BGS to complete these reviews as part of their day job
- **Refreshed content:** The contents of both the Growth Hub's CRM, CSSI and the Business Review should also be refreshed to consider wider/softer benefits to the business and contributions to the SCR's productivity and inclusive growth agenda (for example, Sheffield City Partnerships Framework for an Inclusive and Sustainable Economy)

Improvement recommendations

1.16 We offer the following recommendations aimed at improving the overall performance impact of the SCR Growth Hub:

- **Future Purpose of Growth Hub:** The future purpose/remit of the Growth Hub should be clarified and communicated to ensure consensus with the LEP Board and wider partners
- **Growth Hub organisational embeddedness:** The Growth Hub must become fully embedded within the SCR from a cultural and operational perspective
 - To make this happen, the SCR senior management should:
 - Reconsider the organisational structure of the SCR and the Growth Hub's role within that to formally bring the Growth Hub closer to the rest of the organisation.

This will increase ownership of the Growth Hub from the SCR's perspective and will confirm the Growth Hub as LEP's primary vehicle for business growth

- The 'Head of Growth Hub' role could be refocussed with a more overarching regional business growth remit
- To make this happen, the Growth Hub management team should:
 - Reflect on their contribution to the collaborative culture of the SCR and consider how they can contribute to this from a corporate perspective to challenge any perception of operating like a 'subsidiary company within the organisation'
- To make this happen, the SCR communications team (working closely with the Growth Hub management team) should:
 - Increase the volume (and resonance) of internal communication on behalf of the Growth Hub. Communications should specifically focus on the impact (and relevance) of the Growth Hub's achievements to its internal audience as well as providing business insights relevant to the strategic direction of the SCR. Reporting should always focus on what this means for the SCR's SEP and Local Industrial Strategy rather than just the Growth Hub's performance targets. – i.e. do more than comply with service returns etc
- **Maximise the Growth Hub's business intelligence:** Use the Growth Hub's in-house business intelligence to:
 - Seek to formalise the Growth Hub's business focused advisory role across the SCR, i.e. become the voice (and advocate) for regional business by offering a unique business perspective on SCR public policy development
 - Continue to develop a commissioning function within its remit to develop tailored products and services which support the specific needs of SCR businesses. For example, build on the recent track record; i.e. the development of an online Brexit diagnostic tool which enabled businesses to test their preparedness for Brexit and produced tailored recommendations based on responses given

Growth Hub's contribution to the SCR economy

- 1.17 The Growth Hub's targets were designed to contribute to the broader SCR growth objectives as part of a range of interventions delivered across the region. Assuming steady state performance the impact evaluation analysis indicates that the Growth Hub could expect to contribute nearly 5 per cent (3,002) of the SCR's net new jobs target by 2024; and 12.4 per cent (£305m) of its increase in GVA by 2024. This represents a significant achievement both in terms of comparative performance with other Growth Hubs (considered within this study) and against the Growth Hub's own targets.

2. Introduction

- 2.1 This report presents the findings from Carney Green LLP's (Carney Green) impact evaluation of the Sheffield City Region (SCR) Growth Hub.

Evaluation requirements

- 2.2 Carney Green was commissioned by the SCR Growth Hub in May 2019 to complete an impact evaluation. The evaluation's Request for Quote (RFQ) document stated that the study should consider all Growth Hub impacts including, but not limited to, its delivery activities and associated outputs, outcomes and impacts (both direct and indirect). The commission also required operational recommendations for how the Growth Hub could improve its capture of impact evidence in the future.
- 2.3 The RFQ set out the following objectives for the evaluation:
- Review the Growth Hub's original remit together with if, how and why changes to its operation may have occurred in order to understand:
 - What impacts Growth Hub activities have contributed to, and how these can be measured, evidenced and demonstrated
 - How the Growth Hub can change and improve its measurement and evidencing of its outcomes and impacts
- 2.4 It also highlighted the following specific requirements from the impact evaluation:
- Consideration of the following documentation:
 - The initial Growth Hub remit that was included in the Strategic Economic Plan (SEP), how and why it may have changed
 - The 'Review of The Sheffield City Region Growth Hub' (30 July 2018) in order to:
 - Educate: Where and why the direction of the Growth Hub changed
 - Inform: The assessment of Activities, Outcomes and Outputs both directly and indirectly where the Growth Hub is a clear causal factor
 - Demonstration of impacts of the SCR Growth Hub in the context of the SCR SEP, using appropriate national measures of impact
 - Exploration of what level of additionality the Growth Hub has truly achieved in the support it has provided
 - Comparison with similar Growth Hub evaluations

- Recommendations for development and changes to better secure and evidence the impact that the Growth Hub achieves
- Identify and determine clearly what methods that will be employed to achieve these changes in impact measurement

Assumptions and limitations

- 2.5 This impact evaluation follows a general review of the SCR Growth Hub which was undertaken by Regeneris Consulting and published in July 2018. This review focused primarily on the efficacy of the Growth Hub (and partners') delivery model and operational processes and the extent to which the organisation was meeting its aims and objectives.
- 2.6 This evaluation focuses on the quantitative and qualitative impact of the Growth Hub. It does not seek to replicate the analysis or question the findings of the Growth Hub Review. The report does explore how the Growth Hub can improve its impact measurement and performance; however, this impact evaluation seeks only to supplement, rather than comment on, or question the findings from the Review.
- 2.7 Whilst this impact evaluation involved desk-based verification of all data supplied, it did not include a comprehensive data validation exercise. However, it should be noted that the Department for Business, Energy & Industrial Strategy (BEIS) have access to the Growth Hub's database and are able to review its content when required.

Evaluation methodology

- 2.8 The evaluation approach focused on assessing the Growth Hub's impact through the execution of the following evaluation research activities:
- **Documentation and data.** A review all documentation focused on the role, remit and approach of the Growth Hub and collation of all available Growth Hub data including activities, outputs, outcomes and impacts
 - **Data collection review.** A mapping exercise to establish the Growth Hub's existing approach to data collection and monitoring
 - **Stakeholder consultation.** A mix of face-to-face and telephone interviews with: core Growth Hub staff; delivery staff representatives – e.g. Business Growth Specialists (BGS), Skills Advisors and Access to Finance advisors; SCR senior leadership; and wider strategic stakeholders including Local Authority partners, Chambers of Commerce, and BEIS representatives
 - **Beneficiary interviews.** A series of telephone interviews with beneficiary businesses to identify and test wider outcomes and impacts

- **Comparator Growth Hub research.** Desk-based research of comparator Growth Hubs to explore alternative approaches to impact measurement
- **Analysis and recommendations.** All research findings were triangulated to inform an assessment of the Growth Hub's impact to date and the creation of an impact monitoring framework

2.9 The evaluation concluded with the production of a final report and associated recommendations to support the Growth Hub to improve its approach to impact measurement in the future.

Structure of the report

2.10 This report includes the following sections:

- Section 3 introduces the Growth Hub and explains how it operates across the SCR. It also highlights the changes that have occurred to the delivery model since its introduction in April 2016
- Section 4 outlines the impact evaluation's quantitative assessment of the SCR Growth Hub's performance to date
- Section 5 sets out the impact evaluation's assessment of the SCR Growth Hub's qualitative performance to date
- Section 6 summarises the findings from several recently completed evaluations of the comparator Growth Hubs
- Section 7 triangulates the quantitative and qualitative impact findings to address each of the evaluation objectives and make specific recommendations regarding the Growth Hub's future impact evaluation and delivery

3. The SCR Growth Hub

- 3.1 This section introduces the Growth Hub and explains how it operates across the SCR. It also highlights the changes that have occurred to the delivery model since its introduction in April 2016.

Background: Growth Hub policy

- 3.2 Growth Hubs were first identified as potential vehicles for growth in the Local Growth White Paper published by the Coalition Government in October 2010. Following criticism of the generalist nature of Business Link regional services⁴ and a commitment to more targeted and local support, the Government highlighted its commitment to:

...fund the establishment of “growth hubs” which will provide access to specialist strategic advice, coaching and mentoring to firms with high growth potential as they go through periods of rapid and dynamic change and bring a package of growth-related services into one place around the firm. Growth hubs will act as a catalyst for growth by bringing together firms with high growth potential with finance and equity networks and other professional and knowledge services.

- 3.3 The White Paper suggested that Growth Hubs would need to be delivered by specialist business support providers operating a ‘*highly distributed model that reaches across the areas covered by Local Enterprise Partnerships (LEPs)*’.
- 3.4 The 2013 ‘Investing in Britain’s future’ document announced the creation of a Single Local Growth Fund (LGF) which would bring together central government’s growth-related budgets. Each LEP was tasked with developing multi-year Strategic Economic Plans (SEPs) which would form the basis of a ‘Growth Deal’ negotiated between the Government and each LEP, which would include an allocation of LGF to support local economic growth priorities.
- 3.5 A number of LEPs (including SCR) used LGF funding to successfully pilot Growth Hubs in their area as a pro-growth initiative linked to their SEP priorities. As part of this piloting process, various Growth Hub models emerged as vehicles to promote, co-ordinate and deliver local business support and provide a mechanism for integrating accessible national and local business support.

⁴ provided by the recently disbanded Regional Development Agencies.

- 3.6 Following the closure of the national Business Growth Service (BGS)⁵, including the Manufacturing Advisory Service (MAS) and Growth Accelerator programmes, the Government formally transferred ownership of business support to LEPs with the announcement of £12m per annum national investment in LEP-led Local Growth Hubs.
- 3.7 This additional funding enabled the Growth Hub network to be rolled out and formally completed in May 2016. Since that date, 100 per cent of England's 5.7 million private sector businesses⁶ have been fully covered by the Growth Hub network across the 38 LEPs.
- 3.8 The Government reiterated its support for Growth Hubs within the 2017 Industrial Strategy⁷ which committed that all businesses would have access to a local Growth Hub, stating:

We want Growth Hubs to carry on building their reach, developing peer-to-peer networks, connecting businesses to the best support available from the private and public sectors.

Sheffield City Region Growth Hub

- 3.9 This section summarises the SCR Growth Hub. Specifically, it covers:

- Objectives and remit
- Operating model
- Service offer
- Growth Hub team and governance structure
- Targets
- Funding and finance
- Approach to impact measurement

(i.) Growth Hub objectives and remit

- 3.10 The remit of the SCR Growth Hub has its origins in three different sources, specifically:
- The SCR Strategic Economic Plan (2014)
 - A Task and Finish Group (2014-15)

⁵ Announced in November 2015 following the joint Spending Review and Autumn Statement which led to a 17 per cent reduction in the Department for Business, Innovation and Skills (BIS).

⁶ Business Population Estimate for UK and regions, Office of National Statistics, October 2018

⁷ Industrial Strategy White Paper: 'Building a Britain fit for the future', HM Government, November 2017

- A Growth Hub Full Business Case (2016)

SCR Strategic Economic Plan (2014)

- 3.11 The SCR Growth Hub's initial remit originated from the region's 2014 Strategic Economic Plan (SEP) and associated £325m Growth Deal⁸.
- 3.12 The SEP set out a 10 Year Plan (2015-25) for growth which focused on creating a bigger and stronger private sector leading to increased jobs, a higher level of Gross Value Added (GVA) and a shift in the economic performance of the region. By 2024, the LEP's Growth Plan aimed to:
- Create 70,000 net new jobs (with 30,000 highly skilled occupations)
 - Increase the region's GVA by £3.1 billion
 - Generate 6,000 new start-up businesses
- 3.13 The overarching objective of the SEP's Growth Plan was to grow private sector firms and associated employment by establishing a bespoke approach to providing the right support to the SCR's target businesses; i.e. those firms considered ready to grow and export.
- 3.14 The SEP made clear that the Growth Hub would be positioned 'at the centre' of the SCR's bespoke approach by providing a 'world-class' business support offer in the City Region and comprise our Enterprise SCR programme.' This business support offer would include:
- **Single door to business support.** A single point of expert contact and the provision of brokerage to growth services
 - **High quality accessible support.** All businesses within the region having access to consistently excellent support
 - **Varied products and services.** The provision of various products and services including:
 - Access to finance
 - Exports and international trade skills
 - Innovation and new product development
 - Start-up support
 - Other Growth Hub products and services

⁸ Agreed in July 2014.

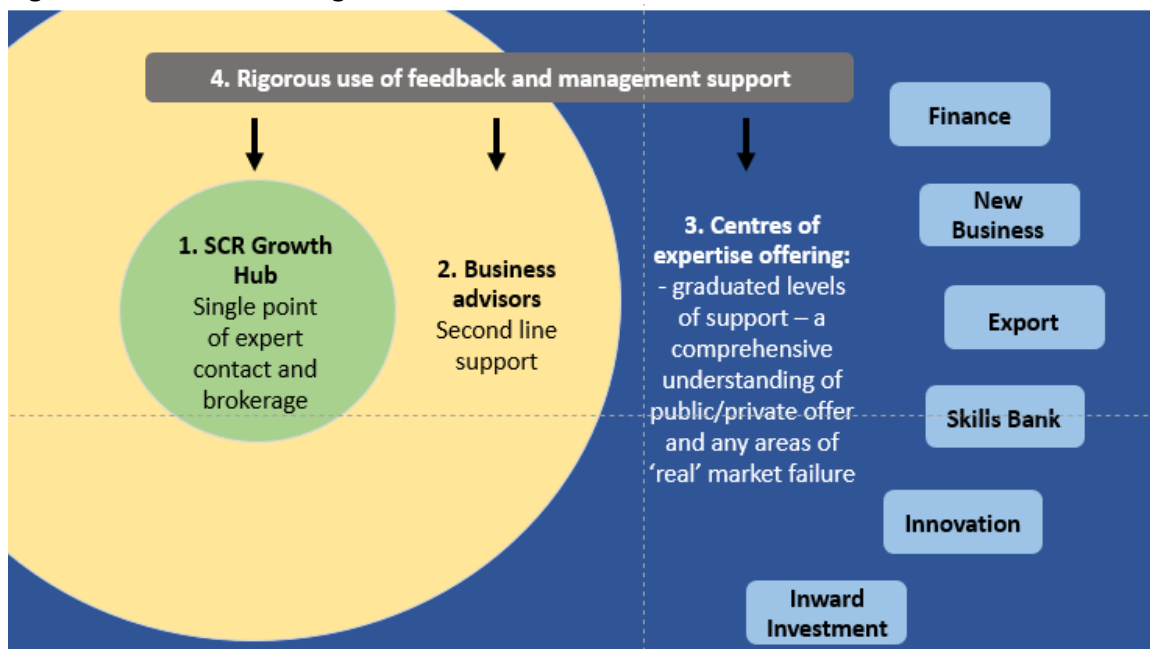
- **High growth focus.** Provide a high-quality offer to all companies in the SCR complemented by more intensive and bespoke support to the region's highest growth potential businesses, resulting in:
 - All businesses being able to access advice and information to help them to survive and sustain, reflecting that 'every business matters' in the SCR
 - All businesses with the ambition to grow and add value in the economy will be supported through a holistic offer that draws on best practice from the SCR and beyond
 - The SCR will prioritise the most intensive support based on economic impact, focusing on the companies with the greatest potential

3.15 The SEP suggested that this growth focus would be achieved by establishing bespoke 'Growth Deals' on a something for something basis, on all issues of relevance to a firm's future growth. The document stated:

Radically, this [Growth] hub will focus on creating 'Growth Deals' with those firms that will deliver high growth and exports, which will provide the greatest impact on economic growth. These businesses must represent the best that the SCR has to offer, irrespective of their size and which is as applicable to companies in urban areas as those in rural.

3.16 The document highlighted a toolkit of interventions that the Growth Hub would deliver as part of a range of core activities for growing the region's private sector (see Figure 3.1 below).

Figure 3.1: Growth Hub original service model



Source: Sheffield City Region Strategic Economic Plan (SEP), 2015

- 3.17 Figure 3.2, below, summarises the SEP's regional targets and its recommendations for how the Growth Hub could contribute to their achievement.

Figure 3.2: Summary of regional SEP targets

SEP objective	Overall SEP target ¹	Growth Hub's intended contribution:
...increase number of start-ups	600 additional start-ups a year	New start Growth Deals targeted (by the Growth Hub) at companies who have high growth potential or whose survival would fill fundamental gaps in the market.
...existing businesses to grow faster	Firms to create over £1bn of additional GVA over 10 years, creating 15,000 jobs	Growth Hub to provide tailored support for firms in terms of business advice, business planning, innovation assistance, access to finance, supportive infrastructure (where needed), skills development and grant.
...attract more businesses into the city region	Attract 10,000 jobs over 10 years from organisations owned outside the SCR	Use the flexibility of the tools in the Growth Hub to create tailored packages for inward investors and foreign owned companies based in the City Region.
...increase volume of export	2,150 more firms exporting by 2023	Implementation of an incentive package (called the 'Exports Challenge') with wrap around support from the Growth Hub.

Source: Sheffield City Region Strategic Economic Plan (SEP), 2015

Notes:

¹This target refers to the overall regional SCR target for its delivery partners; including the Growth Hub. Full details of the Growth Hub specific output and outcome targets are set out below.

- 3.18 The SEP highlighted a latent demand for external business advice and support which was considered to be a key barrier to the growth of the SCR's SME-base.

Growth Hub Task and Finish Group (2014-15)

- 3.19 A 'Task and Finish Group'⁹ was established by the LEP Board in 2014 and asked to:
- Develop the principles set out in the SEP and ESIF strategy into a 'target operating model' for the Growth Hub
 - Develop a medium-term funding plan for a Growth Hub
 - Galvanise a 'consortium' of partners to deliver a Growth Hub partner in 2015/16
- 3.20 The group also supported the Growth Deal/Devolution deal negotiations which resulted in:

⁹ Chaired by a LEP Board member and including representatives from all nine City Region local authorities, all four Chambers of Commerce, the Federation of Small Businesses and the Institute of Directors. The group met throughout 2014 in developing the Growth Hub and structure.

- £500k to pilot the Growth Hub in 2016
- £45k to undertake a 'simplification pilot' in 2015/16 to establish a baseline position for business support available across the SCR
- An enhanced capital allocation (as part of Growth Deal 2) in order to 'pump-prime' the 'spokes' of the Growth Hub during 2015/16

3.21 As part of their consideration of the Growth Hub's proposed operating model, the Task and Finish Group discounted the following options:

- Franchise model – i.e. funding divided into local authority-led programmes and initiatives
- Online model – i.e. the Growth Hub being a website that refers businesses to products online, therefore having no face-to-face contact or business advisors

Growth Hub Full Business Case (2016)

3.22 A full business case (FBC) was produced in 2016 to build on the SCR's previously developed Growth Hub policy. The FBC tested the value for money case for a £5.3m investment into an SCR Growth Hub. The FBC described the long-term aspiration of Growth Hub to:

...ensure the region's businesses have access to a world class offer of support that will develop over time and for it to be self-sustainable on a long-term basis, building on its partnerships and driving long term growth. The Growth Hub aims to deliver a fully inclusive service offering a graduated level of support, with higher growth potential businesses receiving greater support to help achieve its full potential.

3.23 The FBC committed the Growth Hub to offering a service to all businesses but suggested that it should focus its resources on those able to achieve the most long-term economic impact. It suggested the Growth Hub would operate a tiered service of one to many products and services, rising to more substantive and costly interventions for those firms that can offer maximum economic impact (see Figure 3.3 below).

Figure 3.3: FBC proposed SCR Growth Hub tiered service

Level of support	Target Businesses	Activity
High	Businesses demonstrating strong growth potential	Bespoke service including access to specialist consultants, and external private sector services
Medium	For well-established businesses looking to grow or sustain employment	Tailored service grounded in business advisor relationships but with potential for short specialist intervention and some event-based activity
Early stage	Typically, businesses with limited growth potential or in sectors unlikely to deliver significant net economic impact	One to many events – either Growth Hub or external - across all business disciplines
Pre-Stage	Likely to include pre-starts and start-ups looking for basic information (often regulatory) on initial business issues	Initial gateway team, local Launchpad services and national website, other published data

Source: SCR Growth Hub FBC, 2016

3.24 The FBC identified a key purpose of the Growth Hub to be the addressing of a latent demand for external advice and support which was deemed to be a barrier to growth of the SCR's SME base (as identified in the SEP). The FBC compared the following three options before advocating support for full investment in the Growth Hub:

- No SCR investment
- Reduced SCR investment
- Full or Preferred SCR investment

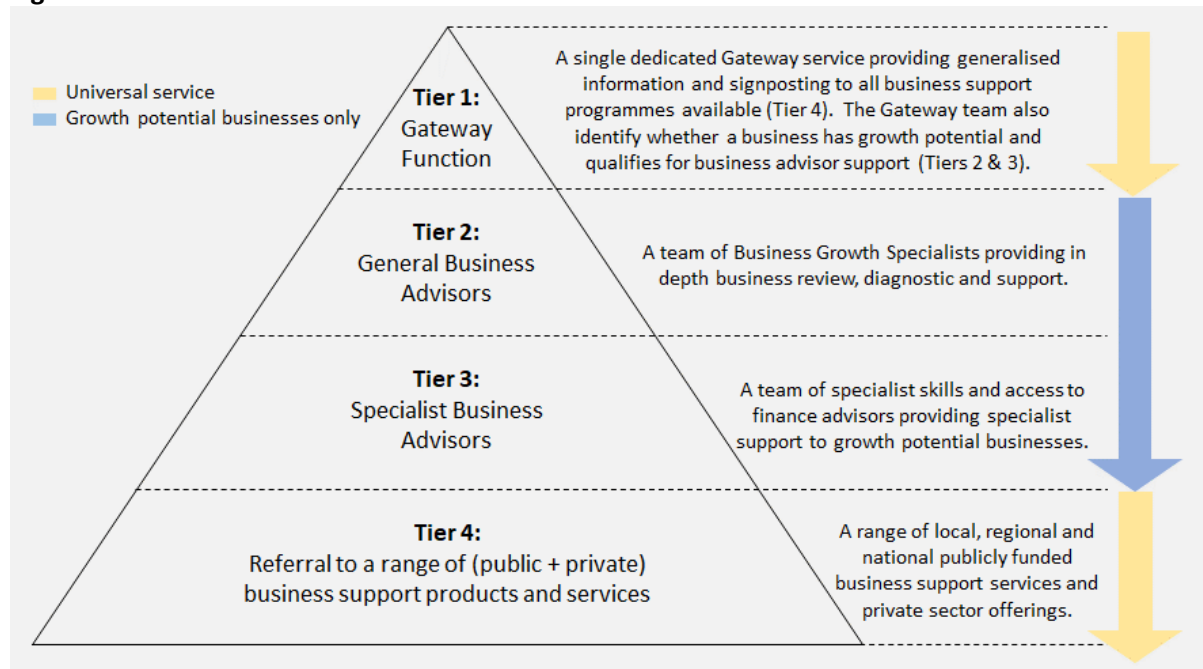
Growth Hub Pilot

3.25 As part of this package of funding, the SCR Growth Deal included £500k to develop and establish a Growth Hub pilot in accordance with the remit set out in the SEP. This process included the recruitment of a Growth Hub Manager in September 2015.

(ii.) Growth Hub Operating Model and Service Offer

3.26 The Growth Hub currently operates a **hub and spoke** operating model¹⁰ which is based on a tiered service offer (see Figure 3.4 below).

¹⁰ The Growth Hub's current operating model is detailed in the organisation's Handbook which sets out all operating processes and procedures and defines how the Growth Hub operates.

Figure 3.4: Growth Hub tiered service offer

Source: Carney Green, 2019

Tier 1: Gateway Function

3.27 At the centre of the delivery model is a single dedicated Gateway service which provides the first port of call for businesses (via telephone, email or webform) looking for support and offers the following services:

- A formal response to all enquiries within an agreed timescale (based on an SLA agreement)
- A brief diagnostic conversation¹¹ which:
 - establishes the enquiring business's needs; and
 - assesses whether the enquiring business has growth potential (i.e. the potential to realise jobs or GVA growth in next 12 months)
- A formal referral to either:
 - More intensive Growth Hub support (for those considered to have growth potential), specifically:
 - General Business Advisor support (Tier 2)

¹¹ guided by a single sheet form (Gateway Incoming Enquiry Record Sheet) with boxes to go through (See Appendix I).

- Specialist Business Advisor support (Tier 3)

- A comprehensive range of public and private local, regional and national business support available (see Tier 4 below).

Tier 2: General Business Advisors

- 3.28 If an enquiring business is classified as having growth potential, the Growth Hub offers direct support through its team of self-employed general advisors called Business Growth Specialists (BGS) who provide 1-2-1 guidance.

