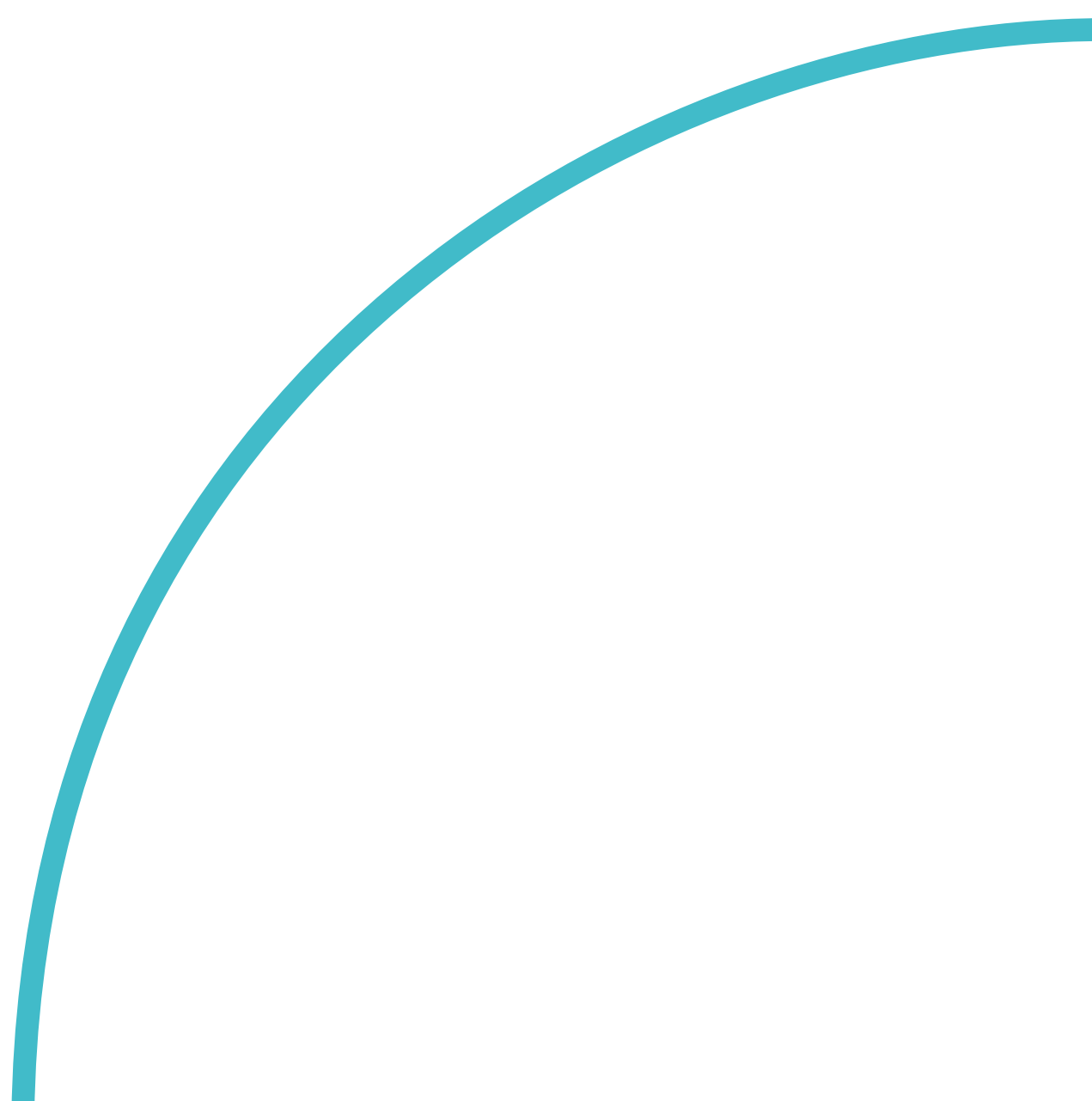


Gloucestershire Growth Hub

2021 Evaluation

A final report to Gloucestershire Growth Hub
5th October 2021



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1.

Executive Summary

The Growth Hub delivers a range of services to support business growth and agility, adapting its offering during the pandemic and demonstrating its relevance and responsiveness to the needs of small and medium sized businesses. It has built connections between its partners and the local business community and fosters entrepreneurship skills with a wide audience. Since 2014 it has supported Gloucestershire businesses to create an estimated 1,200 jobs and £155 million Gross Value Added (GVA).

Following a successful first Phase which ran from 2014 to 2016, the second phase of the Growth Hub began in 2017 and introduced an expanded range of services aimed at supporting all stages of business creation and growth from pre-start and early stage advice through to intensive growth programmes and innovation support for longer established businesses. Its reach has been extended throughout the County by creating five further Hubs across Gloucestershire. Its reputation has grown over time as it has become a valued and embedded feature of the business support landscape. This role was highlighted during the pandemic when its services pivoted rapidly to help local businesses adapt and survive.

1.1 Rationale

Its rationale is based on the finding that businesses need information and support in order to boost their productivity, scale-up and grow and that many lack the resources, ability, or willingness to do this themselves, especially when outcomes are uncertain. An additional reason is the complex and changing business support landscape which can be confusing for businesses to navigate successfully. In Gloucestershire, further long-term economic concerns around the County's productivity performance, GVA growth, export performance and business survival gave added weight to the case for the Growth Hub service.

The evidence from business feedback suggests this rationale is still valid. It is delivering a highly valued service, helping businesses to adapt and grow and simplifying the support landscape. The need for high-quality, impartial and up-to-date support remains strong as the business environment continues to evolve and address the challenges of adjusting to the UK's departure from the EU, adapting to

the longer term impact of the pandemic and addressing the country's transition to a low carbon future. The pandemic especially has shifted the mindset of many businesses from one of growth to one of survival. The Growth Hub has recognised this shift and adapted its offer in response.

1.2 Review of Services

The main focus of this evaluation is the second Phase of the Growth Hub from January 2017 to March 2021 when it received grant funding from the European Regional Development Fund (ERDF). During this time, it offered an expanded range of services which are reviewed below.

1.2.1 Core Growth Hub Service, 2017 - 2022

The continuation of a two-tiered service for eligible businesses to diagnose their support and growth needs and deliver a range of appropriate advice services, clinics and workshops to support these. Phase 2 began in September 2017 for a period of three years, and due to its success, an extra three years' funding was awarded by the EU to extend the project up to December 2022. Its estimated cost over six years is £6.8 million, and by two-thirds of the way through (Q1, 2021) expenditure was on track with 68% of the budget having been spent. Also at this time, pro-rata progress towards the revised targets was very strong. The target for employment creation was rephased to reflect the natural time lag between support being delivered and additional employment being created and this target is expected to be evidenced later in the programme. The significant and unexpected impact of the Covid-19 pandemic on the business community since March 2020 has also affected the ability of many businesses to create jobs. The rollout of the Hub network across the County was delayed, partly due to the pandemic and partly due to delays in finding an appropriate delivery model, however, by summer 2021 the full complement of six Hubs was operational. Business feedback on the Hub's services is consistently very positive with around nine in every ten business users finding it helpful and frequently leading them to take a positive course of action.

1.2.2 Start and Grow Enterprise (S&GE), 2017 – Q1, 2023

S&GE is aimed at supporting entrepreneurship and early stage businesses up to two years old. Over time it has formed into two distinct services (the Start Service and the Grow Service) and it has established a successful programme of student engagement with the University of Gloucestershire for courses where enterprise plays a strong role in future careers. The programme's first Phase ran from 2017 to March 2020 and its second Phase began in April 2020 with a slightly redesigned offering. The cost of Phase 1 was revised upwards slightly to £1.1 million and was fully spent on completion. The estimated cost of Phase 2 is £1.5 million and by Q1, 2021 pro-rata expenditure was on target. All revised targets were met in Phase 1 and pro-rata progress towards targets in Phase 2 is strong. As with the Core Growth Hub programme, the employment creation target is challenging. Business feedback on the S&GE service is very positive with three in every four people reporting that it played a strong role in supporting them in the early stages and helped them to start up their business with more confidence.

1.2.3 Gloucestershire Research and Innovation Programme (GRIP), 2017-2019

This was designed to help businesses understand how productivity, innovation and growth work together and support knowledge transfer between business and academia. Operational challenges around the availability of academic time to commit to the project meant that its budget was halved from £1.7 million to £867,000 and output targets relating to voucher support and employment creation were revised downwards. On completion, all revised targets were fully met and the programme supported the original targeted number of businesses. Business feedback on the programme was very positive with two-thirds of businesses forming links with other enterprises and half forming links with research and academia. One-third reported they had commercialised new products or services and improved their supply chain as a result of taking part. Its legacy is the addition of a 3D printer to the University's facilities.

1.2.4 Gloucestershire Accelerated Impact Network (GAINS), 2017-March 2020

Modelled on the GrowthAccelerator and Business Growth Services, GAINS offered external expertise to high growth SMEs in leadership, change management, operations, strategy, marketing and sales which lay outside the scope of the more common support services which mainly focus on innovation and exporting. The programme faced significant early challenges as it was perceived to be similar to the core Growth Hub service, which was free to eligible businesses, while GAINS required a financial commitment. There was also a shortage of available coaches to deliver the support. For these reasons, its original budget was reduced by 31% to £681,200 and its key output target, for the number of businesses supported, was reduced by 56%. On completion, 83% of the revised budget had been spent and 79% of the target for businesses supported had been achieved. Despite its significant operational challenges, feedback from the businesses it supported was very positive with three-quarters reporting that it helped to enhance their competitiveness, and two-thirds reporting growth at a regional and national level. Over half of those who took part reported increased engagement in innovation.

1.2.5 Covid-19 Recovery Support, 2020-2021

The unprecedented circumstances created by the pandemic led to the Growth Hub receiving a significant volume of requests for support from the business community. A short-term programme of advice and grant support was designed with funding from the Ministry of Housing Communities and Local Government (MHCLG) to help business adapt to the new environment, especially those in the badly affected tourism and hospitality sector. Additional grant funding was allocated based on the business population.

The project budget was £465,000, of which 97% was spent at completion. The targets relating to the number of businesses supported and the number of grants awarded was significantly over-achieved. Business feedback has been very positive with four in every five business reporting its strong influence in helping them adapt to the effects of the pandemic and three in four reporting it had been a strong factor in helping their business to survive.

1.2.6 EU Exit Outreach Project

The Growth Hub delivered an EU Exit outreach project in December 2020 at the request of BEIS and in response to concerns that businesses in the UK were not prepared for the end of the Brexit transition period. Although outreach targets were not applied, an ambitious local target to reach 1,500 Gloucestershire businesses before the end of 31st March 2021 was set. The project was the first time the Hub had undertaken outreach activity on this scale and resulted in 3,734 successful engagements from 19,181 attempts. The project provided specialist and intensive support through events and workshops gave rich information to the UK Government on economic impacts and business needs and concerns relating to EU Transition. The Gloucestershire Growth Hub also helped to coordinate activity with Swindon and Wiltshire and West of England Growth Hubs as part of its cluster lead role.

The Growth Hub is “the single front door” for business support in Gloucestershire

While the breadth of the Hub’s offering has been good, and its effort in supporting the scaling up of businesses is beyond doubt, there is evidence to suggest it may have confused the business community in the early stage of Phase 2 (2017) when three additional programmes were introduced alongside the core Growth Hub service. In response, the eligibility for the projects were redefined, and in the case of GAINS the targets and budget were revised. As the Hub progresses towards the end of its EU funding phase in December 2022/ March 2023, its offering consists of the core service and the S&GE programme only, which are both readily understood and valued by businesses.

1.3 Progress Towards Targets

In most cases the targets set across the programmes were later thought to be too ambitious and higher than the funders expected in many cases, therefore a number were revised downwards through discussions with funding representatives. Progress towards all revised and pro-rata targets is very good overall with the key targets for the number of high intensity (C1) and moderate intensity (P13) supports delivered showing progress ahead of schedule. This is a strong achievement in itself given the scale of the economic challenges and uncertainties presented by the UK’s departure from the EU and the Covid-19 pandemic in particular. In total, around 1,800 businesses have received high intensity supports and/ or grants around 1,500 have received moderate intensity supports from all programmes offered at the Growth Hub between January 2017 and March 2021. Across all programmes, the job creation target is the most challenging, especially since the pandemic when businesses have focused less on job creation and more on business adaptation and survival. The targets relating to new products being introduced and connections being made with research institutions show a wider value to the programmes in supporting growth and promoting wider academic engagement.

1.4 Impact on Businesses

A survey of 400 businesses that used the Growth Hub's services between January 2017 and May 2021 was carried out in June and July 2021. This highlighted the value of its work especially for small businesses, i.e. those with up to 10 employees and/or a turnover of less than £100,000. Key findings reported by the survey were:

- the main reasons for approaching the Hub were for advice on how to market, promote and grow the business, for support in setting up a new business, and for advice on business management;
- 86% reported they were satisfied, or very satisfied, with their experience; and
- 95% felt that the Hub simplifies the provision of business support services.

It also found that 38% of businesses reported an increase in turnover and 17% reported an increase in employment following their contact with the Hub and the majority felt that some part of this was directly due to the Hub's support. Based on the survey findings, it is estimated that all programmes delivered by the Growth Hub during Phase 2 have created 560 jobs, supported turnover growth of £293 million and GVA growth of £107 million in the Gloucestershire economy. In addition, further jobs and turnover have been safeguarded. These impacts were achieved by spending £8.0 million on support services over four and a quarter years which gives an impact ratio of £13 GVA for every £1 received in revenue income and a cost per job created ratio of £14,200.

1.5 Impact on Partners and Funders

The main service is funded by GFirst LEP and the University of Gloucestershire and Hubs have drawn additional investment from further education, local authorities and private sector partners. Key partners were interviewed for this evaluation and all viewed the Growth Hub as a proud achievement.

- **GFirst LEP** – the Growth Hub is a flagship project for the LEP and a vehicle for extending its ability to engage with smaller businesses. During the pandemic it provided valuable feedback on business needs which helped the LEP to contribute to central government policy on business support. More broadly, it supports their Strategic Economic Plan for growth and economic recovery in the County and offers a tool for delivering specialist support services;
- **University of Gloucestershire** – the work of the Hub is a key part of the University's mission to engage with businesses and to develop entrepreneurial skills in its students. The GRIP and GAINS projects opened doors between academics and businesses, taking knowledge exchange activity to a new level. It delivers unprecedented support with entrepreneurship for students and has embedded this as an element within the curriculum for many courses. The threesixty student consultancy project has also brought valuable experiential learning opportunities for the University's students. Overall, the Growth Hub has repositioned the University as a driver of innovation-based academic learning;

- **Royal Agricultural University** – the Cirencester Growth Hub has become a valued resource in the area, helping to build a business community and extend the University’s connections with its local environment; and
- **Tewkesbury Borough Council** – the Tewkesbury Hub has created an effective new link between businesses and the local authority, helping to reduce perceived barriers by better communicating each other’s requirements.

1.6 Achievement of Objectives

The evidence strongly suggests that the Growth Hub makes a difference to the vast majority of businesses who engage with it and, for some, this leads to growth in employment and turnover. However the expectations of the Growth Hub are high, and possibly unrealistically high, given its scale. Its clients are mainly pre-start, micro and small businesses with up to 10 employees and the reach it has achieved into the Gloucestershire business community is around 18% over a seven year period. Therefore it is not yet on a scale where it could have a substantial impact on top level indicators for GVA, productivity, business survival, employment creation and exports at a County level. Creating a substantial change in business performance may take more intense support than the 3 hour and 12 hour interventions which can be offered and its success depends largely on the mindset and actions of the business owners and those who choose to engage. Furthermore, and very significantly, business needs have altered since the Covid-19 pandemic which has shifted the goal of many from one of growth to one of survival. The range of services offered by the Growth Hub are clearly designed to support scale up activity and there is evidence that it is delivering real benefits for businesses, boosting their confidence and efficiency, improving profitability and supporting innovation for many that are seeking this outcome. It is simplifying the business support landscape and it is a valued resource for the business community.

For students at the University of Gloucestershire it is delivering entrepreneurship education and support on a new level and bringing opportunities to engage with the businesses community which could shape their future employability.

Several key achievements highlight the wider value of the service:

- the volume of business that chose to engage with the Hub;
- its swift response to the pandemic, adapting services and responding to needs;
- supporting businesses to become more agile and resilient;
- establishing itself as a credible service, and one which has a strong reputation among the growth hubs throughout England;
- a service delivered by high quality staff who understand businesses;
- consistently positive feedback from businesses from regular evaluation reports;
- its mix of delivery partners which bring a strength and depth to its offering; and
- the attractive, professional, physical spaces it has created which give a focal point for developing local small business ecosystems.

It takes time to establish credibility in a service, especially one that is free and publicly funded. Having reached this point, a lot of momentum will be lost if future funding beyond the end of 2022 cannot be found.

“I have seen the Growth Hubs in Gloucestershire evolve from inception to being hugely valuable assets to businesses in our County. They are now well established, “go to” places for businesses of all sizes and are viewed as trusted voices for the business community, providing invaluable advice and direction for individual businesses and supplying valuable data and evidence to government in a timely manner.

None of this was more prevalent than during the pandemic when they were fleet of foot both in terms of business support locally and nationally providing government with insight into what was happening on the ground.

They have proved themselves to be a unique interface between business and government, one that I am so very proud that we in Gloucestershire have achieved.”

Diane Savory, Former Chair, GFirst LEP

2.

Introduction

Gloucestershire Growth Hub was established to encourage successful business creation and support business growth across the County.

2.1 Growth Hub Overview

The Gloucestershire Growth Hub is a business support service delivered through a partnership between the GFirst Local Enterprise Partnership (LEP), the University of Gloucestershire, Gloucestershire County Council, the Royal Agricultural University, Tewkesbury Borough Council, South Gloucestershire and Stroud College, Workshop Ltd and Vantage Point Business Village. It is one of three flagship projects for GFirst LEP and is a core part of the University's business engagement strategy. It is part of a network of 38 growth hubs in England which are delivered by the LEPs through local public/private sector partnerships.

The Gloucestershire Growth Hub aims to be a catalyst for economic growth by encouraging the development of world-class companies, increasing exports and supporting entrepreneurial start-ups with high growth potential.

Phase 1 was led by the University of Gloucestershire and established an initial physical presence at the Oxstalls campus. It opened for business in October 2014 and has remained the primary physical focus of the Growth Hub initiative. This phase was supported by £2.7 million investment from HEFCE's Catalyst Fund.

Phase 2 began in 2017 as the service moved into new, purpose-built premises alongside the University's School of Business and Technology and GFirst LEP. It was initially planned to run until the end of 2019 which was later extended for a further three years and is due to complete at the end of 2022. This Phase brought a roll out of the Growth Hub network to create an expanded Hub service in each district within the County. In addition, four new services were introduced which complemented the initial offering:

- Start and Grow Enterprise (S&GE) Programme (S&GE), 2017 – Q1, 2023;
- Gloucestershire Research and Innovation Programme (GRIP), 2017-2019;
- Gloucestershire Accelerated Impact Network (GAINS), 2017-2020; and
- Covid-19 Business Support Programme, 2020-2021.

2.1.1 Location

In addition to the original Growth Hub in Gloucester, a network of five further Growth Hubs have been established to extend the reach of the service. These are:

- **Cirencester** – opened in July 2018 and delivered through a partnership with the Royal Agricultural University at its Cirencester campus;
- **Tewkesbury** – opened in November 2018 and delivered through a partnership with Tewkesbury Borough Council;
- **Stroud** – opened in March 2020 and delivered in partnership with South Gloucestershire and Stroud College;
- **Cheltenham** – a digital business support service was launched in March 2021 and delivered in partnership with Cheltenham Borough Council and Workshop Ltd;
- **Forest of Dean** – physical facilities opened in July 2021. This service is delivered in partnership with Vantage Point Business Village.

As well as the physical Hubs, a partnership between GFirst LEP and the Gloucestershire County Libraries service provides 31 access and signposting points throughout the County to promote Growth Hub services at a local level.

2.1.2 Services

The Growth Hubs provide a physical, flexible space for businesses to use, and offer two levels of service depending on the growth ambitions of individual businesses. All business support services are free and are delivered by trained Business Navigators (for three hours of support) and/or Business Guides (for 12 hours of support). Its regular programme of workshops and events covers:

- negotiating;
- branding, marketing and sales strategies;
- social media channels – Facebook, Twitter, YouTube, LinkedIn and Instagram;
- website development;
- employment and HR issues;
- performance management;
- credit control and cash flow;
- promoting social enterprises and charities;
- building an eco-business; and
- scaling up

In June 2021, the Gloucestershire Growth Hub ranked in the Top 10 in England for website accessibility in a survey by Skilltide Index which compares the accessibility of websites from different industries.

2.2 Baseline and Interim Findings

2.2.1 Baseline Study, 2015

A baseline study was prepared for the Growth Hub by BiGGAR Economics in 2015 which established the economic and strategic context for the project. It outlined the

experiences and expectations of the business community, key stakeholders and national business support providers and gave a benchmark against which the future performance of the Growth Hub could be assessed. In strategic terms, it found that the Growth Hub:

- was one of three flagship projects created by the LEP to contribute to the overall growth targets set for Gloucestershire through its Strategic Economic Plan (SEP);
- fitted well with the Business Simplification Agenda set out by BEIS to simplify the business support landscape; and
- supported the University of Gloucestershire's strategic planning goal to support innovation and enterprising behaviour within the study body.

In terms of its relative socio-economic position, it found that:

- GVA per head, a key measure of productivity, was higher in Gloucestershire than most other LEP areas although it still lagged behind the UK average;
- exports from the region in 2014 were relatively low compared to other areas, with the South West ranked the second lowest of all English regions; and
- the three-year business survival rate was 63.6%, which was higher than average for the South West and for the UK; and
- new businesses registrations increased in Gloucestershire between 2009 and 2013.