Tier 3: Specialist Business Advisors

- 3.29 Again, if an enquiring business is classified as having growth potential and requires specific support including access relating to finance or skills, the Growth Hub offers direct support through the following specialist business advisors:
- Access to Finance Advisors (x4 Part-Time) offering 1-2-1 guidance to enable SCR businesses to access external finance to grow, modernise or sustain their business as part of a Growth Hub Access to Finance Centre of Expertise (AFCoE)
 - Skills Advisors (x4 Part-Time) offering 1-2-1 guidance as part of the Growth Hub's Skills Hub

Tier 4: Referral Function

- 3.30 The Growth Hub's referral function is based on a detailed knowledge of every available (and potentially applicable) business support initiative at a local, regional and national level as well as a comprehensive understanding of the private sector support market (via an in-house private sector directory). This comprehensive understanding of the business support landscape is critical to the Growth Hub's ability to broker the best possible referral destination.

Growth Hub Support Offer

- 3.31 The Growth Hub support offer has been divided into six 'spokes', specifically:

- | | |
|----------------------|------------------|
| 1. Access to finance | 4. New business |
| 2. Innovation | 5. Growth demand |
| 3. Trade and export | 6. Skills |

- 3.32 Due to resourcing constraints, the Growth Hub does not currently offer a direct delivery offer for each of its target spokes as originally envisaged. Figure 3.5, below, summarises the delivery position for each spoke.

Figure 3.5: Growth Hub service offer by Spoke

Spoke		Direct offer	In-direct offer	
			Co-funded	Referral
1.	Access to finance	✓ AFCoE + Access to Finance Advisors	-	✓ via the Growth Hub portal + In-house private sector directory
2.	Innovation	-	Collaborating with partners ²	
3.	Trade and export	-	Collaborating with partners ²	
4.	New business	-	✓ Launchpad programme ✓ Y Accelerator Programme	
5.	Growth demand	✓ Business Growth Advisor team + Growth Hub Enhancement Project ¹		
6.	Skills	✓ Skills Advisor team	✓ Skills Bank ✓ Rise programme	

Source: SCR Growth Hub, 2019 – As of March 2019

Notes:

¹Programme ceased delivery on 30 June 2019

²For example, the Department for International Trade and local Universities

- 3.33 Whilst the Growth Hub does not have a direct offer for each spoke, it does refer enquiring businesses to relevant local, regional or national provision; for example, a business looking to expand its exporting activities would be referred to the Exporting for Growth programme delivered by the Department for International Trade (DIT) in Yorkshire and the Humber.
- 3.34 Figure 3.6, below, summarises the range and type of support available through the six ‘spokes’ or centres of expertise facilitated by the Growth Hub’s Gateway service and specialist providers.

Figure 3.6: Business support type available via the Growth Hub centres of expertise

Source: SCR Growth Hub, 2019

Direct delivery by Growth Hub

3.35 In addition, the Growth Hub offered:

- Growth Hub Enhancement Project (GHEP) (see below) – which ceased delivery on 30 June 2019
- Generic level ‘support to all’ through specifically developed tools; for example, the recently developed online self-diagnostic Brexit tool

3.36 It is important to note for context, that the delivery element of GHEP significantly impacted the development of the Growth Hub. This was partly because the commitment to be a delivery partner was made early in the organisation’s existence (i.e. before its objectives had been fully confirmed) and partly because it skewed the organisation’s model away from that proposed in the pilot. For example, the role of the Growth Hub’s Business Growth Specialists changed

significantly from providing flexible support to undertaking a business development role linked to the delivery GHEP's targets.

Referral to Growth Hub match funded business support programmes

3.37 The Growth Hub has used some of its LGF funding to match fund the following interventions:

- GHEP (£328k) – The GHEP project provided eligible businesses with intensive one-to-one support from a Business Growth Specialist or a Key Account Manager offering tailored support.
- Launchpad (£350k) - The Launchpad programme provided free support to pre-start and new businesses in the Sheffield City Region. It is a fully inclusive programme designed to help ambitious entrepreneurs set up and run successful businesses and support SMEs under three years old to take the next step and grow their business. The programme ceased delivery on 31 March 2019.
- RISE (£150k) - RISE aims to increase graduate employment in small and medium sized Businesses (SME's) by providing an end to end recruitment process and matching service to high calibre graduates

Referral to non-Growth Hub match funded business support programmes

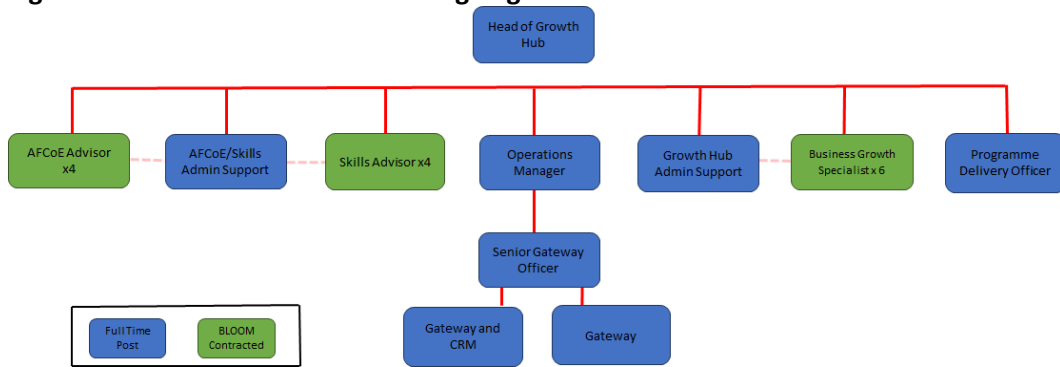
3.38 This offer includes all other available business support programmes at a local, regional and national level listed on the Growth Hub's portal. The portal (or 'Knowledge Bank') is the Growth Hub's search facility accessed via the website which is reviewed and updated every month. The portal currently has c140 business support initiatives listed on it.

(iii.) Growth Hub team and governance structure

3.39 The core SCR Growth Hub team contains a mix of full-time employed staff and part-time self-employed specialist business support advisors employed through an external organisation.

3.40 Figure 3.7, below, summarises the Growth Hub's team as employed in 2019.

Figure 3.7: SCR Growth Hub Team Organigram



Source: SCR Growth Hub, 2019

- 3.41 The Growth Hub team sits under the Deputy Chief Executive within the SCR. Figure 3.8, below, illustrates the position of the Growth Hub within the organisation.

Figure 3.8: Growth Team within wider organisational diagram



Source: SCR, 2019

(iv.) Growth Hub targets

- 3.42 The Growth Hub reports against a series of output and outcome targets nationally to BEIS and to various boards at a regional LEP level, for example, an Operational Board. As Figures 3.9 to 3.13, below, show the organisation reports significant amounts of information which given the size of the team (see organogram above) is a resource intensive exercise.

Regional SCR targets (outputs and outcomes)

3.43 Figure 3.9, below, illustrates the Growth Hub's output targets as set out in its FBC (2016).

Figure 3.9: SCR Growth Hub output targets (Total)

Output categories ¹	Output targets
Jobs created	2,500
Businesses supported	5,000

Source: SCR Growth Hub FBC, 2016

Notes:

¹It is important to note the difference between businesses that are 'engaged' and 'supported'. BEIS originally defined 'engagement' as any kind of interaction with business, however, this was subsequently amended to 'supported' which was defined as businesses that the Growth Hub had had direct engagement with (i.e. conversation and referral or advice / discussion)

3.44 Figure 3.10, below, allocates the Growth Hub's output targets against each year of its operation.

Figure 3.10: SCR Growth Hub output targets per annum (2016/17 to 2020/21)

Output categories	Output targets					
	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Jobs created	350	450	550	650	500	2,500
Businesses supported	800	1,200	1,200	1,000	800	5,000

Source: SCR Growth Hub FBC, 2016

3.45 Figure 3.11, below, illustrates the Growth Hub outcome targets as set out in its FBC (2016).

Figure 3.11: SCR Growth Hub outcomes targets (Total – to 2021)

Outcome categories	Outcome targets
Businesses engaged	6,500
Businesses referred to wider support	1,000
GVA (£m) ¹	130

Source: SCR Growth Hub FBC, 2016

Notes:

¹GVA calculation based on an average of two jobs created per business supported (using a total average wage of £26,000 (i.e. (2,500 jobs created x £26,000)² = £130,000,000). This is a gross figure.

3.46 Figure 3.12, below, allocates the Growth Hub's outcome targets against each year of its operation.

Figure 3.12: SCR Growth Hub cumulative targeted outcomes (2016/17 to 2020/21)

Outcome categories	Outcome targets					
	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Businesses engaged	1,100	1,300	1,500	1,300	1,300	6,500
Businesses referred to wider support	100	150	250	250	250	1,000

Source: SCR Growth Hub FBC, 2016

BEIS Performance Outcomes

- 3.47 BEIS set out 11 key performance outcome indicators within a refreshed Monitoring and Evaluation Framework. These targets have been established to ensure that Growth Hubs collect the ‘right data in the right way’ to maximise operational performance and impact. The management information collected is also intended to demonstrate ‘what works’ in order to inform future BEIS and wider national and local policy thinking.
- 3.48 In establishing the Monitoring and Evaluation Framework, BEIS is clear that:
- The responsibility for setting targets and collecting monitoring information at LEP area level sits with the LEP itself
 - The 11 key performance indicators are seen as the minimum set of data to collect and LEPs (via Growth Hubs) are encouraged to collect additional data that they believe will help them operationally and illustrate their wider impact
 - LEP performance reporting requirements have been deliberately correlated to the ‘intensity level’ of the support provided by the Growth Hub to the beneficiary businesses
- 3.49 Whilst the SCR Growth Hub records its progress against all of the BEIS performance indicators (see Appendix IV), the SCR LEP has only established formal targets against three of BEIS’ key performance outcome indicators (see Figure 3.13 below).

Figure 3.13: BEIS Key Performance Outcome (per annum and total)

BEIS Performance outcome categories		Outcome targets	
		Annual	Total ¹
1.	Number of businesses that have received ‘light touch’ triage, information and/or signposting support (excluding website traffic)	500	2,500
3.	Number of businesses receiving ‘medium intensity’ information, diagnostic and brokerage support	250	1,250
6.	Number of businesses receiving ‘high intensity ² ’ support e.g. account management / intensive support directly provided by the Hub or partner organisation	100	500

Source: SCR Growth Hub, 2019

Notes:

¹Cumulative amount based on 5-year Growth Hub operation (2016/17 to 2020/21).

²Enquiring businesses with growth potential (i.e. the potential to realise jobs or GVA growth in next 12 months) are identified by the Gateway service and offered high intensity support.

- 3.50 Appendix IV sets out full details of the specific performance outcome categories established by BEIS.

(v.) Growth Hub funding and finance

- 3.51 The Growth Hub has received a total of £6.28m funding to date. Figure 3.14, below, illustrates the funding sources for this Growth Hub investment.

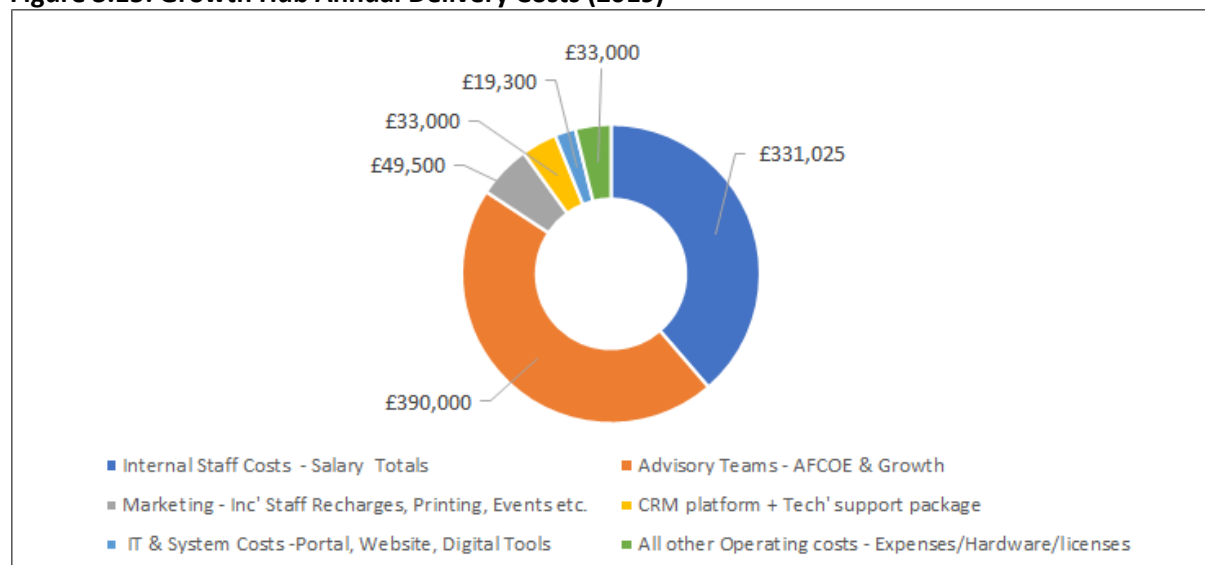
Figure 3.14: Growth Hub funding sources

Funding source	£m	Comment
Local Growth Fund	4.0	Awarded in 2015 via capital/revenue switch
BEIS Grant	1.64	Annual BEIS grant (410k) or Continuation Fund over 4 years
SCR LGF Growth Deal	0.5	Growth Deal allocation to establish original Growth Hub pilot
Skills funding	0.1	New Centre of Expertise in the Skills Hub
Recharged income	0.04	Business Investment Fund + Access to Finance Centre of Expertise (AFCoE) for 2018-19
Total	6.28	

Source: SCR Growth Hub, 2019

3.52 The organisation's funding is committed until April 2021 and is divided between core and non-core funds, specifically:

- Core funding (£4.04m, 64.3%) – this relates to the Growth Hub's delivery costs per annum from 2015 to 2020. Figure 3.15, below, illustrates a breakdown of costs (from 2019) including core team salaries (£331k), Advisory team costs (£390k), Marketing (£50k), CRM platform and tech support (£33k), IT & Systems costs (£19k) and Other operating costs (£33k)
- Non-core funding (£2.24m, 35.7%) – this covers individual projects; for example, Growth Hub contributions to individual projects such as GHEP (£328k), Launchpad (£350k) and RISE (£150k)

Figure 3.15: Growth Hub Annual Delivery Costs (2019)

Source: SCR Growth Hub, 2019

Core Growth Hub funding

3.53 Figure 3.16, below, provides a breakdown of projected core funding expenditure per annum.

Figure 3.16: Core funding (by year)

Year	Core funding (£)
2015/16	500,000
2016/17	610,000
2017/18	690,000
2018/19	770,000
2019/20	737,000
2020/21	717,000
2021/22	0
Total	4,024,000

Source: SCR Growth Hub, 2019

Non-core Growth Hub funding

3.54 Figure 3.17, below, provides a breakdown of projected non-core funding expenditure per annum.

Figure 3.17: Non-core funding breakdown (by year)

Programme	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Un-allocated	Total
Access to Finance Centre of Expertise	131,255	277,732	259,671	293,055	125,712				1,087,425
Launchpad		89,452	130,274	130,274					350,000
RISE (extension)		50,000	50,000	50,000					150,000
Y Accelerator (pilot)		25,000							25,000
Y Accelerator (continuation)				30,000	66,000				96,000
Growth Hub Enhancement Project (GHEP)		60,000	134,000	134,000					328,000
Business & Innovation Network (BIN @ support)				18,000					18,000
Sheffield Innovation Project SIP 2 (proposed)					25,887	62,561	63,579	37,425	189,452
Total	131,255	502,184	591,945	637,329	217,599	62,561	63,579	37,425	2,243,877

Source: SCR Growth Hub, 2019

3.55 Details of Growth Hub expenditure performance against budget is set out in Section 4 (below).

3.56 Evaluation consultation has identified an important contextual point regarding the programme funding decisions set out in Figure 3.15 (above). The decision to fund programmes such as GHEP (£328k), RISE (£150k) and Launchpad (£350k) were all agreed early in the Growth Hub's existence with minimal input from the organisation's management team. This is important because these programme costs represented a high proportion of the Growth Hub's budget and therefore significantly reduced the organisation's ability to commission additional

support programmes or fulfil its original high growth focus objectives. The impact of this is considered further in Section 7 (below).

(vi.) Growth Hub approach to impact measurement

3.57 The following activities are undertaken to help the Growth Hub inform continuous improvement of its products and services as well as to establish the impact of its interventions on business growth across the region, specifically:

- Growth Hub CRM
- Customer Satisfaction / Impact reports
- Business Reviews

Growth Hub CRM

3.58 The SCR Growth Hub team designed a bespoke Client Relationship Management (CRM) system to support the operation of the Growth Hub. The CRM operates as the main and predominant system for capturing all (i.e. end-to-end) Growth Hub client data including all required reporting metrics for its funders (i.e. EU projects, BEIS reporting and regional SCR metrics).

3.59 The CRM's operational capacity has expanded since its initial introduction as part of the Growth Hub's commitment to continuous improvement. For example, it has been modified significantly in relation to capturing the softer/wider benefits of a business' interaction with the Growth Hub; initially the CRM captured basic impact details but now allows advisors to record (via 'free texting') qualitative impacts reported by the beneficiary business following meetings or other interactions. In addition, the CRM can also capture other client feedback, for example, emails or meeting notes, to enable a recipient business' support journey to be recorded and evidenced.

3.60 The CRM captures the output from the Gateway team's initial contact with an enquiring business. Following consideration of the growth potential of the business and its specific needs, a referral is then made (if deemed appropriate) to the Growth Hub's specialist team in accordance with the tiered service model outlined above. This referral is recorded on the CRM and followed up with a call or email to ensure that the responder fully understands the enquirer's circumstances and specific needs.

3.61 The delivery of support is then passed to the advisor or delivery partner where appropriate, who will update the CRM regarding the outcome of their interaction with the business. Crucially, there is space in the CRM for the advisor to record the wider outcomes of the intervention on the business. The CRM is also used by Growth Hub advisors to record predicted and actual outcomes for businesses they are working with, for example job creation or funding

to be raised. This predicted outcome figure can then be tested with the business during any subsequent beneficiary impact surveys (see below).

Customer Satisfaction Survey / Impact (CSSI) survey

- 3.62 The Gateway team undertakes a quarterly Customer Satisfaction/Impact (CSSI) survey. This research focuses on businesses identified by the Growth Hub as having ‘growth potential’ and subsequently referred in the preceding three months. For example, pre start-up enquiries are removed as part of a pre-survey data cleansing exercise. The Gateway team aims to contact 30 per cent of the (growth potential) businesses which have received support within the preceding three months and contact is attempted three times before moving on to the next interviewee business.
- 3.63 The CSSI survey contains 6/7 questions and takes between 5 – 10 minutes to complete. The questionnaire focuses on:
- The respondent’s satisfaction levels with the service they have received from the Growth Hub and the reasons for the score given
 - Whether the respondent will or has already created any new jobs or increased staff head count since their engagement with the Growth Hub
 - Where any new jobs have been created (i.e. which area or department within the business)
 - The respondent’s future scale up potential and the identification of any additional business support needs; with a specific question on skills and training support
- 3.64 Each quarter the Gateway team will focus on achieving in-depth feedback on one group of referrals (e.g. 3rd party referral, BGS & AFCoE etc.). These referrals will be prioritised for call responses to obtain more in-depth feedback from the clients. The CSSI survey started in July 2017 and is constantly being updated and improved. The outcomes of the surveys are recorded in Excel and then uploaded into the referral section of the CRM to enable interrogation later.
- 3.65 Full details of the CSSI prompt sheet and questions are set out in Appendix II (below).

Business Reviews

- 3.66 To supplement the Growth Hub’s impact data, the organisation completed a Business Review exercise between December 2018 and February 2019. As part of this process, the Growth Hub’s Businesses Growth Specialists, Access to Finance team and Skills Advisors completed Business Reviews with all businesses that had received in excess of 6 hours of support during the preceding 24 months.

- 3.67 The Business Review is designed to be an extended version of the CSSI and seeks to capture additional 'softer' impacts on the business that have been supported; i.e. the stories behind the more quantifiable impacts. Key areas covered in the Review include:
- Improved process changes (e.g. amended working processes and/or procedures)
 - Efficiency and ways of working impacts (e.g. financial/timesaving methods)
 - New products and/or services (e.g. new service offerings, timeline for introduction and predicted impact)
 - Cultural improvements (e.g. improvement in staff wellbeing or morale)
 - New opportunities (e.g. new markets or new strategic partnerships)
 - Change in strategic direction (e.g. a reorganisation or additions to the Board or a new business plan)
- 3.68 Importantly, the Business Review also includes space for general feedback from the Growth Hub advisor to record their impressions of the businesses' progress. The specific questions asked during the Business Review are set out in Appendix III.

4. Quantitative performance review

- 4.1 This section presents the impact evaluation’s quantitative assessment of the SCR Growth Hub’s performance to date¹². The analysis here focuses primarily on the data as presented, more detailed conclusions regarding the comparative performance of the Growth Hub against its peer organisations are set out in Section 7 (below).

Data sources

- 4.2 The quantitative analysis presented below is based on the following data sources:
- Accounts data¹³ - detailing characteristics of businesses held in Growth Hub’s CRM
 - Referral data¹⁴ – detailing referral information from Growth Hub activities
 - Growth Hub BEIS Annual Reports (2016-17, 2017-18, 2018-19) – biannual progress reports produced by the SCR LEP for BEIS
 - Customer Satisfaction Survey / Impact (CSSI) returns – a quarterly satisfaction/impact survey covering businesses referred to Growth Hub in the preceding three months
 - Business Reviews – data capture from a Business Review survey exercise undertaken between December 2018-February 2019
- 4.3 Any additional data sourced to allow comparator analysis is referenced below.

Performance against targets

- 4.4 The tables below summarise the Growth Hub’s performance against its agreed output and outcome targets to date. Annual performance figures for output targets are not available as data collection is often retrospective (i.e. is not collected at point of occurrence).

Output targets

- 4.5 Figure 4.1, below, shows the Growth Hub’s gross and net performance against its formal output targets to date.

¹² The SCR Growth Hub was launched in April 2016 and has funding for 5 years (i.e. 60 months) until March 2021 (i.e. 5 years or 60 months). For purposes of this impact evaluation, performance to date is measured to May 2019 (i.e. month 38 of 60); that is 63 per cent of Growth Hub’s current delivery cycle.

¹³ Extracted from Growth Hub’s CRM system (22 May 2019)

¹⁴ Extracted from Growth Hub’s CRM system (22 May 2019)

Figure 4.1: Growth Hub performance (to date) against output targets

Output categories	Output targets	Performance to date		Variance	
		Gross	Net ¹	Gross	Net
Jobs created (FTEs) ²	2,500	2,355.5	1,126	(144.5)	(1,374)
Businesses supported	5,000	6,084	N/A	+1,084	N/A

Source: Data extraction Growth Hub CRM (22 May 2019)

Notes:

¹Net figure based on Carney Green's economic impact analysis (see below)²Jobs created target assumed to be a gross target

4.6 We would comment as follows:

- The Growth Hub has performed well against its gross job creation target. Specifically, it has achieved 94.2 per cent of its job creation target (2,355.5 gross) and 45.0 per cent of its job creation target (1,126 net) with c22 months of its target delivery cycle remaining (to March 2021)
- Figure 4.2, below, presents a projection of Growth Hub job creation based on a steady state repeat of past performance (i.e. 68 jobs per month (gross) and 30 jobs per month (net)). This projects a strong over-performance on job creation of +1,219.5 which broadly reflects the predicted jobs in the Growth Hub's CRM
- The Growth Hub has already exceeded its business supported target by 21.7 per cent (+1,084 businesses supported)

Figure 4.2: Projected job creation

	Performance to date ¹	Projected performance ²	Total	Target	Variance
	Jobs created (FTEs)	Jobs created (FTEs)			
Gross	2,355.5	1,362	3,719.5	2,500	+1,219.5
Net	1,126	660	1,786	N/A	N/A

Source: Carney Green, 2019

Notes:

¹Covering 38 months – April 2016 to May 2019²Covering 22 months – June 2019 to March 2021**Outcome targets**

4.7 Figure 4.3, below, indicates the Growth Hub's performance to date against its formal outcome targets.

Figure 4.3: Growth Hub performance (to date) against outcome targets

Outcome categories	Outcome targets	Performance to date		Variance	
		Gross	Net	Gross	Net
Businesses engaged	6,500	N/A ¹	-	-	-
Businesses referred to wider support	1,000	3,000 ²	-	+2,000	-
GVA (£m) ³	£130m	£114m ⁴	£55m ⁵	(£16m)	(£75m)

Source: Data extraction Growth Hub CRM (22 May 2019)/Growth Hub BEIS Annual Reports (2018-19)/Carney Green, 2019

Notes:

¹Precise figures which avoid double-counting for the number of businesses are not available due to the collection of data. However, the Growth Hub has supported 6,084 businesses to date (see Figure 6.1 above) which is only 416 short of the 6,500 business 'engagement' target.

²Combined figure for number of businesses referred (since launch of Growth Hub) to mentoring (283), skills or training (734), finance and/or funding (1,471) and innovation and/or R&D (512) programmes.

³Gross figure

⁴Gross figure based on Carney Green's economic impact analysis (see below)

⁵Net figure based on Carney Green's economic impact analysis (see below)

4.8 We would comment as follows:

- The Growth Hub has significantly exceeded (+66.7%) its business referral target for the projected lifespan of the delivery period
- The Growth Hub has made significant progress (87.6%) against its GVA performance in gross terms (£114m) and good progress (42.3%) in net terms (£55m), with c22 months of its remaining target delivery cycle
- Assuming steady state performance, the Growth Hub is projected to deliver 3,002 net new jobs and £305m net GVA by 2024

BEIS Performance Outcomes Targets

4.9 Figure 4.4, below, illustrates the Growth Hub's performance against its three selected BEIS key performance outcomes (as set by the SCR Combined Authority) all of which relate to the intensity level of support received.

Figure 4.4: Growth Hub performance (to date) against selected BEIS outcome targets

BEIS Performance outcome categories		Outcome targets	Performance to date ¹	Variance
1.	No. of businesses that have received 'light touch' triage, information and/or signposting support ²	2,500	3,288	+788
3.	No. of businesses receiving 'medium intensity' information, diagnostic and brokerage support	1,250	3,197	+1,947
6.	No. of businesses receiving 'high intensity' support (e.g. account management / intensive support directly provided by the Hub or partner organisation)	500	1,336	+836

Source: SCR Growth Hub BEIS Annual Report, 2018-19

Notes:

¹Cumulative total (since launch of Growth Hub)

²Excluding website traffic

4.10 We would comment as follows:

- The Growth Hub has significantly exceeded – light touch (+31.5%), medium intensity (+155.8%) and high intensity (+167%) – its selected BEIS outcome targets to date; with c22 months of its current funding round remaining
- Consultation has indicated that in BEIS' view the SCR Growth Hub is one of the top performing Growth Hubs in England based on its performance and general operation. Evidence identified by the evaluation to support this includes:
 - Results from a BEIS comparative ranking exercise – based on factors such as delivery model, quality of provision, outcome performance - which BEIS stated ranked the Growth Hub as being in the 'upper quartile of the top quarter' of Growth Hubs nationally
 - BEIS' use of the Growth Hub's CRM as a good practice exemplar for other Growth Hubs to replicate in terms of how best to best capture and report business information and impact insights
 - BEIS' invitation to SCR Growth Hub's management team to join a working group to develop an Evaluation Framework for Growth Hub performance

4.11 Figure 4.5, below, shows the Growth Hub's performance against its three selected BEIS performance outcome targets for each year of the Growth Hub's operation. This again demonstrates positive performance.

Figure 4.5: Growth Hub performance against selected BEIS outcome targets (2016/17 to 2018/19)

BEIS Performance outcome categories			Outcomes (target, actual, variance)			Total
			2016/17	2017/18	2018/19	
1.	No. of businesses that have received 'light touch' triage, information and/or signposting support (excl. website traffic)	Target	500	500	500	1,500
		Actual	N/A ¹	1445	890	3,288
		Variance	N/A ¹	+945	+390	+1,788
3.	No. of businesses receiving 'medium intensity' information, diagnostic and brokerage support	Target	250	250	250	750
		Actual	N/A ¹	1,173	822	3,197
		Variance	N/A ¹	+923	+572	+2,447
6.	No. of businesses receiving 'high intensity' support (e.g. account management / intensive support directly provided by the Hub or partner organisation)	Target	100	100	100	300
		Actual	N/A ¹	345	336	1,336
		Variance	N/A ¹	+245	+236	+1,036

Source: SCR Growth Hub BEIS Annual Report, (2017-18, 2018-19)

Notes: ¹Outcome figures for BEIS Performance Indicators (1,3,6) not requested in the SCR Growth Hub BEIS Annual Report (2016-17)

Quantitative Performance measures (non-targeted)

BEIS indicators

- 4.12 The Growth Hub records progress against all its BEIS performance indicators (targeted and non-targeted). Figure 4.6, below, shows its annual performance against the non-targeted indicators.

Figure 4.6: Growth Hub outcomes achieved against BEIS performance outcome categories (non-targeted) (2016/17 to 2018/19)

BEIS Performance outcome categories (2 to 10)		Outcomes achieved		Total	Grand Total ¹
		2017/18	2018/19		
2.	No. of individuals that have received 'light touch' triage, information and/or signposting support (excluding website traffic)	1445	890	1534	3,288
4.	Combined turnover (amount £) of businesses receiving 'Medium intensity' information, diagnostic and brokerage support.	N/A ²	199m	199m	£999m
5.	Combined employee numbers (FTE) of businesses receiving 'Medium intensity' information, diagnostic and brokerage support.	N/A ²	6,209	6,209	31,434
7.	Combined turnover (amount £) of businesses receiving 'High intensity' support i.e. sustained support and using significant Growth Hub resource.	N/A ²	2.7bn	2.7bn	£3.2bn
8.	Combined employee numbers (FTE) of businesses receiving 'High intensity' support i.e. sustained support and using significant Growth Hub resource.	N/A ²	4,831	4,831	22,872
9.	No. of businesses receiving 'Medium' and 'High intensity' support that, have the opportunity, ambition and greatest potential to grow (including Scale-Ups)	248	264	512	684
10.	Satisfaction levels (combined figure for 'Medium' and 'High' intensity interventions only).	See Customer Satisfaction Survey / Impact (CSSI) analysis (below)			

Source: SCR Growth Hub BEIS Annual Report, (2017-18, 2018-19)

Notes:

¹Cumulative total (since launch of the Growth Hub)

²Outcome figures for BEIS Performance Indicators (1,3,6) only introduced in the 2018/19 SCR Growth Hub BEIS Annual Report

- 4.13 Figure 4.7, below, compares the engagement rates against the total business population for the SCR Growth Hub with a number of comparator Growth Hubs.

Figure 4.7: Comparator Growth Hub engagement rates

Growth Hub	No of businesses (Total)	Businesses engaged	% penetration
The Marches Growth Hub	30,780	8,296	27.0
SCR Region Growth Hub	55,385	7,821	14.1
West of England Growth Hub	45,010	5,059	11.2
SEMELP Growth Hub	90,615	10,012	11.0
Heart of the South West Growth Hub	71,510	6,606	9.2

Source: Evaluation of the Heart of South West Growth Hub, 2019 / Carney Green, 2019

4.14 We would comment that, of the five comparator Growth Hubs:

- SCR Growth Hub has the second highest business engagement penetration rate (14.1%), bettered only by The Marches Growth Hub (27.0%)
- Compared to the SCR Growth Hub's single physical location, the Marches Growth Hub has three physical hubs across its region including two (in Hereford and Telford & Wrekin) which are located within University of Wolverhampton buildings. These hubs are designed to improve links between graduates and the wider business community and provide physical space for people to work and network; therefore, creating a business community feeling on campus

4.15 Figures 4.8 and 4.9, below, summarise the Growth Hub's performance against volume and type of business referrals which are recorded for BEIS but are not included in the Growth Hub's official targets (see above).

Figure 4.8: Total number of business referrals by type

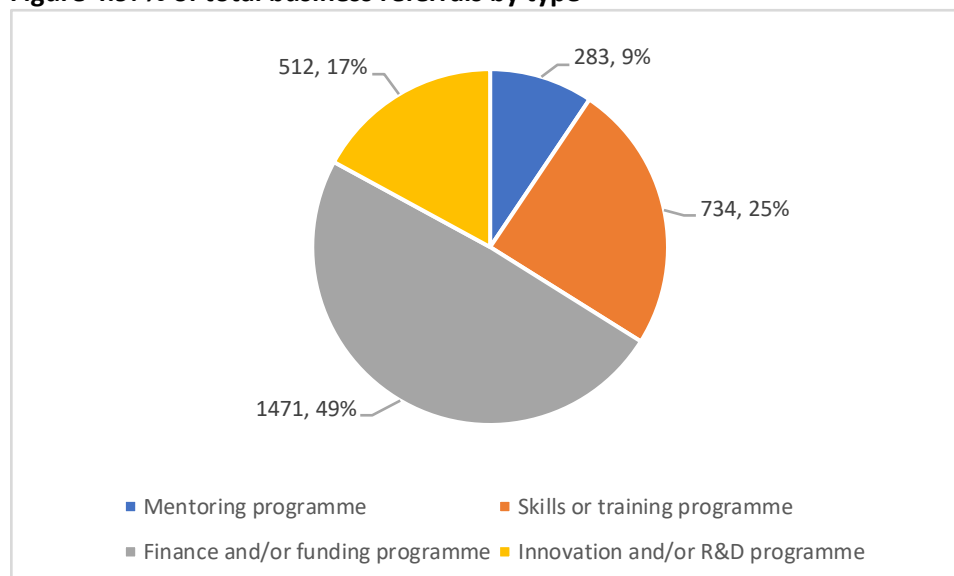
BEIS Performance outcome category (11)		Outcomes achieved		Total	%	Grand Total ²	%
		2017/18	2018/19				
11.	Total number of business referrals (combined figure 11.1 – 11.4 below)	1,116	1,077	2,193	100	3,000	100
11.1	- No. of businesses referred to a mentoring programme ¹	80	69	149	6.8	283	9.4
11.2	- No. of businesses referred to a skills or training programme ¹	298	357	655	29.9	734	24.5
11.3	- No. of businesses referred to a finance and/or funding programme ¹	462	503	965	44.0	1,471	49.0
11.4	- No. of businesses referred to an innovation and/or R&D programme ¹	276	148	424	19.3	512	17.1

Source: SCR Growth Hub BEIS Annual Report, (2017-18, 2018-19)

Notes:

¹Combined figure for 'Medium' and 'High' intensity interventions only

²Cumulative total (since launch of the Growth Hub)

Figure 4.9: % of total business referrals by type

Source: SCR Growth Hub BEIS Annual Report, (2017-18, 2018-19) / Carney Green, 2019

4.16 We would comment as follows:

- Nearly three-quarters (73.1%) of business referrals (2,193) made by the Growth Hub were to businesses receiving 'medium' and 'high' intensity interventions
- Nearly half (49%) of business referrals (1,471) made by the Growth Hub have been to finance and/or funding programmes; for example, GHEP, Skills Bank¹⁵ or the Business Investment Fund¹⁶
- 40 per cent of business referrals made by the Growth Hub have been to skills and/or training (24.5%) or innovation and/or R&D programmes

Extra SCR Growth Hub Indicators

4.17 In addition to the BEIS performance indicators (targeted and non-targeted), the Growth Hub collects several additional (non-targeted) indicators. Figure 4.10, below, shows its annual performance against these additional outputs and outcomes (A - C).

¹⁵ Skills Bank enables SCR businesses to access funding provided by the Education and Skills Funding Agency (ESFA), for bespoke training that responds directly to their needs and supports growth in their organisation.

¹⁶ The SCR offers a £52m Business Investment Fund to invest in businesses that demonstrate growth or the potential to grow.

Figure 4.10: Growth Hub outcomes achieved against ‘extra’ outcome categories (2016/17 to 2018/19)

Growth Hub additional performance indicators		Outputs/outcomes achieved			Total	Grand Total ²
		2016/17	2017/18	2018/19		
A.	Total number of unique visitors to Growth Hub website	N/A ¹	19,728	25,111	44,839	51,614
B.	Total number of individuals who been helped to start a business	272	865	971	2,108	3,185
C.	£Private sector match secured (where linked to Growth Hub)	£27.7m	N/A	£6.6m	£34.3m	£66.3m

Source: SCR Growth Hub BEIS Annual Report, (2017-18, 2018-19)

Notes:

¹Outcome figures for Growth Hub additional indicator A not listed in the SCR Growth Hub BEIS Annual Report (2016-17)

Notes:

²Cumulative total (since launch of the Growth Hub)

Analysis of CRM quantitative outputs

4.18 This section sets out Carney Green’s quantitative analysis of the data reviewed as part of the impact evaluation. The data has been interrogated to explore two specific areas:

- Characteristics of the businesses engaged
- Impact of the Growth Hub

4.19 The evaluation’s findings regarding the Growth Hub’s approach to data collection is set out in Section 7 (below).

Characteristics of the businesses engaged

Businesses engaged (by employee number)

4.20 According to the CRM, a total of 6,086 businesses¹⁷ have engaged with the SCR Growth Hub since its creation. This figure represents 11 per cent of the total enterprises (55,385)¹⁸ in the SCR. Figures 4.11 and 4.12, below, sub-divide that engagement outcome by number of employees.

¹⁷ The CRM source figure (6,086) is quoted – as opposed to the BEIS national outcome indicator (7,821) – as it enables enhanced data interrogation against various variables.

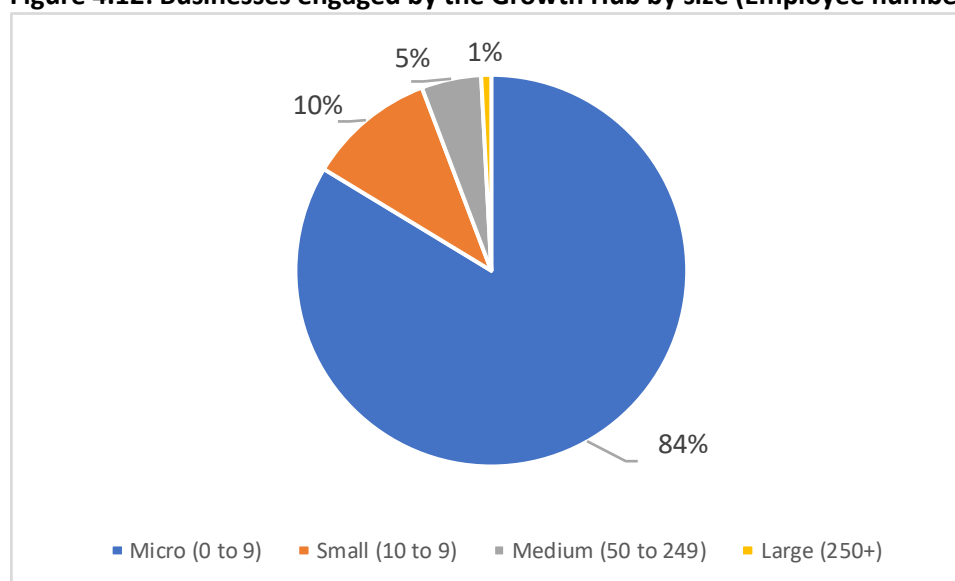
¹⁸ Source: Inter-Departmental Business Register (IDBR), March 2018

Figure 4.11: Businesses engaged by the Growth Hub by size (Employee number)

Number of employees	No of businesses	% of total ¹
Micro (0 to 9)	3,220	83.7
Small (10 to 49)	406	10.6
Medium (50 to 249)	190	4.9
Large (250+)	32	0.8
Unknown	2,236	N/A
Total (excluding 'Unknowns')	3,848	100
Total (including 'Unknowns')	6,084	-

Source: Data extraction Growth Hub CRM (22 May 2019)

Notes: ¹Excluding 'unknowns'. Consultation indicated that the 'unknowns' are generally associated with external programmes to the Growth Hub where data is not provided by delivery partners

Figure 4.12: Businesses engaged by the Growth Hub by size (Employee number)

Source: Data extraction Growth Hub CRM (22 May 2019)

Notes: ¹Excluding 'unknowns'. Consultation indicated that the 'unknowns' are generally associated with external programmes to the Growth Hub where data is not provided by delivery partners

4.21 We would comment as follows:

- FTE numbers were collected for 62.3 per cent of businesses engaged by the Growth Hub
- Of the 3,848 businesses where FTE data was collected a significant proportion (83.7%) fell into the micro business category
- None of the other Growth Hub evaluations considered as part of this study (see Section 6) recorded outputs by employee size, therefore comparative assessment is not possible

4.22 Figure 4.13, below, compares the size of businesses (by number of employees) engaging with the Growth Hub with the total population across the SCR.

Figure 4.13: Businesses engaged by Growth Hub compared to SCR enterprise numbers

Number of employees	No of businesses (Engaged with GH)	% of total ¹	No of enterprises (SCR)	% of total	Variance
Micro (0 to 9)	3,220	83.7	48,585	87.7	(4.0)
Small (10 to 49)	406	10.6	5,545	10.0	+0.5
Medium (50 to 249)	190	4.9	1,030	1.9	+3.1
Large (250+)	32	0.8	230	0.4	+0.4
Total¹	3,848	100	55,390	100	

Source: UK Business Counts, Inter Departmental Business Register (ONS), 2018

Notes: ¹Excluding 'unknowns'

4.23 We would comment as follows:

- Of the 3,848 businesses where FTE data was available:
 - All of the size categories were within +/- 4 per cent 'over' or 'under' represented
 - The closest representative sizes were 'Large' (+0.4%) and 'Small' (+0.5%)
 - Micro businesses are the only size of business that is currently slightly underrepresented by the Growth Hub's support (-4.0%); in contrast, medium sized businesses are slightly overrepresented (+3.1%)

Businesses engaged (by local authority area)

4.24 Figure 4.14, below, shows the number of businesses engaged by the Growth Hub divided by local authority area.

Figure 4.14: Businesses engaged by the Growth Hub by local authority area

Local authority area	No of businesses	% of total ¹	Rank ¹
Barnsley Metropolitan Borough Council	1,078	19.6	3
Bassetlaw District Council	271	4.9	5
Bolsover District Council	87	1.6	9
Chesterfield Borough Council	246	4.5	6
Derbyshire Dales District Council	201	3.7	7
Doncaster Metropolitan Borough Council	1,137	20.7	2
North East Derbyshire District Council	96	1.7	8
Rotherham Metropolitan Borough Council	908	16.5	4
Sheffield City Council	1,468	26.7	1
Other	594		
Total (excluding 'other')	5,492	100.0	
Total (including 'other')	6,086		

Source: Data extraction Growth Hub CRM (22 May 2019)

Notes: ¹Excluding 'Other'

4.25 We would comment as follows:

- Of the 5,492 businesses where local authority data was available:
 - Sheffield City Council has the highest proportion (26.7%) of businesses engaged by the Growth Hub
 - Bolsover District Council has the lowest proportion (1.6%)
 - The top four local authorities (Sheffield City Council, Doncaster MBC, Barnsley MBC and Rotherham MBC) account for 83.6 per cent of businesses engaged by the Growth Hub; these are the South Yorkshire local authority areas within the SCR

4.26 Figure 4.15, below, compares the proportion of businesses from each local authority with their relevant population figure (i.e. the % split between enterprises in each of the SCR's local authority).

Figure 4.15: % of businesses engaged by local authority compared to overall population

Local authority area	No of businesses	% of total ¹	No of Enterprises	% of total	Variance
Barnsley Metropolitan Borough Council	1078	19.6	6,325	11.4	+8.2
Bassetlaw District Council	271	4.9	4,015	7.2	(2.3)
Bolsover District Council	87	1.6	2,145	3.9	(2.3)
Chesterfield Borough Council	246	4.5	3,270	5.9	(1.4)
Derbyshire Dales District Council	201	3.7	4,690	8.5	(4.8)
Doncaster Metropolitan Borough Council	1137	20.7	8,800	15.9	+4.8
North East Derbyshire District Council	96	1.7	3,280	5.9	(4.2)
Rotherham Metropolitan Borough Council	908	16.5	7,115	12.8	+3.7
Sheffield City Council	1468	26.7	15,745	28.4	(1.7)
Other	594				
Total (excluding 'other')	5,492	100.0	55,385	100	
Total (including 'other')	6,086				

Source: Inter-Departmental Business Register (IDBR), March 2018

Notes: ¹Excluding 'Other'

4.27 We would comment as follows:

- Figure 4.15 (above) demonstrates a broadly representative distribution of business engagement across the nine local authorities of the SCR
- Of the 5,492 businesses where local authority data was available:
 - Apart from Barnsley MBC, which is significantly overrepresented (+8.2%), all local authorities are within +/- 5 per cent of over or under representations
 - Six of the nine local authorities are underrepresented; Derbyshire Dales District Council is the most underrepresented (-4.8%)

- The closest representative local authority is Chesterfield (-1.4%).
- Sheffield City Council is under-represented (-1.7%)

Businesses engaged (by % of foreign ownership)

4.28 Figure 4.16, below, shows the relative proportion of foreign owned business (i.e. where businesses have either partial or full foreign ownership) engaged by the Growth Hub.

Figure 4.16: Businesses engaged by the Growth Hub by % of foreign ownership

% of foreign ownership	No of businesses	% of total
0-25%	801	13.2
26-50%	8	0.1
51-75%	3	0.0
76-99%	55	0.9
100%	6	0.1
Unknown ¹	5213	85.7
Total (excluding 'Unknown')	873	100.0
Total (including 'Unknown')	6,086	

Source: Data extraction Growth Hub CRM (22 May 2019)

Notes:

¹Where this data is not provided as part of the intervention

4.29 We would comment as follows:

- Data on foreign ownership is only available for 14.3 per cent of businesses (873) that have engaged with the Growth Hub
- ONS Annual Business Survey (2016) data indicates that foreign owned businesses accounted for 1 per cent of UK's 2.41m businesses
- This UK figure is replicated by the Growth Hub, with 1 per cent of the businesses engaged in Growth being (75% plus) foreign owned

Businesses engaged (by sector)

4.30 Figure 4.17, below, shows the number of business engaged by the Growth Hub divided by sector.

Figure 4.17: Businesses engaged by sector

Sector	No of businesses	% of total	Rank
Business & Professional Services	666	18.6	1
Advanced Manufacturing and Materials	530	14.8	2
Creative and Digital Industries	384	10.7	4
Retail	351	9.8	5
Property and Construction	301	8.4	6
Sport, Leisure and Tourism	198	5.5	7
Traditional Manufacturing	165	4.6	8
Food and Drink Manufacturing	148	4.1	9
Healthcare	83	2.3	10
Distributors and Suppliers	66	1.8	11
Education	54	1.5	12
Healthcare Technologies	54	1.5	12
Logistics	38	1.1	14
Low Carbon	33	0.9	15
Arts and Entertainment	27	0.8	16
Transport Equipment Manufacturing	18	0.5	17
Recreation	13	0.4	18
Agriculture	10	0.3	19
Life Sciences	7	0.2	20
Renewables	6	0.2	21
Oil & Gas	5	0.1	22
Other	420	11.7	N/A
Unknown ¹	2,509		
Total (excluding 'unknown')	3,577	100	
Total (including 'unknown')	6,086		

Source: Data extraction Growth Hub CRM (22 May 2019)

Notes:

¹Where this data is not provided as part of the intervention**4.31 We would comment as follows:**

- Of the 3,577 businesses where sector category data was collected:
 - 10 different sectors (ranked 1 to 10) account for 80.5% of the businesses engaged
 - This breadth of sectors covered in the businesses engaged by the Growth Hub supports the SCR's 'Economic Evidence Base' documents' (May 2019) conclusion that *'The SCR does not have a single dominant sector; instead it has a much more diverse economic base'*
 - It does, however, reflect the sector specialism linked to the SCR SEP, for example, as part of its commitment to increasing the number of start-ups the SCR Growth Plan sought to focus on knowledge intensive sectors with export potential – in particular the creative and digital industries. This is shown to align closely with the Growth Hub's engagement levels; i.e. Creative and Digital industries (ranked 4th highest at 10.7%)

Businesses engaged (by source of enquiry)

- 4.32 Figure 4.18, below, shows the sources of enquiry for the businesses engaged by the Growth Hub. To support this analysis the sources of enquiry have been sub-divided into three specific categories:

Figure 4.18: Businesses engaged by 'source of enquiry'

'Source of enquiry' category	No of enquiries	% of total ¹
Intermediary and/or 3rd Party	686	9.8
Direct enquiry to Growth Hub	3,388	48.3
Growth Hub and/or SCR referral	2,942	41.9
Other	193	
Total (excluding 'other')	7,016	100
Total (including 'other')	7,209	

Source: Data extraction Growth Hub CRM (22 May 2019)

Notes: ¹Excluding 'other'

- 4.33 We would comment as follows:

- Of the 7,016 businesses where 'source of enquiry' data was collected:
 - 90 per cent enquiries to the Growth Hub were sourced either through a direct enquiry (48.3%) to the Growth Hub via telephone, email or webform or through a Growth Hub and/or SCR referral (41.9%)
 - Less than 10 per cent of referrals came from intermediary and/or 3rd party organisations

Impact of the Growth Hub

- 4.34 This section summarises the key quantitative impacts of the Growth Hub to date. In summary, the Growth Hub has performed well both in terms of its performance against national and regional targets but also compared to available information from its peer Growth Hubs. More information on this can be found in Section 7 (below).
- 4.35 The headline impacts achieved by the Growth Hub are as follows:
- 2,355.5 (gross) and 1,126 (net) jobs created across the SCR
 - £114m gross and £55m net GVA
 - £11.1m of funding awarded¹⁹ via 320 grants to 310 businesses across the SCR

¹⁹ Including Local Growth Fund business funding and including Growth Hub Enhancement Project (GHEP) grants.