Early discussions with members of staff involved in delivering the Growth Hub and a small sample of eight businesses that had engaged with its services found the project was well received during its first year. Businesses were optimistic about the potential benefits of engaging with the support service and viewed the Growth Hub as a valuable resource for local companies, enabling them to improve, to expand their marketing and to access funding. It was seen as a focal point, connecting businesses with agencies, customers and other businesses. The project was also considered to be positive for entrepreneurs, providing them with services that would give them the motivation and knowledge they need to succeed. When the baseline study was prepared, the Growth Hub had recorded 4,012 discrete visitors in 2014/15 which was well in excess of its target for that year of 2,500. Satisfaction among these visitors was recorded as 100%.

2.2.2 Interim Evaluation, 2017

The interim evaluation in 2017 at the end of Phase 1 assessed the outcomes of the Growth Hub against the established baseline and the targets of the project. Its key objectives at this time were:

- growing Gloucestershire's GVA by 2025, with a focus on target sectors;
- increasing the number of business starts and three-year survival rate of Gloucestershire businesses; and
- increasing participation of students and graduates in employability initiatives.

At this point, the nominal GVA per head in Gloucestershire had increased from the baseline position with Gloucestershire ranking in 10th position out of 39 LEP areas:

one position higher than in 2013. This was attributed to increasing productivity and higher participation in the labour market compared to previous years. The number of active enterprises in Gloucestershire had increased by 5.6% between 2013 and 2015 as a result of an increase in the average birth rate of businesses and a fall in the death rate. The three-year survival rate of Gloucestershire businesses at this point (i.e. those formed in 2012 which had survived to 2015) was 63.0%, which was down slightly on the baseline position of 63.6%. However, the business survival rate in Gloucestershire had remained higher than in both the South West and the UK.

Nine quantifiable output targets were established for the Growth Hub project during Phase 1 and the project exceeded, and in many cases far exceeded, these targets during this time. The targets and their achievements are summarised in Table 2-1. On key measures, the Hub delivered more than twice as many support interventions as targeted and it far exceeded its target for delivering interventions to support high growth businesses.

Table 2-1: Growth Hub Phase 1, Targets and Progress

Target	Phase 1 Target	Phase 1 Outcome	% Achieved
No. of Growth Hub visitors	7,500	10,506	140.0
No. of support interventions	3,750	7,934	211.6
Accelerated interventions for high growth businesses	705	905	128.3
New teaching programmes by the end of the 2015/16 academic year	20	30 (2016/17)	150.0
New business support services by the end of the 2014/15 academic year	10	21 (2016/17)	210.0
University of Gloucestershire graduates in Gloucestershire jobs by the end of the 2016/17 academic year	1,500	1,872	124.8
New employee/HEI networks by the end of the 2013/14 academic year	10	12 (2016/17)	120.0
Work placements and internships by the end of the 2016/17 academic year;	12,724	13,656	107.3
Annual increase in KE income and activity from the 2013/14 academic year	15%	35.9%	239.3

Source: Interim Evaluation 2017, BiGGAR Economics based on University of Gloucestershire data

A survey of 400 Growth Hub users which was carried out in 2017 reported a highly satisfied business community where employment and turnover were growing for around one-third of high-growth businesses and around one-fifth of other businesses. The survey also provided evidence that the Growth Hub was succeeding in its goal of simplifying the business support landscape with 80% of businesses surveyed

reporting that they felt the project had achieved this aim. Overall, the interim evaluation reported that the Growth Hub was exceeding its interim targets, the objectives of its funders were being delivered, and its clients were highly satisfied with the business support they received.

2.3 Methodology

This evaluation of the Growth Hub is based upon evidence from a variety of sources, including:

- a review of the strategic and economic context for the project, to assess whether the original rationale for the Growth Hub holds true and the evidence to support a continuing need for its services;
- a review of projects' inputs, activities and outputs, drawing on performance data to assess whether the Growth Hub has met its targets;
- a series of consultations with representatives from partner and stakeholder organisations, including the University of Gloucestershire, GFirst LEP, the delivery partners, Gloucestershire County Council and the Growth Hub itself; and
- a telephone survey of 400 businesses chosen at random from all businesses supported by the Growth Hub from all programmes since 2017.

2.4 Report Structure

The remainder of this report is structured as follows:

- section three discusses the strategic context for the project;
- section four reviews the changes in the economic context since the baseline report was produced in 2015;
- sections five to nine describe the five support programmes offered by the Growth Hub since 2017 including the rationale, objectives, delivery, costs, targets and business feedback on each one;
- section ten summarises the progress made towards ERDF targets from all programmes;
- section eleven describes the feedback from a survey of 400 businesses that have used the Hub's services since 2017;
- section twelve quantifies the impact of the Hub since 2017;
- section thirteen quantifies the impact of the Hub from 2014 -2021;
- section fourteen describes the wider impacts created by the Growth Hub; and
- section fifteen presents the conclusions of the evaluation.

3. Strategic Context

The Growth Hub contributes to the strategic plans of the University of Gloucestershire and GFirst LEP, helping them to achieve their shared objectives of supporting and growing the business base.

3.1 University of Gloucestershire

Student employability and business engagement are of central importance to the University and the Growth Hub is a key resource for developing its connection with the business community. It is a firmly embedded feature of the University's Strategic Plan for 2017-2022.

3.1.1 Strategic Plan 2017-2022

This sets out the University's vision of enabling students to transform their life chances by gaining skills, confidence and knowledge through effective student support and learning through research. It outlines four goals to help achieve this:

- providing a breadth of richness of experience that enables all students to reach their full potential;
- providing teaching and support for learning of the highest quality;
- undertaking excellent research and innovative professional practice to enrich students' learning and create impact and benefit for others; and
- building partnerships which create opportunity, innovation and mutual benefit for the communities it serves.

The Growth Hub is a vital factor in supporting students to reach their full potential while at University by creating connections with local businesses.

The Growth Hub has become closely integrated with the work of the Business School and the University in Business strategy. By supporting economic growth, innovation and enterprise within Gloucestershire, the Growth Hub also provides opportunities for students in high growth areas of the local economy to find high-skilled employment following their time at university. The Strategic Plan also highlights the importance of the Growth Hub within the University's approach to partnership working and notes its role in supporting business engagement and community wellbeing.

The experience of working with the Growth Hub brings an opportunity for the University to align its curriculum with business needs and, ultimately, help to produce work-ready graduates. It has introduced two new modules, BA Business Management (Enterprise and Innovation) and the MBA Global (Enterprise, Innovation and Design Thinking), based on material gathered from the S&GE programme. It also brings opportunities for knowledge exchange and innovation, such as the GRIP programme, which was designed to support innovation in SMEs.

3.1.2 University of Gloucestershire in Business (UiB) Strategic Plan 2017-2022

UiB represents the externally facing functions of the University of Gloucestershire, organised around student employability, business engagement, the Growth Hub, enterprise and new Ventures and the University Funding Office. Its aim is to make the University the partner of choice for Gloucestershire businesses and third sector organisations, with relationships which extend across a wide range of sectors. It has six main objectives:

- ensuring the University reaches the upper quartile for graduate level employment;
- delivering experiential learning opportunities for all students;
- increasing the number of student apprentices;
- providing SME interventions and delivering assistance for high growth businesses;
- increasing business development income and the proportion of commercial revenue to reduce the dependency on grant funded income; and
- developing an integrated programme for entrepreneurs and start-ups.

The Plan highlights the importance of the Growth Hub to the aims of UiB. As well as its main work of supporting SMEs and high growth enterprises, it provides experiential learning opportunities for students and brings opportunities to work with entrepreneurs. It supports the University's goal of building partnerships which create opportunity, innovation and mutual benefit for the communities it serves.

The University's involvement with the Growth Hub has led to the creation of a new, multidisciplinary student consultancy service, ThreeSixty, which is free for businesses to use and gives students the opportunity to work to real-world business briefs.

The service was designed “to put students in the boardroom and businesses in the classroom” –with the threesixty consultancy project this aim is becoming a reality.



ThreeSixty

The University's Business School has launched a new student-led consultancy service through its connection with the Growth Hub.

ThreeSixty is a student consultancy firm that aims to assist the local community, charities, businesses and individuals to help solve the challenges they face and, at the same time, deliver authentic learning experiences for students.

Launched in 2020, it has been designed in consultation with the Gloucester Growth Hub and brings together students from accounting and finance, law, business management, leadership, marketing, events management, hospitality and sports to offer a young, dynamic and ambitious consultancy service.

It is free for organisations to use and helps many to access support that they couldn't otherwise afford. At the same time, it brings valuable experiential learning, research and collaborative working opportunities for students which can enhance their employability on graduating. When restrictions allow, students can use the Growth Hub space to meet with clients and deliver their support. The service is marketed on the Growth Hub's website.

So far around 30 students have joined the service to work on assignments including website development and social inclusion.

3.2 GFirst Local Enterprise Partnership (LEP)

GFirst LEP plays a central role in deciding the County's economic priorities and undertaking activities to drive economic growth and create jobs in Gloucestershire. Its Strategic Economic Plan (SEP) identifies the Growth Hub as a key project to support and deliver many of its economic development objectives and it has provided £9.4 million in capital investment and directed ESIF funding to support this service.

3.2.1 Strategic Economic Plan for Gloucestershire, March 2014

The Strategic Economic Plan (SEP) for Gloucestershire was published in 2014 by GFirst LEP and highlighted its focus on accelerating economic growth and identifying the economic needs and opportunities for the region such as supporting the growth of knowledge intensive sectors, exploiting the export potential of SMEs and capitalising on the area's entrepreneurial culture. It established three flagship projects in the region that aimed to stimulate growth and create jobs:

- **Growth Hub:** providing a range of innovative and tailored services to support companies with high growth potential and encourage individuals with an entrepreneurial spirit to consider self-employment, apprenticeships and other alternative employment routes;
- **GREEN:** a centre of excellence in Renewable Energy, Engineering & Nuclear skills (GREEN); and
- **Growth Zone:** ensuring the availability of quality employment land in proximity to the M5 motorway which enhances connectivity within and beyond the County.

The Plan highlighted the high level of start-ups in Gloucestershire, with over 5,000 new business started in 2012. Additionally, the area had the second highest 3-year business survival rate in England at 63.5%, which the Plan attributed in part to the work of the Banking Sector Group which enabled small businesses to access financial support and start-up seminars. GFirst LEP's 'offer' to government at this time was to maintain and strengthen the start-up, survival and job creation rates in the County.

“When local businesses lack the knowledge of how to access services, this can be a major threat to the effectiveness of services and consequently to growth.” GFirst LEP, 2014

The strategy emphasised the negative effect of gaps in business support, noting that when local businesses lack the knowledge of how to access services, it can be a major threat to their effectiveness and consequently to growth. The Growth Hub was designed to directly address this issue by making it easier to access local business support for all businesses and to provide enhanced support for high growth potential businesses. In addition it was designed to support local start-up businesses with the aim of encouraging young people to stay in or move to Gloucestershire. The strategy also highlights the significance of the Growth Hub in contributing to economic growth in Gloucestershire through tailored business services designed to support enterprises with high growth potential, increase exports, and fast-track entrepreneurial start-ups.

3.2.2 Strategic Economic Plan for Gloucestershire 2.0, 2018

The SEP was refreshed in 2018 and reinforced the Growth Hub's role as an asset for the County, delivering innovation and business growth support in line with the aims of the UK's Industrial Strategy. The continuous development of its digital provision was thought to be a vital tool for the sustainability of the service in the longer term.

3.2.3 Covid-19 Recovery Strategy, 2020

GFirst LEP launched a Recovery Strategy to help focus local priorities as the economy processes the full impact of the pandemic. Again, the services of the Growth Hub were highlighted as fulfilling a crucial role in supporting business

resilience, allowing them to adapt to the new environment. To restart and reimagine economic growth, its focus is on five foundations which underpin productivity:

- Business – to become the best place to start and grow a business;
- People – to generate good jobs and greater earning power for all;
- Place – to deliver inclusive growth across the whole geography;
- Ideas – to become an innovative economy through investment in R&D, new product and service development; and
- Infrastructure – ensuring the County’s physical and digital infrastructure support business performance.

The Growth Hub has a clearly defined role in either delivering or providing underpinning support for each of these five foundations.

3.3 BEIS

Working through the LEP network, the UK Government’s Department for Business, Energy & Industrial Strategy (BEIS) delivers policies and funding support to help businesses adapt to a changing environment. The LEPs disseminate this to the business community through the growth hub network.

3.3.1 Business Simplification Agenda

When the Growth Hubs were established in 2014, the Department for Business, Energy & Industrial Strategy (BEIS) was encouraging business support programmes to consolidate operations, with the aim of reducing duplication across business support services. It gave the Growth Hub network the strategic aim of simplifying the business support landscape at this time. The importance of this role was reinforced by further studies in 2016 and also in 2018¹. These noted that LEP-led Growth Hubs are a local ‘single point of contact’ allowing them to work as a major contributor to simplifying and coordinating local business support, identifying business support needs and improving awareness and take-up of local and national training and business support services available from both the public and private sector.

3.3.2 Covid support

In response to the Covid-19 pandemic, in April 2020, the UK Government² announced funding for local authorities to be distributed to support SMEs in England. This included the Restart Grant, the Local Restrictions Support Grant, and the Additional Restrictions Support Grant, all aimed at supporting small businesses to address the challenges caused by the pandemic and the social restrictions it required.

¹ UK Government (2018), Seventeen Special Report Appendix: Government Response

² UK Government (2020), Coronavirus grant funding: local authority payments to small and medium businesses

3.3.3 Brexit Transition

In November 2020, a £20 million SME Brexit Support fund was announced³ to help small businesses adapt to changes in trade rules with the EU, particularly around customs requirements, rules of origin and VAT.

The Growth Hub in Gloucestershire has helped local businesses to access support and advice to ease the adjustment to the unprecedented twin economic uncertainties caused by the UK's departure from the EU and the Covid-19 pandemic. It continued to offer business advice to SMEs throughout the Covid pandemic and expanded its services to enable clients to access Covid-specific business advice online. Since the establishment of the project, the Growth Hub has supported businesses to build and develop their capability to export.

3.4 Conclusion

The Gloucestershire Growth Hub makes a strong, positive and growing contribution to the strategic goals of both the University of Gloucestershire and GFirst LEP: the two key economic drivers within the County. Through GFirst LEP it also offers a channel for delivering support to small businesses from BEIS. The Covid-19 pandemic created an unprecedented need to support businesses and the reputation built by the Hub and the credibility of its staff and services offered a crucial route for delivering much needed support in Gloucestershire at this time. Going forward the Growth Hub has an identified role to play as the County recovers from the economic impact of the pandemic.

³ UK Government (2021), Government announces £20 million SME Brexit Support Fund

4.

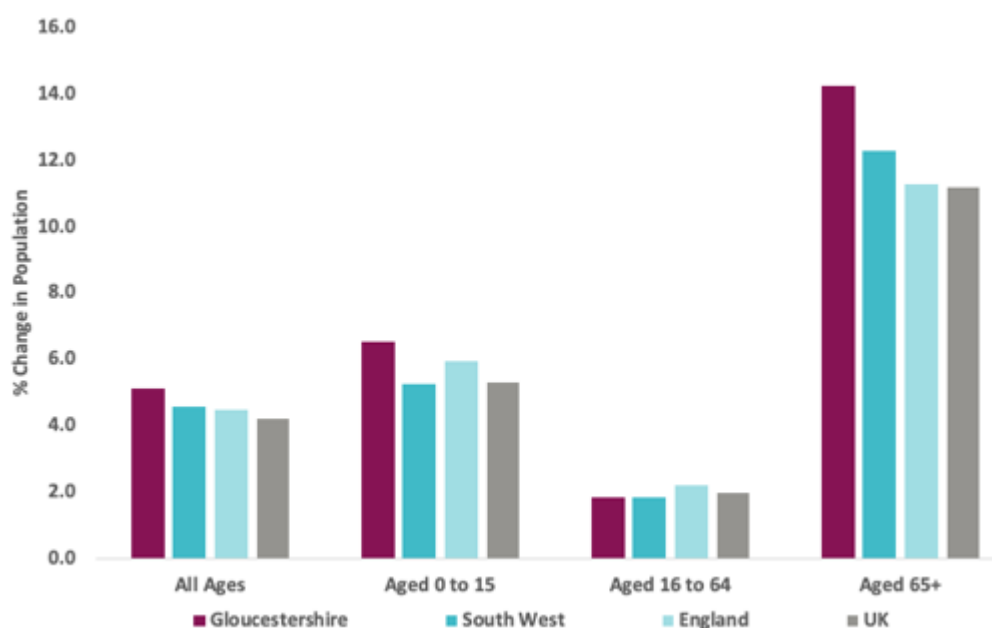
Economic Context

This section reviews the economic metrics for Gloucestershire and describes how these have changed since the baseline was prepared in 2015.

4.1 Population

In 2019, the estimated population of Gloucestershire was 637,000 people which represented just under 1% of the UK's population. Between 2013 and 2019 it increased by 5.1% which was slightly higher than the population increase in both the South West region (4.6%) and the UK as a whole (4.2%). Most of the population growth was in older age groups, aged 65+, while the working age population grew by just 1.8%. In both respects, this was in line with the regional and national change in these age groups, although in Gloucestershire the growth in the older age group is more pronounced.

Figure 4-1: Population Change by Age Group, 2013-2019



Source: ONS (2021), Population Estimates 2019

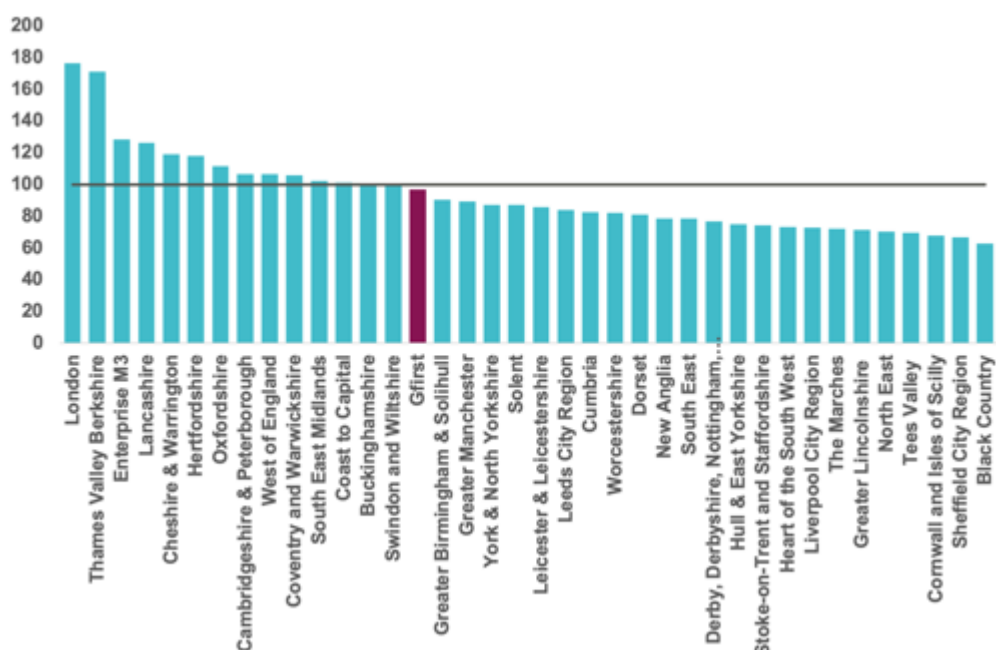
4.2 GVA and GVA per Head by LEP Area

GVA measures the value of output in an economy and includes the production of all goods and services. Historically the Gloucestershire economy has grown more slowly than the national average and this pattern has continued over time.

The most recent GVA data for the UK was released by the ONS in May 2021 and reported on regional and national GVA up to 2019. In that year, GVA in the GFirst LEP area was £18.2 billion and it had increased in nominal terms by 22.1% since 2013. This was slightly lower than the average GVA growth for all LEP areas in England of 25.8%, or 24.1% for all LEP areas outside London and the South East.

GVA per head is a useful way of comparing regions of different sizes and measures the value of the output in an economy divided by the total population in the economy. By 2019, GVA per head in Gloucestershire was £28,600, giving the GFirst LEP area an indexed value of 97 compared to the UK as a whole with a value of 100. At this level, the GFirst LEP area ranked in 15th position out of the 38 LEP areas in England, which is slightly lower than in 2013 when it ranked in 11th place.

Figure 4-2: GVA per Head by LEP Area, 2019 (UK = 100)

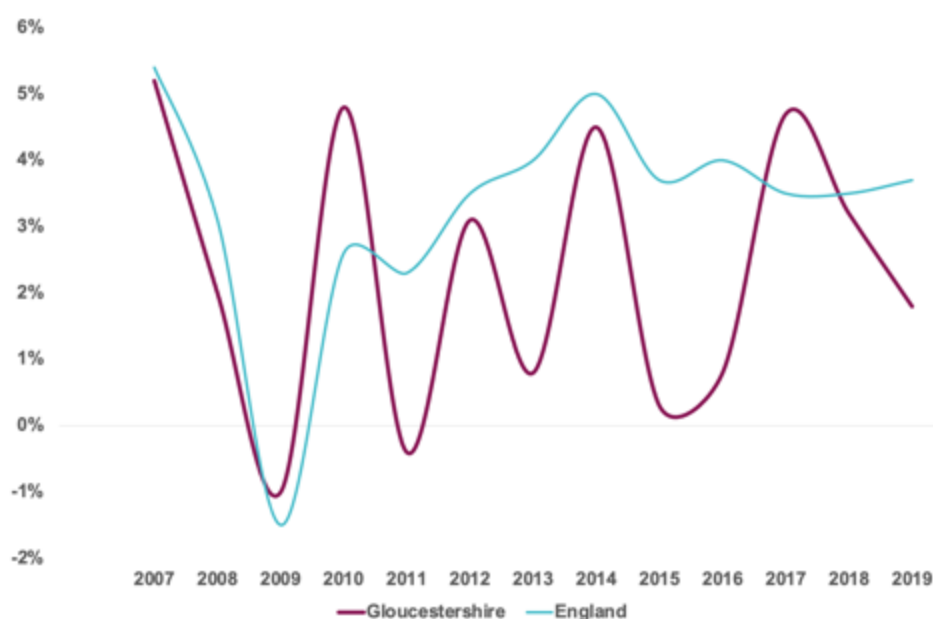


Source: ONS (2021), Regional gross value added (balanced) by industry: city and enterprise regions 2019

Between 2013 and 2019, the major drivers of GVA growth in Gloucestershire were the information and communication, accommodation and food services and construction sectors, where GVA grew by 60.0%, 51.6% and 47.1% respectively. All industries in Gloucestershire experienced GVA growth during this time apart from agriculture, mining, electricity, gas, water and waste where GVA fell by 10.3% and transportation and storage where GVA fell by 16.6%.

Between 2007 and 2019, Gloucestershire experienced an average annual growth in GVA per head of 2.3%, which was slightly lower than the average growth rate for England as a whole of 3.3%.

Figure 4-3: Average GVA per Head Growth in Gloucestershire, 2007-2019



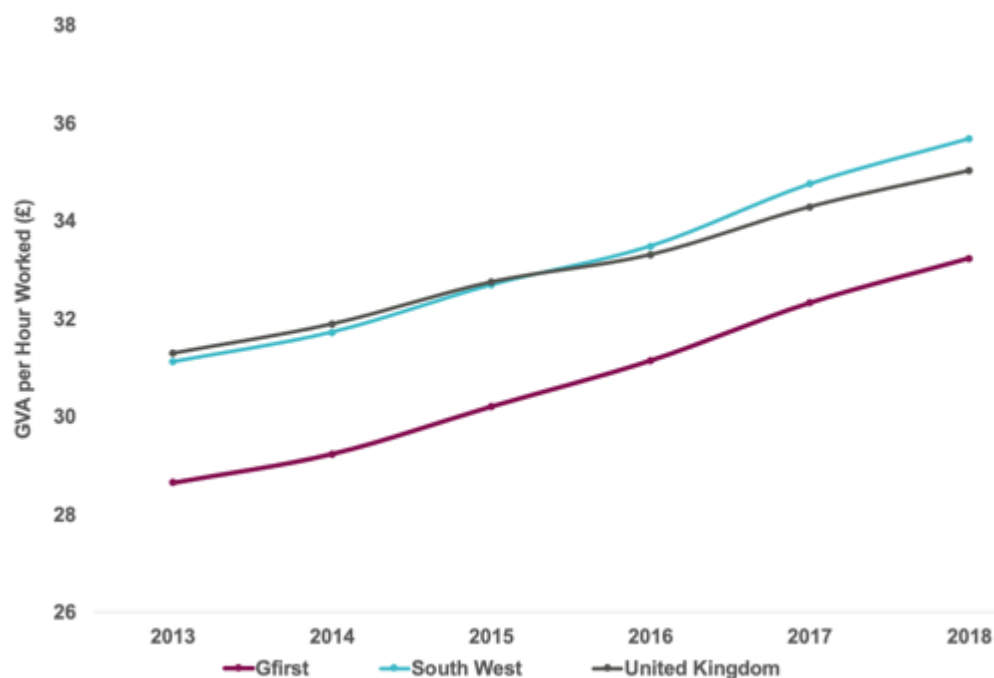
Source: ONS (2021), Regional gross value added (balanced) per head and income components

In the seven years before the Growth Hub was launched, (2007 to 2013), the average annual GVA per head growth rate in Gloucestershire was 2.1%, which was lower than the average for England of 2.8% but slightly higher than the average for the UK of 1.9%. During the Growth Hub's first five years between 2014 and 2019, the average annual GVA per head growth rate in the County increased to 2.6%, however the comparable average in England was higher at 3.9% for the same period and for the UK it was 3.1%. Therefore, while the County's GVA per head growth rate has grown, its relative performance continues to lag behind the average for England and also for the UK.

4.3 Productivity

Productivity in an area can be measured by GVA per hour worked and over time this has consistently been lower in Gloucestershire than in the South West and the UK as a whole. The latest data release on this indicator was in 2020, and provided data for 2018. It suggests that the County continues to lag behind the region and the UK in terms of productivity with GVA per hour worked in Gloucestershire at £33, compared to £36 in the South West region and £35 across the UK as a whole. However, GVA per hour worked grew faster in Gloucestershire between 2013 and 2018 than in the South West and the UK as a whole, increasing by 16.0% in the County, compared to 14.7% in the South West and 12.0% across the UK.

Figure 4-4: GVA per Hour worked in Gloucestershire, 2013-2018



Source: Source: ONS (2020), Subregional productivity: labour productivity indices by economic enterprise region, 2013

4.4 Economic Activity, Unemployment and Earnings

The economic activity rate for 16 to 64 year olds represents the number of people who are economically active as a percentage of the working age population. Economic activity in Gloucestershire (82.3%) is higher than the average for the South West (81.0%) and the UK (78.9). The unemployment rate in Gloucestershire in 2020 was 4.0% which was in line with the average rate for the South West region (3.9%). Both rates are below the average for the UK of 4.6%. The median annual gross wage for residents in Gloucestershire is around £31,600 which is above that of the South West (£30,000) and also the UK as a whole (£31,500). However, as a place of work, earnings in the County are lower, sitting at around 92% of the UK level. This difference suggests a pattern of commuting out of the County for employment.

Table 4-1: Economic Activity, Unemployment and Earnings in Gloucestershire, 2020

	Gloucestershire	South West	United Kingdom
Economically Active %	82.3%	81.0%	78.9%
Unemployment Rate	4.0%	3.9%	4.6%
Median Annual Gross Wage (Residents)	£31,600	£30,000	£31,500
Median Annual Gross Wage (Workplace)	£29,200	£29,500	£31,500

Source: ONS (2021), Annual Population Survey Jan-Dec 2020. *ONS (2021), Annual Survey of Hours and Earnings (Resident and Workplace Analysis) 2019

A more mixed picture emerges at a sub-regional level. For example, economic activity is highest in Tewkesbury (86.3%), and lowest in Cheltenham (79.5%), whereas unemployment is lowest in Cheltenham (1.9%), and highest in Gloucester (7.1%). Median annual gross wages by residence are lowest in Gloucester where they are around 15% below the County average whereas in Cheltenham they are around 5% above the County average. This suggests that prosperity is not evenly spread across the County with some areas needing more support than others to address inequalities.

Table 4-2: Sub-Regional Economic Activity, Unemployment and Earnings, 2020

	Economically Active %	Unemployment Rate	Median Annual Gross Wage (Residents)
Tewkesbury	86.3%	5.4%	£32,900
South Gloucestershire	84.6%	3.3%	£31,900
Cotswold	83.8%	5.7%	£32,200
Stroud	82.3%	2.2%	£32,100
Forest of Dean	81.6%	5.3%*	£31,000
Gloucester	81.5%	7.1%	£27,100
Cheltenham	79.5%	1.9%	£33,200**

Source: ONS (2021), Annual Population Survey Jan-Dec 2020. ONS (2021), Annual Survey of Hours and Earnings (Resident Analysis) 2020. *ONS (2021), Annual Population Survey Jan-Dec 2019. ** ONS (2021), Annual Survey of Hours and Earnings (Resident Analysis) 2019

4.5 Drivers of Growth

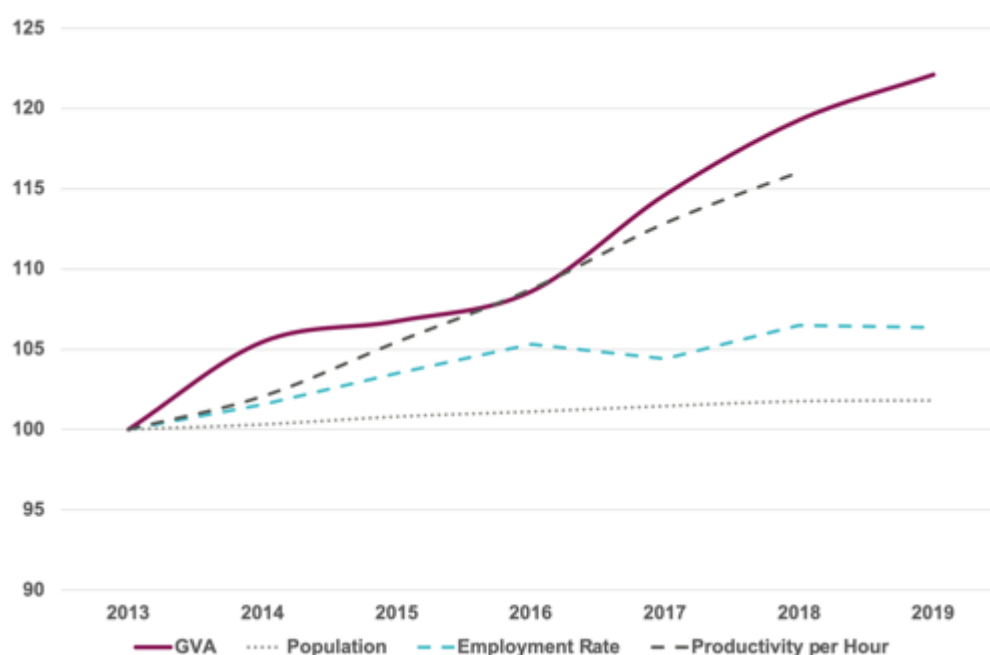
The key drivers of economic growth (GVA) are:

- population – the size of the working age population aged 16 and 64 years;
- participation – measured by the economic activity rate; and

- productivity - measured by GVA per hour worked.

Since 2013, GVA in Gloucestershire increased by 22.1% while the working age population grew by 1.8% and the economic activity rate grew by 6.4%. Over the same period, productivity per hour worked increased by 16.0%, suggesting that increasing productivity was the most significant factor in GVA growth, followed by more people entering the labour market, with population growth making a less significant contribution to economic growth in the County.

Figure 4-5: Drivers of Growth in Gloucestershire 2013-2019



Source: BiGGAR Economics Analysis

4.6 Industrial Structure

In 2019, there were 310,000 employee jobs in Gloucestershire, an increase of 9.2% compared to 2013. This was slightly behind the rate of employment growth in the South West as a whole which increased by 10.1% over the same period.

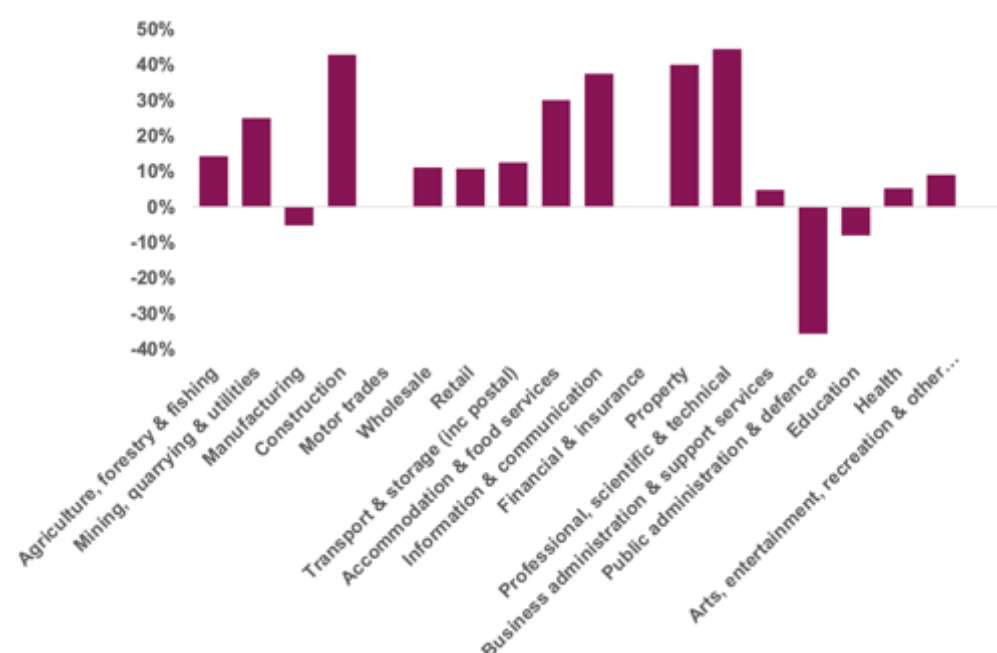
The health sector was the largest single sector of employment in Gloucestershire in 2019, accounting for 12.9% of County employment which is in line with the regional and national averages. Employment in health increased by 5.3% between 2013 and 2019 which was slightly lower than the 6.4% increase in health employment across the whole of the UK.

Employment in the manufacturing and the agriculture, forestry and fishing sectors is proportionately higher in Gloucestershire than the regional and national averages. Around 11.6% of employment in the area is in the manufacturing sector compared to 7.8% across the UK as a whole. While employment in this sector decreased by 5.3% between 2013 and 2019 in Gloucestershire, it increased by 3.7% across the UK as a

whole. Retail is also a large employment sector in the region, accounting for 10.0% of employment compared to 9.2% across the UK. In this sector, employment in Gloucestershire increased by 10.7% between 2013 and 2019 compared to 6.9% in the UK as a whole.

Between 2013 and 2019, employment grew in most industrial sectors in Gloucestershire apart from manufacturing, education, and public administration & defence.

Figure 4-6: Change in Employment by Sector in Gloucestershire, 2013-2019

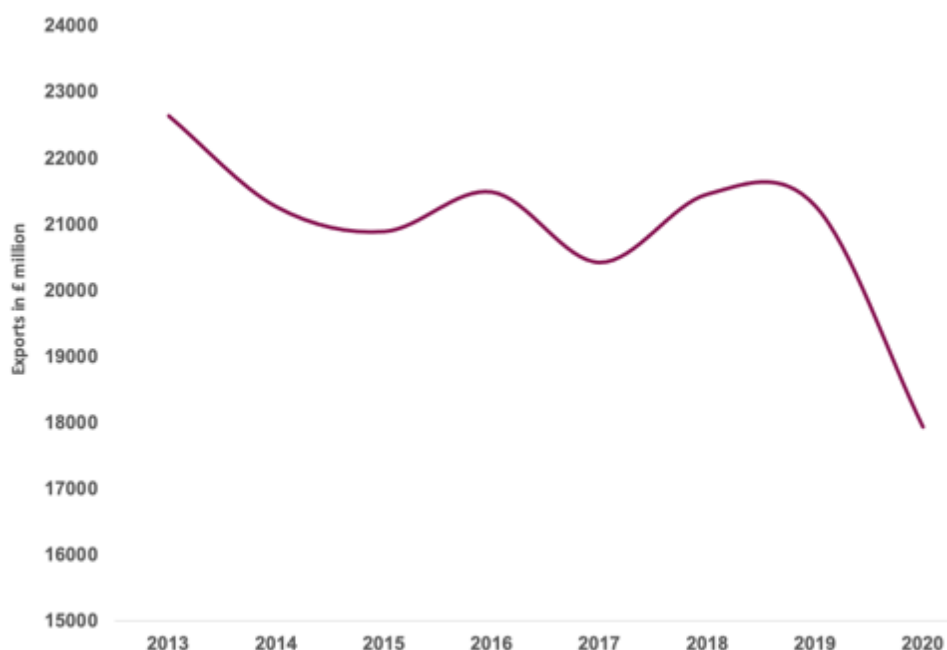


Source: ONS, (2021), Business Register and Employment Survey 2013 and 2019

4.7 Exports

Exports from the South West were valued at £17.9 billion in 2020, which represented 8.3% of exports from England and 6.1% of exports from the UK. Between 2013 and 2020, exports from the South West fell by 20.8% with most of the decrease taking place since 2019. Across England, exports fell by 26.8% over the same time.

Figure 4-7: South West Exports, 2013-2020



Source: HMRC (2017), UK Regional Trade in Goods Statistics – Quarter 4, 2016 Press Release and HMRC (2021), UK Regional Trade in Goods Statistics – Quarter 4, 2020 Press Release

4.8 Business Stock, Start-Up and Survival

4.8.1 Active Businesses, Births and Deaths

The most recent data on UK business demographics was released in November 2020 by the ONS and reports on the number of active enterprises, annual business births and annual business deaths, up to and including 2019.

The data relating to Gloucestershire are illustrated in Figure 4-8 and show that the number of active enterprises in the County has increased year on year since 2012 with most of this growth taking place between 2013 and 2016. In 2019 there were around 30,600 active businesses in Gloucestershire.

Business births refer to the number of new business registrations during a year. Between 2014 and 2016, around 3,200 new businesses were born each year in Gloucestershire and between 2017 and 2019, the average was slightly lower at around 3,000 per year. However, average business births remain higher than between 2011 and 2013, immediately before the Growth Hub was established, when an average of 2,800 businesses were started in Gloucestershire each year.

Figure 4-8: Business Demographics in Gloucestershire, 2010-2019



Source: ONS, Business Demography 2015: Enterprise Births, Deaths and Survivals and ONS, Business Demography 2020: Enterprise Births, Deaths and Survivals

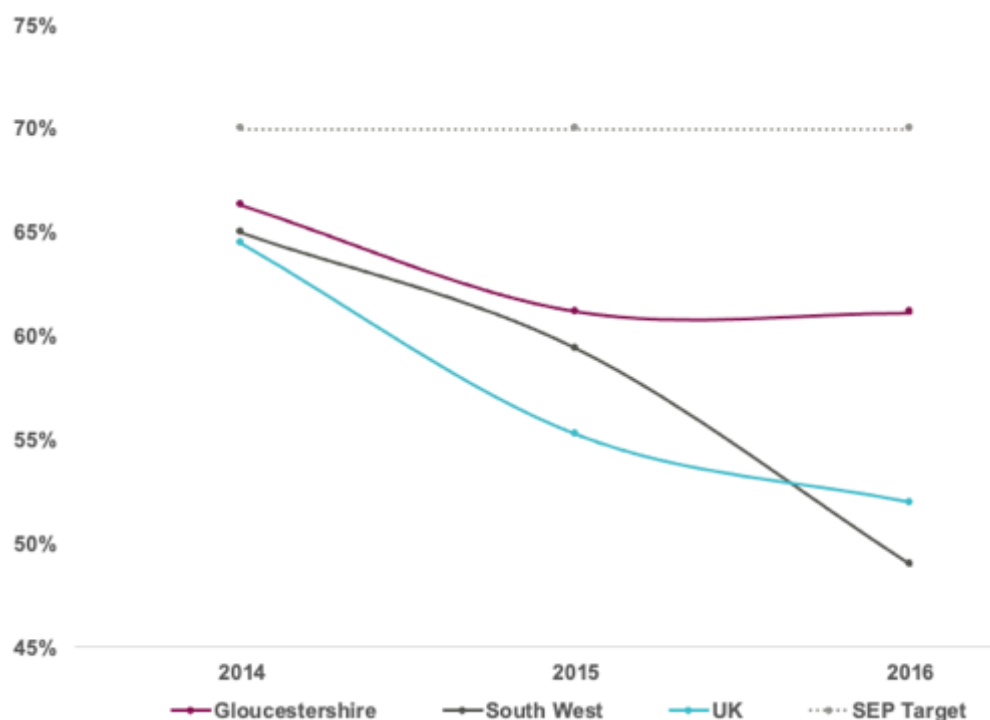
Business deaths measures the number of businesses that have ceased to trade in a year. Between 2014 and 2016 this was 2,500 per year, rising to 2,700 per year between 2017 and 2019. As the business birth rate has remained higher than the death rate throughout the period since 2012, the number of active businesses in Gloucestershire has increased from around 26,900 in 2013 to 30,600 in 2019, an increase of 3,700 businesses.

4.8.2 Three-Year Business Survival Rates

The latest data on business survival rates was published in 2020 by the ONS, and reports on the survival of businesses up to 2019. Consequently, the most recent data on three-year survival rates reports on the share of businesses started in the UK in 2016 which have survived for three years to 2019.

In the Strategic Economic Plan (SEP) for Gloucestershire, GFirst LEP set a target for the three-year business survival rate in the County of 70%. For businesses born in 2016, the three-year survival rate in Gloucestershire was below this level at 61.1%, however this was much higher than the rate for the South West (49.0%) and for the UK as a whole (52.0%). Over all the years for which data are available, the survival rate in Gloucestershire has consistently been higher than the rate for both the South West and the UK as a whole, although the three-year survival rate has fallen in all of these areas for businesses created since 2014. For businesses created between 2015 and 2016, the three-year survival rate in Gloucestershire remained steady at around 61% while at the same time, the three-year business survival rate has fallen steeply for new businesses created in the South West and the UK as a whole.

Figure 4-9: 3-Year Survival Rate for Enterprises Born in 2014 - 2016



Source: ONS, Business Demography 2020: Enterprise Births, Deaths and Survivals

4.8.3 One-year Business Survival Rates

The data on business survival rates reports up to 2019, and therefore records the survival rate of businesses born up to 2018. This shows that the one-year survival rate for businesses started in Gloucestershire has fallen in most years since 2014. and that for businesses born in Gloucestershire in 2018, the one-year survival rate was 90.0%. This is the same as the rate observed in the South West as a whole, and just slightly higher than the rate across the UK of 89.3%.

4.9 Summary and Conclusion

Between 2013 and 2019 in Gloucestershire:

- the population grew by 5.1%;
- GVA increased by 22.1%, mainly driven by increasing productivity;
- GVA growth happened in almost all sectors;
- the economic activity rate was higher than in the UK as a whole;
- as a place of residence, earnings are above the UK average;
- the stock of active enterprises has been increasing each year since 2012 due to the business birth rate rising faster than the business death rate;
- the three-year business survival rate has fallen nationally, although it remains higher in Gloucestershire than in the South West and in the UK as a whole; and
- the number of new business registrations has been higher in the County since 2013/14 when the Growth Hub was established although it has dropped slightly since 2017.

While many of these indicators are positive for Gloucestershire, some persistent issues remain. GVA and productivity growth in Gloucestershire both lag behind the UK average and have done so consistently over time. As a place to work, earnings in the County are below the UK average and employment grew faster outside the region than within it between 2013 and 2019. The three-year business survival rate has fallen since 2014 and remains below the 70% target set by the SEP. Between 2013 and 2020, exports from the South West decreased by 20.8%, with the largest decrease occurring in recent times between 2019 and 2020.

5. Core Growth Hub Service

This section and the following four review the projects delivered through the Growth Hub between 2017 and 2021. They cover the project rationale, objectives, delivery, changes over time, cost, progress towards targets and business feedback.