- £119m of private sector leverage

4.36 Our analysis is presented as follows:

- Employment impact
- GVA impact
- Business funding impact
- Private sector leverage impact

(i.) Employment Impact

4.37 The Growth Hub has created 2,355.5 jobs (gross) and 1,126 jobs (net) since its creation. The net figure for job creation is sourced from Carney Green’s economic impact assessment which adjusts the overall impact of the Growth Hub to take account of various additionality factors (i.e. deadweight, displacement and leakage); it also applies an economic multiplier to account for indirect and induced impacts. Full details of this analysis are set out below.

Definition of job creation

All jobs identified as ‘created’ have been achieved following a **direct intervention** by the Growth Hub. For example, the Growth Hub team will have spent time working with the job creating business prior to its referral; i.e. identifying growth challenges and key priorities, getting them ‘support-ready’ and recommending the best available programme to maximise its growth objectives. This **direct intervention** is an important distinction, which adds significant value, beyond simply sign-posting enquiries (following a basic/minimal diagnostic) to a business support programme. In addition, job creation also includes a small number of interventions where the Growth Hub has provided direct funding to enable their operation.

4.38 This section analyses the distribution of these jobs created by the Growth Hub against several variables (where data²⁰ allows).

No of jobs created (by programme funding source)

4.39 Figure 4.19, below, shows the number of gross jobs created by programme funding source.

²⁰ 1,594 of the jobs (67.7%) have been recorded on the Growth Hub’s CRM database, and therefore, can be analysed against a number of key variables. The remaining jobs (761.5) have been collated from other data sources which limits the correlation analysis possible.

Figure 4.19: No of jobs (gross) by programme funding source

Programme funding source	No of jobs created	%
LGF-funded programmes ¹	1,417.5	65.0
LGF part-funded programmes ²	763	27.0
Non-LGF funded external programmes ³	175	8.0
Total	2,355.5	100

Source: Data extraction Growth Hub CRM (22 May 2019) / SCR Growth Hub, 2019

Notes:

¹Business support programmes which are 100 per cent funded by the SCR through its Local Growth Fund programme; for example, the provision of Growth Hub Advisor support part-funded by the £4m capital/revenue switch in 2015

²Business support programmes which are part-funded by the SCR through its Local Growth Fund programme; for example, GHEP, RISE, and Launchpad.

³Business support programmes which are 100 per cent funded externally

4.40 We would comment as follows:

- 92.6 per cent of jobs (2,180.5) created by the Growth Hub have been linked with LGF funded or part-funded programmes

No of jobs created (by size of business)

4.41 Figure 4.20, below, shows the number of jobs created by the Growth Hub by size of business (i.e. number of FTEs).

Figure 4.20: Number of jobs created by size of business (i.e. No of FTEs)

Size of business	No of jobs created ¹	% of total	Average Jobs per business
Micro (0 to 9)	403.5	25.3	8.2
Small (10 to 49)	361.5	22.7	10.3
Medium (50 to 249)	574	36.0	27.3
Large (250+)	255	16.0	63.8
Total	1,594	100	-

Source: Data extraction Growth Hub CRM (22 May 2019)

Notes:

¹includes 66.7 per cent (1,594) of relevant jobs recorded in Growth Hub CRM

4.42 We would comment as follows:

- The largest number of jobs (574) were created by medium (50 to 249 employees) sized businesses
- Despite the lowest number of jobs (255) being created by large (250+ employees) businesses; these businesses produced the highest proportion of jobs (63.8 jobs per business supported); therefore, in employment terms, the Growth Hub had its greatest employment impact from its engagement with large (250+) businesses

No of jobs created (by sector)

- 4.43 Figure 4.21, below, shows the number of jobs created by the Growth Hub by industrial sector. As part of this analysis the sector categories set out in the Growth Hub's CRM have been reclassified to fit with Standard Industrial Classification (SIC) codes set out in the Annual Business Survey (ABS).

Figure 4.21: No of jobs by SIC code

SIC code	Description	No of jobs created	% of total
B	Mining and quarrying	0.0	0.0
C	Manufacturing	250.0	10.6
D	Electricity, gas, steam and air conditioning supply	45.0	1.9
E	Water supply; sewerage, waste management and remediation activities	0.0	0.0
F	Construction	36.2	1.5
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	108.3	4.6
H	Transportation and storage	18.4	0.8
I	Accommodation and food service activities	46.5	2.0
J	Information and communication	57.3	2.4
K	Financial and insurance activities	0.0	0.0
L	Real estate activities	86.2	3.7
M	Professional, scientific and technical activities	1,055.1	44.8
N	Administrative and support service activities	0.0	0.0
O	Public administration and defence; compulsory social security	3.2	0.1
P	Education	26.0	1.1
Q	Human health and social work activities	47.5	2.0
R	Arts, entertainment and recreation	28.1	1.2
S	Other service activities	547.7	23.3
	Total	2,355.5	100

Source: Data extraction Growth Hub CRM (22 May 2019)/Annual Business Survey, 2018/Carney Green, 2019

- 4.44 We would comment as follows:
- The highest number of jobs (1,055.1) created by the Growth Hub were created by businesses from the 'Professional, scientific and technical activities' sector (44.8%)
 - 23.3 per cent of jobs (547) were created in sectors recorded as 'other'
 - The other 13 sectors account for 76.7 per cent of jobs created (1,807.8)
- 4.45 Figure 4.22, below, compares the sector proportion of number of jobs created by the Growth Hub with its regional industrial sector % split.

Figure 4.22: Comparison % of jobs created by SIC code with SCR regional proportions

SIC code	Description	SCR Growth Hub		SCR region		Variance
		No of jobs	%	No of jobs	%	
B	Mining and quarrying	0.0	0.0	500	0.1	N/A
C	Manufacturing	250.0	10.6	90,000	12.1	(1.5)
D	Electricity, gas, steam and air conditioning supply	45.0	1.9	2,250	0.3	+1.6
E	Water supply; sewerage, waste management and remediation activities	0.0	0.0	4,000	0.5	N/A
F	Construction	36.2	1.5	37,000	5.0	(3.5)
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	108.3	4.6	120,000	16.1	(11.5)
H	Transportation and storage	18.4	0.8	42,000	5.6	(4.8)
I	Accommodation and food service activities	46.5	2.0	50,000	6.7	(4.7)
J	Information and communication	57.3	2.4	18,000	2.4	0.0
K	Financial and insurance activities	0.0	0.0	17,000	2.3	N/A
L	Real estate activities	86.2	3.7	8,000	1.1	+2.6
M	Professional, scientific and technical activities	1,055.1	44.8	49,000	6.6	+38.2
N	Administrative and support service activities	0.0	0.0	54,000	7.3	N/A
O	Public administration and defence; compulsory social security	3.2	0.1	34,000	4.6	(4.5)
P	Education	26.0	1.1	74,000	9.9	(8.8)
Q	Human health and social work activities	47.5	2.0	118,000	15.9	(13.9)
R	Arts, entertainment and recreation	28.1	1.2	16,000	2.2	(1.0)
S	Other service activities	547.7	23.3	10,000	1.3	+22.0
	Total	2,355.5	100	743,750	100	

Source: Data extraction Growth Hub CRM (22 May 2019)/Annual Business Survey, 2018

4.46 We would comment as follows:

- The most over-represented sector for job creation is (M) Professional, scientific and technical activities (+38.2%)
- The most under-represented sector for job creation is (Q) Human health and social work activities (-13.9%)
- 8 of the 14 (57%) of the SIC codes are within +/- 5 per cent of under/over representative with the (J) Information and communication sector completely representative

No of jobs created (by level of support intensity)

4.47 Figures 4.23, below, indicates the number of jobs by level of support intensity received from the Growth Hub.

Figure 4.23: No of jobs by support intensity

Support intensity	No of jobs ¹	%	Average Jobs per business
Light touch	0	0	N/A
Medium intensity	277	17.4	11.1
High intensity	1,317	82.6	15.7
Total	1,594	100	

Source: Data extraction Growth Hub CRM (22 May 2019)

Notes:

¹includes 66.7 per cent (1,594) of relevant jobs recorded in Growth Hub CRM

4.48 We would comment as follows:

- 100 per cent of jobs were created by either medium (17.4%) or high (82.6%) intensity support
- High intensity support produced the highest jobs per business ratio (15.7) compared to Medium intensity jobs per business ratio of 11.1
- These results suggest that the Growth Hub's approach to identifying businesses with growth potential has been effective at ensuring intensive support is offered to the businesses most likely to create employment

No of jobs (by local authority)

4.49 Figure 4.24, below, illustrates the number of jobs created by local authority geography.

Figure 4.24: No of jobs by local authority

Local authority	Sum of jobs created ¹	% ²	Rank
Sheffield City Council	511	32.9	1
Doncaster Metropolitan Borough Council	415	26.7	2
Rotherham Metropolitan Borough Council	268	17.3	3
Barnsley Metropolitan Borough Council	146	9.4	4
Chesterfield Borough Council	108	7.0	5
Bolsover District Council	53	3.4	6
Bassetlaw District Council	32	2.1	7
North East Derbyshire District Council	14	0.9	8
Derbyshire Dales District Council	5	0.3	9
Other	42		
Total (excluding other)	1,552	100	
Total (including other)	1,594		

Source: Data extraction Growth Hub CRM (22 May 2019)

Notes:

¹includes 66.7 per cent (1,594) of relevant jobs recorded in Growth Hub CRM

²Excluding 'other'

4.50 We would comment as follows:

- The top three ranked local authorities represent over three quarters of jobs created (1,234): Sheffield CC (32.1%), Doncaster MBC (26.0%); and Rotherham MBC (16.8%)
- Derbyshire Dales have benefited from the least number of jobs (5) created by the Growth Hub (0.3%)

4.51 Figure 4.25, below, compares the proportion of jobs created per local authority area with its relative economically active population size.

Figure 4.25: No of jobs per local authority with resident population

Local authority	No of jobs ¹	% ²	Economically Active	% ¹	Variance
Sheffield City Council	511	32.9	306,700	32.6	+0.3
Doncaster Metropolitan Borough Council	415	26.7	151,300	16.1	+10.7
Rotherham Metropolitan Borough Council	268	17.3	123,800	13.2	+4.1
Barnsley Metropolitan Borough Council	146	9.4	118,500	12.6	(3.2)
Chesterfield Borough Council	108	7.0	52,500	5.6	+1.4
Bolsover District Council	53	3.4	42,500	4.5	(1.1)
Bassetlaw District Council	32	2.1	56,800	6.0	(4.0)
North East Derbyshire District Council	14	0.9	50,900	5.4	(4.5)
Derbyshire Dales District Council	5	0.3	38,300	4.1	(3.7)
Other	42				
Total (excluding other)	1,552	100		100	
Total (including other)	1,594		941,300		

Source: Data extraction Growth Hub CRM (22 May 2019)/ ONS annual population survey, 2019

Notes:

¹includes 66.7 per cent (1,594) of relevant jobs recorded in Growth Hub CRM

²Excluding 'other'

4.52 We would comment as follows:

- In summary, Figure 4.25 demonstrates the Growth Hub is broadly achieving its objective of supporting growth across all areas of the SCR
- Apart from Doncaster MBC (+10.7), all local authorities are represented (+/-) 5 per cent
- North East Derbyshire DC (-4.5) and Bassetlaw DC (-4.0) are the most under-represented local authorities in terms of job creation
- Sheffield City Council is the most representative local authority (0.3%) in terms of job creation

No of jobs created (by Source of Enquiry)

4.53 Figure 4.26, below, compares the number of jobs by Source of Enquiry with the number of enquiries by Source of Enquiry.

Figure 4.26: No of jobs by 'source of enquiry'

'Source of enquiry' category	No of enquiries	% of total ²	No of jobs ¹	% of total ²
Intermediary and/or 3rd Party	686	9.8	333	22.7
Direct enquiry to Growth Hub	3,388	48.3	759	51.6
Growth Hub and/or SCR referral	2,942	41.9	378	25.7
Other	193		124	
Total (excluding 'other')	7,016	100	1,470	100
Total (including 'other')	7,209		1,594	

Source: Data extraction Growth Hub CRM (22 May 2019)

Notes:

¹includes 66.7 per cent (1,594) of relevant jobs recorded in Growth Hub CRM²Excluding 'other'

4.54 We would comment as follows:

- Figure 4.26 shows that whilst the number of enquiries from 'Intermediary and/or 3rd Party' was lowest (686) proportionally, those enquires produced the highest uplift in job creation: 22.7 per cent of the total created (excluding 'other' category)
- Of the 1,470 jobs that we have specific 'source of enquiry' data on:
 - Just over half (51.6%) the jobs created originated from a direct enquiry to the Growth Hub (i.e. either a phone call, email or webform)

Number of jobs created (by length of assistance time)

4.55 Figure 4.27, below, shows the number of jobs by length of assistance received.

Figure 4.27: No of jobs per length of assistance

Length of assistance ¹	No of jobs ²	% ³	Rank
1 - 30 mins	0	0.0	10
30 - 60 mins	16	1.1	8
1 - 3 hours	183	12.1	2
3 - 6 hours	55	3.6	6
6 - 9 hours	65	4.3	5
9 - 12 hours	11	0.7	9
1.5 - 3 days	973.5	64.4	1
3 - 5 days	182	12.0	3
5 - 10 days	25	1.7	7
Unknown	83	5.5	N/A
Total (Excl 'unknown')	1,510.5	100	
Total (Incl 'unknown')	1,594		

Source: Data extraction Growth Hub CRM (22 May 2019)

Notes:

¹Defined as direct face time with a Growth Hub advisor, therefore, does not include direct support referrals to external programmes²includes 66.7 per cent (1,594) of relevant jobs recorded in Growth Hub CRM³Excluding 'Unknown'

4.56 We would comment as follows:

- Nearly two-thirds (64.4%) of the jobs were created following Growth Hub support of between 1.5 - 3 days
- The next highest support levels for job creation were 1 – 3 hours (12.1%) and 3 – 5 days (12%)

Number of predicted jobs

4.57 Figure 4.28, below, compares the available data for predicted jobs with the number of jobs created to date (by programme funding source).

Figure 4.28: Predicted versus actual jobs created by programme funding source

Programme funding source ¹	Predicted jobs		Actual jobs	
	No of jobs	%	No of jobs	%
LGF-funded programmes ²	2,300	89.0	1,418	65.0
Non-LGF external programmes ³	285	11.0	175	8.0
Total	2,585	100	1,593	

Source: Data extraction Growth Hub CRM (22 May 2019)

Notes:

¹Excluding LGF-part funded programmes; for example, GHEP, RISE and Launchpad

²Business support programmes which are 100 per cent funded by the SCR through its Local Growth Fund programme

³Business support programmes which are 100 per cent funded externally

4.58 We would comment as follows:

- The CRM indicates that c993 jobs are predicted to be created before the Growth Hub's current funding round ends in March 2021
- This figure also does not include additional jobs created by LGF-part funded programmes – for example, RISE and Launchpad – which are administered outside the Growth Hub's CRM

(ii.) GVA Impact

4.59 The Growth Hub's creation of **2,355.5** jobs was used to estimate its contribution to generating Gross Value Added (GVA) within the SCR regional economy.

4.60 To calculate this, the sector split identified for the jobs within the Growth Hub's CRM (1,594) was applied to standard SIC classifications from the Annual Business Survey. These categories were then also applied to the remaining 761.5 jobs.

4.61 To calculate the gross GVA contribution the following datasets were obtained for the SCR:

- Regional jobs per sector (i.e. SIC code)²¹
- City Region balanced GVA per sector²²

4.62 Using this data, we were able to create regional sector GVA per employee ratio and then apply that to the number of jobs created in each sector. This enabled a calculation of the gross direct GVA (using the GVA per employee ratio).

4.63 Based on the **2,355.5** jobs created, and using the methodology above, it is estimated that the Growth Hub generated the following gross direct economic impacts:

Gross direct economic impacts

- Created 2,355.5 gross direct jobs
- Generated an estimated additional gross direct £114m GVA

Net economic impact

4.64 It is important to recognise that not all of the above gross economic impacts can be attributed to the Growth Hub; some may have occurred anyway without its support. Furthermore, it is possible that some impacts may occur outside of the SCR area, or that the impacts achieved by a beneficiary business (i.e. supported by the Growth Hub) may have displaced potential impacts for a non-beneficiary business. These issues are summarised below and form the basis of calculating the project's estimated net economic impact.

- **Deadweight** represents the level of outputs from an intervention which would have occurred anyway if it had not gone ahead. For example, deadweight would be high if a business stated it would have generated employment anyway without the impact of the Growth Hub's support, or through support from other (non-Growth Hub) interventions. In contrast, it is probable that the Growth Hub signposted beneficiaries to other interventions which supported job creation, with those jobs not subsequently recorded within the project's 2,355.5 jobs.

The Homes and Communities Agency (HCA) Additionality Guide (2014)²³ provides a regional (mean) deadweight ready reckoner for business development and competitiveness of 45.5 per cent, based on previous evaluation evidence.

Deadweight = 45.5%

²¹ Source: ONS Business Register and Employment Survey (2017)

²² Source: ONS Regional gross value added (balanced) by combined authority, city regions and other economic and enterprise regions of the UK, December 2018

²³ HCA (2014) Additionality Guide

- **Displacement** represents the number or proportion of intervention outputs accounted for by reduced outputs elsewhere within the target geographical area. For example, the creation of employment by a business supported by the Growth Hub may displace jobs from a business elsewhere within the region that did not receive support. A low ready reckoner for displacement (25%)²⁴ has been selected because Growth Hub support was openly available to SMEs across the SCR geography (hence it did not generally exclude businesses). The support also covered a wide geographical area, meaning the likelihood of displacement was lower than in a more restricted geography.

Displacement = 25%

- **Leakage** represents the number or proportion of outputs that benefit those outside of an intervention's target area or group, which should be deducted from the gross direct impact. In relation to the Growth Hub, this refers to any expenditure, employment or GVA generated that is leaked out of the SCR geographical area or was achieved by ineligible businesses. As the Growth Hub's support is specifically targeted at businesses within the SCR area, which covers a large geographical area, it is likely to have experienced minimal leakage. Therefore, a low ready reckoner of ten per cent²⁵ was applied; this recognises induced and indirect impacts which may have occurred outside of the region, for example from supply chain businesses (to those supporting the beneficiary businesses) and employees of beneficiary businesses spending outside the region.

Leakage = 10%

- **Economic multipliers** reflect further economic value associated with the additional income to those employed as a direct result of support provided, as well as additional value within business supply chains (these are termed *induced* and *indirect* effects respectively). The multiplier effects of growth-related support projects such as Growth Hubs are well established within research literature. Guidance refers to the use of a low economic multiplier ready reckoner of 1.3 at the regional (SCR) level.²⁶

Economic multiplier = 1.3

4.65 Using the figures above, the calculation of net economic impacts can be made based on the summative assessment guidance. This is shown in Figure 4.29 (below).

²⁴ HCA (2014) Additionality Guide, 'low' displacement ready reckoner

²⁵ HCA (2014) Additionality Guide, 'low' leakage ready reckoner

²⁶ HCA (2014) Additionality Guide

Figure 4.29: Gross to net calculation (net economic impacts)

Impact indicator	Additionality Factor	Measure	Adjustment
Jobs created	Gross impact	2,355.5	n/a
	Deadweight	1,393	45.5%
	Displacement	375	25%
	Leakage	167	10%
	Net additional	1,126	1.3 multiplier
Gross Value Added (GVA)	Gross impact	£114.7m	n/a
	Deadweight	£67.8	45.5%
	Displacement	£18.2	25%
	Leakage	£8.1m	10%
	Net additional	£54.8m	1.3 multiplier

Source: Carney Green, 2019

Sensitivity analysis

- 4.66 Recognising the potential for different levels of attribution regarding the Growth Hub's economic impacts, a **sensitivity analysis** is provided below.
- 4.67 This assumes that the estimated figures for leakage and displacement remain the same as per Figure 4.29 above. However, different figures have been used for deadweight in the calculations below. The first, Figure 4.30, uses a lower level of deadweight (36.4%), based on a 20 per cent reduction from the HCA ready reckoner applied above.
- 4.68 The second, Figure 4.31, uses a higher deadweight figure (54.6%) based a 20 per cent increase in the HCA ready reckoner applied above. This provides higher and lower estimates of the Growth Hub's net economic impact with recognition of different potential attribution levels.

Figure 4.30: Sensitivity analysis (1) - reduced deadweight (36.4%)

Impact indicator	Additionality Factor	Measure	Adjustment
Jobs created	Gross impact	2,355.5	n/a
	Deadweight	1,115	26%
	Displacement	438	25%
	Leakage	195	10%
	Net additional	1,315	1.3 multiplier
Gross Value Added (GVA)	Gross impact	£114.7m	n/a
	Deadweight	£54.3m	26%
	Displacement	£21.3m	25%
	Leakage	£9.5m	10%
	Net additional	£64.0m	1.3 multiplier

Source: Carney Green, 2019

- 4.69 We would comment as follows:
- Applying the lower deadweight ratio increases the net impact on jobs (1,315) and GVA (£64m) by 17 per cent in both instances

Figure 4.31: Sensitivity analysis (2) - increased deadweight (54.6%)

Impact indicator	Additionality Factor	Measure	Adjustment
Jobs created	Gross impact	2,355.5	n/a
	Deadweight	1,672	55%
	Displacement	313	25%
	Leakage	139	10%
	Net additional	938	1.3 multiplier
Gross Value Added (GVA)	Gross impact	£114.7m	n/a
	Deadweight	£81.4m	55%
	Displacement	£15.2m	25%
	Leakage	£6.8m	10%
	Net additional	£45.7m	1.3 multiplier

Source: Carney Green, 2019

4.70 We would comment as follows:

- Applying the higher deadweight ratio decreases the net impact on jobs (938) and GVA (£45.7) by 17 per cent in both instances

(iii.) Business funding impact

4.71 This section summarises the Growth Hub's impact in relation to raising funding and finance for SCR businesses. In total, the Growth Hub has supported 310 separate businesses with over £11.1m in grant support since its establishment in April 2016.

4.72 Figure 4.32, below, shows the amount of funding awarded per size of business.

Figure 4.32: Business funding awarded by size of business

Business size	No of grants	Business funding awarded (£)	%
Micro (0 to 9)	128	£1,994,641	18.0
Small (10 to 49)	148	£3,739,827	33.8
Medium (50 to 249)	39	£2,423,582	21.9
Large (250+)	5	£2,920,000	26.4
Total	320	£11,078,050	100

Source: Data extraction Growth Hub CRM (22 May 2019)

4.73 We would comment as follows:

- The highest percentage (33.8%) of funding was awarded to small businesses (10 to 49 employees) with a total amount of £3.8m
- The lowest percentage (18%) of business funding awarded was to Micro businesses (0-9 employees) at £2.0m

4.74 Figure 4.33, below, illustrates the combined grant funding awarded to SCR businesses by local authority geography.

Figure 4.33: Combined grants funding awarded by local authority

Local authority	No of businesses	Combined grants funding awarded (£)	%
Sheffield City Council	144	£4,902,045	44.3
Doncaster Metropolitan Borough Council	30	£2,285,259	20.6
Rotherham Metropolitan Borough Council	43	£2,054,981	18.6
Chesterfield Borough Council	21	£803,114	7.2
Barnsley Metropolitan Borough Council	32	£756,126	6.8
Bassetlaw District Council	14	£94,806	0.9
Bolsover District Council	13	£86,150	0.8
North East Derbyshire District Council	13	£53,586	0.5
Derbyshire Dales District Council	10	£41,979	0.4
Total	320	£11,078,046	100

Source: SCR Growth Hub, 2019

4.75 We would comment as follows:

- The highest percentage (44.3%) of funding was awarded to businesses located in Sheffield City Council local authority area with a total amount of £4.9m
- The highest 'per business supported' amount of business grant funding awarded was £76k in Doncaster Metropolitan Borough Council
- Sheffield City Council ranked 4th out of nine local authorities for funding per businesses supported with £34k

4.76 Figure 4.34, below, compares the spatial distribution of the funding awarded against the number of businesses per population for each of the local authorities.

Figure 4.34: Combined grants funding awarded by local authority (compared to total businesses)

Local authority	Combined grants awarded		Population		Variance
	No of businesses	%	No of businesses	%	
Barnsley Metropolitan Borough Council	32	10.0	6,325	11.4	-1.4
Sheffield City Council	144	45.0	15,745	28.4	16.6
Doncaster Metropolitan Borough Council	30	9.4	8,800	15.9	-6.5
Rotherham Metropolitan Borough Council	43	13.4	7,115	12.8	0.6
Bassetlaw District Council	14	4.4	4,015	7.2	-2.9
Chesterfield Borough Council	21	6.6	3,270	5.9	0.7
Derbyshire Dales District Council	10	3.1	4,690	8.5	-5.3
Bolsover District Council	13	4.1	2,145	3.9	0.2
North East Derbyshire District Council	13	4.1	3,280	5.9	-1.9
Total	320	100	55,385		-

Source: SCR Growth Hub, 2019

4.77 We would comment as follows:

- Six of the nine local authorities were within +/- 5 per cent a representative sample of businesses awarded funding
- The closest representative sample was Bolsover District Council with just 0.2 per cent overrepresented against population
- The most overrepresented Local authority was Sheffield District Council with +16.6 per cent of businesses receiving grant funding

(iv.) Private sector leverage

4.78 This section summarises the Growth Hub's impact in relation to private sector leverage. Available data from the CRM shows that the Growth Hub has supported the leverage of £119m of private sector investment since its establishment in April 2016.

4.79 Figure 4.35, below, shows the private sector leverage subdivided by size of business across the SCR.

Figure 4.35: Private sector leverage by size of business

Business size	Private sector leverage (£)	%	£ per business
Micro (0 to 9)	21,567,882	18.1	385,141
Small (10 to 9)	33,479,489	28.1	1,079,984
Medium (50 to 249)	28,681,492	24.1	1,303,704
Large (250+)	35,508,334	29.8	5,918,056
Total	119,237,197	100	

Source: Data extraction Growth Hub CRM (22 May 2019)

4.80 We would comment as follows:

- Both the highest percentage (29.8%) and highest 'per business supported' amount of private sector leverage (£5.9m) was to large businesses (250+ employees)

4.81 Figure 4.36, below, shows the private sector leverage subdivided by size of business across the SCR.

Figure 4.36: Private sector leverage by local authority (compared to total businesses)

Local authority	Private sector leverage (£)	%	No of businesses	%	Variance
Sheffield City Council	43,554,619	36.5	15,745	28.4	8.1
Doncaster Metropolitan Borough Council	39,380,937	33.0	8,800	15.9	17.1
Rotherham Metropolitan Borough Council	15,445,255	13.0	7,115	12.9	0.1
Bassetlaw District Council	7,870,595	6.6	4,015	7.3	(0.7)
Barnsley Metropolitan Borough Council	7,479,334	6.3	6,325	11.4	(5.2)
Bolsover District Council	2,655,000	2.2	2,145	3.9	(1.7)
Chesterfield Borough Council	2,625,025	2.2	3,270	5.9	(3.7)
Derbyshire Dales District Council	134,890	0.1	4,690	8.5	(8.4)
North East Derbyshire District Council	91,532	0.1	3,280	5.9	(5.9)
Total	119,237,197	100.00	55,385	100.0	

Source: Data extraction Growth Hub CRM (22 May 2019)

4.82 We would comment as follows:

- Businesses in South Yorkshire secured the highest amount of private sector leverage (£43.6m) compared with just £91.5k in the cross-over region
- The distribution of private sector leverage was not proportionately distributed, with only four of the nine authorities (44%) within +/- 5 per cent over or underrepresented
- The highest overrepresented local authority was Doncaster MBC with +17% higher amount of private sector leverage (£39.4m) and the most underrepresented local authority was Derbyshire Dales DC (-8.4%)

Customer Satisfaction Survey / Impact (CSSI) report

4.83 This section summarises the quantitative findings from the Growth Hub's Customer Satisfaction Survey / Impact (CSSI) report.

Satisfaction levels (all respondents)

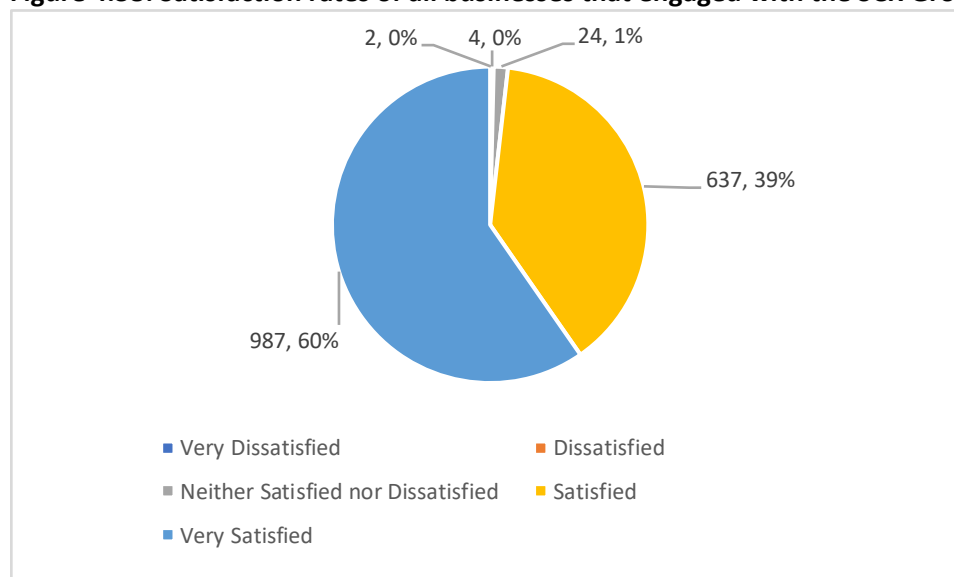
4.84 Figures 4.37 and 4.38, below, shows the satisfaction rates of all responding businesses.

Figure 4.37: Customer Satisfaction Survey results (all respondents): On a scale of 1 – 5, where 5 is very satisfied, how satisfied are you with the service you have received from the Growth Hub?

Satisfaction level	No of respondents	%
Very Satisfied	987	59.7
Satisfied	637	38.5
Neither Satisfied nor Dissatisfied	24	1.5
Dissatisfied	4	0.2
Very Dissatisfied	2	0.1
Total	1,654	100

Source: SCR Growth Hub CSSI, 2019 / Carney Green, 2019

Figure 4.38: Satisfaction rates of all businesses that engaged with the SCR Growth Hub



Source: SCR Growth Hub CSSI, 2019 / Carney Green, 2019

4.85 We would comment as follows:

- 98.2 per cent of all respondents were either 'very satisfied' (59.7%) or 'satisfied' (38.5%) with the service they received from the Growth Hub
- Only 0.3 per cent of responding businesses were either 'dissatisfied' (0.2%) or 'very dissatisfied' (0.1%) with the service they had received from the Growth Hub

Satisfaction levels (by support intensity)

4.86 Figures 4.39 to 4.40, below, indicate the satisfaction rates of businesses that received either 'light touch', 'medium intensity' or 'high intensity' support.

Figure 4.39: Customer Satisfaction Survey results ('light touch'¹ respondents)

Satisfaction level	No of respondents	%
Very Satisfied	23	37.1
Satisfied	35	56.5
Neither Satisfied nor Dissatisfied	3	4.8
Dissatisfied	1	1.6
Very Dissatisfied	0	-
Total	62	100

Source: SCR Growth Hub CSSI, 2019 / Carney Green, 2019

Notes:

¹No. of businesses that have received 'light touch' triage, information and/or signposting support (excl. website traffic)

4.87 We would comment as follows:

- Of the 62 respondent businesses identified as receiving 'light touch' support:
 - 93.5 per cent were either 'very satisfied' (37.1%) or 'satisfied' (56.5%) with the service they received from the Growth Hub
 - Only 1 (1.6%) respondent was 'dissatisfied' with the service received from the Growth Hub

Figure 4.40: Customer Satisfaction Survey results ('medium intensity'¹ respondents)

Satisfaction level	No of respondents	%
Very Satisfied	331	54.4
Satisfied	268	44.0
Neither Satisfied nor Dissatisfied	8	1.3
Dissatisfied	2	0.3
Very Dissatisfied	0	-
Total	609	100

Source: SCR Growth Hub CSSI, 2019 / Carney Green, 2019

Notes:

¹No. of businesses receiving 'medium intensity' information, diagnostic and brokerage support

4.88 We would comment as follows:

- Of the 609 respondent businesses identified as receiving 'medium intensity' support:
 - 98.4 per cent were either 'very satisfied' (54.4%) or 'satisfied' (44%) with the service they received from the Growth Hub
 - Only 2 (0.3%) respondents were 'dissatisfied' with the service received from the Growth Hub

Figure 4.41: Customer Satisfaction Survey results ('high intensity'¹ respondents)

Satisfaction level	No of respondents	%
Very Satisfied	633	64.4
Satisfied	334	34.0
Neither Satisfied nor Dissatisfied	13	1.3
Dissatisfied	1	0.1
Very Dissatisfied	2	0.2
Total	983	100

Source: SCR Growth Hub CSSI, 2019 / Carney Green, 2019

Notes:

¹No. of businesses receiving 'high intensity' support (e.g. account management / intensive support directly provided by the Hub or partner organisation)

4.89 We would comment as follows:

- Of the 983 respondent businesses identified as receiving 'high intensity' support:
 - Nearly two thirds (64.4%) were 'very satisfied' with the service they received from the Growth Hub
 - Only 3 (0.3%) respondents were either 'dissatisfied' or 'very dissatisfied' with the service received from the Growth Hub
 - Generally, the above results show a correlation between high intensity support and increase satisfaction with Growth Hub service received the proportionally

Financial performance

4.90 This section presents the Growth Hub's performance against its financial targets. Figures 4.41 and 4.42, below, show the Growth Hub's budget versus actual expenditure to date from all funding as well as core and non-core funding.

Figure 4.41: Growth Hub financial performance (all funding): budget, actual and variance (2015-16 to 2018-19)

All Funding	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
Budget	631,255	1,111,248	1,282,520	1,407,329	954,599	779,561	63,579	6,230,091
Actual	631,255	1,112,184	1,281,945	1,397,329				4,422,713
Projected					1,108,217	1,058,522	0	2,166,739
Variance	0	-936	575	10,000	(153,619)	(278,961)	63,579	
Total expenditure to date				4,422,713				

Source: SCR Growth Hub, 2019

Figure 4.42: Growth Hub financial performance (core and non-core funding): budget, actual and variance (2015-16 to 2018-19)

Core Funding	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
Budget	500,000	609,064	690,575	770,000	737,000	717,000		4,023,639
Actual	500,000	610,000	690,000	760,000	N/A	N/A		2,560,000
Projected	N/A	N/A	N/A	N/A	736,717	715,522		1,452,239
Variance	0	-936	575	10,000				9,639
Non-Core Funding	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
Budget	131,255	502,184	591,945	637,329	217,599	62,561	63,579	2,206,452
Actual	131,255	502,184	591,945	637,329				
Projected					371,500	343,000		
Variance	0	0	0	0	(153,901)	(280,439)		

Source: SCR Growth Hub, 2019

- 4.91 Figure 4.43 shows the Growth Hub's latest available value for money (VfM) performance in terms of 'cost per job' for both gross and net job creation performance.

Figure 4.43: Growth Hub 'cost per job'

	Gross	Net
Number of jobs created	2,355.5	1,126
Growth expenditure to date (£)	4,422,713	4,422,713
Cost per job (£)	1,877.61	3,927.81

Source: Carney Green, 2019

- 4.92 We would comment as follows:

- Figure 4.42, above, illustrates strong financial management by the Growth Hub with 71 per cent of its budget spent and a total underspend of just £9.6k (0.2%) against a total expenditure of £4.4m
- Based on its expenditure to date of £4.4m, the current Growth Hub net cost per job figure is £3,928. Whilst this figure would appear to compare extremely favourably with the generally recognised ERDF median figure of £26,000 gross cost per job, we would urge extreme caution around this 'cost per job' number as the calculation only takes partial account of the funding costs for the LGF and non-LGF funded programmes that the Growth Hub has referred businesses into

- 4.93 Figure 4.44 summarises the value of the SCR's investment in the Growth Hub to date.

Figure 4.44: Growth Hub 'cost per job'

Performance indicator	Outcomes to date	Growth Hub funding to date	SCR return on investment ¹
GVA (net)	£55m	£4.4m	£12.50
Business funding secured	£15.5m	£4.4m	£3.85
Private sector leverage	£119m	£4.4m	£29.63

Source: Carney Green, 2019

Notes:

¹SCR return based on £1 expenditure

Section 4 summary

Output target performance:

- The Growth Hub has performed extremely well against its gross job creation target. It has achieved 94.2% of its job creation target (2,355.5 gross) and 45% of its job creation target (1,126 net) with c22 months of its target delivery cycle remaining
- Projection of future Growth Hub job creation shows a strong over performance on job creation of +1,219.5 which broadly reflects the predicted jobs in the Growth Hub's CRM

Outcome target performance:

- The Growth Hub has significantly exceeded – light touch (+31.5%), medium intensity (+155.8%) and high intensity (+167%) – its selected BEIS outcome targets to date
- Consultation has indicated that BEIS view the SCR Growth Hub has one of the top performing Growth Hubs in England based on its performance and general operation
- The Growth Hub has made significant progress (87.6%) against its gross GVA performance (£114m) and good progress (42.3%) in net terms (£55m), with c22 months remaining

Business engagement:

- Compared to five other Growth Hubs, the Growth Hub has the second highest business engagement rate (14.1%), bettered only by The Marches Growth Hub (27.0%)
- The Marches Growth Hub has three physical hubs including two (in Hereford and Telford & Wrekin) which are located within University of Wolverhampton buildings
- Business engagement was shown to be broadly representative across the size categories (micro, small, medium and large); local authority area; sector specialisms of the SEP

Business referrals:

- Nearly three-quarters (73.1%) of business referrals (2,193) made by the Growth Hub were to businesses receiving 'medium' and 'high' intensity interventions suggesting that the Growth Hub's gateway is effective at identifying businesses with 'growth potential'

Source of enquiry:

- 90 per cent of enquiries (7,016) to the Growth Hub were sourced either through a direct enquiry (48.3%) to the Growth Hub via telephone, email or webform or through a Growth Hub and/or SCR referral (41.9%)
- Less than 10 per cent of referrals came from intermediary and/or 3rd party organisations

Project impact:

- The Growth Hub had its greatest ratio employment impact (64 per business) from large (250+) businesses and its largest volume of jobs (404) impact from micro businesses
- The highest number of jobs were created by businesses from the 'Professional, scientific and technical activities' sector (44.8%); 100 per cent of jobs were created by medium (17.4%) or high (82.6%) intensity support; job creation by local authorities was broadly representative across the SCR; and nearly two-thirds (64.4%) of the jobs were created following Growth Hub support of between 1.5 - 3 days

Customer Satisfaction:

- 98.2 per cent of all respondents were either ‘very satisfied’ (59.7%) or ‘satisfied’ (38.5%) with the service they received from the Growth Hub

Raising funding and private sector leverage:

- The Growth Hub has supported 310 businesses to raise nearly £11.1m since April 2016
- The Growth Hub has supported £119m of private sector leverage since April 2016

Financial performance:

- The Growth Hub has demonstrated strong financial management with 71% of its budget spent and a total underspend of just £9.6k (0.2%) against a total expenditure of £4.4m

5. Qualitative performance review

- 5.1 This section presents the impact evaluation's assessment of the SCR Growth Hub's qualitative performance to date. It has been informed by a mix of face-to-face and telephone interviews with a range of strategic stakeholders, Growth Hub delivery staff and business beneficiaries.

Strategic stakeholders

- 5.2 Strategic stakeholder and delivery partners insights are presented below against the following qualitative themes (which directly relate to the impact evaluation's objectives):

- Remit and delivery model
- Growth Hub impacts
- Future impact measurement
- General Growth Hub impact improvement recommendations

- 5.3 In addition, several primary case studies are included to illustrate the overall qualitative impact of Growth Hub's activities on its business beneficiaries.

Growth Hub remit and delivery model

- 5.4 Strategic stakeholders and delivery partners interviewed offered mixed views on the extent to which the Growth Hub's remit is understood across the SCR. Figure 5.1, below, summarises the observations offered.

Figure 5.1: Growth Hub remit observations

The remit of the SCR Growth Hub is to...?	
Clearer understanding...	Less clear understanding...
<ul style="list-style-type: none"> • Simplifying business support landscape – i.e. make the process as seamless as possible from the business' perspective • Providing information and advice to business • First stop for businesses looking for support • 'Honest broker' role • SME-focused service currently 	<ul style="list-style-type: none"> • Focus on high growth businesses or not? • Specialist advice and/or referrals to partner organisation? • Growth Hub offer in SCR/D2N2 LEP cross over local authorities¹, however, examples of where it has worked well • Remit constantly evolving due to funding environment

Source: Carney Green, 2019

Notes:

¹Bolsover District Council; Chesterfield Borough Council; Derbyshire Dales District Council; North East Derbyshire District Council; Bassetlaw District Council

- 5.5 Additional observations from strategic stakeholders have included:

- **Recognition of on-going duplication of delivery model:** A number of consultees highlighted the on-going duplication of elements of the Growth Hub delivery model across

the SCR; for example, there are a minimum of three separate business support incoming enquiry routes operating in the region (i.e. the Growth Hub Gateway, Sheffield City Council's City Growth Team Gateway, and Sheffield Hallam University's central business enquiry system)

- **Delivery focus on Sheffield City Council businesses:** A number of consultees reported a perception that the Growth Hub remains too Sheffield City Council focused from a spatial delivery perspective and, as a result, other local authorities are considered 'less important' and/or receive an inferior service in terms of business engagement and support

"There has been a severe lack of engagement of [name of local authority area] businesses. We get the feeling that our businesses are not considered as important compared to other local authority areas. The relationship feels very arm's length."

SCR Local authority delivery partner

Growth Hub impacts

5.6 Observations from strategic stakeholders and delivery partners have included:

- **Generalised feeling of impact:** the majority of consultees reported that they felt the Growth Hub is doing well and making an impact across the region, although very few could cite specifics in terms of data or hard evidence to support viewpoint. Likewise, the consensus amongst those interviewed was that the Growth Hub is well managed and effectively operated on a day-to-day basis
- **Primary point of contact:** there was a general view that ever-increasing numbers of businesses across SCR now know that the Growth Hub is where they can go for business support advice and guidance. This shift in understanding from businesses perspective was acknowledged as a key impact of the Growth Hub
- **Increased referrals and access to business support:** generally, with some exceptions, project partners acknowledged a steady increase in referrals from the Growth Hub and the fact that – because of the Growth Hub - more businesses in their area have been able to access business support opportunities than would otherwise have been possible
- **Quality of referrals:** a number of programme deliverers highlighted the increased volume and quality of referrals from the Growth Hub. Several specifically stated that the Growth Hub was one of the 'biggest referrers' into their programme. This, they argue, is resulting in increasingly positive and impactful achievements for their programmes in terms of delivering outputs and outcomes for the businesses they work with; for example, the Department of International Trade (DIT) reported increased jobs and exports across the SCR region. Again, this was not a universal view expressed by all interviewees

- **Promotional and communication impacts:** as part of a wider appreciation of its collaborative approach, a number of programme deliverers highlighted the positive marketing impact of the Growth Hub in relation to the promotion of their support programmes; for example, hosting a page on the Growth Hub website, as part of the wider Growth Hub communications
- **Data capture issues:** there was a general acknowledgement that the ‘ripple effect’ of Growth Hub’s interventions with businesses is hard to quantify; i.e. the on-going impact of the support they have received directly and the support they are referred on to. In addition, the Growth Hub’s capacity to communicate effectively to businesses and project partners was also questioned. This point is linked to their overall progress point, whereby a number of strategic stakeholders reported that they had not seen explicit evidence of progress reported by the SCR. It should be noted that the Growth Hub lacks specific communication resource and is dependent on the internal SCR team for communications support
- **Growth Hub communication:** generally, consultees were positive regarding the Growth Hub’s responsiveness to specific data enquiries and/or general policy related queries. The Growth Hub team are viewed as ‘dynamic’ and ‘can do’ individuals with a strong commercial focus both in operation and attitude. One area of potential improvement identified related to the Growth Hub’s capacity to communicate effectively across the LEP:

‘In terms of communication we don’t get too much internally from the Growth Hub. They react well to specific requests but don’t produce much themselves. Their communications are mainly externally focused on outside businesses – much less on internal audiences.’

Internal strategic stakeholder

- **Understanding of SCR business views:** one consultee suggested that internally (within the SCR) the Growth Hub team are perceived as ‘experts’ in understanding what SCR businesses are thinking and are the ‘go-to’ team for relevant and up-to-date insights into regional business needs. This, they suggested, was a unique strength that is currently not being sufficiently exploited by the Growth Hub or the SCR LEP
- **Collaborative working relationships:** consultees reported generally strong working relationships with the Growth Hub team (both formally and informally); for example, when help has been asked for, it has generally been given. In particular, the delivery organisations relationships with the Growth Hub Advisors was cited as particularly strong. A number of delivery partners reported having received positive feedback from referred businesses regarding the honest feedback received from the Growth Hub advisors which had resulted in a value-adding referral and reduced their referral journey (i.e. “instead of being referred from A to B to C, they were referred directly to programme C”)

- **Collaborative approach despite a challenging political climate:** a number of consultees felt that it was appropriate for the Growth Hub to be undertaking delivery and that the Growth Hub's collaborative approach had meant that the inevitable political challenges that go with that had been managed effectively. It was noted by one interviewee that the Growth Hub had managed to have an impact because of its ability to work "between people as much as with people"

Future impact measurement

Observations from strategic stakeholders have included:

- **Focus on the 'so what?' question:** a number of strategic consultees stressed the importance of the Growth Hub asking 'what does this actually tell us' when considering 'softer impact' collation and analysis. For example, one consultee asked, "What does an improvement in 'business confidence' actually mean to the landscape of the SCR economy?". It was argued that the Growth Hub should focus on collecting insights that will actively inform its strategic policy direction and support the growth of the SCR, contributing to its revised SEP and Local Industrial Strategy (LIS) objectives. It should be noted that this viewpoint runs counter to most of the business beneficiaries interviewed as part of this evaluation. Many which explicitly cited the importance of improved confidence as a key outcome of their engagement with the Growth Hub and its advisor team
- **Data analysis and associated learning:** a number of consultees acknowledged the volume and quality of the management information that the Growth Hub currently captures but suggested that this information is not communicated widely enough across the SCR. It was also felt that the Growth Hub's existing MI could be used more effectively by the SCR LEP to inform its growth strategy; for example, does the MI indicate that the focus should be on certain sectors, business types or 'scale up' opportunities?

Improvement recommendations – i.e. how to improve impact

5.7 Observations from strategic stakeholders have included:

- **Improve structural embeddedness:** a number of consultees observed that the Growth Hub feels "a bit removed from the corporate organisation currently". It is perceived as a "separate entity to the rest of the SCR" and that the relationship feels "a bit arm's length currently". Others argued that in some ways the Growth Hub management team has been the victim of its own ability to operate independently and with limited senior support, which had "contributed to a perception of the Growth Hub being a separate, almost subsidiary company within the wider SCR"

- **Future Growth Hub focus:** a number of strategic stakeholders highlighted the apparent lack of clarity regarding the future focus of the Growth Hub. For example, should the Growth Hub shift its focus to productivity and inclusive growth?
- **Partnership Manager:** a comparator Growth Hub consultee highlighted the important role played by their Partnership Manager who is employed to manage the Growth Hub's relationship with its partners (i.e. through meeting regularly with all the partners). This, they argued, helps ensure a smooth referral process and increases the collaboration between delivery partners and the Growth Hub
- **Growth Hub SME focus:** there were mixed views regarding whether the Growth Hub should be viewed as solely an SME service. A number of interviewees acknowledged the shift in Growth Hub focus due to its involvement in ESIF-related programmes, however, it was also argued that the SME market has a large role to play in key policy areas of innovation and productivity:

"The government's national 2.4% Research and Development spend target will only be achieved if SMEs are encouraged to invest. A key challenge for the SCR's SME community is to 'work on their business, rather than in their business all the time'. The Growth Hub could have a key role to play in this space".