5.1 Rationale

The Core Growth Hub Service was established to address obstacles which prevent companies, particularly SMEs, from achieving their full growth potential and to simplify the business support landscape throughout the UK. The market failures which support the service were identified by several sources and provided evidence of the need for a growth hub network across the UK. Firstly, the 2012 Small Business Survey highlighted three reasons for low take-up of business support:

- lack of clarity about how to access services;
- under-developed relationships with providers of business support; and
- lack of awareness of the benefits these services can bring.

By developing relationships with local businesses and improving awareness of business support services, the growth hubs were tasked with addressing four major barriers to business growth. These were:

- improving strategic direction - 65% of businesses did not have a formal business plan;
- improving people management skills - 68% did not train their managers in managing people;
- supporting access to finance - 76% did not have access to finance; and
- enabling market entry - 57% did not introduce new or improved products.

As a unique, independent, impartial advice service which was free for businesses to use, the Growth Hub was designed to offer tailored support to address identified business needs and growth potential. These long-standing, persistent and well-evidenced market failures formed the basis of GFirst LEP's Growth Deal from which the Growth Hub is partially funded.

A further market failure identified at the UK level is the inability of micro-companies to successfully scale up and the Growth Hubs were also required to focus efforts on businesses with high value and/or high growth potential to support successful scaling up. Furthermore, a BIS review of Government business support in 2014 concluded that its offer to businesses needed to be simpler and that local Growth

Hubs had a role in rationalising and simplifying business support to reduce confusion on the part of businesses and duplication on the part of support providers.

The growth hubs were designed to address barriers to business growth and guide businesses through the support landscape to achieve their potential.

The ESIF strategy for Gloucestershire which was prepared by GFirst LEP highlighted that by 2011, County-wide growth had slowed compared with other areas and productivity had stagnated compared with the rest of the UK. Therefore the Growth Hub was created as a flagship service to move supported businesses up the value chain, increasing productivity and improving their ability to compete in domestic and international markets.

5.2 Objectives

The main aim of the Growth Hub was to improve the competitiveness of SMEs in the GFirst LEP area through independent, free and impartial business support services. These would support economic growth by enabling the development of competitive businesses, increasing exports and supporting entrepreneurial start-ups with high growth potential. The key objectives for Phase 2 of the Core Growth Hub project were to:

- undertake the commissioning and roll-out of the Growth Hub Network;
- improve the Growth Hub's Digital Infrastructure, including a new CRM system, diagnostic tool, website app and knowledge bank; and
- work as an integral part of the University of Gloucestershire to deliver independent and impartial core Growth Hub services to ERDF eligible organisations within the GFirst LEP area.

5.3 Description of Service

The Growth Hub provides a physical, flexible space for businesses to use, and offers two levels of advice depending on the growth potential and needs of individual businesses. These are delivered by trained Business Navigators and/or Business Guides.

- **Business Navigators** – following an initial eligibility check, experienced navigators work with businesses to diagnose their support and growth needs, referring them to impartial advice clinics, and/or signposting them to other support services as appropriate. Businesses can access a minimum of three hours of support through the Navigator service (P13 interventions);
- **Business Guides** – for businesses assessed as having high or moderate growth potential, the Growth Hub's Business Guides carry out a full diagnostic service

and work alongside them on a one-to-one basis to help identify three priority growth areas and create a bespoke Business Growth Plan. Through the Business Guides, businesses can access a minimum of 12 hours of support from the Growth Hub (C1 interventions).

Business Navigators offer general business support services and Business Guides have more specialist knowledge and experience across various fields including sales, marketing, finance, manufacturing, product development, strategic leadership and planning. The team also works closely with partner organisations and over 40 private business support providers, to bring in specialists where appropriate. At the outset of the Growth Hub in 2014, GFirst LEP set up a Business Support Provider group which includes representatives from the DIT, Innovate UK, SWMAS and other locally and nationally funded programmes. Its remit is to ensure that the Growth Hub and other partners are fully aware of the business support available and there is collaboration across programmes to support efficient signposting and referrals. Businesses are able to use the added value services offered by the Growth Hub for up to 12 months after their initial contact. This includes:

- **advice clinics:** one-to-one experiences with experts on relevant topics;
- **advice panels:** one-to-a-panel experiences with a range of expertise;
- **seminars and information briefing sessions:** providing opportunities for clients to remain informed; and
- **networking events:** providing opportunities to network and collaborate on joint initiatives leading to business growth.

All businesses are able to access online business support, attend networking events and use the Growth Hub's physical, flexible space. Eligible businesses are directed towards the most appropriate support service depending on their needs. The Growth Hub's website was relaunched in 2017 as it moved into new premises and a new CRM system was introduced at the same time to track business contact with the Hub and to monitor signposting and referral activity.

The roll-out of the Growth Hub network across Gloucestershire, was designed to allow the widest possible access for bespoke services delivered through network partners in Cirencester (the Royal Agricultural University), Tewkesbury (Tewkesbury Borough Council), Stroud (South Gloucestershire and Stroud College), Forest of Dean (Vantage Point Business Village), and Cheltenham (Workshop Ltd/ Cheltenham Borough Council).

Three case studies are included throughout this section to illustrate how the Growth Hub has supported individual companies to transition and grow. Many more examples exist including:

- Forge Motorsports where the Growth Hub has helped the business to expand their network and tap into funding to move the company forward; and
- Protrack where the Growth Hub assisted the business to obtain funding from Innovate UK which, in turn, has helped them to grow from a staff complement of 3 people to 12.



The Boys Who Sew

The Business Guide service helped the business to survive the effects of the pandemic.

This curtain making business had relocated from a city centre retail premises to an at-home workroom and relaunched their company in January 2020. From a position of full capacity in early March 2020 they found their orders were cancelled or put on hold when the pandemic restrictions were introduced. In researching a new way forward they discovered the Stroud Growth Hub and after their initial enquiry they were assigned a Business Guide who worked with them to create a new operational model by crafting together a tailored three-year growth plan to help them meet their business goals.

The support helped them to organise their strategies effectively and make informed business decisions based on probability and their business success factors. As a result they have survived and thrived by diversifying their offer to a trade workroom which is at the centre of their business growth strategy.

In the words of one of the business owners, their engagement with the Growth Hub has meant that, even during the worst crisis they had experienced, they have choices in the businesses which they didn't have before.

5.4 Costs

The initial ESIF application for Phase 2 revenue costs of the Growth Hub estimated the project cost at £3,349,000 over a three year period from 2017 to 2019, of which around 50% (£1, 675,000) was sought from the European Structural Investment Funds (ESIF). The public match funding element came from three main sources which were the University of Gloucestershire, GFirst LEP and the network providers who deliver outputs for the project under service level agreements with the LEP. The capital funding of the project came from the Growth Deal and amounted to £10 million, of which £5 million was for the Gloucester Hub and the remaining £5 million was for the hub network across the County.

To extend the successful work of the Growth Hub, a three-year project extension was approved in May 2019 to fund the project for six years up to December 2022 at a revised project cost of £6,809,000. By the first quarter of 2021, which is around two-thirds of the project's lifespan, £4,600,000 had been spent, representing around two-thirds (67.6%) of the project's total budget. Therefore expenditure is currently on track for being fully allocated by completion.

Table 5-1: Growth Hub Phase 2, Costs and Funding

Funding Source	Estimated Cost 2017-2019 (3 years)	Revised Cost 2017-2022 (6 years)	Actual Cost 2017-2022 @ Q1 2021 (4.25 years)	% Spend @ Q1 2021 (4.25 years)
ESIF	1,675,000	3,405,000		98.0
Public Match	1,675,000	2,851,000		98.0
Private	0	553,636		
Total	3,349,000	6,809,000	4,600,000	67.6

Note: Figures may not sum due to rounding

Sources: ESIF Application Form 2016; Project Change Request 2019, Claim Form April 2021

5.5 Delivery

The first phase of the Growth Hub from 2014 to 2016 was delivered through HEFCE Catalyst funding while the second and current phase is delivered through ERDF funding. It is important to note that the output targets and means of measurement differed between the two funded phases of the Growth Hub programme. Under HEFCE funding (2014-2017) a single business could have multiple business support interventions, and these were not time specific. In addition there was no upper limit in terms of company size that the programme could work with. Under ERDF funding (2018-2022) a business can receive a maximum of 2 business support interventions (3 hours, 12 hours or both) depending on their growth ambitions and a set of assessed performance criteria, with a ceiling of business support eligibility around the SME definition. Under the ERDF phase of funding, job creation can also only be measured if it has come from the result of a 12 hour business support intervention. Under HEFCE this was not the case and job creation data was based on a more predictive formula with each single intervention counting towards the job creation targets.

The changeover created a need to recruit and retrain staff, alter marketing messages and set up systems to comply with ERDF requirements which resulted in a delay in generating outputs, the first of which (P13, three hour support) were recorded in July 2017. The more restrictive eligibility criteria for businesses in the ERDF phase also reduced the amount of light touch support delivered by staff members although its expanded website service, which was introduced in 2017, was designed, in part, with the delivery of lighter-touch support in mind. While the project's targets had been calculated against available staffing hours, they did not account for business engagement activity, prospecting, or the additional time needed to complete outputs beyond the 12 hours counted by the service. As a result, more time was required to deliver and evidence successful outputs than had been the case under the previous funding arrangement. The rollout of the Hub network across the County also proceeded more slowly than anticipated. While the delivery of the project

encountered a number of issues in the early stages, these were identified and addressed successfully through a series of Project Change Requests.

Due to the strong performance of the project, an extension was awarded by the EU to fund the project to the end of 2022. The key project changes, which were agreed with the funders were:

- the project was extended from three years to six years to reflect its strong early performance;
- targets were revised to reflect the experience of the first phase and the job creation targets were rephased, to allow more time to elapse between support being delivered and jobs being created;
- an expanded focus was introduced to allow the Hub to work with more businesses that could demonstrate moderate growth potential and/or those that were less able to demonstrate high growth;
- more time was allocated within the Gloucester Growth Hub to support the roll-out of the other Hubs in the network as they each became live.

A summative assessment for the Core Growth Hub was prepared in late 2019 and highlighted that the initial design of the delivery model was appropriate for achieving the objectives of the project. By enabling online business advice and signposting for non-ERDF eligible businesses, developing the roles of Business Navigator and Business Guide, ensuring the digital infrastructure was comprehensive, and delivering activities to support interventions and added value activity, the project was able to provide effective support to businesses tailored to their specific needs. Consequently, 67% of clients who were surveyed at this time were highly satisfied with their experience, and 69% reported they were highly likely to recommend the service to others.

However, the report also highlighted some early issues around reporting requirements for the project with the internal academic audience which created an issue for generating match funding. A lack of coordination with the three additional projects offered by the Hub from 2017 to 2019, (GAINS, GRIP and S&GE) resulted in some confusion amongst internal audiences and potential clients. In response, the Core Growth Hub worked to improve the clarity of messaging to ensure an easier to navigate customer experience. The service offered by the GAINS project in particular was perceived to overlap with the Growth Hub's high intensity support service which resulted in targets being revised for the GAINS project (see section 8 for more detail).

Following the onset of the Covid-19 pandemic in March 2020, all services delivered by the Growth Hub were swiftly moved online so it could continue to support the business community. It was a much sought after resource at this time and received 600 requests for support in the first four months of the pandemic. Its role also meant it could provide insights into the issues and needs facing the business community and it became an important resource for local and central government to help inform the design of support schemes that would allow businesses to adapt to the impact of the pandemic and the social restrictions it required. Among other things, this resulted in the introduction of the Covid-19 Recovery Grant Project which is reviewed

in section 9. A hub mentors service was introduced with supplementary funding from BEIS which brought in the experience of three specialist advisors in sustainability, digital implementation, change management and resilience to put together a recovery programme to boost support, train the existing team and deliver 1-2-1 business support to help businesses adapt and recover. Requests for support with self-marketing strategies and advice on how to adapt to a digital world have become more frequent since the pandemic occurred.

As well as closing the physical facilities and moving all services to online delivery, the pandemic slowed the roll-out of the Hub network with the Stroud Hub opening just two weeks before the March 2020 lockdown began. Progress with finding a partner to deliver the Cheltenham Hub was slow which led to this service being launched online in March 2021. Construction of the Forest of Dean Hub was delayed by the pandemic, however its physical facilities opened in July 2021. By the first quarter of 2021, all Growth Hub events continued to be delivered online and it was performing well against key targets. Online course delivery has proved to be popular and, going forwards, more courses and events could be held online as well as one-to-one sessions with support staff.

5.6 Targets and Progress

For the reasons explained above (see 5.5) the project's timeframe was extended from three years to six, and its targets for employment creation were revised downwards to more accurately reflect performance expectations.

Q1 2021 represents around two-thirds of the project's lifespan and on this basis, it is making good progress towards its key targets of supporting high growth businesses (C1) and delivering moderate intensity support to others (P13). In addition to the 610 x C1 outputs achieved and evidenced by Q1, 2021, there was a pipeline of 230 businesses being supported at the time which will lead the project closer to its final target of 860 businesses supported. The impact target relating to increased employment in the businesses supported (C8) has been the most challenging with around 38% of the revised targeted having been achieved and evidenced by the end of March 2021. By nature, there is a time lag between delivering businesses growth support and this leading to an increase in employment, also, the outcome of the support might be jobs safeguarded which is not recorded under these measures. The impact of the pandemic has also had a major bearing on this target. The P11 target for assisting potential entrepreneurs was later changed as this service is delivered by S&GE.

Table 5-2: Growth Hub Phase 2, Targets and Progress

Target	Initial Target 2016 No.	Revised Target 2022 No.	Achieved @ Q1 2021 No.	Achieved @ Q1 2021 %
C1: No. of enterprises receiving support	500	860	610	70.9
C4: No. of enterprises receiving non-financial support (subset of C1)	500	860	610	70.9
C5: No. new enterprises supported	6	69	77	111.6
C8: Employment increase in supported enterprises	1,000	620	234	37.7
C28: No. of enterprises supported to introduce new to the market products	50	25	64	256.0
C29: No. of enterprises supported to introduce new to the firm products	50	86	89	103.5
P11: No. of potential entrepreneurs assisted to be enterprise ready	3	-	0	-
P13: No. of enterprises receiving information, diagnostic and brokerage support	2,430	1,620	1,423	87.8

Sources: ESIF Application Form 2016, Project Change Request 2019, Claim Form April 2021

5.6.1 Additional Activity

The full scope of the Growth Hub's activities, services and reach goes further than the ERDF targets suggest. To support its targets, the Growth Hub has offered around 140 workshops and events since 2017 with a combined audience of almost 950 attendees. 2020-21, was particularly active with around twice as many events taking place (74) as in the previous year (32). This is evidence of a responsive and much needed service to assist businesses through the pandemic.

It has become an important resource for many sections of the business community and somewhere they turn to for assistance. For example between 2017 and Q1, 2021:

- 99,000 hits were recorded on the Growth Hub's website;
- 8,900 website form interactions were generated from businesses looking for assistance;
- 4,200 businesses submitted a business support request;

- 69% of businesses approached the Growth Hub following a word of mouth referral, indicating a positive reputation within the business community who recommend its services to others in a similar situation; and
- its customers cover all age groups, suggesting its marketing reach is successful in engaging with people at very different stages of life, both young people and career changers alike: 9% were young people aged 16–24; 35% were aged 25-39; 40% were aged 40-54 and 12% were aged 55+; and
- valuable opportunities have been created for students to work with Growth Hub's clients and to learn from the entrepreneurship support and advice delivered through the S&GE programme.

The Growth Hub staff also implemented a support programme to assist businesses with their transition to the new trading arrangements with the EU. An EU Exit outreach project was launched at speed in December 2020 at the request of BEIS and in response to concerns that businesses in the UK were not prepared for the end of the Brexit transition period. Although outreach targets were not applied, an ambitious local target to reach 1,500 Gloucestershire businesses before the end of 31st March 2021 was set. The project was the first time the Hub had undertaken outreach activity of this scale and resulted in 3,734 successful engagements from 19,181 attempts.

The project responded to businesses approaching the Growth Hub through any channel. Key developments were communicated quickly and simply to those who needed it and rich information on economic impacts and business needs and concerns relating to EU Transition were shared with the UK Government.

In addition, the project provided specialist and more intensive support where needed and offered events and workshops. The Gloucestershire Growth Hub helped to coordinate activity with Swindon and Wiltshire and West of England Growth Hubs as part of its cluster lead role. A report of project activity and business preparedness, issues, challenges and opportunities was reported weekly to government and local authority partners and stakeholders.



Cotswold Printing Company

Support from the Growth Hub, enabled this traditional printing company to become an online supplier of Covid protection products.

Established in 2003, Cotswolds Printing in Gloucester has grown into a diverse printing business. In 2019 the MD and owner of the company, was signposted to the LEADER program by a Growth Hub Navigator and the company secured funding for new equipment through the scheme. This, along with the support they received from a Business Guide within the Growth Hub, has facilitated the growth of the business.

When PPE shortages became apparent in the early stage of the pandemic, the company used their new equipment to make face visors for NHS and social care staff. Working to cover the cost of the materials only, the company supplied the Gloucester Royal Hospital and the community trust with 15,000 visors at this time. When the PPE crisis eased and lockdown restrictions began to lift, the company put a new eCommerce strategy in place which led to organisations such as the BBC and IKEA purchasing their new Covid-19 line of products online. Pre-pandemic the company received only a handful of online orders each month, and with the reopening of the economy in mid-2020, this grew rapidly to 100+ online orders each day. They adapted their production lines, transit packaging and working practices to meet the changed conditions, moving the business from a local printer to an online national supplier of a wide range of Covid-19 safety products and signage.

The Business Guide the company worked with has highlighted the innovative mindset of the owner and a willingness to take strategic risks to diversify and grow the business. Throughout the process, the business has valued the advice given by their Business Guide and acknowledges the support received from the Growth Hub at a crucial time in their development.

5.7 Business Feedback

Of the 400 business interviewed that had a discussion with a Business Navigator, the following proportions felt that “to some or to a significant extent”, the Navigator:

- helped them understand how the Growth Hub works – 95%;
- was interested in what they had to say – 97%
- was knowledgeable about the sources of support available for them – 94%
- recommended an appropriate course of action – 93%
- clearly explained what would happen next – 93%

57 businesses interviewed reported having had a discussion with a Business Guide. Of this group, the following proportions felt that “to some or to a significant extent”, the Guide:

- understood their business – 91%.
- helped them to identify where the business could benefit from support – 90%
- challenged their thinking in a positive way – 86%
- suggested a course of action that would help their long-term growth – 90%
- inspired them to develop a growth plan – 67%

Two-thirds (38 businesses) of those who had a discussion with a Guide went on to develop a growth plan. Over half of the growth plans were implemented in their entirety before the pandemic and around a quarter have been implemented during the pandemic.

Those that had received a higher intensity support service (12 hours+) reported that it benefitted their business “to some or to a significant extent” in the following way:

- increased efficiency – 47%
- improved profitability – 40%
- improved product or service quality – 38%
- improved capacity for innovation – 36%
- reduced costs – 34%
- improved digital capabilities – 30%
- maintained current levels of employment – 28%
- increased exports/ improved ability to export – 5%

For those who had received moderate intensity support (3 hour service) the following benefits were experienced:

- increased efficiency – 42% of those who engaged
- improved profitability – 38%
- reduced costs – 30%
- improved product or service quality – 25%
- increased exports – 8%

The strongest benefits reported by both groups were help to increase efficiency and improve profitability. Few reported a benefit in their ability to export but very few sought help from the Growth Hub for this activity.

Following initial discussions with the Hub, around 48% of businesses were recommended to take part in an activity, event or service provided by the Growth Hub; 23% were signposted to private support providers and 10% were signposted to the University of Gloucestershire or to a national business support programme.

Of the 400 businesses interviewed who had received support from any of the programmes offered by the Growth Hub, 38% reported an increase in turnover and

17% reported an increase in employment following the support they received and the majority felt that some part of this was directly due to the Hub's support:

- 81% felt that some part of their turnover growth was due to the support they received; and
- 69% felt that some part of their employment growth was due to the support they received⁴.

Evaluation and satisfaction surveys have been carried out on the Growth Hub annually and these are consistently and overwhelmingly positive. In addition, the Hub carries out its own post-event evaluations which are equally positive with the advice and support delivered being highly rated by the assisted businesses and around 90% saying they are likely or highly likely to recommend the Growth Hub to others.

“Discussions with BEIS⁵ for the GH Evaluation in 2020 confirmed that the Gloucestershire Growth Hub is regarded as one of the top exemplar Growth Hubs in the country.”

Growth Hub Evaluation Report, EBS, June 2020

5.8 Summary Findings: Core Growth Hub

The rationale for the Growth Hub remains valid. There will always be a need for independent advice and information services for businesses due to the ever changing environment they operate in. The Growth Hub's role and value was highlighted during the pandemic when it very quickly became a go to place for business advice and, at the same time, gave the public sector vital insight into business needs and concerns.

Its wider need is evidenced by the strength of positive feedback from businesses who use its services. They consistently report that it is valued, that it helps them to grow and that it simplifies the business support landscape. In this way it is meeting many of its key objectives. It continues to work within the University to extend and increase connectivity between the academic community and local businesses and investigate areas where they can mutually benefit from the other's experience.

The Growth Hub transitioned smoothly to the new facility within the Business School which received capital funding from the Growth Deal. On the revenue side, the transition from HEFCE funding to ESIF funding created a delay while the criteria for support were redrafted and a new system was put in place to monitor outputs.

⁴ This finding feeds into the calculation of impact and is discussed further in Section 12.

⁵ Department of Business, Energy and Industrial Strategy

Ultimately, due to the success of the first phase, the project has been extended for a further three years up to 2022. By the first quarter of 2021, all Growth Hub events continued to be delivered online and it was performing well against key targets which is an impressive performance given the impact of the Covid-19 pandemic on the economy since March 2020 and the impact of the UK's departure from the EU. The service's impact on job creation takes longer to achieve and usually follows turnover growth, therefore the targets for job creation have been reprofiled accordingly.



Paperback Shop

The Growth Hub's support helped the company to develop markets and adjust to employee-ownership.