Strategic stakeholder

- **Future relationship/convenor role:** one consultee felt that the Growth Hub should focus on being the principal 'business support relationship holder' across the SCR. The Growth Hub should aim to be the primary point of contact on behalf of a broader partnership. This will enable the Growth Hub to sit at the heart of the business support landscape across the SCR. Part of this is about opening access to the businesses they have engaged with to other types of business support (and vice versa); for example, helping its university partners to access companies that would not normally consider working with an academic institution

5.8 To summarise, the consultation findings (above) demonstrate the breadth and variety of expectation on the Growth Hub from an impact perspective, which is important given the relatively small size of the Growth Hub core team. For example, it highlighted:

- A general sense that the Growth Hub is having an impact across the region although there was less consistency about what that impact was
- The view that the Growth Hub's position as a single-entry point for business support is now widely understood by business and strategic/delivery partners across the SCR

- That the Growth Hub has delivered increased quality and volume of referrals – in particular additional ‘net new’ enquiring businesses who wouldn’t have contacted the Growth Hub previously
- The increased role of the Growth Hub as a referrer into external programmes – both in terms of the volume and quality - which has resulted in increasingly positive outcomes
- The role the Growth Hub plays as a promotor of external business support programmes across the region
- Key challenges around the capture and communication of Growth Hub impacts; in particular, the volume of internal communication and its business insight value from an internal SCR policy perspective. This is seen as an area of untapped potential for the Growth Hub currently
- The importance and the appreciation of the responsiveness of the Growth Hub to specific data enquires or general policy related queries
- The strong collaborative and partnership approach of the Growth Hub and its advisor team. This again is viewed as a key strength of the organisation
- Various views on the Growth Hub’s future role: for example, should the Growth Hub focus on its convenor role? Should it be the SCR’s centre of business intelligence? Should it act as an internal advisor/business voice to the SCR’s policy team? Should it be driving the productivity and inclusive growth agenda for the region? Should it be a specialist SME service or focus solely on high growth businesses?

GROWTH HUB CASE STUDY:**Advanced Manufacturing (Sheffield) Ltd**

Advanced Manufacturing (Sheffield) Ltd (AML) is located close to the University of Sheffield Advanced Manufacturing Research Centre (AMRC), within the Sheffield Science Park.

It originally spun out of the AMRC in 2008 when its founder, Dr Gareth Morgan, identified the opportunity to apply advanced manufacturing and precision machining technology on a production basis – effectively bridging the gap between research and prototyping. AML's services now include the manufacture of complex metallic parts, precision sub-assembly manufacture, bespoke engineering services and R&D projects to the aerospace industry, global blue chip clients and a variety of smaller businesses. Clients include Boeing, Rolls-Royce, Bombardier and Siemens. Prior to engaging with the SCR Growth Hub the business had approximately 25 employees.

In 2015, following a period of steady growth, AML recognised the challenges faced by providing fixed prices to clients for its development activity, whereby any delays had to the potential to add significant costs to the business. It therefore sought to gradually change its approach, ensuring more constant running of its machines to provide more continuous and longer-term income. This meant less focus on R&D and greater provision of parts through long-term contracts. In addition, AML is currently in the process of developing shaft production, whereby power sources (gas turbines) are bolted to the ground as back-up or project power.

Given the above significant changes to the business, and associated increase in scale of production and general growth, AML recognised the benefit of accessing assistance wherever possible; particularly given it remains a relatively small SME and the changes required significant investment. For example, the aforementioned shaft production has a CAPEX bill of c£1.5m.

Having engaged with the SCR LEP in the past, the business was already aware of the SCR Growth Hub. Upon attending a Growth Hub breakfast seminar, Dr Gareth Morgan became aware that Innovate UK was running a competition for innovative projects, which was relevant to the aforementioned shaft production activity of AML. However, this required completion of a detailed application form with only minimal time to do so. As a result, AML worked with Rachel Fletcher from the Growth Hub, together with an accountancy firm. Through the Growth Hub's Enhancement Project (GHEP), AML was able to obtain c50-60 per cent of the cost towards putting the application together. Nigel Lane, Chairman of AML, commented that Rachel and the accountancy team did an excellent job, with the business being successful in obtaining a loan of £900,000 towards the shaft production project.

AML has subsequently developed a working relationship with one of the Growth Hub's Business Growth Specialists, Steve Goodare, who acts as a point of contact for the business; the Growth Hub has become a specific resource for AML, in particular regarding access to finance. In addition to the above example, AML has received the following assistance from the Growth Hub:

- Attended masterclasses which provided assistance and guidance regarding the forthcoming upgrade to the aerospace quality standard (AS9100). AML was also able to access 2-3 days of time from an expert to help with this. Ultimately, it ensured the business was aware of its requirements

and what this involved. More widely, AML has attended several other masterclasses through the Growth Hub.

- The Growth Hub provided AML with awareness of two competitive funding opportunities via the Business Investment Fund: the Productivity Challenge and Made Smarter. AML subsequently applied for both and is currently awaiting the outcome of these.
- The Growth Hub referred AML to contacts at the Department for International Trade which supported the business to prepare its own stand and associated pitch at the Farnborough Air Show (under the umbrella of the Aerospace, Defence, Security and Space Sectors Group); this was very successful and led to the business obtaining a new long-term client. It also led to attendance at the Paris Air Show.
- The Growth Hub also informed AML of opportunities to access funding to train individuals; although ultimately this did not fit with the company's timescales.
- Over the last two years AML has increased its number of employees by 10, rising to 35 in total. Similarly, turnover last year was £2.4m and is budgeted to increase to £3.8m this year. Nigel Lane, whilst stating it was impossible to say if AML would be where it is today without the Growth Hub, did comment that the journey would have been a lot harder without the support it had accessed:

"We have been very pleased with the support we have received from the Growth Hub. Without it our journey would have been a lot harder. I am glad they are around."

Nigel also referred to a series of other areas where the Growth Hub has enhanced AML, although these could not be attributed solely to the Hub itself. Examples included:

- Development of a new product or service offering
- An increased proportion of annual expenditure on R&D
- Investment in new technology, equipment or facilities
- Increased volume and quality of production
- Increased propensity to innovate

Nigel commented that the most important benefit provided by the Growth Hub is the provision of a single 'angel' that businesses can contact at any point of support, advice and information. That personal touch is seen as being particularly valuable, far more so than being sent regular emails or other less personal information routes.

Growth Hub Delivery staff

Growth Hub impacts

5.9 Observations from the Growth Hub delivery team have included:

- **Types of benefits:** Delivery staff identified a number of softer/wider benefits that are currently being delivered by the Growth Hub but not necessarily being captured including:

- Educational benefits: Advisors reported that their role is often educational, helping businesses to benchmark and self-assess. For example, they ask relevant questions to identify a business' options and work with the business to explore the pros and cons of each one based on their experience and understanding of the sector

"It's not always an immediate project but it's in some ways the most worthwhile work. I want to leave every business I work with better informed and more confident than when I went in. These are the things that from data capture point of view are the most difficult to quantify but where we often add the most value."

AFCoE Growth Hub Advisor

- Opportunity cost benefits: Growth Hub advisors role as a critical friend regularly enables a business to reconsider a project plan because the review process suggests it is unlikely to be successful or will not adequately address the underlying growth barrier that the firm is seeking to address. This saves the business both time, money and staff resources which can be utilised in more impactful ways. Examples cited include telling a well-capitalised business that applying for a grant is extremely unlikely to be successful or advising a business that rather than spending time and energy accessing finance they could introduce operational improvements to improve their debt collection or stretch their creditors
- Business confidence: by sharing market intelligence of funding practices Growth Hub finance advisors increase business' confidence to go back to their bank and ask for a second opinion given their increased understanding of what other institutions are lending
- Value of independent advice: the importance of businesses or business owners receiving genuinely independent advice from an advisor with no connection or agenda with the business to the resilience and confidence of the decision makers

Capturing impact

5.10 Observations from the Growth Hub delivery team have included:

- **Lack of formal process:** several Growth Hub advisors highlighted the lack of formal process for capturing wider non-mandatory impacts. However, it was also suggested that this would not necessarily be practical given time restrictions for both the advisor and the beneficiary business representative, who are often Managing Director level or equivalent. In addition, the delicacy of the ‘trusted’ client-advisor relationship was highlighted and the need to protect this by not ‘drawing on them too much’ for feedback
- **Data capture key challenges:** delivery team respondents identified three critical challenges around capturing Growth Hub impact on the businesses they worked with, specifically:
 - Softer impacts: identifying the qualitative impacts and/or benefits on the Growth Hub business beneficiary
 - Time lapse: identifying the longer-term impacts/benefits of the Growth Hub support, particularly given the variance of time gap between intervention and impact
 - Attribution: achieving confirmation of attribution between business benefits (hard and/or soft) and the contribution of the Growth Hub (i.e. cause and effect); particularly when significant time has elapsed

The following example was cited during interviews:

An Access to Finance advisor completes an initial face-to-face diagnostic with a business seeking to raise finance. If the advisor recommends applying for a grant from the SCR’s Business Investment Fund, the business will have a contract with the LEP and will report job creation as part of that agreement. However, if the advisor recommends sourcing finance via debt or equity (i.e. an external funder), then the company are not obliged to inform the Growth Hub of the jobs created as a result of that funding advice. In this instance, capturing the quantitative and qualitative benefits currently relies on the strength of the advisor’s relationship with the business and the likelihood of them speaking to the business in the future to establish the impacts of the funding achieved; for example, if the finance is used to build and equip a factory, the full benefits may not be felt over a longer (3 to 5 years) timeframe.

- **Capturing value of initial contact:** the challenge of capturing the ‘critical friend’ advisor role, particularly following the initial contact with the business, was highlighted by several consultees. Advisors reported that businesses are often very grateful for these initial

discussions which often leave the business much further progressed in their thinking than prior to the meeting

'For example, I might get a referral asking about taking on an apprenticeship, but when I actually meet the business, I often find that what they think they want and what they actually need is very different.'

Growth Hub Skills Advisor

"I might visit a company who tell me they want to computerise all their production planning systems but when we actually sit down and start to look at things in detail, we quickly realise that automating the existing systems would just be automating their current inefficiencies! In cases like this we take them back a couple of steps saving the business significant time and money."

Growth Hub Advisor

- **Resource challenge:** a number of Growth Hub delivery staff highlighted the challenge of balancing internal resources between time on data capture and responding to enquiries and/or working directly with businesses: "every hour spent on that [data capture] is not spent on advising / educating companies"

In addition, the fact that it is impossible to predict the volume or timing of Gateway enquiries makes planning for impact measurement activities difficult to formally schedule. This problem was said (by one consultee) to be exacerbated by the Growth Hub's formal Service Level Agreement (SLA) to respond within 48 business hours

- **Limitations of the CRM as a tool for impact capture:** Advisors confirmed that they considered the Growth Hub's CRM to be the main tool for capturing impact. However, despite its improvements in recent years, a number of interviewees highlighted the potential limitations (in terms of volume and consistency of inputs) of this tool for qualitative impact capture because the advisor is required to 'free text' their inputs and advisors are often trying to be as succinct and as brief as possible

'I'm not sure the CRM is capturing the full qualitative value of what is being undertaken. Who is going to type in 'business X was really grateful for my support today' – you just don't do that, do you?'

Growth Hub Advisor

In addition, one advisor pointed out that everyone, despite specific guidelines being in place, uses the CRM in different ways:

'I try to ensure that every email I send or receive is stored in the CRM against that client so that there is an audit trail and evidence for the degrees of activity and feedback received. But I honestly can't say everyone does, unfortunately, people are people, so they use it differently.'

Growth Hub Advisor

- **Time lapse issues with impact capture:** a number of consultees highlighted the potential value-add of the Growth Hub which is not being captured because the organisation waits too long to contact businesses and the questions are asked too long after the intervention has been delivered. It was argued that if impact measurement felt more like a 'continuous conversation', the Growth Hub would capture better value from its research. More immediate impact measurement would increase the volume and quality of insights capture and also allow the Growth Hub to better demonstrate its impact to delivery partners and external stakeholders. Growth Hub resourcing constraints were highlighted as an important challenge to effective impact measurement however
- **Challenges with the Business Reviews:** several advisors suggested that the Business Review research conducted by the Growth Hub should be targeted at businesses who have received substantial support from the Growth Hub and be better planned so that the Reviews are not 'so cold and out of the blue'. This view was counted by others who reported that the Business Reviews were well planned and focused only on businesses who received high or medium intensity support. Feedback on the Business Reviews was mixed overall. Some advisors described them as a 'difficult' exercise due to the detailed nature of information being requested and the time lapse between intervention and interview:

'A lot of the businesses weren't interested anymore because they'd already had their support (or not as the case might be). The process was driven by our [Growth Hub] needs not theirs, so they weren't all particularly helpful or open to be honest.'

Growth Hub Advisor

Others felt that Business Reviews were a helpful way to understand progress within the businesses under review and the impact of the interventions they had received and where the business was post-engagement. Causation was sometimes challenging with one advisor admitting that "some cases were clearer than others."

- **CSSI Survey:** several consultees highlighted that the quarterly survey often results in businesses re-engaging with the Growth Hub as the respondent (who will have been a business referred by the Growth Hub in the preceding three months) sometimes uses the CSSI survey call to highlight an issue that they currently facing:

'We often find when we speak to a business again, they say, 'I'm glad you've rang because we need additional help with X, Y or Z', at which point we [the Gateway team] start the process again and commence a diagnostic conversation.'

Gateway Team Member

Future impact measurement

5.11 Observations from the Growth Hub delivery team included:

- **Automated follow-up survey:** a number of advisors suggested that a short automated follow-up survey – either via an emailed link, text/SMS or phone survey – could be sent to every business following their initial advisor interaction. Some advisors pointed out that they always follow up a meeting with an email to the business setting out the actions that have been agreed and that it would be quite simple to add a link within this email to a concise online survey to test the value of that meeting to the business. It was felt that contact so soon after meeting an advisor would be beneficial because the immediate benefits of the interaction would be at the forefront of their mind and the business would still be involved in the intervention, hence they may be more amenable to giving 'something back' for what they had received
- **Streamlined process:** all the advisors emphasised the importance of any additional data capture processes to be as streamlined as possible (i.e. quick and simple)

"There is a danger that we spend too much time trying to measure performance with form filling etc. For me, it's the businesses first and everything else follows. Businesses really appreciate that they are at the heart of the Growth Hub activities – that approach must not be lost or compromised."

Growth Hub advisor

- **Regularise and formalise the Business Review exercise:** it was suggested that the Business Review process should be repeated annually or every six-months to ensure that every business would have a minimum of one formal contact a year. To drive this process, it was suggested that this exercise could be formally included in the Growth Hub Business Growth Specialists' (BGS) job description as the Gateway team currently lacks capacity to lead on this work. It was further suggested that the BGS' are able to again focus on what their original remit was intended, due to the ending of the GHEP, which had required them to adopt a more business development role. Figure 5.2, below, compares the existing focus of the Business Review with some potential additional contents highlighted during the consultation exercise

Figure 5.2: Business Review (potential additional contents)

As-is Business Review contents	Potential additional contents...
As a result of Growth Hub support... <ul style="list-style-type: none"> • Business process changes? • Efficiency impacts? • New products or services? • Cultural improvements? • New opportunities? • Change in strategic direction? • Any other comments (open question)? 	As a result of Growth Hub support... <ul style="list-style-type: none"> • Awareness of business support availability? • Likelihood of utilising business support in future? • Accessed funding for growth or investment • Business confidence and resilience • Improved staff skills, knowledge or retention • Increased networking and collaboration • Growth in customer base or reached new markets • Improved business planning • Investment in innovation or R&D • New or improved premises • Increased exports

Source: Carney Green, 2019

It was also suggested that, resource permitting, the Business Review research should take place at the optimal time in terms of capturing impact (i.e. within a mutually agreed point when both parties expect the full impacts of the intervention to have been felt). The CRM's capability to set reminders to undertake follow-up contacts with specific businesses was highlighted as a key function to support this process

- **Link between targets and behaviours:** The danger of evaluation/monitoring targets driving advisor behaviours was raised by one of the Growth Advisors, particularly in connection with the value of the Advisor team having some autonomy to do more in-depth work with companies with strong growth prospects. This ability to work with less companies for longer was seen as a key advantage of the Growth Hub that should be protected and not threatened by increased impact monitoring

GROWTH HUB CASE STUDY:**Tribosonics Ltd****TRIBOSONICS**

Based in Sheffield, Tribosonics was founded by Dr Phil Harper in 2006 after he developed technology within the University of Sheffield and spun it out into a business.

The business' name comes from tribology and ultrasound (the science of wear, friction and lubrication) – where two materials come into contact there can be wear and friction, which can be lubricated to provide solutions. Tribosonics uses ultrasound to determine what is occurring at specific interfaces. The scale of this is demonstrated by the fact that 23 per cent of the world's energy is used up in tribological interfaces. The business therefore uses its unique sensing technologies to extract smart, targeted data that delivers significant value for business and industry; with a specific focus on the Transportation, Power Generation and Manufacturing sectors. Prior to its first contact with the SCR Growth Hub, the business had 17 employees.

The original focus of the business was to solve any problems that clients approached it with; as a result, it initially grew as an R&D consultancy. Due to its uniqueness, demand for Tribosonics' expertise grew rapidly via a wide range of one-off projects. At the same time, in solving these problems, the business developed a range of additional technology and associated skills and expertise. However, the business did not have a value proposition which enabled it to scale. Therefore, Tribosonics engaged a non-executive director with experience of scaling technology-rich businesses; with this individual subsequently becoming Chief Executive Officer.

The above changes resulted in the business model moving towards the development of longer-term partnerships with clients whereby Tribosonics has become a technology business rather than an R&D consultancy – licensing technology in different ways such as selling data and exclusive access to its technology within specific markets. This has led to the business creating long-term agreements with different clients, each one providing ongoing income.

The above shift in focus of the business was a difficult and relatively slow journey for Tribosonics. Crucially, it meant the need to rapidly upgrade the business' infrastructure, including IT, premises and skills, for example. Such upgrades required significant investment and, whilst Tribosonics sought to use its own funding wherever possible, it found it was scaling at a faster rate than the cashflow received from its customers. Recognising the need to obtain funding support, and other assistance regarding the infrastructure upgrades, Tribosonics engaged the SCR Growth Hub. This built upon a longer term relationship whereby a member of staff already had existing links with the Growth Hub's Skills Bank. The result of engaging with the Growth Hub led to a more significant ongoing relationship, specifically with one of the Hub's Business Growth Specialists, Steve Goodare. The most beneficial aspect of this relationship, according to Tribosonics' Chief Operating Officer Mark Wallace, is being made aware of potential funding opportunities and other support that becomes available. Particular examples of this include:

- Accessing funding through the SCR Growth Hub Enhancement Project to enable sales and marketing work to take place, specifically related to the business' new branding. Tribosonics also received funding through the Growth Hub to support the upgrading of its website.

- Being made aware of, discussing and receiving support to express interest in two separate calls within the Business Investment Fund: the Productivity Challenge and Made Smarter.
- As a result of the above application process, the Growth Hub also made Tribosonics aware of an additional funding opportunity within the Business Investment Fund; the business is currently looking to put an application together for this.
- Receiving skills-specific support through the SCR Skills Bank (including funding).
- Being referred by the Growth Hub to a contact at the Department for International Trade.
- Being referred by the Growth Hub to support focused on identifying new and improved premises for the business (via Sheffield City Council).
- Attending masterclasses provided through the Growth Hub and its partners.

It is difficult to directly identify and attribute the impacts for Tribosonics from the support provided by the Growth Hub. However, Mark Wallace referred to the following key benefits, both of which were seen as vital for Tribosonics as it continues to improve its outward-face:

- Investment in a new business brand, the significance of which will be ‘massive’ over the next few years in terms of representing Tribosonics more effectively as its continues to grow.
- Investment in an upgraded company website, specifically to support Tribosonics’ exporting activity, given almost all of its customers are based abroad.
- The business now has 30 employees, with a Head of Strategic Partnerships and two new apprentices taken on most recently; another apprentice will be starting over the coming weeks at the time of writing. Tribosonics’ turnover also increased by 30 per cent over the year ending 31 March 2019. Whilst it is not possible to say whether these impacts would have occurred or not without the SCR Growth Hub, Mark Wallace did state that the branding and website work in particular went hand-in-hand with the appointment of the Head of Strategic Partnerships. He also highlighted positive impacts regarding the following ‘softer’ factors as a result of support received:
 - Increased awareness and understanding of business support availability
 - Increased likelihood of utilising business support in the future
 - Greater aspirations and confidence to grow
 - Increased levels of exporting
 - The creation of new collaborative relationships and networks

Overall, Tribosonics reports that the Growth Hub representatives it engages with are very helpful and always willing to meet when required; they are reactive to requests for support. They also regularly provide information on new funding or other support opportunities.

The only frustration that Tribosonics has with the Growth Hub is understanding how it all fits together. For example, Mark Wallace referred to there being lots of different individuals that the business is referred to, which ultimately means the need for more meetings. It would be ideal if Tribosonics only needed to engage with one person. Furthermore, Mark commented it would be useful to have greater clarity regarding who the key decision makers are within the Growth Hub and the wider Combined Authority/LEP; he stated it would be useful to be able to meet and influence these individuals.

Business beneficiaries

- 5.12 Analysis of the 700+ SCR Growth Hub Business Reviews identified the following qualitative findings against the themes of the evaluation.

Process changes

- 5.13 Beneficiary businesses interviewed as part of the Growth Hub Business Reviews survey reported widespread process change improvements as a result of their interaction with the Growth Hub and its advisor team. For example, many businesses reported that the Growth Hub had helped them to improve their existing processes and identify others that were either unnecessary or not operating as effectively as possible. Key quotes include:

“The company has introduced new systems and processes as a result of Growth Hub support and is now able to measure a range of key performance indicators including productivity. They have also implemented a new management structure and have a clear growth plan trajectory.”

“The project has supported us to improve our quoting procedures, sifting out undesirable work at an earlier stage, as well as improving our quality control process.”

Efficiency and ways of working impacts

- 5.14 Businesses reporting process changes often also referred to efficiency and ways of working improvements. For example, businesses stated that efficiency improvements had increased productivity and output, ensuring that the time to process a product or complete a project had become more effective. Many companies reported that they have been able to reduce operating costs as a result of these efficiency improvements. Key quotes include:

“The layout of the factory has changed to make processes more efficient and the supply chain and logistics process is much slicker and quicker”

“Improved quoting increases actual quoting capacity as well as improving results around work which we want. Improved Quality management means fewer defects, increased throughput and capacity – figures to demonstrate the improvement not yet available.”

New products and/or services

- 5.15 A range of product-based or manufacturing companies reported Growth Hub enabled investment in new product development ranging from manufacturing windows to new industrial office shredders. Key quotes include:

"They are going to manufacture their doors in the future at the new factory which will increase profit margins as they currently buy them in. They are also going to go more into ironmongery and doorframe manufacture and sales."

"The business now offers on-site shredding which is a facility that more and more clients are requesting and service that RR couldn't offer in the past. A new mobile shredder will be purchased which is part of the BIF application which was agreed."

"The support has enabled the business to have clear growth targets and objectives for which they are working daily. They have developed new products and services besides which is enabling them to cross-sell to existing clients and generate additional revenues. All personnel within the team now have defined objectives and KPIs."

Cultural improvements

- 5.16 Cultural improvements reported during the Business Review survey centred around the Growth Hub's contribution to team performance through management / leadership masterclasses and workplace environment / 'ways of working' improvements facilitated by new premises and office space. Key quotes include:

"The new premises offer far better facilities than the old head office/shredding site. The old offices were portacabins which meant in the winter they were cold and, in the summer, too hot. The new site has heating and aircon which can only help the morale of the staff"

"The staff team has been supported by GH support and has developed into a strong team with clear growth ambitions and objectives."

"A noticeable increase in employee engagement has taken place. Through the introduction of a skills advisor and subsequent work, staff morale is increased as they feel more valued and appreciate the focus on engagement and the development of PDPs through one to one appraisals."

"The marketing support they received through GHEP has transformed their business now and they now have a very strong marketing presence on and offline. They have also significantly benefitted from the SFSY Innovation voucher to transform their internal communications and operating systems."

"The SFSY impact has been huge on culture and as mentioned above they can now all see the impact of what they do live as it happens. This has led to significant levels of improvement in accountability and professionalism and those that weren't on the bus have either got off and been replaced or stepped up to the required operating performance levels."

New opportunities

- 5.17 Businesses reported that one to one support with marketing, market research and strategy has led to businesses to find and engage more potential customers. Besides, those that have experienced events on marketing and general networking sessions very valuable in finding new business. Key quotes include:

"The marketing support has given the business a huge focus and had a major impact on the business coming in."

"As a result of the support we've managed to win new business from the rail sector, which will improve our financial elements."

"They have two very large opportunities on the table currently as a direct result of the work they have been doing since the support of SCR GHEP. Both were nowhere on the radar two months ago and both now look set to progress into very lucrative deals for Lifetime should the pilot be a success."

Change in strategic direction

- 5.18 Businesses reported a range of impacts relating to strategic direction, ranging from a clear focus and objective in the company to a greater target on specific customers. Companies valued the opportunity to talk with an advisor and get unbiased advice on the direction of their business. Key quotes include:

"The GHEP project has helped the business to develop a clearer focus and market development strategy."

"Strategic discussions with the BGS have helped the business to consider its governance structures and understand the value of building strategic partnerships with relevant professional experts such as legal advisors and accountants."

"The team are very excited about the prospect of the business re-branding and engaging in more marketing activity. They have a core brand that everyone is proud of, and the GH funding has allowed them the opportunity to focus on areas of the business which have been neglected in recent times. The development of this plan will help them to elevate their core brand offering and hopefully achieve the targets that they have set for the growth and success of the business moving forward."