Based in Fairford and employing around 50 staff from the local area, Paperback Shop is a 20 year old virtual bookseller and wholesaler. In August 2019 the owner retired and the business became an employee-owned trust, bringing about a significant culture change within the company. While they had aspirational growth goals in mind, the company lacked a detailed plan for bringing these about. An introduction to the Growth Hub in mid-2020 led them to a Business Guide who worked with them to help develop a practical approach to achieving their self-identified goals. This took three forms: an analysis of their strategic direction, setting out a detailed 3-year growth plan to reach their goals; a financial health check of their accounts from a banking perspective; and business introductions to others who could help bring their goals closer to reality.

The Growth Hub's service has been a valuable asset for the business, taking them away from their day to day tasks to focus on their strategy for a few years ahead. The company has introduced a staff consultative group which meets quarterly to discuss operational and HR issues which has made all staff feel part of the decision-making process. They have also set up a business-to-business self-serve website and a buyer marketplace website which will fundamentally change their accessibility for customers. Their engagement with the Growth Hub has brought the company a fresh, impartial perspective and given them practical tools to support their growth.

6. Start and Grow Enterprise

This programme was introduced in 2017 to support business creation and early stage business growth.

6.1 Rationale

The Centre for Entrepreneurs reported in 2015 that isolation and fear of failure were major barriers to people setting up in business and that rural areas especially had lower start-up rates. The fear of failure barrier was also cited in the Global Entrepreneurship Monitor.

Before the Start and Grow Enterprise (S&GE) programme began, start-up rates in Gloucestershire were considered to be lower than in comparable areas and had declined from 3,200 in 2015 to 2,900 in 2017. Therefore S&GE was established to stimulate successful enterprises in Gloucestershire by addressing major barriers to entry such as access to finance, strategy, people management and difficulties with new market entry ideas. It aimed to encourage potential entrepreneurs to overcome these barriers within a supportive and collaborative community and to close the gap in the County between entrepreneurial intention and entrepreneurial activity of 94%⁶. An opinion survey carried out by the Growth Hub in 2016 found that, of the 600 Gloucestershire businesses who responded, 80% believed that more people in the County would start their own enterprise if more finance and relevant advice was available for their social or economic group.

S&GE was established to encourage new and potential entrepreneurs to overcome common barriers to market entry within a supportive and collaborative community.

6.2 Objectives

Phase 1 was funded under ESIF's Priority Axis 3a – with the specific objective of increasing entrepreneurship, particularly in areas with low levels of enterprise activity and amongst underrepresented groups. Phase 2 was funded under Priority Axis 3c – with the specific objective of increasing the growth capacity of small and medium sized firms. The programme also aligns with GFirst LEP's European Structural and Investment Fund Strategy in two key respects:

⁶ S&GE Phase 1 ESIF Application Form, p4.

- Supporting productivity growth within SMEs through engaging in cyber and digital technology;
- Online and face to face services for businesses demonstrating high growth potential.

S&GE objectives during Phase 2 are to:

- promote and support entrepreneurship to close the gap between intention and activity;
- foster the creation of new businesses in Gloucestershire, particularly among those who are economic drivers/ operating in high growth sectors;
- increase entrepreneurship activity in Gloucestershire in areas with low levels of enterprise and reach under-represented groups (identified as women, young people 18-24, career changers 40+, older people 65+, social enterprises and ethnic minorities).

Improving accessibility and providing inspirational role models were thought to be important features for the programme to give confidence to people considering the entrepreneurial path.

6.3 Description of Service

Phase 1 ran from January 2017 until March 2020. Phase 2 began immediately thereafter and will run until April 2023.

6.3.1 Phase 1

During Phase 1, the project delivered business support to individuals and early-stage enterprises (up to two years old), providing clients with access to courses and growth coaching, as well as promoting opportunities for clients to apply for grants. They signposted clients to other additional services, where appropriate. Support was delivered through:

- a diagnostic service to establish eligibility and needs;
- Start-Up Weekends (19) – to give inspiration, encourage entrepreneurial skills and test new market ideas;
- 5 Steps to Success Programme (12 series to be delivered over the project lifetime);
- Enterprise Reviews (approximately 8 per month) – a 1 to 1 discussion with a professional growth advisor to identify priority actions and next steps;
- Enterprise Vouchers; and
- Entrepreneurs network meetings (32 over the project lifetime).

In addition, businesses could access a range of information and resources at any point and use the physical space within the Hub for work purposes. Two incubation facilities were on offer: Blackfriars Inn in Gloucester (10 desks) and the University's Oxstalls campus (10 desks). The programme was delivered by employees at the University of Gloucestershire, who drew in professional experts in relevant fields where required. Along with priority groups, the programme targeted businesses in:

- knowledge intensive sectors;
- high tech manufacturing;
- ICT, cyber and big data and digital technologies;
- social enterprises; and
- start-ups with export potential.

6.3.2 Phase 2 (Current)

Phase 2 of the S&GE programme leads on from the original project offering business support to individuals and early-stage enterprises and places an additional emphasis on supporting those with the potential for high growth. To do this the programme offers an expanded mix of courses and specialist workshops and introduces Mentoring and 1:1 support as a new offering. The following activity is planned over the duration of the programme:

- Start-Up Days (23) – which consist of 2 x three hour sessions on consecutive days with a specific service tailored for creative businesses;
- Start Workshops (12) – covering topics such as business registration, mindset for business, planning and digital marketing;
- Grow Days (23) – which take place over two days;
- Grow Workshops (69)– on topics such as SWOT and time management, marketing, customers and selling, finance, tax and cashflow;
- Diagnostics (up to 170)– 1-hour sessions with clients;
- Growth Coaching (up to 79)– businesses can receive 3 x 3-hour growth coaching sessions following competitive application;
- Enterprise Vouchers (30);
- Entrepreneurs' Networking Events – taking place monthly and attracting 63 attendees in Q1 2021;
- 1 to1 meetings – as requested by clients;
- Student Engagement – presentations to groups of students at relevant points in the academic programme to give an overview of the supported delivered through the Start and Grow programme.

A new online diagnostic test was introduced for applicants to the programme in Phase 2 to identify those with high growth potential in order to better focus resources. Those with the greatest potential for growth are offered the chance to apply for voucher awards (C2), and high growth coaching before being referred to the Growth Hub for the next phase of development. This refined approach requires more time and resources than those committed during Phase 1 and therefore a lower but more realistic target number of beneficiaries was set in Phase 2. Also during Phase 2, a P13 target was introduced, meaning that those receiving 3 hours of support could be counted as a moderate intervention, whereas previously it needed to be 12 hours. This means that the support targets are more achievable, especially for students. Feedback from participants in the Start and Grow courses is overwhelmingly positive and is discussed in detail in 6.7.

Three case studies have been included throughout this section to illustrate the range of businesses the S&GE service has engaged with and how it has supported them to develop during their early stages.

6.4 Costs

The initial application for Phase 1 estimated the project cost at £956, 000 over a three year period from January 2017 to December 2019, of which around 50% (£478,200) was sought from the European Structural Investment Funds (ESIF). The project cost was later revised upwards to £1.1million and this was fully spent by the end of the project which ran into the first quarter of 2020. Public match funding is from the University of Gloucestershire. Phase 1 was extended to the end of March 2020.

Phase 2 began in April 2020 and will run until March 2023 at an estimated cost of £1.5 million. To date £1.5 million has been spent between January 2017 and March 2021 to deliver the Start and Grow Enterprise Programme.

Table 6-1: Start and Grow Enterprise, Costs and Funding

Funding Source	Estimated Cost	Revised Cost	Actual Cost	%Final Spend
Phase 1 (January 2017-March 2020, 3.25 years)				
ESIF	478,200		517,300	
Public Match	478,200		533,700	
Total	956,400	1,052,000	1,052,000	100.0%
Phase 2 (April 2020 – March 2023, 3 years)				
ESIF	725,900	-	207,000	
Public Match	725,900	-	254,000	
Total	1,451,800	-	461,000	95% of pro-rata target
Phases 1 and 2 to date (January 2017 to March 2021, 4.25 years)				
ESIF	1,251,800	-	724,300	
Public Match	1,251,800	-	787,700	
Total	2,503,600	-	1,513,000	-

Note: Figures may not sum due to rounding

Sources: Phase 1 - ESIF Application Form 2016; Project Change Request 2019, PPR, Q1 2020; Phase 2 - ESIF Application Form 2019 and Claim Form, Q1 2021

6.5 Delivery

6.5.1 Phase 1

Throughout the programme, the Start and Grow team constantly monitored and reviewed the performance of the project and reacted to changing circumstances to make the programme more efficient, and effective. To deliver against targets after a slow start, the team focused on re-inventing their workshops and the client journey.

A summative assessment was carried out in 2019 and found the project to be appropriately designed to achieve its broad objectives, with a model that targeted the disparities within Gloucestershire between regional and social groups. It reported that the project was launched against a generally positive entrepreneurial culture and survival rate but noted that potential for improvement remained, especially for underrepresented groups. In particular it noted that:

- the online sign-up service was effective in checking eligibility and screening potential businesses for more targeted interventions;
- courses and events were delivered to a high standard with feedback gathered and monitored at the end of each to enable continuous improvement;
- monthly networking meetings for entrepreneurs were popular;
- targeting and reaching a higher percentage of clients with high growth potential required more staff time and reduced the number of businesses that could be supported;
- the programme was making good progress in integrating with the School of Business and Technology and the Your Future Plan team at the University of Gloucestershire;
- confusion between the offering of the Start and Grow Enterprise Programme and the core Growth Hub service has been eliminated and a clear path set out to allow clients to progress from one programme to the other. Start and Grow provides the entry-level offering and is also a source of future referrals to the Growth Hub for enterprise support.

The team's success in reaching out to students at the University was noted and, ultimately, this could lead to an increase in graduate start-ups. The University had also developed a new module in entrepreneurial behaviour and starting up a business which was a further notable achievement. Overall, significant strategic added value was created by embedding the programme within the University, helping to build relationships and developing a culture of joint working between local SMEs and the students and staff who took part. During Phase 1 a strong progression rate of around 30% was noted from pre-start support to start-up support programmes.

The expanded Growth Hub offering including the GRIP and GAINS services alongside the Start and Grow Enterprise programme was reported to be causing some confusion for clients during 2017-2019. The respective teams worked together to clarify the offering as far as possible for business clients. The final project progress report for Phase 1 which was prepared in March 2020 noted delivery above target for the Start-Up Weekends and the 5 Steps to Success Programme.

6.5.2 Phase 2

The beginning of Phase 2 coincided with the onset of the Covid-19 pandemic in April 2020. Courses were swiftly moved online and continue to be delivered in this way to date (mid-2021). The online format proved to be more popular than originally anticipated as it removes the need for travel and reduces childcare issues, consequently course attendance was often higher than in the physical setting. Going forwards, a blended approach could be taken to group delivery where some workshops are delivered online and some in person to give both an efficient use of

resources and at the same time allow greater scope for networking where it would be most appropriate. S&GE helped to develop the Your Future Plan programme to support students who would be graduating during the pandemic and their offering included space for student incubators within the Hub. Marketing and social media courses have also been popular and the service introduced a new course, Developing Mindset for Your Business to support businesses in a post-pandemic world.



High Flight Studios

Start and Grow has supported this student enterprise to launch a new creative venture.

High Flight Studios started in 2017 and was founded by a mature student and singer-songwriter during the final year of his Popular Music Degree at the University of Gloucestershire. Its aim is to provide good quality, affordable music production services and offer tuition in these fields. The business creates music for film and short videos with bespoke musical accompaniments.

Despite an experienced working life, the owner had no prior knowledge of starting up a business before attending the Start-ups for Creatives course run by Start and Grow Enterprise.

The biggest benefit for High Flight Studios has been free access to Start and Grow's marketing and social media courses which are led by experienced business professionals. This moved the business owner's thinking forward significantly and gave confidence in how to use different marketing platforms. The business owner also benefitted from talking to mentors who explained the necessary aspects of setting up and making the business work. It has given the business a firm grounding and taken their creativity into new and unexpected areas.

6.6 Targets and Progress

The original ESIF application for the first phase of the programme set targets for 2017 to 2019 (annual, inclusive). However, initial delays in mobilising the project resulted in a later start in 2017 than planned, and at the same time, the original targets were considered to be too ambitious to achieve within the timescale. Therefore the project's targets were revised downwards to more accurately reflect the number of businesses that could be supported within the project's resources and to realign outcomes with the nature of the support activity being delivered.

Table 6-2: Start and Grow Enterprise Phase 1, Targets and Progress

Target	Initial Target 2016	Revised Target 2018	Achieved @ Q1 2020 No.	Achieved @ Q1 2020 %
C1: No. of enterprises receiving support	548	360	360	100.0
C2: No. of enterprises receiving grants (enterprise vouchers)	48	50	50	100.0
C4: No. of enterprises receiving non-financial support (subset of C1)	500	310	311	100.3
C5: No. new enterprises supported	0	120	131	109.2
C28: No. of enterprises supported to introduce new to the market products	19	21	21	100.0
C29: No. of enterprises supported to introduce new to the firm products	0	8	9	112.5
P11: Entrepreneurs Network	320	295	300	101.7
P13: Enterprise Review	256			
P28: New products and services to market	19			

Sources: ESIF Application Form 2016, Project Change Request 2019, Claim Form April 2020

This resulted in a number of changes to the delivery model including the introduction of a 12-hour Grow Your Business course for businesses aged 1month – 1 year old. The P13 target was removed at this stage as it was not applicable under Priority Axis 3a. By the end of Phase 1 in March 2020 all key targets set for the programme were fully met and the programme had successfully supported over 700 individuals. The programme's effectiveness in reaching pre-starts and those in the early years of trading was noted.

6.6.1 Phase 2 Targets

In the second phase of the programme from April 2020 to March 2021, S&GE made strong progress and overachieved its key targets for delivering 12 hour supports to new enterprises (C1) and delivering 3-hour supports to new pre-start entrepreneurs (P13). This is an impressive performance given the multiple impacts the Covid-19 pandemic has had on the economy during this time. It has also made good progress with targets relating to enterprise vouchers.

The most challenging area is around identifying and evidencing employment increases in the businesses supported and these have been phased later in the

project to reflect the natural lag between support being received and an employment impact being created. Progress with supporting enterprises to introduce new to the firm products is also behind pro-rata targets with 60% achievement by Q1, 2021. By nature there is a time lag between delivering businesses growth support and increased employment and/or new products being realised. The impact of the pandemic has also had a major bearing on this target as it shifted the focus for many from business growth to business survival. There is still scope within the project's timeframe for this target to be achieved.

Table 6-3: Start and Grow Enterprise Phase 2, Targets and Pro-rata Progress

Target	Initial Target	Pro-rata Target	Achieved @ Q1 2021 No.	Achieved @ Q1 2021 %
C1: No. of enterprises receiving support	170	57	73	128.8
C2: No. of enterprises receiving grants (enterprise vouchers)	30	10	11	110.0
C4: No. of enterprises receiving non-financial support (subset of C1)	140	47	59	126.4
C5: No. new enterprises supported	70	23	38	162.9
C8: Employment increase in supported enterprises	25	8	2	24.0
C29: No. of enterprises supported to introduce new to the firm products	20	7	4	60.0
P13: Enterprise Review (3 hr)	230	77	115	150.0

Sources: ESIF Application Form 2019, Claim Form April 2021

6.6.2 Additional Activity

In addition to the ERDF outputs, course activity data gives a wider sense of the scale of the Start and Grow Enterprise programme. Since it began in 2017 the programme has organised and delivered 232 events which attracted 2,255 attendees: an average of 10 attendees per event. The beginning of Phase 2 coincided with the start of the pandemic and the move to online delivery. Since then, both the number of courses and consequently the number of attendees have jumped significantly, indicating that this is a popular delivery format.

Figure 6-1: S&GE Course Activity and Attendees, Phases 1 and 2, 2017-2021



Source: Start and Grow Enterprise

The S&GE project also gathers data on the demographics of people who join the programme to map progress with its aim of supporting start-ups from underrepresented groups. Up to Q1 2021, this showed that the project has had significant success in reaching many within its target groups. Of all people who engaged with the S&GE project:

- 61% identify as female;
- 19% are aged 18-24;
- 47% are aged 40+;
- 8% report a disability; and
- 14% report a non-white ethnicity.

6.7 Business Feedback

6.7.1 2021 Business Survey

Of the 400 business interviewed during this evaluation, 173 had taken part in the Start and Grow Enterprise programme. Of this group, the following proportions felt it had helped them “to some or to a significant extent”:

- support them in the early stages - 75%
- start-up with more confidence and security – 72%
- helped them to grow within the region – 48%
- establish a connection with the University of Gloucestershire – 45%
- helped them to grow within the UK – 26%
- helped them to grow internationally – 11%

Around 53% of interviewees who used the S&GE service identified as female and 32% were career changers aged 40+. These proportions are lower than those reported for the population data as a whole and the population data from the programme's monitoring system should be regarded as the most reliable.



Parallel Precision

Support from Start and Grow has given the business a broader skillset to facilitate growth.

Parallel Precision is a subcontract engineering company specialising in CNC (computer numerical control) machined aluminium components. They supply a wide range of services from prototypes for start-up businesses to critical components for blue-chip corporations. It was established in 2018 to extend the owner's experience in working with luxury car brands - including Aston Martin, Bentley and Jaguar Land Rover - to an audience of smaller businesses. It has grown year-on-year since it was established.

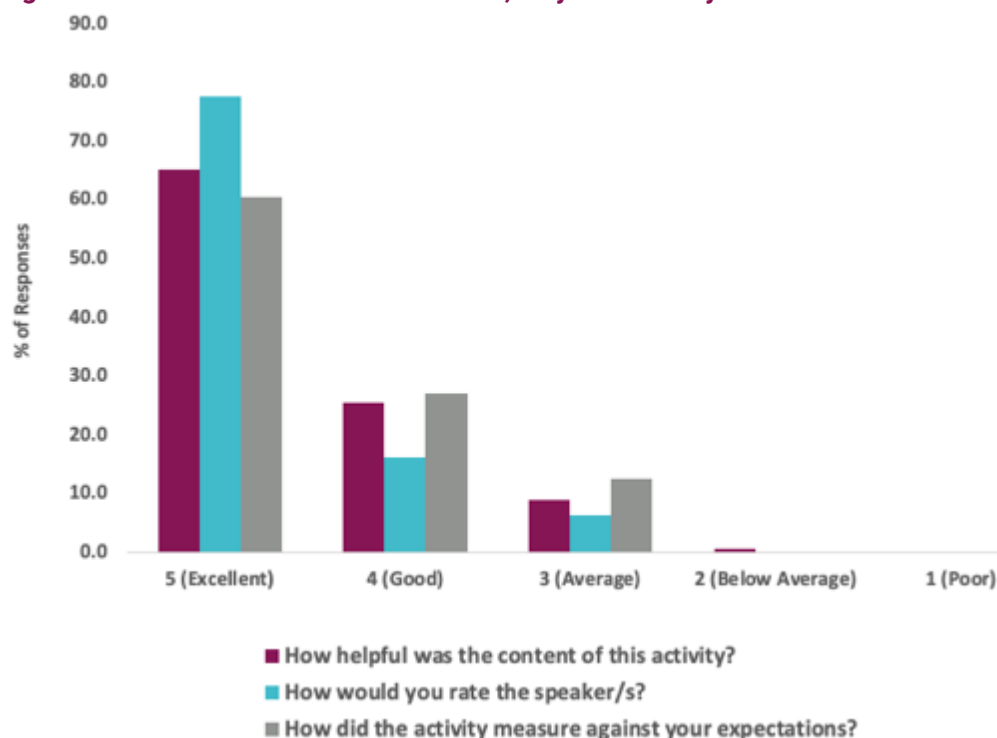
The business was drawn to Start and Grow Enterprise for the variety of courses it offered in fundamental areas such as marketing, business planning and time management. The engagement helped them to understand the company's USP and identify its target audience before designing an appropriate marketing strategy. It also helped them to think strategically when making important and difficult decisions.

The Growth Day course gave practical support that could be readily implemented into the business and one-to-one growth coaching brought an opportunity for the company to tailor support to their own bespoke needs. The support it has received has equipped the business owner with a broader set of small business management skills which have assisted the company's growth.

6.7.2 S&GE Online Course Evaluation Feedback

Recent feedback from over 300 participants in online courses delivered through the S&GE programme between May 2020 and May 2021 is extremely positive in all key aspects including course content, the quality of the trainer and its performance against their expectations.

Figure 6-2: S&GE Online Course Feedback, May 2020 – May 2021



Source: S&GE Online Course Feedback, based on 318 responses received from May 2020 – May 2021

The topics covered by these courses include all aspects of starting and growing a business such as business planning; business registration; business strategy, SWOT and time management; digital marketing; the Start Day course; the start-up course for creatives; finance, tax and cashflow; funding; the Growth Day course; how to sell; marketing; networking; products, pricing and packaging.

6.7.3 Start Programme

Feedback on courses in the Start Programme reported that:

- participants were highly satisfied and found the content helpful;
- taking part made them more confident and encouraged a positive mindset towards their new venture;
- they were inspired by the contact with others in similar circumstances and felt less isolated in their business venture;
- they were impressed by the trainers' knowledge;
- the course helped them to set useful, realistic, achievable goals and expectations; and
- the practical content of courses was highly valued, such as information on setting up a business bank account, contacting accountants, registering with HMRC as well as advice on website design and social media presence.

“I found the programme incredibly useful. It helped me realise I was not as stuck as I thought, and I was not alone on the journey. The information in each workshop was informative, useful and clearly explained throughout.”

Participant, Moving Forward with Your Business Idea, July 2020

6.7.4 Grow Programme

Feedback on courses in the Grow Programme reported that:

- networking opportunities and contact with like-minded people in a similar situation was valued;
- preparing a 60-second elevator pitch was a very useful experience for sharpening thoughts;
- the courses encouraged a deeper understanding of the target customer (or audience) and opened their eyes to how the business looked from the customer perspective, leading to clearer marketing focus;
- road maps, brand strategy and clear goal setting were useful and valued exercises: addressing the what, how and why questions in business planning;
- genuine support from professional trainers was valued and gave a welcomed new perspective to participants; and
- practical advice and guidance on how to go about developing a social media presence and marketing strategy was a welcome and useful experience.

“The Grow program has been instrumental in helping me organise my business in a professional way. To move from something that has evolved organically into a business with planning, vision and intent.”

Participant, Grow Plan, June 2020

6.8 Summary Findings: S&GE

Three-quarters of people who engage with the Start and Grow Enterprise programme feel strongly that it helped them to start up with more confidence and it gave more

support in the early stages when it was much needed. Nine out of ten people who attend workshops feel that the course content is helpful and a similar proportion report that it went beyond their expectations. This is strong evidence that Start and Grow Enterprise is a much needed and appreciated service that reaches out and delivers high quality support at an important stage in business creation. The rationale for the project is therefore strong. Eliminating confusion with the Growth Hub services was an important step to improve clarity around customer eligibility. It is also a service which lends itself well to online delivery for certain workshops. It has successfully engaged with the student and staff community at the University of Gloucestershire to deliver pre-start and early-stage business advice to students. This is especially important in fields such as creative industries, sport and leisure and professional services where a sole career path is more common. It also meets the objective of supporting young people aged 18-24 to set up in business. S&GE's monitoring data suggests it is achieving further objectives of supporting those in under-represented groups to set up in business. Of all people who engage with the S&GE project, 61% identify as female; 19% are aged 18-24; 47% are aged 40+ (career changers); 8% report a disability; and 14% report a non-white ethnicity.



Astolos

A combination of practical and community support from Start and Grow allowed the company to evolve.

Based in Cheltenham, Astolos is a fine jewellery maker with ethics and sustainability at its core. Specialising in floating freshwater pearl, recycled transparent cord, and recycled sterling silver to create quality products at high street prices. It employs jewellery makers who are out of work for health reasons, helping to gently reintroduce them back into the working community. Every piece sold generates a 20% charity donation to the mental health charity, Mind.

The business owner attended several courses with Start and Grow Enterprise, gaining practical support on how to set up a website, how to go about marketing and how to manage sales. The community of entrepreneurs on the courses created a safe and supportive environment and boosted the owner's confidence to continue with the new venture. The one-hour diagnostics support session was particularly useful in signposting the business to other enterprises which proved to be helpful for business development. After completing the GROW programme, the business owner was successful in applying for a £1,000 grant which part-funded a multi-stage growth project involving:

- a packaging design project with University of Gloucestershire students;
- sourcing a specialist manufacturer to produce recycled jewellery boxes;
- securing professional photography and developing a social media strategy;
- accessing gems from a sustainable, female-operated mine in Zimbabwe; and
- engaging professional stone setting services from specialists in Thailand.

7.

GRIP

This programme ran from 2017 to 2019 and was designed to support innovation and boost connectivity between academics and businesses.

7.1 Rationale

The Gloucestershire Research and Innovation Programme (GRIP) ran from January 2017 until March 2020, and was designed to support knowledge transfer and innovation. It aimed to encourage growth in key economic sectors through high growth SMEs by enabling a culture of innovation through links between local businesses and the University of Gloucestershire.

When GRIP was designed there had been no growth in the number of local KTPs in the previous two years in Gloucester due to a lack of funding at a regional level. Furthermore, of the 15 potential innovation projects identified by the Growth Hub during the previous two years, none had been able to progress to bring a new product or innovation to the market due to a lack of funding and support.

7.2 Objectives

To achieve the goal of encouraging growth in Gloucestershire through supporting innovation in high growth enterprises, the GRIP project had four main objectives:

- to develop links and synergies between enterprises, research and education;
- to demonstrate how specific interventions in the innovation lifecycle such as rapid prototyping can significantly advance companies developing new products;
- to encourage collaboration within a sector and within its supply chain; and
- to increase the level of Intellectual Property registered in the County.

7.3 Description of Programme

Working with an academic, businesses participating in the GRIP programme developed an Innovation Blueprint, identifying where they could meet a local supply chain market need; innovate their current or new product or service; create new products or services; identify potential intellectual property exchanges; or accelerate their product development. SME clients were then offered additional support through four service streams which aimed to bring academics, students and businesses together in a common cause whilst promoting both research and work experience. These service streams covered:

- Productivity, Technology and Design Support: matching the SME with an academic and, where appropriate, enabling students to contribute to research associated with innovation ambitions;
- Supply Chain Engagement: identifying supply chain engagement to enable businesses to attend events and showcase their offering to find new partners;
- Commercialisation & IP Exchange: offering IP potential businesses a voucher enabling them to access appropriate advice and protection; and
- Clusters and Networks: matching the SME into a relevant cluster and to a prime business to support the execution of the Innovation Blueprint.

7.4 Costs

The original budget of £1.7m was halved (-49%) to £867,000 at the mid-point due to a lack of full-time academic staff to dedicate to the project, a delay in launching the programme and a lower than envisaged demand for materials. At completion, around 98% of the revised budget had been spent. The underspend was attributed to a number of incomplete client projects due to incoming social restrictions as the Covid-19 pandemic began as well as the sudden requirement for many academics to move teaching materials online.

Table 7-1: GRIP, Costs and Funding

Funding Source	Estimated Cost, £s	Revised Cost, £s	Actual Cost @ Q1 2020 £s	% Spend @ Q1 2020
ESIF	850,000		472,300	
Public Match	820,000		364,200	
Private	30,000		10,500	
Total	1,700,000	867,000	847,000	97.7

Note: Figures may not sum due to rounding

Sources: ESIF Application Form 2016; Project Change Request 2018, Claim Form April 2020

7.5 Delivery

The programme was promoted through the Growth Hub to extend its offering and bring forward a stream of referrals. The design of the match funding was based on an academic structure that assumed four full-time professors would be engaged in both research and dissemination. However this time could not be committed and, as an alternative, numerous academics across the University were engaged at short notice requiring additional time to promote the rationale and benefit of the programme to a wider academic audience. In addition, most academic staff were available for businesses collaboration in a window of time between October and April. As well as the delay in launching the programme, this resulted in the loss of the first academic year in delivering the project.

On the opportunities side it was discovered that, unlike the local automotive sector, the supply chain for the aerospace industry (the dominant industry of the County) doesn't seek local innovation and relies on global procurement. Therefore this limited the scope for local businesses to benefit from enhancing supply chain opportunities in the aerospace sector. As the project had to adapt to the innovations that were presented to it by the businesses, it meant that only 30% of GRIP clients used the laboratory, reducing demand for materials and therefore further reducing the cost of the project. The majority of the businesses who identified Intellectual Property opportunities were micro-SMEs and many could not commit £2,000 to the voucher scheme when the ultimate outcome was uncertain. Other than the target for IP vouchers, all other targets were considered to be realistic and despite its significant initial issues, business interest in the project was relatively strong.

The Summative Assessment for the project which was prepared in December 2019 reported that GRIP would be able to meet its revised key project targets. However the lifecycle for the project from identification of opportunity to commercialisation was long at around 18 months. Therefore, for some businesses, the full impact on employment and turnover could not be realised within the project's timescales. Despite its challenges, the programme created benefits for the University's staff and students, supporting the development of a new module in Marketing Expo and creating two new KTPs with opportunities for a further five under consideration. The 3D printer support was a valuable new facility for both businesses and the University. It also raised the University's profile among the businesses community and increased recognition of the potential for knowledge exchange between the two.

7.6 Targets and Progress

Initial targets were set for the project in 2016. The target relating to the number of enterprises receiving grants was revised downwards from 30 to 10 and the target for employment increase in supported organisations was revised downwards by 61% at the mid-point of the project. This was due to the initial delay in its launch and the long timescales involved from identifying and mobilising innovation opportunities to employment benefits being realised for assisted businesses.

By the end of the project, all targets set and revised for the project had been either fully met or exceeded, including the key target for the number of enterprises receiving support (C1).

Table 7-2: GRIP, Targets and Progress

Target	Initial Target 2016	Revised Target 2018	Achieved @ Q1 2020	Achieved @ Q1 2020 %
C1: No. of enterprises receiving support	120	120	120	100.0
C2: No. of enterprises receiving grants	30	10	10	100.0
C4: No. of enterprises receiving non-financial support	-	110	120	109.1
C5: No. new enterprises supported	10	20	20	100.0
C8: Employment increase in supported enterprises	180	70	80	114.3
C25: No. of researchers working in improved infrastructure	-	1	1	100.0
C26: No. of enterprises cooperating with research institutions	-	60	66	110.0
C28: No. of enterprises supported to introduce new to the market products	10	10	11	110.0
C29: No. of enterprises supported to introduce new to the firm products	30	30	32	106.7
P2: Public or commercial buildings built or renovated	32	32	32	100.0

Sources: ESIF Application Form 2016, Project Change Request 2018, Claim Form April 2020

7.7 Business Feedback

A mid-term survey of the assisted businesses was carried out in January 2019. Some 29 responses were received out of 110 GRIP clients at that point and it reported very high levels of business satisfaction with the GRIP team and the service. Around, 80% had progressed within the programme and reported that it helped them to develop new products and services that otherwise would not have happened or would have taken longer to achieve.

Of the 400 business interviewed during this evaluation, 36 had taken part in the GRIP programme. Of this group, the following proportions felt it had helped them “to some or to a significant extent”:

- to develop links with other enterprises – 62%
- to grow within the region – 45%
- to grow within the UK – 42%
- to develop links with research or education institutions – 42%
- to commercialise new products and/ or services – 36%
- to develop or improve the supply chain – 31%
- to register new patents for intellectual property – 22%
- to grow internationally – 20%

The strongest benefit for businesses taking part in the GRIP programme was developing links with other enterprises and research institutions. Around one in three had commercialised new products or services and a similar proportion had developed their supply chain. Around two in five businesses felt that, to some or a significant extent, the GRIP programme had helped them to grow within the region and within the UK. For one in every five businesses who took part, a new patent had been registered for intellectual property and a similar proportion reported they had grown internationally.

7.8 Summary Findings: GRIP

The rationale for the project was that businesses were held back by a lack of innovation and there was some evidence to suggest scope existed to build stronger links with businesses and the academic community in Gloucestershire. This concept remained valid in practice, local companies signed up to the programme to explore new opportunities for innovation. However, significant issues were encountered early on due to a lack of academic staff time to commit to project which delayed its mobilisation, however, this was mainly an internal issue with little impact on the businesses that engaged. The project's original costs were substantially reduced but the original target for the number of businesses supported was met.

The project stimulated strong working relationships between the university and local organisations, bringing strategic added value around engaging with student support and future curriculum design. Business satisfaction with the programme was high and some new products and IP applications have been made as a result. However, the cost of engaging in IP vouchers is a barrier to small businesses, especially where outcomes are uncertain, and it can take a long time between developing a new concept and an impact being realised on business employment.

In summary, the project achieved its key outputs for less than the original project cost. Therefore a positive impact was delivered for businesses supported whilst maintaining high value for money. It achieved many of its objectives by building a number of strong links between businesses, research and education; promoting a greater understanding of how knowledge exchange can benefit each party and increasing IP registrations from the County.

8.

GAINS

This project ran from 2017 to 2019 and was designed to support companies to grow through intensive coaching in leadership, change management and strategic development.

8.1 Rationale

The Gloucestershire Accelerated Impact Network (GAINS) project was developed by the University of Gloucestershire to offer a service similar to the GrowthAccelerator and the Business Growth Service which had been discontinued at a national level. It responded to evidence that economic growth in Gloucestershire had slowed relative to the rest of the UK and offered external expertise to more ambitious high growth SMEs in areas such as leadership, change management, operations and strategy, and marketing and sales. These were topics that went beyond the themes of innovation and exporting which was the main focus of most public sector initiatives at the time. The market failures it was designed to address were similar to those put forward for the core Growth Hub and related to failures of access to information; an underdeveloped relationship with providers of business support services and a lack of awareness of the benefits which support could bring.

8.2 Objective

GAINS was aimed at enhancing the competitiveness of SMEs in Gloucestershire by supporting them to develop advanced capacities for products, services and development, thereby increasing their growth capacity.

8.3 Description of Programme

The project ran from January 2017 to March 2020. It offered a specific programme of support for ERDF-eligible small and medium sized enterprises (SMEs) from high growth sectors in Gloucestershire and focused on areas where the business owners' capabilities and skills would benefit from support to meet their high growth ambitions. This included external expertise in strategy development, leadership and management, marketing and sales, financial management and operations. It was designed to offer:

- access to an in-depth diagnostic from the GAINS Manager to determine individual barriers and opportunities for growth;
- 30 hours (5 days) of coaching delivered over a six-month period provided by local external coaches and academics from the University of Gloucestershire;

- a client cost of £2,400 (+VAT) and a subsidy of £960 to encourage Gloucestershire SMEs to access external support;
- access to an exclusive, Gloucestershire-specific high growth networking group; and
- five Masterclasses developed in direct response to local need.

8.4 Costs

The original budget was reduced by 31% to £681,000 at the mid-point of the project due to a lack of academic time available for the project and lower than expected businesses uptake. At completion, around 83% of the revised budget had been spent.

Table 8-1: GAINS, Costs and Funding

Funding Source	Estimated Cost, £s	Revised Cost, £s	Actual Cost @ Q1 2020 £s	% Spend @ Q1 2020
ESIF	492,600		340,700	
Public Match	175,800		110,300	
Private	316,800		117,100	
Total	985,200	681,200	568,100	83.4

Note: Figures may not sum due to rounding

Sources: ESIF Application Form 2016; Project Change Request 2019, Claim Form April 2021

8.5 Delivery

A review took place ten months into the project in May 2018 when GAINS was failing to meet its early output targets. Following feedback from clients and coaches the initial targets for the project were considered to be overly ambitious and were subsequently reduced. In addition, the client cost was increased to £2,600, and the grant element was increased from £960 to £1,000 so that both could be counted as outputs under ERDF definitions. A further review was undertaken in August 2018 and resulted in client access being simplified and the academic project element being amplified. The high growth networking group was removed at this point due to low take-up. The availability of coaches also became an issue for the project as many had found alternative employment during the 20 month gap between the closure of the Business Growth Scheme and the creation of the GAINS scheme.

The Summative Assessment of GAINS in 2019 noted that the project was one of four business support programmes being delivered by the University and the Growth Hub at the same time. Crucially, it was perceived by businesses to be conceptually similar to the core support provided by the Growth Hub which is free for businesses to access, while GAINS required an upfront contribution from businesses of £2,600+VAT. It was also proving difficult to deliver the necessary amount of

coaching support to businesses within the three month timeline. In view of these issues, the key targets for the project were revised downwards for a second time. Despite its early issues, those who took part in the GAINS project reported receiving a high quality service which resulted in tangible benefits, as well as positive experiences of working with the University on academic projects. Section 8.7 discusses the feedback received from those who took part.

8.6 Targets and Progress

The key targets originally set for the project were heavily revised during its lifespan. The target for the number of enterprises supported was revised downwards by 56% and the target for jobs created in supported businesses was revised downwards by 82%. A new target was introduced for the number of enterprises receiving grants. By the end of the project, around 80% of the revised target had been met for the key outcome which was the number of enterprises receiving support (C1). Just one new to the market product was reported by the end of the project (C28) and 5 new to firm products were launched (C29).

Table 8-2: GAINS Targets and Progress

Target	Initial Target 2016	Revised Target 2019	Achieved @ Q1 2020	Achieved @ Q1 2020 %
C1: No. of enterprises receiving support	220	97	77	79.4
C2: No. of enterprises receiving grants	0	73	57	78.1
C5: No. new enterprises supported	5	3	3	100.0
C8: Employment increase in supported enterprises	220	40	40	100.0
C28: No. of enterprises supported to introduce new to the market products	5	2	1	50.0
C29: No. of enterprises supported to introduce new to the firm products	5	5	5	100.0

Sources: ESIF Application Form 2016, Project Change Request 2019, Claim Form April 2020

8.7 Business Feedback

Of the 400 business interviewed during the final Growth Hub evaluation, 16 had taken part in the GAINS programme. Of this group, the following proportions felt it had helped them “to some or to a significant extent”:

- enhance their competitiveness – 75%
- grow within the region – 63%
- grow within the UK – 63%
- engage in innovation – 56%
- grow internationally – 19%

It was reported by three-quarters of those consulted that taking part in the programme had, to some or to a significant extent, resulted in competitiveness being enhanced in their business. Around two in every three businesses also felt that, to some or a significant extent, the GAINS programme had helped them to grow within the region and within the UK and over half had engaged in innovation as a result of the programme. One in every five businesses who took part, reported they had grown internationally and this was, to some or to a significant extent, due to taking part in the GAINS programme.

8.8 Summary Findings: GAINS

Screening companies who signed up ensured that support was targeted at those with ambitions for high growth and the requirement for a financial contribution meant that those taking part were committed to the concept of growing their business. However, a major issue for the project from the outset was competition from the number of other projects available to Gloucestershire businesses at the time which were fully funded. The delivery model would also have benefitted from further development before the project was launched. These factors meant that the key target for the number of businesses supported was unachievable and although it was revised downwards, it remained unachievable within the project's timescale.

Despite these challenges, the project met its original objective of enhancing the competitiveness of SMEs with 75% of those taking part reporting this outcome. The offering of a substantial amount of high quality business coaching at a timely point in the development of a business is highly valuable and can embed a new mindset towards a business' plans for growth. The service was felt to be pitched at the right level to deliver major improvements on the key issues faced by individual businesses and it became a highly commended service. Finally, the project encouraged clients to develop an academic project while taking part in the programme which has created mutual benefits for the staff, students and businesses alike and builds stronger relationships between businesses and the academic sector.

9. Covid-19 Recovery Support

A short-term project was offered by the Growth Hub in 2020 to help Gloucestershire businesses adapt to the changes required by the pandemic.

9.1 Rationale

The Growth Hub received an unprecedented number of calls and provided Covid-related support to more than 600 businesses during the first four months of the pandemic between March and June 2020. GFirst LEP commissioned a study to estimate the impact the Covid-19 pandemic could have on the local economy. The work assessed three different scenarios with varying levels of initial decline and recovery periods, and estimated that GVA could fall to between 71% and 91% of the pre-crisis level and that recovery could take to the end of 2021 at best, and into the third quarter of 2023 at worst. It also forecast that in the worst-case scenario, employment could fall to 85% of the pre-crisis level: a loss of 49,000 jobs.

Two surveys were carried out by the Growth Hub in conjunction with GFirst LEP to understand the scale of impact on the local business community. The first, in late March, received 614 responses, of which 94% had been adversely affected and 62% reported that advice on HR, legal, insurance and financial issues would be a benefit. A second survey in June 2020 received around 100 responses and asked questions about adaptations. Almost half (44%) had adapted to new flexible working, 25% had developed new products or services and 22% had adopted new technologies. In addition, around 48% of the Growth Hub's requests for support since the lockdown began were for help with digital transformation, innovation, operations and people. The conclusion was that a substantial part of the business base had still not adapted to the changed circumstances and would need support to do this successfully.

9.2 Objective

The programme was funded from redirected ERDF funds which were allocated to organisations that were providing business support services through existing ERDF contracts. The amount of funding was decided by MHCLG based on the local business population. The objective of the Covid-19 Recovery Support project was to respond to the threat the pandemic posed to GVA and employment in Gloucestershire, and contribute to the recovery of affected sectors and the region as a whole.

9.3 Description

The project ran from July 2020, until February 2021, with financial completion in Q2, 2021, and aimed to provide approximately 145 grants of between £1,000 and £3,000

and additional specialist support to help eligible businesses adapt to the effects of the pandemic. The project aimed to integrate a number of established diagnostic tools already in place to assess the Covid impact within the process for delivering business support. This included hosting workshops and one-to-one events covering a range of support themes to assist businesses as they recovered from the impact of the pandemic. The events were aimed at promoting greater peer to peer activity and increased engagement with priority sectors such as advanced manufacturing and engineering, construction and the visitor economy. It was the first time the Growth Hub was able to provide direct financial assistance. Grants could be awarded to assist with the cost of individual specialist support, minor equipment or technology and specialist training.

9.4 Costs

The budget for the project was £465,000 and at completion in Q2, 2021, around 97% of this amount had been spent. It was supported by ERDF funding at an intervention rate of 100%.

Table 9-1: Covid Recovery Support, Costs and Funding

Funding Source	Estimated Cost, £s	Actual Cost @ Q2 2021 £s	% Spend @ Q2 2021
ESIF	464,700	449,200	
Total	464,700	449,200	96.7

Note: Figures may not sum due to rounding

Sources: ESIF Application Form 2020; Claim Form April 2021

9.5 Delivery

A scoring system for applications was developed based on the advice of members of relevant sector groups with an appeal process available for rejected applications. The scheme was managed by grant administrators within the Growth Hub and SMEs could apply online for grants of up to £3,000. The scheme was heavily oversubscribed when it went live.

Around 50% of applications for grant support were from businesses that were new to the Growth Hub. Of the grants claimed, 30% were for purchasing professional services, 27% were for investment in technology and 23% were for a blend of these two things plus third party costs for media and marketing. Around 48% were for businesses in tourism, leisure, art and creative industries and 50% were from those in the professional services.

9.6 Targets and Progress

Demand for grant support was strong and the project was efficiently delivered resulting in the key targets being more than fully achieved. The number of businesses benefitting from the project was much greater than envisaged due to a larger number of smaller grants being awarded to applicants.

Table 9-2: Covid-19 Recovery Support, Targets and Progress

Target	Initial Target	Achieved @ Q1 2021	% Achieved @ Q1 2021
Grants awarded for visitor economy	70	83	118.6
Grants awarded for wider economy	75	111	148.0
C1: No. of enterprises receiving support	70	191	272.9
C2: No. of enterprises receiving grants	145	194	133.8

Sources: ESIF Application Form 2020, Project Change Request 2020, Claim Form April 2021

9.7 Business Feedback

Of the 400 business interviewed during the final Growth Hub evaluation, 42 had benefitted from the Covid-19 Recovery Support Programme. Of this group, the following proportions felt it had helped them “to some or to a significant extent”:

- adapt to the effects of the pandemic – 83%
- survive the effects of the pandemic – 74%

This is a strong endorsement of the programme with around four in every five businesses saying that taking part had, to some or to a significant extent, helped them adapt to the effects of the pandemic. Around three-quarters felt it was a factor in helping their businesses survive. The grant claim form reports that 505 jobs were safeguarded as a result of the support delivered by the Covid-19 Recovery Support project, around 55% of these were in the visitor economy and the remainder were in the wider economy.