Section 5 summary

Growth Hub remit and delivery model:

- Mixed views expressed on whether the Growth Hub's remit is understood across the SCR
- On-going duplication of delivery model, for example, three separate business support incoming enquiry routes operating in the region

Growth Hub impacts:

- Growth Hub's role as a single-entry point for business support now widely understood
- Growth Hub has delivered increased quality and volume of referrals – in particular 'net new' enquiring businesses who would not have contacted the Growth Hub previously
- Increased role of the Growth Hub as a referrer into external programmes – both in terms of the volume and quality - which has resulted in increasingly positive outcomes

Business impacts:

- Growth Hub advisors identified the following benefits of their work:
 - Education: Helping businesses to benchmark and self-assess
 - Opportunity cost: Critical friend role regularly enables a business to reconsider a project plan because the review process suggests it is unlikely to be successful
 - Confidence: by sharing market intelligence Growth Hub finance advisors increase business' confidence to obtain second opinion from prospective lenders
 - Value of independent advice: Businesses or business owners receiving independent advice from an advisor significantly increases the confidence of decision makers

Growth Hub role:

- Consultation findings showed the breadth and variety of stakeholder expectation on what the Growth Hub should focus on
- Examples include: Should the Growth Hub focus on a convenor role? Should it be a centre of business intelligence? Should it provide the business voice to the SCR's policy team? Should it be driving the productivity and inclusive growth agenda? Should it be a specialist SME service or focus solely on high growth businesses?

Data capture issues:

- The following data capture issues were highlighted: a lack of formal process for capturing wider non-mandatory impacts; issues of softer impacts, time lapse and attribution; capturing the 'critical friend' advisor role; and balancing finite resource between data capture and responding to enquiries and working directly with businesses

Business impacts:

- SCR businesses reported multiple benefits from their engagement with the Growth Hub:
 - Improvements to existing processes and identification of others considered unnecessary or not operating as effectively
 - Efficiency improvements leading to had increased productivity, ensuring time to process a product or complete a project had become more effective
 - Investment in new product development ranging from manufacturing windows to new industrial office shredders
 - Cultural improvements linked to management / leadership masterclasses and workplace environment / 'ways of working' improvements

- support with marketing, market research and strategy led businesses to find and engage more potential customers
- A range of impacts relating to strategic direction, ranging from a clear focus and objective in the company to a greater target on specific customers

6. Comparator Growth Hubs Impact Evaluations

6.1 This section summarises the findings from several recently completed evaluations of the following comparator Growth Hubs:

- Gloucestershire Growth Hub
- Heart of the South West Growth Hub
- Leeds City Region Growth Hub
- The Marches Growth Hub

6.2 For each comparator Growth Hub, the following is summarised (where date allows):

- Evaluation details
- Service model
- Role/remit of the Growth Hub
- Delivery team
- The Growth Hub and ERDF
- Performance against targets
- Jobs and GVA

6.3 It is important to note that whilst Growth Hubs across England have a common objective to simplify the business support landscape there is no single blueprint for services or delivery.

Gloucestershire Growth Hub

Evaluation details

6.4 An impact evaluation was undertaken by Wavehill in May 2019 which focused on Phase 2 programme of the Gloucestershire Growth Hub's activity (2017-22).

Service model

6.5 The Gloucestershire Growth Hub is currently delivered via a formal partnership between GFirst LEP and the University of Gloucestershire. Both parties recently signed a formal collaboration agreement to deliver the outputs and outcomes associated with a £10m capital investment from the Single Local Growth Fund (LGF).

6.6 The Growth Hub operates a physical 'hub and spoke' service model, consisting of:

- A central hub delivered by the University of Gloucestershire at its Oxstalls campus

- A series of Network Centres (x5) across the county delivered by GFirst LEP and working alongside 31 access points and two innovation labs delivered by Gloucestershire County Libraries

6.7 The Growth Hub consists of four delivery components:

- **Core Growth Hub:** impartial business diagnostic and brokerage service that supports the whole Growth Hub Network. This element is responsible for ensuring that the Growth Hub meets its engagement targets. Core Growth Hub services are supported by the CRM/online diagnostic service which can signpost business and individuals to over 1,700 business support products and services. Individuals can request further and additional face-to-face information via a Business Support Request – which is checked against eligibility criteria prior to additional resources being allocated
- **Growth Hub Digital infrastructure:** includes website, CRM, diagnostic and knowledge bank run from the core to support employer engagement, marketing and activity reporting
- **Growth Hub Network:** the physical expansion of the Growth Hub at sites across Gloucestershire. The Network has been delivered with a range of partners in strategic locations across the county. In return for capital investment partners deliver Growth Hub services to businesses in their locations and/or specialist services for the Network
- **Oxstalls central location:** a physical space that integrates the Growth Hub and the Business School (at the University of Gloucestershire)

Role/remit of the Growth Hub

6.8 The role and remit of the Gloucestershire Growth Hub includes:

- Provision of the primary (and) first point of contact for SMEs
- Identification of businesses with ambition to grow and scale up and provider of focused support to those businesses with greatest opportunity to deliver growth in jobs and productivity
- A key contributor to:
 - Gloucestershire's inward investment 'offer'
 - Development and articulation of GFirst LEP's strategy
 - Developing future funding requests through UKSPF (or others)

Delivery team

- 6.9 The ERDF contract (see below) provides a Growth Hub team of 14. This team delivers impartial advice and guidance to enquiring businesses and also coordinates the delivery of business services across the growth Hub Network.
- 6.10 In addition, and in return for capital investment from the Single LGF, the Growth Hub's delivery partners provide staff who deliver front line Growth Hub services.
- 6.11 Finally, the Growth Hub's schedule of events are supported by 25 local business people who provide their expertise free of charge to help upskill other businesses and support the county's economic growth.

The Growth Hub and ERDF

- 6.12 The core services of The Growth Hub are funded via an ERDF contract secured by the University of Gloucestershire in April 2017. The ERDF support available includes the following programmes:
- **Gloucestershire's Accelerated Impact Network (GAIN):** offering subsidised business coaching, free masterclasses and networking events
 - **Gloucestershire's Research and Innovation Project (GRIP):** offering services to enable the acceleration of innovation plans via access to a range of resources
 - **Start and Grow Enterprise:** offering a range of events, workshop, networks and reviews to eligible entrepreneurs at any stage of their business journey
- 6.13 The Growth Hub refers into these ERDF as part of its wider core outward referral offer.

Performance against targets

- 6.14 Figure 6.1, below, shows the Growth Hub's performance against targets to date.

Figure 6.1: Gloucestershire Growth Hub (performance to date)

	Target	Actual	Variance
No of jobs created ¹	500	10	(490)
GVA (£m) ¹	£135m	£0.8m	(£134.2m)

Source: Gloucestershire Growth Hub Impact Evaluation, Wavehill, 2019

Notes:

¹The evaluation suggests that the figures for both job creation and GVA are '*almost certainly an under-report*'.

The Heart of the South West (HotSW) Growth Hub

Evaluation details

- 6.15 An impact evaluation was undertaken by Buckman Associates in March 2019 which focused on exploring the difference the Growth Hub has made including its economic impact and its value for money performance.

Service model

- 6.16 The HotSW Growth Hub operates primarily as a virtual service.
- 6.17 The Growth Hub provides an on-line resource and 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."
- 6.18 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 team

- 6.19 Delivery of the Growth Hub has been outsourced. The Growth Hub is being delivered by SERCO on behalf of the HotSW Local Enterprise Partnership (LEP) and is referred to locally as "Services for All." 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.
- 6.20 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)
 - A Project Officer
- 6.21 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.

The Growth Hub and ERDF

- 6.22 HotSW LEP offer 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.

Performance against targets

- 6.23 The evaluation indicated that the Growth Hub had delivered and, in some cases, over-performed against its contractual targets (see Figure 6.2 below).

Figure 6.2: HotSW Growth Hub performance against contractual outputs

		Overall Target	Performance to date	Variance
B1	No of (countable) businesses engaged	4,200	5,327	+1,127
B2	No of businesses referred to local or national schemes	840	971	+131
B3	No of businesses receiving intensive support	400	377	(23)

Source: Buckman Associates, 2019

Jobs and GVA

- 6.24 Figure 6.3, below, shows the Growth Hub’s performance in relation to jobs creation and GVA.

Figure 6.3: HotSW Growth Hub (performance to date)

	Gross ¹	Net
No of jobs created ¹	65 FTE	41.1
GVA (£m)	£2.7m	£1.7m

Source: Buckman Associates, 2019

Notes:

¹Extrapolated from a business survey undertaken as part of the evaluation

Leeds City Region (LCR) LEP Growth Service

Evaluation details

- 6.25 A periodic evaluation was undertaken by Kada Research in June 2018 which reflected on the Growth Service's rationale, current operation and impact performance.

Service model

- 6.26 The Leeds City Region's Growth Hub is referred to as the Growth Service.
- 6.27 The Growth Service operates a 'hub and spoke' model. A central team (based in Leeds) responds to multi-route business enquiries (see below) and a team of Growth Managers (based in each local authority area) work with pre-identified growth orientated businesses directly.
- 6.28 LCR businesses can access the service via a number of routes, specifically:
- A telephone helpline
 - A web platform / web chat (via the website)
 - Directly at events

Role/Remit

- 6.29 The Growth Service acts as the focal point for new and existing business support products and services. The service has a clear focus on support for growth-oriented SMEs but also reacts to general business enquiries.

Delivery team

- 6.30 There are 13 (10.5 FTEs) Growth Managers who are based in each local authority areas (except Barnsley) and proactively manage relationship with growth-oriented SMEs introducing them to the right products and service.

The Growth Hub and ERDF

- 6.31 The Growth Service receives zero funding from ERDF. Its funding is sourced from BEIS and is local authorities.

Performance against targets

- 6.32 Figure 6.4, below, shows the Growth Service's performance against target for 'businesses supported'.

Figure 6.4: LCR Growth Service (performance to date)

		2015-16 ¹	2016-17	2017-18
No of businesses supported	Target	1200	2100	2500
	Actual	1247	2050	2450
	% complete	104	98	98
	Variance	47	-50	-50

Source: LCR Growth Service Periodic Evaluation, KADA Research, 2018

Notes:

¹Covers 9 of the 12 months

- 6.33 No information was provided for job creation or GVA impact.

The Marches Growth Hub

Evaluation details

- 6.34 Warwick Economics and Development was appointed by the Marches LEP in August 2017 to provide an impact evaluation of the Marches Growth Hub.

Service model

- 6.35 The Marches Growth Hub's main partners are the Herefordshire, Shropshire and Telford & Wrekin local authorities, the Department for International Trade West Midlands and the University of Wolverhampton.
- 6.36 The Growth Hub offers a single point of access to guidance for businesses in the region regardless of sector, size or stage of development. The relationship with the University and the three local authorities allows the Hub to reach a large number of businesses and cover a large geographical area whilst ensuring efficient use of resources.
- 6.37 The Marches focuses on linking businesses to relevant support from national and local providers. It has built a network of delivery partners: for example, the three local authorities, the three universities, two Chambers of Commerce, the Federation of Small Businesses etc. Partnerships with provider organisations has improved outcomes; providers include: Innovate UK, Enterprise Europe Network and ERDF funded projects.
- 6.38 The Growth Hub operates a virtual and physical model which ensures businesses can access 24-hour information as well as face-to-face support. Business support and advice is offered through:
- A virtual hub:
 - Available to all business sizes. Search facility for services and directs business to advice and support. Information about finance and funding, start-up support, networking and events, and employment and skills. Links to case studies that of Businesses that have used Growth Hub services

- A local helpline:
 - Businesses can phone during normal office hours for help, support and advice
- Three physical hubs in Telford & Wrekin, Shrewsbury and Hereford:
 - Face-to-face advice and support, meeting rooms for hire, events and networking. Hotdesking for a monthly fee
 - The hubs in Hereford and Telford & Wrekin are located within University of Wolverhampton buildings, in order to improve links between graduates and the wider business community. The hub provides a space for people to work and network and creates a business community feeling

6.39 The Growth Hub's business support activities include:

- Light touch business support, including interactions with businesses and stakeholders at conferences or events, responding to email and telephone enquiries
- Medium intensity business support activities including provision of 'Information, Diagnostic and Brokerage' support provided by advisors and referrals to suitable business support schemes
- High intensity interactions involving one-to-one enterprise support

6.40 The Growth Hub utilises social media and other marketing techniques to increase their audience and embed the organisation as the single point of access for business support in the region. 17,000 website users a year and 2,280 Twitter followers.

Role and Remit

6.41 Launched on 20 October 2015 as a point of contact for businesses in the area. The Marches Growth Hub aimed to improve awareness of local and national business support and provide diagnostic and signposting for businesses of all sizes to get them the help they need.

Delivery team

6.42 The Growth Hub has two full time members of staff: a Business Support Officer and a Helpline manager. The Local Authorities and the University of Wolverhampton provide tier one Business Support and Economics Development generalists to support the operation of the Hubs and signposting.

6.43 Recently they recruited a team of advisors to deliver the Building Business Confidence Programme, a mentoring scheme for both start-up and growing businesses.

6.44 The Marches manages the Hub through a Growth Hub Steering Group which meets four times a year. The steering group provides guidance on policy and objectives, budget control,

marketing and resource allocation. An Operational Group meet every two months, which manages the referrals and outputs from the hubs and consists of local and national partners.

Performance against targets

6.45 The evaluation reported the following performance indicators:

- 24 companies reported job creation as a result of the business support they had received since April 2016. They claimed a total of 236 jobs were created due to their engagement with the Hub
- Customer satisfaction scored high, between 4.5 and 5 on a scale of 1 to 5, where 1 is poor and 5 is excellent
- Within the period 2015/16 to Sep 2017, total business interactions were increased by 60 per cent
- Engagement rates are significant compared with other Growth Hubs and outperformed SCR
- Since April 2016, a total of £1.3m has been received by local businesses in grant funding, alongside support in developing new products, access new contracts and export overseas

Section 6 summary

- Comparison with several recently completed impact evaluations of Growth Hubs show that the SCR Growth Hub is performing extremely favourably against its peer organisations both in terms of achievement against targets and operationally from a data capture and impact measurement point of view
- A summary of comparator Growth Hub job creation performance is as follows:

	No of jobs created			
	Target	Gross	Net	Variance
Gloucestershire Growth Hub	500	10	-	(490)
Heart of South West (HotSW) Growth Hub	N/A	65	41.1	N/A
Leeds City Region Growth Service	No information provided			
The Marches Growth Hub	N/A	236	-	N/A
Sheffield SCR Growth Hub	2,500	2,355.5	1,126	(144.5)¹

¹Gross variance

- A summary of comparator GVA performance is as follows:

	GVA (£m)			
	Target	Gross	Net	Variance
Gloucestershire Growth Hub	500	10	-	(490)
Heart of South West (HotSW) Growth Hub	N/A	2.7	1.7	N/A
Leeds City Region Growth Service	No information provided			
The Marches Growth Hub	No information provided			
Sheffield SCR Growth Hub	130	114	55	(16)¹

¹Gross variance

Other notable factors include:

- Gloucestershire and the Marches are physically spread out across their areas and have close ties with the respective Universities in their LEPS. For example, the Marches Growth Hub have physical hubs in University buildings to improve ties with students and encourage the view that it the hub is the single point of access
- The Marches has three physical hubs and Gloucestershire has one alongside five networking centres in order to encourage contact between businesses and stakeholders and provide a working space for businesses at the centre of the Growth Hubs
- The Gloucestershire Hub provides a primarily physical service through their main hub and networking centres
- The Marches also have a virtual service alongside their three hubs, through online help and a telephone hotline, their evaluation in particular stresses the importance of the dual physical and virtual hubs in reaching businesses
- The Heart of the South West Hub operates as primarily a virtual Growth Hub, which organises monthly networking events. The lack of a physical service did not seem to affect its performance

7. Analysis and Recommendations

7.1 This section triangulates the quantitative and qualitative impact findings to address each of the evaluation objectives and make specific recommendations regarding the Growth Hub's future impact evaluation and delivery. Specifically, it covers the following themes:

- Growth Hub comparative performance summary
- Growth Hub remit and delivery model
- Impacts of the Growth Hub (to date)
- Future impact measurement
- General impact improvement recommendations

Growth Hub comparative performance summary

7.2 Based on the evaluation's analysis and an understanding of comparative organisations, the following observations can be made regarding the Growth Hub's performance:

- The SCR's impact evaluation performance compares favourably with other Growth Hub's performance and reflects BEIS' view that the Growth Hub ranked in the 'upper quartile of the top quarter' of Growth Hubs nationally. For example, the Growth Hub's net job creation figure (1,126) far exceeds those achieved by the comparator Growth Hub's considered in this study.
- This strong performance is testament to the volume and quality of data capture (via the CRM primarily) which again compares favourably to the peer organisations considered within this evaluation. This finding is further supported by BEIS's use of the Growth Hub's CRM as a good practice exemplar for other Growth Hubs looking to replicate its data capture and produced effective business information and impact insights.

Growth Hub remit and delivery model

Covering the following evaluation objective:

- Review the Growth Hub original remit together with if, how and why changes to its operation may have occurred

7.3 The strategic stakeholder and delivery partners interviewed for this impact evaluation expressed a general view that the Growth Hub's remit continues to lack clarity. In fact, the evaluation has shown that the tiered delivery model of the Growth Hub is relatively well understood and that it is the regional role of the Growth Hub that remains unclear. For example, how best can the Growth Hub contribute to the SCR's Local Industrial Strategy. The

Growth Hub's impact characteristics - as evidenced in this report – should inform that regional role definition; for example, the Growth Hub has achieved most impact when working with larger, 'growth potential' businesses and when delivering high intensity support. To maximise the Growth Hub's future impact these conditions should be replicated and scaled (where possible).

- 7.4 These views reinforce the findings from the recent 'Review of the SCR Growth Hub'. The Review made two specific recommendations around refreshing the Growth Hub's aims and objectives. In response to the Review's recommendations, the Growth Hub has agreed a revised mission statement:

Work in partnership to provide a consistent regional SCR Business Support offer for all, with focused support for those growth businesses, delivering excellence and encompassing the best of what the region offers. Driving high impact growth for the region with simplicity and ease at the point of the customer.

- 7.5 The Growth Hub Operational Board has also agreed a set of 'refreshed' objectives for the Growth Hub (see Figure 7.1 below):

Figure 7.1: SCR Growth Hub refreshed objectives

1.	Provision of a pan regional business support offer with strategic theme areas of focus or Centres of Expertise, based on the Review's proposed model (i.e. Innovation, Skills, Growth / Productivity, Access to Finance, Supply Chain and Export)
2.	Provision of a Gateway service for all with free initial advice and information for all business, being the principle access point for all business growth related support across the SCR (as per the above themes)
3.	Business support needs diagnostic: a robust triage service to identify business growth needs and potential of a two-tier service
4.	Targeted growth support for strategic growth-orientated businesses with intensity of support shaped by potential impact. Work towards product prioritisation as a measure of impact potential – provision of wrap around support
5.	Provision of intelligence and regional data collection – MI and support needs/market for the SCR and Public Partners
6.	Ensure businesses have easy access to the best of the Public and Private sector offers to support their growth needs
7.	Foster a collaborative approach across all partners to deliver a business focused offer
8.	Work to an agreed partnership model when working with partners and in managing business relationships
9.	Ensure a quality managed and effective service offer for businesses
10.	Strive to deliver a regional impact through increases in jobs – productivity gains – GVA growth – other measures as appropriate

Source: SCR Growth Hub, 2019

7.6 We would comment as follows:

- We welcome the Growth Hub's refreshed vision and objectives which we believe will enhance the organisation's impact – assuming that they are approved and support by the Growth Hub's delivery partners
- The lack of clarity regarding the Growth Hub's regional role has its origins in the Growth Hub's genesis which involved numerous different objectives sourced from various documents (e.g. the SEP, a Task and Finish Group and the Growth Hub business case). In addition, the design and adoption of a number of projects (e.g. the ERDF GHEP project) in parallel with agreeing the remit of the Growth Hub served to skew its original objectives further

Growth Hub delivery model

7.7 The observation by several delivery partners that the Growth Hub's delivery model is spatially too 'Sheffield focused' is not supported by the analysis of the impact evaluation. Figure 7.2, below, summarises the evaluation's assessment of the distribution of impacts at local authority level.

Figure 7.2: Summary of Growth Hub impacts attributed to Sheffield City Council

Impact indicator	Sheffield City Council	% of total	Comparison with population (%)	Variance	Rank (/9) ¹
Business engagement	511	32.9	32.6	+0.3	5 th
Job created	1,468	26.7	28.4	(1.7)	4 th
Private sector leverage	£43.6m	36.5	28.4	+8.10	2 nd

Source: Carney Green, 2019

Notes

¹Highest score (1) awarded for the most overrepresented local authority and lowest score (9) being the most underrepresented local authority

7.8 We would comment as follows:

- Whilst Sheffield City Council only appears outside the top half on one occasion (for business engagement) its overall distribution of benefits cannot be described as overly Sheffield-focused. For example, Sheffield City Council only appears in the upper quartile of ranking local authorities on one occasion (for private sector leverage) and has an average ranking of 3.5 over the four measures
- The evaluation has shown that the Growth Hub's impact is distributed relatively evenly across the region. For example, apart from Doncaster MBC (+10.7%), all local authorities are represented (+/-) 5 per cent in relation to jobs created per resident population

Growth Hub engagement is also broadly representative across the region. A total of 6,086 businesses have engaged with the SCR Growth Hub since its creation. This figure represents

11 per cent of the total SCR business population and is broadly representative of that population (see below for further details).

Quantitative Impacts of the Growth Hub

Covering the following evaluation objectives:

- What impacts Growth Hub activities have contributed to?
- How have these been measured, evidenced and demonstrated?
- Demonstration of impacts of the SCR Growth Hub in the context of the SCR SEP, using appropriate national measures of impact.
- Exploration of what level of additionality the Growth Hub has truly achieved in the support it has provided.
- Comparison with similar Growth Hub evaluations.

7.9 The Growth Hub's quantitative performance to date is impressive and compares favourably with other Growth Hub's performance. It can be summarised as follows:

- **Job creation:** 2,355.5 (gross) and 1,126 (net) jobs created across the SCR
- **Gross Value Added (GVA):** £114m (gross) and £55m (net) GVA
- **Business funding:** £11.1m of business funding awarded to 310 businesses across the SCR
- **Private sector leverage:** £119m of private sector leverage across the SCR

7.10 In addition, the Growth Hubs quantitative impacts are summarised below against its SCR regional targets, its BEIS national targets and its extra Growth Hub recorded outcomes.

SCR regional targets

7.11 Figure 7.3, below, summarises the Growth Hub's performance to date against its SCR regional output and outcome targets.

Figure 7.3: Growth Hub performance (to date) against output and outcome targets

Output categories	Output targets	Performance to date		Variance	
		Gross	Net ¹	Gross	Net
Jobs created (FTEs)	2,500	2,355.5	1,126	(144.5)	(1,374)
Businesses supported	5,000	6,084	N/A	+1,084	N/A
Businesses engaged	6,500	N/A ²	-	-	-
Businesses referred to wider support	1,000	3,000 ³	-	+2,000	-
GVA (£m) ⁴	£130m	£114m ⁵	£55m ⁶	(£16m)	(£75m)

Source: Data extraction Growth Hub CRM (22 May 2019)/Growth Hub BEIS Annual Reports (2018-19)/Carney Green, 2019

Notes:

¹Net figure based on Carney Green's economic impact analysis (see below)

²Precise figures which avoid double-counting for the number of businesses are not available due to the collection of data.

³Combined figure for number of businesses referred (since launch of Growth Hub) to mentoring (283), skills or training (734), finance and/or funding (1,471) and innovation and/or R&D (512) programmes.

⁴Gross figure

⁵Gross figure based on Carney Green's economic impact analysis (see below)

⁶Net figure based on Carney Green's economic impact analysis (see below)

- 7.12 The Growth Hub's net performance in job creation and GVA is notable particularly when compared to the other Growth Hub's reviewed as part of this study and reflects both effective delivery and comprehensive data capture. For example, a number of the peer Growth Hub impact evaluations were not able to estimate performance in these areas due to a lack of data availability. Also, forward projections, based on steady state performance, show a strong over delivery on gross job creation of +1,219.5 which broadly reflects the predicted jobs in the Growth Hub's CRM.

BEIS national targets

- 7.13 Figure 7.4 and 7.5, below, summarises the Growth Hub's performance to date against its nominated BEIS national targets.