9.8 Summary Findings: Covid-19 Recovery Support

The scheme was developed in response to the unprecedented challenge presented by the Covid-19 pandemic when the Hub experienced an influx of requests for advice. The strength of demand, the number of businesses supported and the business feedback all indicate how valuable this was. The survey feedback gives strong evidence that the project successfully delivered its goal of helping businesses both adapt and also survive the effects of the pandemic. It also introduced the Hub to a new group of businesses who may benefit from other Hub services at a future point.

10. Summary of Progress

This section summarises the expenditure, progress towards targets and achievements of the Growth Hub's projects.

10.1 Overall Progress

10.1.1 Phase 1, 2014-2016

The first phase of the Growth Hub, ran from 2014 to 2016 and received grant funding from HEFCE. The project's impact was assessed in an interim evaluation report prepared by BiGGAR Economics in 2017. Nine quantifiable output targets were set for the Growth Hub during this Phase and the project exceeded, and in many cases far exceeded, the targets set by the end of the project. The targets and their achievements are summarised in Table 2-1. On key measures, the Hub delivered more than twice as many support interventions as targeted and it far exceeded its target for delivering interventions to support high growth businesses.

A survey of 400 Growth Hub customers was carried out in 2017 and it reported a highly satisfied business community where employment and turnover were growing for around one-third of high-growth businesses and around one-fifth of other businesses. The survey also provided evidence that the Growth Hub was succeeding in its goal of simplifying the business support landscape with 80% of businesses reporting that they felt the project had achieved this aim. Overall, the evaluation of Phase 1 reported that:

- the Growth Hub was exceeding its targets;
- the objectives of its funders were being delivered; and
- its clients were highly satisfied with the business support they received.

10.1.2 Phase 2, 2017 – 2021, Q1

The main focus of this evaluation is the second phase of the Growth Hub. During this time its services expanded significantly to deliver five projects from ESIF funds. A summary of progress with each one is given in the table below. The detail behind this assessment is contained in Sections 5 to 9.

During the early part of Phase 2, business feedback suggested a degree of confusion regarding the support programmes on offer and the Growth Hub worked along with others to set out a clear pathway to explain the support available and business eligibility. Despite some initial delivery challenges during Phase 2, business feedback for all projects is overwhelmingly positive.

Table 10-1: Summary of Progress, Phase 2

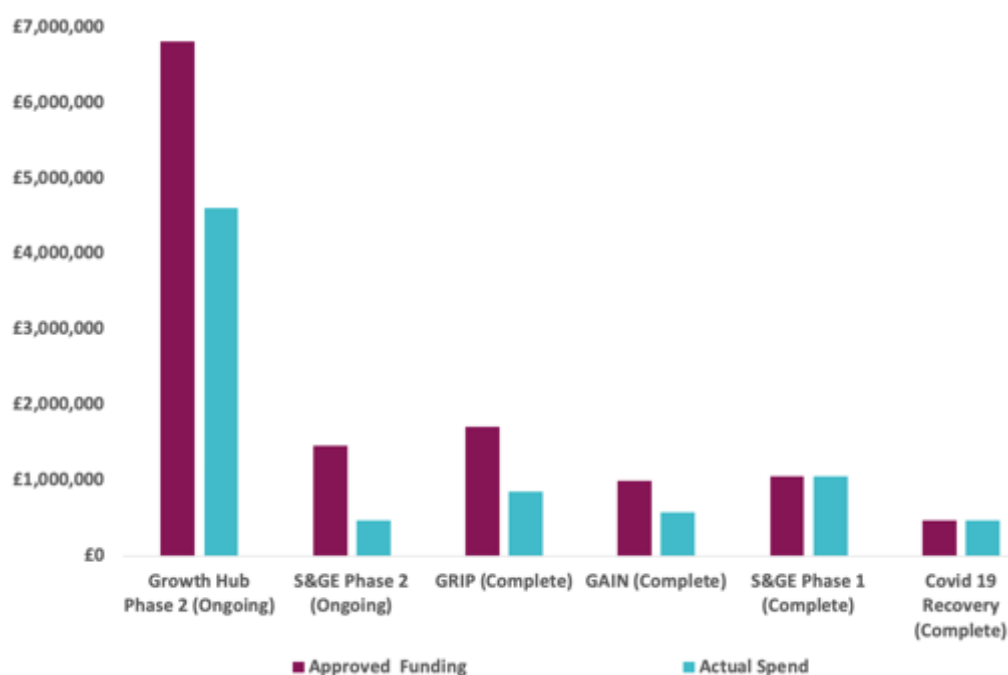
	Growth Hub Core	S&GE	GRIP	GAINS	Covid-19 Support
Status @ Q1, 2021	Ongoing (Dec 2022)	Ongoing (Mar 2023)	Complete	Complete	Complete
Rationale	Valid	Valid	Valid	Overlap with Core Hub	Valid
Objectives	Clear	Clear	Clear	Clear	Clear
Description	Clear	Clear	Clear	Clear	Clear
Costs	Increased	Increased	Reduced	Reduced	Reduced
Delivery	Extended from 3 to 6 years	Extended from 3 to 6 years	Slightly adapted	Significantly adapted	Slightly adapted
Original Targets	Reduced	Reduced	Mostly Stable	Significantly Reduced	Over Achieved
Revised Targets	On course	On course	Achieved	Under achieved	-
Business Feedback	Positive	Positive	Positive	Positive	Positive

Sources: ESIF Application Form 2016, Project Change Request 2019, Claim Form April 202

10.2 Expenditure Against Approved Costs

The five programmes offered by the Growth Hub between 2017 and 2021 had funding approval for £12.5 million, of which 51% is from EU funds. Total spending to Q1, 2021 amounted to £8.0 million. The Core Growth Hub and the S&GE projects have been extended until the end of 2022/ early 2023 and pro-rata spending against approval is on track for both projects. The remaining projects have been completed. Both GRIP and GAINS were underspent against the approved budget while both the first Phase of the S&GE project and the Covid-19 Recovery Support project were fully spent against the approved budget by completion.

Figure 10-1: Project Spend Against Approved Funding, Phase 2, 2017-2021



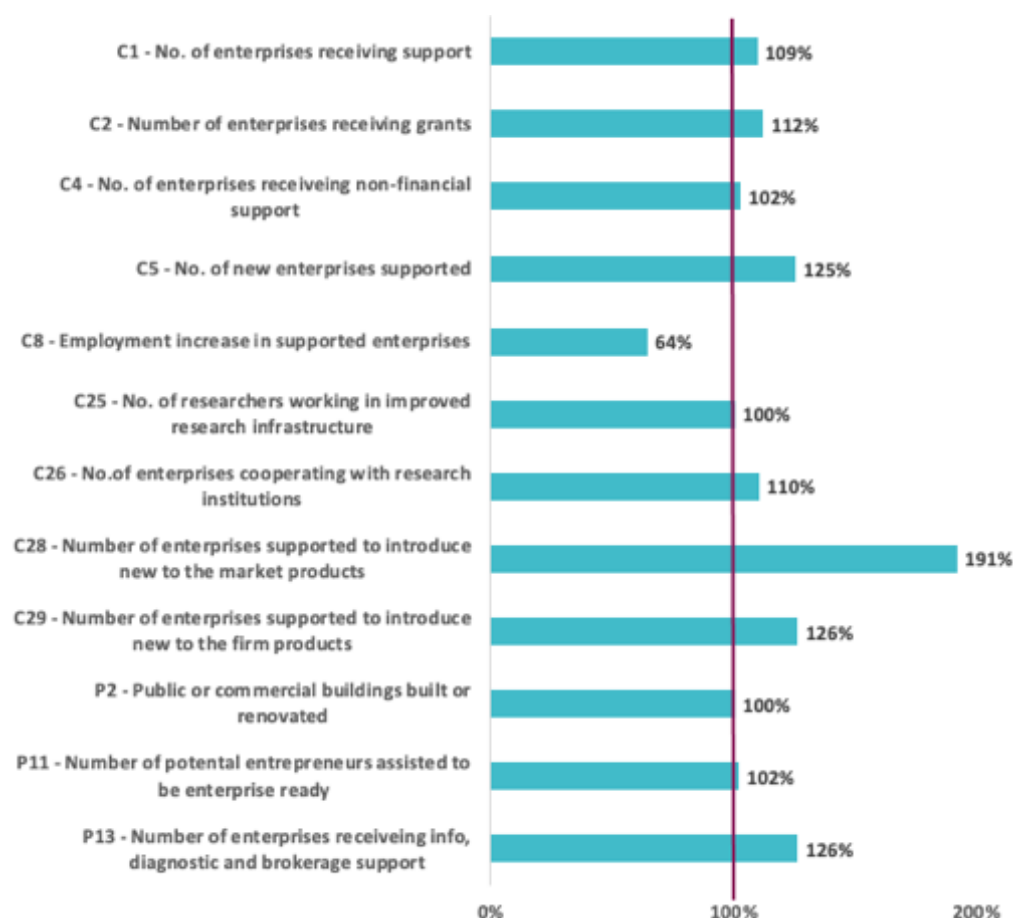
Source: BiGGAR Economics Analysis Based on Growth Hub Data

10.3 Progress towards ERDF Targets

Four projects were launched at the same time in 2017 and all suffered from a delayed start which had an impact on the ability of the GRIP and GAINS projects in particular to deliver the envisaged outputs within the timescales. In addition, many original targets were found to be overambitious and were later revised downwards. Progress towards the revised ERDF targets on all projects is generally positive with the key activity targets for high intensity support (C1) and moderate intensity support (P13) being over achieved in each case. The targets also show entrepreneurship support being delivered (C5, P11) and connections being made between businesses and research institutions (C25, C26, P2) with a view to supporting innovation and knowledge exchange. Intermediate (outcome) targets are more difficult to achieve and here too progress is very strong with those relating to the number of enterprises being supported to introduce new products (C28, C29) being well ahead of target.

The key impact target relates to job creation (C8) which is the most difficult of all to achieve. Growth support would generally be expected to lead to a turnover increase in the first instance, then an improvement in profitability before resulting in job creation, therefore it would lag behind the support delivered by some time. However, the path to employment creation is not always straightforward and the type of support delivered may result in safeguarded employment (jobless growth) for the business concerned and yet still create a substantially improved business. The project has a further seven quarters in which to generate and evidence this target and there is a healthy pipeline of over 230 businesses being supported by the Growth Hub (@ Q1, 2021) which will lead to further job creation.

Figure 10-2: Progress Towards Final and Pro-Rata Targets, All Programmes



Source: BiGGAR Economics Analysis Based on Growth Hub Data

Based on a sample of 400 businesses interviewed in June/ July 2021, this study has estimated that around 560 new jobs may have been supported by the Growth Hub's projects from businesses assisted between 2017 and Q1, 2021. Section 12.4 explains how this estimate has been derived.

10.4 Achievement of Objectives

The evidence strongly suggests that the Growth Hub and S&GE make a difference to the vast majority of businesses and individuals that engage with the programmes. However, given the number of funders and the individual nature of each project, many different objectives have been set for the Growth Hub over its lifespan. Mainly they converge around the key themes of improving competitiveness, supporting high growth companies, scaling up and simplifying the support landscape. These elements are relatively straightforward to evidence and mainly rely on business feedback which is highly positive and suggests that these objectives are being met.

However, other objectives such strengthening business survival rates, boosting regional productivity and growing regional exports are much more difficult to achieve. The Growth Hub is not yet operating on a scale and with a business audience where

it could have a significant impact on these high level economic indicators. This is because:

- over a 7 year period, it is estimated that around 18% of businesses in Gloucestershire have engaged with the Growth Hub across all programmes with 3 or 12 hour support services;
- the predominant client base for the Growth Hub and S&GE's services is pre-start, micro and small businesses with less than 10 employees;
- the interventions of 3 and 12 hour support services might not be long enough to deliver tangible impacts on employment and GVA; and
- its referral system to other organisations is a key strength of the organisation but also leads to difficulties with attributing benefits back to the Growth Hub.

Across its C1 (12 hours of support) and P13 (3 hours of support) outputs, the Growth Hub has supported around 3,000 businesses in Gloucestershire between 2017 and Q1, 2021. The vast majority of these are small businesses with less than 10 employees and a turnover of less than £100,000. Different eligibility criteria applied during Phase 1 when the service was funded by HEFCE, however, it is estimated that around 2,670 businesses were supported with a comparable level of service (12 hours and 3 hours of support) during this time. There will be some overlap between those supported during Phase 1 and Phase 2, however, at the very most, the combined total represents around 18% of the active business base in Gloucestershire that will have received some form of support from the Growth Hub during the last 7 years. A further group of businesses will have benefitted from lighter touch interventions of less than 3 hours of support. On this scale it could not be expected to generate a substantial impact on the high level economic indicator for regional productivity.

On exports, just 5% of the 400 businesses surveyed reported seeking advice about "selling products or services overseas" as their main reason for engaging with the Hub (see 11.3). Nationally, exports have fallen by 27% since 2013 following the UK's decision to leave the EU which has fundamentally changed the environment for exporters. However, a small but important group of respondents report additional capacity to sell overseas as a result of their engagement with the Hub. Therefore the Hub is supporting the export ambitions for those who seek it.

Between 2014 and 2016, around 3,200 new businesses were born each year in Gloucestershire and between 2017 and 2019, the average was slightly lower at around 3,000 per year. Across all programmes, the Growth Hub supported around 269 new start businesses (the C5 target – number of new enterprises supported) between 2017 and Q1, 2021 which is relatively small compared to the number of new start businesses recorded at the County level. However, those that engage with the Hub's programmes report that it helps them to start up with more confidence than would otherwise be the case which benefits their businesses in the long-run.

In terms of strengthening business survival rates, the data suggests that the County performs much better than the regional and national averages and a proportion of these businesses will have been supported by the Growth Hub, although for reasons

explained above this is likely to be a relatively modest proportion. However, the strength of positive evidence from the survey about how engaging with the Growth Hub's service has had a positive impact on business efficiency, profitability and innovative capacity suggests that those who engage increase their capacity for resilience and survival.

The economy has changed substantially since the Growth Hub was designed. The UK's departure from the EU and the Covid-19 pandemic have changed the business goal for many from one of growth to one of survival. The Growth Hub's services are aimed at supporting this shift by building resilience in businesses and through their approach to supporting entrepreneurship. There is strong evidence from the businesses community that it is achieving these key goals.

10.5 Key Achievements

The wider value of the Hub is evidenced through several key achievements:

- the volume of business that have engaged with the Hub endorses its value and the need for its services;
- its response to the pandemic was swift, it adapted its services to online delivery, it listened to business concerns and it responded appropriately;
- it delivers services which help to future-proof businesses, supporting them to become more agile and resilient;
- it has established itself as a credible service: a reputation which takes time and effort to create, and one which has raised its profile among the growth hubs throughout England;
- over time, its regular evaluation reports and customer feedback surveys show a consistently positive message from the businesses it supports;
- its mix of delivery partners brings a strength and depth to its offering; and
- the attractive, professional, physical spaces it has created gives a focal point for developing local small business ecosystems.

11. Business Survey, 2021

400 business who used the Growth Hub gave their views on the impact it had made and most reported a positive outcome from their experience.

11.1 Survey Approach

In June/July 2021 a sample of 400 businesses supported by the Gloucestershire Growth Hub were interviewed by telephone by Research Resource, a research company and asked to give feedback on the service(s) they had received and the impact this had. The number of interviews achieved against each support programme is shown in the table below. Some businesses took part in more than one programme, so 432 interventions were covered by the 400 interviews.

Table 11-1: Phase 2 Business Survey: Sample and Population Data

Project	Total Number	Sample Supplied	New Sample Added	Target Number of Interviews	Achieved Interviews
Growth Hub Core	1,151	288		100	155
Start and Grow Enterprise	489	389		100	145
Covid-19 Recovery Support	103	101		50	42
GRIP	112	40		30	36
GAINS	40	27		20	16
Multiple (GH and S&GE)	-	155		100	38
Total	1,895	1,000	500	400	400

Source: Growth Hub and BiGGAR Economics

On the basis of the interviewee's answers, they were classified into one of two categories:

- high intensity support (282 interviewees) – those receiving 12-hour support services from the core Growth Hub or the Start and Grow Programme, GAINS, GRIP and Covid-19 Recovery Programme; or
- moderate intensity support (118 interviewees) – those receiving a 3-hour support service from the core Growth Hub or the Start and Grow Programme.

This was used to estimate the quantitative impact the services have had on the business community which is described in detail in section 12. Qualitative feedback from the business survey is described in the remainder of this section.

11.2 Business Profile

The majority of the 400 businesses surveyed that engaged with the Growth Hub and/or S&GE are pre-start, micro and small businesses i.e. 88% had 5 or fewer employees and 95% had 10 or fewer employees:

- 36% had no employees;
- 28% had only one employee;
- 24% had between 2 and 5 employees;
- 7% had between 6 and 10 employees;
- 4% had between 11 and 50 employees; and
- 1% had more than 50 employees.

As a result, most businesses that engaged had a turnover of less than £200,000:

- 20% had no turnover;
- 40% had turnover of £50,000 or less;
- 13% had turnover between £50,000 and £100,000;
- 10% had turnover between £100,000 and £200,000;
- 7% had turnover between £200,000 and £500,000;
- 4% had turnover between £500,000 and £1 million;
- 5% had turnover between £1million and £5 million; and
- 1% had turnover of more than £5 million.

The services are reaching businesses of all ages and stages of establishment:

- 13% of interviewees were pre-trading;
- 30% were young businesses aged 3 years old or less;
- 18% were between 3 and 5 years old;
- 33% had been established for more than 5 years; and
- 7% were no longer trading when the survey took place.

The services are used by businesses from a broad range of sectors:

- 22% were in the business and professional services sector;
- 16% were tourism and leisure or hospitality businesses;
- 14% were creative businesses;
- 10% were in the health and social care sector;
- 10% were in retail, and
- 7% were in advanced engineering and manufacturing.

97% of businesses interviewed were based in Gloucestershire and 3% reported that they were based elsewhere in England.

11.3 Awareness and Motivation

Most business first heard about the Growth Hub and/ or S&GE through their own network of business contacts or through internet searches:

- 40% first heard about the service through their network of business contacts;
- 26% found them through internet searching;
- 13% heard about them through word of mouth;
- 9% reported “other” reasons (e.g. passing by the facility, from a course, through their bank, from Innovate UK, from the business press, etc)
- 6% were referred to the Hub by another organisation (e.g. Chamber of Commerce, job centre, business advisor);
- 3% heard about them from Growth Hub publicity;
- 2% heard about them through the University of Gloucestershire;
- 2% heard about them through social media; and
- 1% first heard about them from Start and Grow Enterprise publicity.

The main reasons why businesses approach the Hub and/or S&GE is for marketing, management and funding advice or to find out how to set up in business:

- 46% - for advice on how to market, promote and grow the business;
- 40% - for support and advice in setting up a new business;
- 33% - for business management advice;
- 30% - to find out about funding opportunities;
- 23% - curiosity about what the Hub does;
- 21% - for help with improving an existing product or service;
- 14% - for help developing a new product or service;
- 11% - to collaborate with the University of Gloucestershire;
- 5% - for advice about selling overseas;
- 5% - for other reasons (including to use the office or meeting space or to access training and skills development);
- 3% - for the Covid-19 Grant Support; and
- 3% - for networking opportunities.

11.4 Programme Feedback

Feedback on the Navigator and Guide services offered by the Growth Hub was extremely positive with business reporting very high levels of satisfaction with the help they received and a positive experience overall. Significantly, many businesses felt strongly that their contact at the Hub recommended an appropriate course of action and/ or supported them in developing a business growth plan. The strongest benefits reported from engaging with the Hub were helping to increase efficiency, improving profitability, improving the capacity for innovation, and improve the quality of the businesses’ products or services. This is discussed in detail in section 5.7.

Feedback from those that had taken part in the Start and Grow Enterprise programme was also very positive with businesses reporting greater confidence and

security in their early stages as a result of the support they received. This is discussed in more detail in 6.7. A smaller number of interviews were held with businesses that took part in the GRIP and GAINS projects. The GRIP project supported businesses to connect with academics and other enterprises and for almost half, it resulted in commercialising new products and services, and for some it resulted in improvements to their supply chain. This is discussed in more detail in section 7.7. The GAINS project mainly led to enhanced competitiveness and innovation for those taking part with around two-thirds reporting that it helped them to grow both regionally and in the UK. This is discussed in more detail in 8.7.

To a significant extent, the Covid-19 Recovery Support programme helped businesses to adapt and survive the impact of the pandemic. This is discussed in more detail in 9.7.

11.5 Impact

The impact on business employment and turnover which was generated by the support received is discussed in detail in section 12. Of the 400 businesses interviewed:

- 38% reported that their turnover had grown following the support they received; and
- 17% reported that their employment had grown.

Of those who reported turnover and employment growth:

- 81% felt that some element of their turnover growth was directly due to the support they received; and
- 69% felt that some element of their employment growth was due to the support they received.

11.6 Satisfaction

The 400 interviewees were asked how satisfied they were with the quality of the service provided by the Growth Hub and/or the S&GE team:

- 50% were very satisfied;
- 36% were quite satisfied;
- 10% were neither satisfied or dissatisfied;
- 3% were quite dissatisfied; and
- 1% was very dissatisfied.

11.7 Simplifying Business Support

The aim of the Growth Hub and S&GE is to simplify the provision of support services for businesses. Of the 400 businesses interviewed:

-
-
- 39% thought they did this extremely well;
 - 39% thought they did this quite well;
 - 18% thought they were achieving this to some extent; and
 - 5% thought they were not achieving this goal.

12. Quantitative Impact, 2017-21

This section evaluates the economic impact generated by the Gloucestershire Growth Hub over the period 2017-2021.