Figure 7.4: Growth Hub performance against nominated BEIS outcome targets (2016/17 to 2018/19)

BEIS Performance outcome categories			Outcomes (target, actual, variance)			Total
			2016/17	2017/18	2018/19	
1.	No. of businesses that have received 'light touch' triage, information and/or signposting support (excl. website traffic)	Target	500	500	500	1,500
		Actual	N/A ¹	1445	890	3,288
		Variance	N/A ¹	+945	+390	+1,788
3.	No. of businesses receiving 'medium intensity' information, diagnostic and brokerage support	Target	250	250	250	750
		Actual	N/A ¹	1,173	822	3,197
		Variance	N/A ¹	+923	+572	+2,447
6.	No. of businesses receiving 'high intensity' support (e.g. account management / intensive support directly provided by the Hub or partner organisation)	Target	100	100	100	300
		Actual	N/A ¹	345	336	1,336
		Variance	N/A ¹	+245	+236	+1,036

Source: SCR Growth Hub BEIS Annual Report, (2017-18, 2018-19)

Notes: ¹Outcome figures for BEIS Performance Indicators (1,3,6) not listed in the SCR Growth Hub BEIS Annual Report (2016-17)**Figure 7.5: Total number of business referrals by type**

BEIS Performance outcome category (11)		Outcomes achieved		Total	%	Grand Total ²	%
		2017/18	2018/19				
11.	Total number of business referrals (combined figure 11.1 – 11.4 below)	1,116	1,077	2,193	100	3,000	100
11.1	- No. of businesses referred to a mentoring programme ¹	80	69	149	6.8	283	9.4
11.2	- No. of businesses referred to a skills or training programme ¹	298	357	655	29.9	734	24.5
11.3	- No. of businesses referred to a finance and/or funding programme ¹	462	503	965	44.0	1,471	49.0
11.4	- No. of businesses referred to an innovation and/or R&D programme ¹	276	148	424	19.3	512	17.1

Source: SCR Growth Hub BEIS Annual Report, (2017-18, 2018-19)

Notes:

¹Combined figure for 'Medium' and 'High' intensity interventions only²Cumulative total (since launch of the Growth Hub)Growth Hub 'extra outcomes'

- 7.14 Figure 7.6, below, summarises the Growth Hub's performance to date against its extra SCR Growth Hub (non-targeted) outcomes.

Figure 7.6: Growth Hub outcomes achieved against ‘extra’ outcome categories (2016/17 to 2018/19)

Growth Hub additional performance indicators		Outputs/outcomes achieved			Total	Grand Total ²
		2016/17	2017/18	2018/19		
A.	Total number of unique visitors to Growth Hub website	N/A ¹	19,728	25,111	44,839	51,614
B.	Total number of individuals who been helped to start a business	272	865	971	2,108	3,185
C.	£Private sector match secured (where linked to Growth Hub)	£27.7m	N/A	£6.6m	£34.3m	£66.3m

Source: SCR Growth Hub BEIS Annual Report, (2017-18, 2018-19)

Notes:

¹Outcome figures for Growth Hub additional indicator A not listed in the SCR Growth Hub BEIS Annual Report (2016-17)

Notes:

²Cumulative total (since launch of the Growth Hub)

Growth Hub engagement

A total of 6,086 businesses have engaged with the SCR Growth Hub since its creation. This figure represents 11 per cent of the total SCR business population and is broadly representative of that population, for example:

- **By local authority area:** Apart from Barnsley MBC, which is significantly overrepresented (+8.2%), all local authorities are within +/- 5 per cent of over or under representations
- **By size of business:** All of the size categories (micro (0-9), small (10-49), medium (50 to 249) and large (250+)) were within +/- 4 per cent ‘over’ or ‘under’ represented
- **By industrial sector:** 10 different sectors (ranked 1 to 10) account for 80.5% of the businesses engaged

Value for money (VfM) / financial impact

- 7.15 The impact evaluation has shown the Growth Hub to be well managed in terms of budget control and financial management. Comparative data on expenditure management from other Growth Hub’s is limited, however, for a four-year core budget of £4.4m to be showing a total underspend of <£10k provides a clear indication of strong financial management.
- 7.16 The Growth Hub’s gross and net ‘cost per job’ figures compares extremely favourably with the ERDF median figure of £26,000 benchmark, however, this should be treated with extreme caution as only partial funding costs for the LGF and non-LGF funded programmes that the Growth Hub refer into are included in the calculation. Figure 7.7, below, provides a sensitivity analysis based on a proportion of the SCR LGF received since 2015 (£68m) to provide some further insight into the Growth Hub’s potential ‘cost per job’ performance.

Figure 7.7: Cost per job (gross and net) sensitivity analysis

LGF awarded to SCR since 2015	Sensitivity (% applicable)	Cost per Job (Gross) ¹	Cost per Job (Net) ²
68,000,000	(100%) 68,000,000	28,869	60,391
ERDF Benchmark³		26,000	N/A
	(90%) 61,200,000	25,982	54,352
	(80%) 54,400,000	23,095	48,313
	(70%) 47,600,000	20,208	42,274
	(60%) 40,800,000	17,321	36,234
	(50%) 34,000,000	14,434	30,195

Source: Carney Green, 2019

Notes:

¹Gross jobs created 2,355.5²Net jobs created 1,126³ERDF benchmark sourced from England ERDF Programme 2014-20: Output Unit Costs and Definitions

- 7.17 Again, benchmark data from other Growth Hubs is limited. However, Figure 7.7, in the absence of other cost data, indicates that the Growth Hub is achieving a better than ERDF performance for gross cost per job performance in every sensitivity from 90% onwards.
- 7.18 The Growth Hub is funded from a range of sources (including Local Growth Fund; BEIS grant; and SCR LGF Growth Deal) and only has financial security till March 2021. This short-term year by year funding regime, whilst a reality for all Growth Hubs, has made longer term strategic planning or investment extremely problematic for the Management Team. In the SCR Growth Hub's specific case, the majority of funding was already allocated²⁷ prior to the appointment of the Growth Hub Manager which further restricted the Growth Hub's ability to commission services or invest in specific products which could contribute to its longer term goal of financial self-sustainability.

Qualitative Impacts of the Growth Hub

- 7.19 The Growth Hub's **qualitative** impacts can be summarised as follows:
- The Growth Hub is well managed, effectively operated and generally considered to be making an impact across the region. The Growth Hub team are viewed as 'dynamic' and 'can do' individuals with a strong commercial focus both in operation and attitude
 - There is an increased understanding from businesses across the region that the Growth Hub is the single-entry point for business support advice and guidance
 - There has been a steady increase in the volume and quality of referrals from the Growth Hub leading to increasingly positive outcomes for the businesses involved

²⁷ For example, from a c£1m budget the following programmes (£828k) were already committed: ESIF Launchpad (£350k), GHEP (£328k) and Rise (£150k).

- The Growth Hub’s team of experienced business advisors specialising in business growth, skills and access to finance has delivered a range of softer/wider benefits for the businesses they’ve worked with, for example:
 - Educational benefits: helping businesses to benchmark and self-assess
 - Opportunity cost benefits: helping businesses to save both time, money and staff resources which can be utilised in more impactful ways
 - Business confidence: helping businesses make bolder more informed decisions
 - Independent advice: helping business build resilience and trust in their own judgement, experience and analysis
- The Growth Hub has promoted and delivered a collaborative approach both in practice and ethos which has led to ever-increasing partnership working between the Growth Hub team and delivery partners across the SCR; as evidenced by the Growth Hub’s responsiveness to promotion requests, data enquiries and/or general policy related queries. In addition, the Growth Hub has run a series of events to promote collaboration, including for example, their ‘We think Business’ events which bring together all the regional delivery teams once a quarter.
- The Growth Hub has developed a strong database of SCR business management information and a unique ‘in-house’ perspective on regional business needs.

Method of measuring, evidencing and demonstrating Growth Hub impacts

- 7.20 The Growth Hub’s approach to data capture can be considered market leadings within the context of the peer Growth Hubs considered as part of this study. Whilst this evaluation does make recommendations about expanding data capture to include softer/wider impacts, the baseline data currently captured clearly satisfies exiting reporting requirements and has also allowed a clear assessment of jobs and GVA.
- 7.21 The above impacts have been captured using a mix of:
- A desk-based interrogation of the Growth Hub’s core tools for monitoring and impact measurement; i.e. the CRM, the CSSI and the Business Reviews
 - A mix of face-to-face and telephone interviews with Growth Hub senior management and delivery team, internal SCR representatives, a range of strategic stakeholders and delivery partners and telephone interviews with business beneficiaries
 - The development of an economic impact assessment model to test the gross to net calculations for jobs and GVA

Impact of the SCR Growth Hub in the context of the SCR SEP

7.22 Figure 7.7, below, summarises the Growth Hub's impact against the original SCR SEP objectives for the Growth Hub.

Figure 7.7: SCR Growth Hub's impact against original SCR SEP objectives

SCR SEP Growth Hub objective		Impact rating ¹ (H/M/L)	Commentary
1.	Single door to business support	• HIGH	<ul style="list-style-type: none"> The evaluation consultations have consistently shown that the Growth Hub has successfully communicated its role as the single point of entry to SCR businesses requiring business support. Challenges remain around potential duplications, for example the Sheffield City Council's City Growth Team Gateway, however, the Growth Hub is now viewed as the primary gateway to business support across the region.
2.	High quality accessible support	• HIGH	<ul style="list-style-type: none"> The Growth Hub's impressive net job creation results – particularly in comparison with other Growth Hubs – is an indication of the quality of the Growth Hub's support provision. In particular, the high proportion (82.6%) of jobs created by 'high intensity support' – i.e. involving the Growth Hub's team of specialist advisors is evidence of the quality of the Growth Hub's direct delivery. Compared to other available Growth Hub data, the SCR Growth Hub is shown to have the second highest business engagement penetration rates (see Section 4) thereby evidencing the accessibility of the support on offer to SCR businesses.
3.	Varied products and services	• MEDIUM	<ul style="list-style-type: none"> Due to the Growth Hub's financial pre-commitments to a number of programmes prior to official launch, the Growth Hub has not been able to develop a specific delivery offer for each of its target spokes as originally envisaged; for example, innovation or trade and export. This is something, that the Growth Hub will be keen to rectify in the future.
4.	High growth focus	• MEDIUM	<ul style="list-style-type: none"> Whilst the Growth Hub's job creation figures have shown its efficacy at identifying businesses with 'growth potential' and delivering targeted support to those businesses through its advisor team, the Growth Hub has lacked resources to commission a bespoke high growth focused support programme as originally intended.
5.	Bespoke growth deals	• LOW	<ul style="list-style-type: none"> As above the Growth Hub has lacked the resources to commission and/or deliver bespoke growth deals as originally envisaged.

Source: Carney Green, 2019

Notes:

¹Impact ratings: High = achieved, Medium = part-achieved, Low = not achieved

- 7.23 The SCR's SEP and 10 Year Plan (2015-25) stated that by 2024, the LEP's Growth Plan would:
- Create 70,000 net new jobs (with 30,000 highly skilled occupations)
 - Increase the region's GVA by £3.1 billion
 - Generate 6,000 new start-up businesses
- 7.24 The Growth Hub's targets were designed to contribute to the broader SCR growth objectives as part of a range of interventions delivered across the region. Assuming steady state performance the impact evaluation analysis indicates that the Growth Hub could expect to contribute nearly 5 per cent (3,002) of the SCR's net new jobs target by 2024; and 12.4 per cent (£305m) of its increase in GVA by 2024. This represents a **significant achievement** both in terms of comparative performance with other Growth Hubs (considered within this study) and against the Growth Hub's own targets.

Growth Hub Impact - Summary

- 7.25 In conclusion, we would add the following remarks:
- **Growth Hub's role as an engine for business growth:** The fact that 92.6 per cent of jobs (2,180.5) created by the Growth Hub have been linked with LGF funded or part-funded programmes demonstrates the organisation's key role as 'driving enabler' for the wider SCR support programmes. The Growth Hub maximises the value of the wider SCR programmes by ensuring that the businesses referred to it are 'support ready'; thereby increasing both the quality and volume of referrals into these programmes.
 - **Location of biggest impact:** Whilst the Growth Hub's impact has been relatively evenly spread across the SCR, its greatest impacts have occurred during the delivery of 'high intensity' support and when working with its largest companies in employee number terms (see Figure 7.8 below).

Figure 7.8: Impact of large companies (250+ FTEs)

	Output per business	Comparative rank ¹
No of jobs created	63.8	1 st
Business funding awarded	£400k	1 st
Private sector leverage	£35.5m	1 st

Source: Carney Green, 2019

Notes

¹Compared to the other sized businesses (micro (0-9), small (10-49) and medium (50-249))

Future impact measurement

Covering the following evaluation objectives:

- How can the Growth Hub change and improve its measurement and evidencing of its outcomes and impacts?
- Recommendations for development and changes to better secure and evidence the impact that the Growth Hub achieves.
- Identify and determine clearly what methods you will employ to achieve this

7.26 We offer the following recommendations regarding the Growth Hub's future approach to impact measurement:

- **Focus on the 'so what?' question:** the Growth Hub should carefully consider the value of any data capturing activities to ensure that all intelligence gathered can usefully contribute to:
 - Shaping the future of the Growth Hub service
 - Demonstrating how the Growth Hub is contributing to the SCR's revised SEP and industrial strategy
- **Introduction of a follow-up survey:** The Growth Hub should consider introducing a short automated follow-up survey following advisor's initial meeting with the business. This could be done online via an email link or through an automated text/SMS or phone survey. The purpose of this survey would be to capture the immediate benefits of that initial meeting whilst its value is at the forefront of the business representative's mind. The survey should be concise and focus on a number of key issues such as:
 - The extent to which they feel better informed and why
 - The extent to which the company's proposed project has changed following the meeting and the impact of that change
 - The extent to which they now feel more confident to make a decision following the meeting
 - Any other benefits / impacts following the initial meeting
- **Changes to the Business Review:** To establish a continuous conversation with businesses, the previously executed Business Review exercise should be repeated as a focused annual or six-month event to ensure that every Growth Hub-impacted business has a minimum of one contact a year. For example, the Business Review research should take place at the optimal time in terms of capturing impact (i.e. within a mutually agreed point when both parties expect the full impacts of the intervention to have been felt). To support this

process from a resourcing point of view, the Growth Hub should consider requesting additional resources internally (linked to the SCR's pending Monitoring Evaluation Framework) or request the GGS to complete these reviews as part of their day job

- **Refreshed content:** The contents of both the Growth Hub's CRM, CSSI and the Business Review should also be refreshed to consider wider/softer benefits to the business and contributions to the SCR's productivity and inclusive growth agenda (for example, Sheffield City Partnerships Framework for an Inclusive and Sustainable Economy). Figure 7.9, below, provides a menu of KPIs for consideration by the Growth Hub; it may not be appropriate for all of these measures to be adopted, or for only some of them to be adopted in the short or medium-term

Figure 7.9: Menu of Growth Hub KPIs

Awareness and Engagement
<ul style="list-style-type: none"> • Increased awareness and understanding of business support availability • Increased likelihood of utilising business support • Knowledge of what the Growth Hub does • Number of unique businesses accessing the Growth Hub • Number of businesses completing support within specific interventions aimed at improving performance
Wider/softer benefits
<ul style="list-style-type: none"> • Accessed funding for growth or investment • Business confidence and resilience • Improved staff skills, knowledge or retention • Contribution to business survival • Increased networking and collaboration • Grown the customer base or reached new markets • Improved business planning
Growth and Productivity outcomes
<ul style="list-style-type: none"> • Enhanced knowledge within the business • A new product or service offer • Increased % of annual spend on innovation and/or R&D activity • Invested in or accessed new technologies, equipment or facilities • New or improved premises • Increased levels of exporting • Increased propensity to innovate
Economic outputs
<ul style="list-style-type: none"> • Increases in Gross Value Added (GVA) • Proportion of GVA increase which can be attributed to the Growth Hub's and/or a business support product's provision • Productivity (GVA per hour worked) • Earnings/wages • Funding levered/accessed

Source: Carney Green, 2019

Improvement recommendations

7.27 We offer the following recommendations aimed at improving the overall performance impact of the SCR Growth Hub:

- **Future Purpose of Growth Hub:** Clarify and communicate the future purpose/remit of the Growth Hub and sell that internally to the LEP Board and wider partners
- **Growth Hub organisational embeddedness:** The Growth Hub must become fully embedded within the SCR from a cultural and operational perspective
 - To make this happen, the SCR senior management should:
 - Reconsider the organisational structure of the SCR and the Growth Hub's role within that to formally bring the Growth Hub closer to the rest of the organisation. This will increase ownership of the Growth Hub from the SCR's perspective and will confirm the Growth Hub as LEP's primary vehicle for business growth
 - The 'Head of Growth Hub' role could be refocussed with a more overarching regional business growth remit
 - To make this happen, the Growth Hub management team should:
 - Reflect on their contribution to the collaborative culture of the SCR and consider how they can contribute to this from a corporate perspective to avoid any perception of operating like a 'subsidiary company within the organisation'
 - To make this happen, the SCR communications team (working closely with the Growth Hub management team) should:
 - Increase the volume (and resonance) of internal and external communication on behalf of the Growth Hub. Communications should specifically focus on the impact (and relevance) of the Growth Hub's achievements to its internal audience as well as providing business insights relevant to the strategic direction of the SCR. Reporting should always focus on what this means for the SCR's SEP and Local Industrial Strategy rather than just what this means for Growth Hub's narrow targets. – i.e. do more than comply with service returns etc
- **Maximise the Growth Hub's business intelligence:** Use the Growth Hub's in-house business intelligence to:
 - Seek to formalise the Growth Hub's business focused advisory role across the SCR, i.e. become the voice (and advocate) for regional business by offering a unique business perspective on SCR public policy development

- Continue to develop a commissioning function within its remit to develop tailored products and services which support the specific needs of SCR businesses. For example, build on the recent track record, i.e. the development of an online Brexit diagnostic tool which enabled businesses to test their preparedness for Brexit and produced tailored recommendations based on responses given

Appendix I – Gateway Incoming Enquiry Record Sheet

Full Name/Business Name/Principle Contact (incl. Position)
Contact Details – address/phone number/email address/Website
Nature of Enquiry (Source of enquiry)
<i>e.g. What type of assistance are you looking for? If finance: What is total cost, do you have any funds towards it? How will this help grow the business? Will you be taking on additional staff?</i>
Financial/Other Business Information (turnover/staff numbers/ how long have they been trading/Legal Status/Industry Sector/Local Authority)
Where did they hear about the Growth Hub?
Is there anything else we can help you with?
Are you satisfied with how your enquiry has been dealt with today?
Remember to mention to the client that all data collected by the GH will only be used by ourselves and our delivery partners, for the purpose of providing business support services.

Appendix II – CSSI Prompt Sheet

Good morning/afternoon, I am calling from Sheffield City Region Growth Hub.

I am looking for some feedback regarding your recent engagement with the Sheffield City Region Growth Hub and the support you have received. Have you got two minutes to answer a few questions please?

On a scale of 1 – 5, where 5 is very satisfied, how satisfied are you with the service you have received from the Growth Hub via BGS/AFCoE/DIT/SIP/Launchpad ...

Very Satisfied	Satisfied	Neither	Dissatisfied	Very Dissatisfied

Could you briefly explain why you have rated the service like that?

If there is more than one referral repeat the questions specifying the relevant support programme.

Prompts to receive information on impact of GH intervention on business growth

- **Since you have engaged with the GH/advisor XY, have you created any new jobs or increased your staff head count as result?**
 - o If yes: In which area/department have the jobs been created/ have you increased staff numbers?

Please note: If the business has recently reached three hours or more of support the following details might need collecting as well:

- **Is the business a multi-site business?**
 - o If yes, where are the other sites located (SCR, England, Europe, Worldwide)
- **Scale-up Potential (BEIS definition: Is the company expecting to grow by 50% in five years?)**

Are you looking for any additional business support at the moment?

Are you currently looking for skills/training support? We now have a team of Skills Advisors who can help assess your requirements and advise you how to progress. Did you know our Skills Bank programme is becoming available again later this year? We would be happy to register your interest to keep you updated.

Thank you for taking the time to respond.

Once the call has been made, record response on CRM in the CSSI section and follow up on any additional referrals.

As per existing process, any results that are less than satisfactory follow the non-conformance process.

Appendix III – Business Review Questions

Sheffield City Region Growth Hub – Business Review Prompt Sheet

Business Name / Principle Contact (incl. Position)	CRM updated? []
General Comments from the Review	

Have all CRM data fields been completed?

Main Account Page			
Status and ID's – All data fields	[]	Profile – All data fields	[]
Financials			
All data fields at date of first intervention	[]	All data fields at current financial position including GVA	[]
GH-01 Electronic Completion	[]	Jobs created	[]
Referrals			
All individual 'predicted' outcomes	[]	All individuals 'actual' outcomes	[]

What process changes have been introduced as a result of Growth Hub support?

e.g. to include introduction of, or amendment to operational working processes and procedures. What impact (i.e. timesaving) have these had on the business

What, if any, efficiency impacts, has the business experienced?

e.g. changing the way of working which may result in financial/timesaving methods for the business

What new products and/or services have been introduced since GH intervention commenced?
<i>e.g. detail the number of products/services together with narrative, including any products/services in the pipeline and timescales for completion</i>
Are there any cultural improvements within the Business?
<i>e.g. increase in staff morale or any wellbeing stories</i>
Has the business experienced any new opportunities as a result of the support received?
<i>e.g. accessed new markets, formed new strategic partnerships</i>
Has the strategic direction of the business changed?
<i>e.g. reorganisation, or addition of a Board, adding non-exec Board members; change to management structure; change in priorities regarding financial allocation, new business plan creation</i>
Any other comments
<i>Any other areas of improvement?</i>

Has the business recommended the Growth Hub to any other Businesses / Business Contacts? []
Does the Business have a better knowledge of support available in the region? []

Once completed, please return electronically to:
growthhub@sheffieldcityregion.org.uk

Appendix IV – BEIS Key Performance Outcomes

Intensity level	Definition	Examples
Light touch	Transactional interactions with Growth Hubs which do not consume significant dedicated resource	<ul style="list-style-type: none"> • Telephone enquiries and basic signposting • Face-to-face appointments (involving very light-touch diagnostics) • Web-based interactions (e.g. contact form, user registration to members area, use of live chat, online diagnostic tools, message through social media) • Attendance at Growth Hub organised events, festivals, conferences or pop-ups etc
Medium touch	Interactions which use moderate Growth Hub resource (approx. 1-hour plus) and which broadly aligns with the point in the customer journey at which GH start collecting basic firm-level data.	<ul style="list-style-type: none"> • Business diagnostics with Growth Hub advisor, referral to business support schemes and programmes (local and national)
High intensity	Interactions representing sustained support and using significant Growth Hub resource, broadly aligned to the EU 12-hour metric for Enterprise Support	<ul style="list-style-type: none"> • Businesses with managed accounts • Services / support directly provided by Growth Hub

LEPs, on behalf of their Growth Hubs, are required to report the following aggregated statistics - at the three levels of intensity – on a biannual basis:

Intensity level: <u>Light touch</u>		
Indicator		Details
1.	Number of businesses	Receiving 'light touch' triage, information and/or signposting support
2.	Number of individuals	Interacted with who have received 'light touch' triage, information and/or signposting support

Intensity level: <u>Medium</u>		
Indicator		Details
3.	Number of businesses	Receiving 'medium intensity' information, diagnostic and brokerage support
4.	Combined turnover (£)	Of businesses receiving 'medium intensity' information, diagnostic and brokerage support
5.	Combined employee numbers (FTEs)	Of businesses receiving 'medium intensity' information, diagnostic and brokerage support

Intensity level: <u>High</u>		
Indicator		Details
6.	Number of businesses	Receiving 'high intensity' support (i.e. sustained support and using significant Growth Hub resource).
7.	Combined turnover (£)	Of businesses receiving 'high intensity' support (i.e. sustained support and using significant Growth Hub resource).
8.	Combined employee numbers (FTEs)	Of businesses receiving 'high intensity' support (i.e. sustained support and using significant Growth Hub resource).

Intensity level: Medium + High		
Indicator		Details
9.	Total number of businesses	That have received 'medium' and 'high' intensity support that, have the opportunity, ambition and greatest potential to grow, or that could be classified as potential Scale-Ups ¹
10.	Satisfaction levels	Tabulated response to the satisfaction question: 'How would you rate your overall satisfaction with the support provided by the Growth Hub?' rated on a five-point scale ² .
11.	Total number of business referrals	Combined figure for 'medium' and 'high' intensity businesses who are referred to: <ul style="list-style-type: none"> • A mentoring programme • A skills or training programme • A finance and/or funding programme • An innovation and/or R&D programme

Notes:

¹The aspiration and potential with support to deliver significant turnover growth over the next three-year period of at least 50% and who have at least 5 staff in the current period.

²Ratings are as follows:

- Very dissatisfied (1) – very poor
- Somewhat dissatisfied (2) – poor
- Neither satisfied nor dissatisfied (3) – average
- Somewhat satisfied (4) – good
- Very satisfied (5) – excellent