12.1 The Sample

In line with the previous evaluation of the Gloucestershire Growth Hub, the economic impacts of **moderate intensity** (3-hour navigator support service, P13) and **high intensity** (12-hour guide support service, C1) support was considered. The sample of 400 businesses that used the Growth Hub and/or S&GE since 2017, included:

- 282 businesses that received high intensity support (this includes: all C1 interventions, 12-hour support from the Core Growth Hub, Start and Grow Enterprise, GAINS, GRIP and Covid-19 support); and
- 118 businesses that received moderate intensity support (this includes all P13 interventions of three hours from Phase 2 of Start and Grow Enterprise and the Core Growth Hub service).

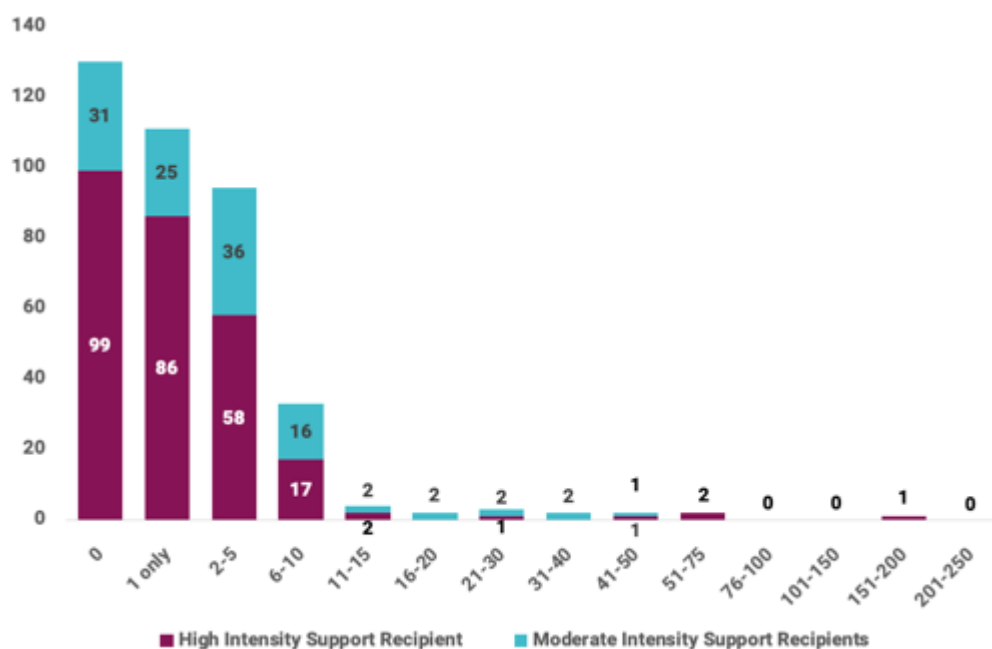
Over 73% of businesses, equivalent to 290 observations, belonged to one of six sectors and, within the sample, 89 businesses (22%) were in business and professional services. Tourism and leisure, hospitality and the creative industries accounted for a further 31% of the businesses sampled.

12.1.1 Employment

Businesses were asked about their current employment in Gloucestershire. Among those who received moderate intensity support, 108 (92%) had 10 employees or less. None of the businesses in this group had more than 50 employees. Data for those receiving high intensity support suggest a similar tendency towards small or micro-businesses with 97% having 10 employees or less.

It was estimated that the businesses sampled who had received high intensity support currently employ around 880 people in Gloucestershire. Those in the sample who had received moderate intensity support currently employ around 510 people.

Figure 12-1: Businesses Sampled by No. of Employees



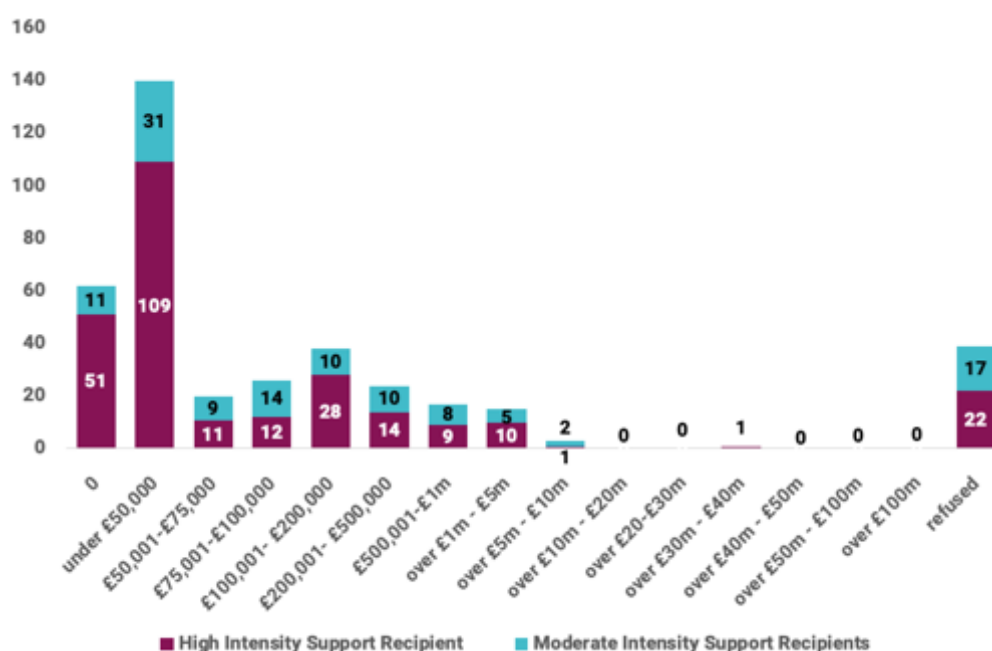
Source: BiGGAR Economics Analysis

12.1.2 Turnover

Similarly, businesses were asked about their current turnover in Gloucestershire. Among those who received moderate intensity support, 31 businesses (26%) reported a turnover of under £50,000. A further 23 businesses reported a turnover between £50,000 and £100,000, and 28 had a turnover between £100,000 and £1.0 million.

Around 60% (160) of businesses that received high intensity support reported a turnover lower than £50,000. While most of the remaining businesses have a turnover lower than £100,000, there were 10 businesses with turnover between £1.0 million and £5.0 million and one with turnover of between £5.0 million and £10.0 million. Businesses were less willing to disclose turnover information, however, across the sample it is estimated that businesses who had received high intensity support had a total turnover of £113.6 million, whereas businesses that benefitted from moderate intensity support generated a combined turnover of £53.3 million.

Figure 12-2: Businesses Sampled by Turnover Band



Source: BiGGAR Economics Analysis.

12.1.3 Business Growth

Businesses were also asked if their turnover and employment had grown since they first received support from the Growth Hub. Proportionately more businesses in both groups reported an increase in turnover and lower proportions reported an increase in employment.

Table 12.1: Turnover and Employment Growth Reported

	Increase in Employment?	Increase in Turnover?
Moderate Intensity Support		
% of businesses	31%	45%
High Intensity Support		
% of businesses	14%	31%

Source: BiGGAR Economics Analysis

12.2 Approach to Estimating Economic Impacts

This section discusses the methodology used to assess the net economic impact of the Gloucestershire Growth Hub on the sampled businesses and gives guidance on how to interpret estimates.

12.2.1 Net Economic Impact

The survey included questions on the change in employment and turnover that businesses experienced after receiving support from the Growth Hub and/ or S&GE

and these were used to estimate gross impacts. HM Treasury's Green Book⁷, sets out best practice in assessing the impact of economic interventions and recommends measuring the net economic contribution. This involves accounting for its additionality, which means the extent to which the impact on employment and turnover could be solely attributed to the support from the Growth Hub and/ or S&GE.

To do this, the following dimensions need to be considered:

- **deadweight:** the baseline position, what would have happened without the Growth Hub and/or S&GE;
- **leakage:** the extent to which the economic activity generated by the Growth Hub and/or S&GE leaks outside Gloucestershire; and
- **displacement:** the extent to which the benefits to those supported by the Growth Hub displaces activity from other non-assisted businesses.

To assess the amount of deadweight, businesses reporting an increase in turnover or employment were asked how much was attributable to the support they received from the Growth Hub and/or S&GE Team.

As shown in Table 12.2, at least 72% of businesses that reported an increase in either turnover or employment and had received moderate or high intensity support, considered that the Growth Hub and/ or S&GE contributed to either a "small amount" or a "significant amount" of the growth they experienced. The largest attribution to the Growth Hub and/or S&GE was the impact on turnover for those who received high intensity support, with 91% of businesses acknowledging the role of the support they received in bringing this about.

Percentage values were then attached to the responses ranging from 0% ("none of it") to 100% ("all of it"), as shown below:

- "None" = 0%
- "A Small Amount" = 25%
- "A Significant Amount" = 50%
- "Almost All" = 75%
- "All of It" = 100%

⁷ HM Treasury (2020), The Green Book: appraisal and evaluation in central government
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/938046/The_Green_Book_2020.pdf

Table 12.2: How Much Change was due to the Growth Hub and/or S&GE's Support?

	Employment	Turnover
Moderate Intensity Support		
None	25%	18%
Small Amount	56%	56%
Significant Amount	19%	26%
Almost All	0%	0%
All	0%	0%
Number of Businesses Reporting an Increase	36	50
High Intensity Support		
None	21%	9%
Small Amount	58%	68%
Significant Amount	21%	21%
Almost All	0%	0%
All	0%	2%
Number of Business Reporting an Increase	38	111

Source: BiGGAR Economics Analysis

Similarly, the survey considered leakage by asking businesses to report the level of activity and employment they supported in Gloucestershire. In this way, any support resulting in impacts generated outside the region was not included in the analysis.

It is not possible to accurately establish how much the businesses assisted by the Growth Hub displaced activity away from other non-assisted businesses, therefore, an assumption was made to allow for this aspect. Based on the Homes & Communities Agency's Additionality Guide⁸, a displacement factor of 19.5% was assumed, which is the mean sub-regional rate for business development and competitiveness interventions from research carried out for the then Department of Business, Innovation and Skills. This is a conservative assumption.

The deadweight from each of the answers to the survey and the displacement factor were the applied in order to translate gross impacts into net impacts.

Based on the number of businesses responding to questions on employment and turnover, it was then possible to estimate what the additional impact on employment and turnover per business in the sample was. These ratios formed the basis for the estimates of impact at the population level.

⁸ Homes & Communities Agency (2014), Additionality Guide, Fourth Edition 2014.

12.2.2 Interpreting the Sample and Population Estimates

Estimates of impact are drawn from sample data which are then grossed up to population level. However, the data underpinning the estimates were not collected for audit purposes and relied on businesses self-reporting information. Three aspects of this approach could potentially affect the estimates:

- self-selection;
- the impact of Covid-19; and
- the timing of intervention.

To achieve the required sample size of 400 interviews, an initial sample of 1,000 businesses which had mainly received high intensity support was randomly selected and asked to participate in the survey, although participation was voluntary. Due to a slow response, a further sample of 500 businesses was added to reach the full quota of interviews. Self-selection from the survey's voluntary nature could affect the reliability of the sample if non-respondents had substantially different characteristics from respondents. In addition, as businesses were self-reporting their performance, there may be some positivity bias in the values they provided. Both self-selection and self-reporting could lead to an upward bias in the estimates.

The survey was carried out between June and July 2021 as businesses were still experiencing the disruption brought about by the Covid-19 pandemic. The scale of this will have varied depending on their sector, with those in hospitality, the creative arts and tourism likely to be the worst affected. As employment was supported through the Coronavirus Job Retention Scheme, turnover estimates are more likely to be affected and are potentially lower than they would have otherwise been.

Finally, some time is usually required for an intervention to have an impact on turnover and employment. The businesses interviewed engaged with the Growth Hub and/ or S&GE at any point during Phase 2 (2017-2021), therefore the support they received had different elapsed timeframes in which to deliver benefits. This may lead to under-estimating the impact on those businesses receiving support more recently.

As the three aspects considered above push estimates in different directions, they are not considered as a substantial threat to the reliability of the findings from the sample.

12.3 Economic Impact from the Sample

12.3.1 Impact on Employment

To estimate the impact on employment, it was first necessary to consider the difference between respondents' current level of employment and their employment level before they engaged with the Growth Hub and/ or S&GE. In this way, it was estimated that businesses benefitting from moderate intensity support increased their employment in Gloucestershire by 125 FTEs. Businesses that received high intensity support increased their employment by 143 FTEs.

In line with the methodology described above, these estimates were discounted to account for deadweight and displacement. In this way, it was estimated that businesses receiving moderate intensity support experienced a net increase in their employment of 29 FTEs and those benefitting from high intensity support of 32 FTEs.

12.3.2 Impact on Turnover

The first step was to consider the level of turnover generated by businesses receiving high and moderate intensity support before and after they engaged with the Growth Hub and/or S&GE.

Turnover data tend to be more sensitive, which resulted in a proportion of businesses refusing to supply details. To address the missing data, their turnover was estimated by applying the appropriate sectoral turnover per job ratios to their reported employment levels. In this way, it was estimated that businesses receiving moderate intensity support experienced an increase of £11.5 million in their annual turnover. Similarly, those receiving high intensity support increased their annual turnover by £14.2 million.

These increases were then adjusted by the degree of additionality that the businesses attributed to the Growth Hub intervention, accounting for deadweight and displacement. In this way, it was estimated that the intervention from the Growth Hub resulted in a net change in annual turnover for businesses receiving high intensity support of £3.6 million and of £3.6 million for those receiving moderate intensity support.

12.3.3 GVA Impact

To estimate the Gross Value Added (GVA) supported by the Growth Hub and/or S&GE, it was first necessary to establish which sector the supported businesses operated in. It was then possible to apply to the net changes in turnover experienced by each business, the appropriate GVA per turnover ratio, as sourced from the UK Annual Business Survey⁹. In this way, it was estimated that both businesses receiving moderate intensity and high intensity support experienced an increase in their annual GVA of £1.3 million.

12.3.4 Summary of Economic Impact in the Sample

It was estimated that the interventions from the Growth Hub had the following impact on the businesses included in the sample:

- Moderate intensity support:
 - increase in employment of 29 FTE jobs;
 - increase in annual turnover of £3.6 million; and
 - increase in annual GVA of £1.3 million.
- High intensity support:
 - increase in employment of 32 FTE jobs;

⁹ Office for National Statistics (2020), UK Annual Business Survey 2018.

- increase in annual turnover of £3.6 million; and
- increase in annual GVA of £1.3 million.

Table 12.3: Sample Analysis: Economic Impact of GGH 2017-2021

	Gross Impact	Net Impact
Moderate Intensity Support		
Employment	125	29
Annual Turnover (£m)	11.5	3.6
Annual GVA (£m)	4.3	1.3
High Intensity Support		
Employment	143	32
Annual Turnover (£m)	14.2	3.6
Annual GVA (£m)	5.2	1.3

Source: BiGGAR Economics Analysis

12.4 Economic Impact from the Population, Phase 2

The net economic impacts from the sample were then used to estimate impacts at the population level. These were based on the population of support as shown in Table 12.4. Overall, during Phase 2 there were 1,798 high intensity support interventions and 1,538 moderate intensity support interventions delivered to businesses.

Table 12.4: Population and Sample by Programme

	Sample	Population
Moderate Intensity Support	118	1,538
High Intensity Support	282	1,798
Total	400	3,336

Source: ERD Claim Forms, 1st quarter 2020 (GRIP and GAINS) & 1st quarter 2021 (all other programmes).

To estimate impacts on employment, turnover and GVA, it was necessary to divide the impact experienced by the businesses in the sample by the number of those answering impact-related questions. This provided estimates of net employment per business supported, net turnover per business supported and net GVA per business supported at the sample level.

To estimate impacts at the population level, these ratios were then multiplied by the total number of cases of moderate and high intensity support at the population level. In this way, it was estimated that, during Phase 2, the Growth Hub's support programmes led to:

- 562 full-time equivalent jobs being created;
- £68.9 million annual turnover growth; and
- £25.1 million annual GVA growth.

These impacts were achieved through spending £8.0 million on the Growth Hub's support programmes over four and a quarter years. A breakdown of impacts by type of support received is provided in Table 12.5. Based on the funding received for Phase 2 to date, it is estimated that every £1 spent on delivering services through the Growth Hub, supported around £13 GVA in the wider economy. Every £14,200 in expenditure supported 1 FTE job.

Table 12.5 Economic Impact of the Gloucestershire Growth Hub, 2017-2021

	Moderate Intensity Support - Population
Employment	378
Annual Turnover (£m)	46.3
Annual GVA (£m)	17.0
	High Intensity Support - Population
Employment	183
Annual Turnover (£m)	22.5
Annual GVA (£m)	8.1
	Total Growth Hub Impact - Population
Employment	562
Annual Turnover (£m)	68.9
Annual GVA (£m)	25.1

Source: BiGGAR Economics Analysis. *Totals may not sum due to rounding.

To estimate the total economic impact associated with Phase 2, the annual impacts are scaled by the duration of the evaluation period which in this case is 4.25 years, from January 2017 to March 2021. The exception is job impacts which are calculated based on FTE jobs created. In this way, it was estimated that the economic impact of the Growth Hub during Phase 2 was:

- 562 FTE jobs;
- £292.5 million in turnover; and
- £106.8 million GVA.

13. Quantitative Impact 2014-21

This section considers the impact generated by the Growth Hub since its inception in 2014.

13.1 Economic Impact, Phase 1

13.1.1 Employment Impact

The economic impact of the Growth Hub between 2014 and 2016 was estimated based on BiGGAR Economics'¹⁰ evaluation of Phase 1. It found that businesses in the sample that received low intensity support experienced a gross change in employment of 110 FTEs, while those receiving high intensity support increased employment by 444 FTEs. These impacts came from 76 businesses across high and low intensity support recipients, that experienced a change in employment.

In line with the approach set out in the previous chapter, deadweight was applied based on respondents' answers and impacts were further discounted by 19.5% to account for displacement. In this way, the net increase in employment among the sample of businesses receiving low intensity support was 18 FTES and for those receiving high intensity support it was 98 FTEs.

To estimate the impact of the population of businesses assisted during Phase 1 and to account for the change in the service eligibility criteria between Phase 1 and Phase 2 as a result of ERDF funding, further analysis of the 7,934 interventions delivered during Phase 1 was carried out using the Growth Hub's CRM system. This showed that 1,766 low intensity support interventions were delivered that were comparable in length (3 hours) to the P13 support interventions delivered during Phase 2, and 905 high intensity support interventions were delivered which were also comparable (12 hours of support) to the high intensity support services delivered during Phase 2. Applying the ratios of impact from the Phase 1 sample to this number of interventions it was estimated that, during Phase 1, the Growth Hub had a total net impact on employment of 627 FTEs, including 179 FTEs from low intensity interventions and 448 FTEs from high intensity interventions.

13.1.2 Turnover Impact

A similar approach was followed to estimate the total turnover generated during Phase 1. Within the sample, there was a gross annual change of £4.0 million for businesses receiving low intensity support and £19.0 million for those receiving high intensity support.

Applying additionality and adjusting for displacement, the net change was estimated at £0.7 million for businesses that received low intensity support and £4.0 million for

¹⁰ BiGGAR Economics (2017), Evaluation of the Gloucestershire Growth Hub: Interim Evaluation

businesses that received high intensity support. Based on these totals, it was possible to estimate the net turnover impact per business in the sample.

Applying these ratios to the population of businesses receiving support during Phase 1, it was estimated that there was a total net increase in annual turnover of £35.3 million, of which £10.9 million came from businesses that received low intensity support and £24.4 million from those who received of high intensity support.

13.1.3 GVA Impact

The net turnover supported was the starting point to estimate the impact on GVA from the Growth Hub during Phase 1. Net turnover was multiplied by a weighted GVA per turnover ratio based on the number of businesses within the sample belonging to different economic sectors. In this way, it was estimated that during Phase 1 there was a total net annual increase in GVA of £15.9 million, of which £4.9 million GVA came from low intensity support interventions and £11.0 million GVA from high intensity support interventions.

13.1.4 Summary of Phase 1 Impact

The Growth Hub's annual impact during Phase 1 is summarised below.

Table 13.1 Economic Impact of the Gloucestershire Growth Hub, Phase 1

	Low Intensity - Population
Employment	179
Annual Turnover (£m)	10.9
GVA (£m)	4.9
	High Intensity - Population
Employment	448
Annual Turnover (£m)	24.4
Annual GVA (£m)	11.0
	Total Growth Hub Impact - Population
Employment	627
Annual Turnover (£m)	35.3
Annual GVA (£m)	15.9

Source: BiGGAR Economics Analysis

The total impact from Phase 1 over its three year duration from 2014 to 2016 is estimated at:

- 627 jobs
- £105.8 million in turnover; and
- £47.8 million GVA.

This level of economic impact was realised from a total investment in delivering Growth Hub services of £5.7 million over three years. On this basis, it is estimated that, during Phase 1 each £1 of funding, supported £8 GVA for Gloucestershire businesses. On average every £9,100 of funding received by the Growth Hub supported 1 FTE job.

13.2 The Economic Impact of the Hub since 2014

The criteria for businesses qualifying for support changed between Phase 1 and Phase 2 with the move from HEFCE to EU funding and comparison cannot be drawn directly between the two phases. In preparing this current assessment, data held by the Growth Hub has been analysed retrospectively to ensure that as far as possible, like for like cases are being counted for both Phase 1 and Phase 2 i.e. low intensity support is defined as a business receiving 3 hours of support (a P13 output in the ERDF Phase of the Growth Hub) and high intensity support is defined as a business receiving 12 hours of support (a C1 output in the ERDF phase of the Growth Hub).

The impacts explained above for Phase 1 and Phase 2 have been summed together and are presented below. Over a 7 year period from January 2014 to March 2021, the projects delivered by the Growth Hub are estimated to have supported 1,189 jobs, around £398 million additional business turnover and £155 million GVA for businesses in Gloucestershire.

Table 13.2 Economic Impact of the Gloucestershire Growth Hub, 2014 - 2021

	Phases 1 and 2
Employment Supported (jobs)	1,189
Turnover (£m)	398.3
Annual GVA (£m)	154.5

Source: BiGGAR Economics Analysis

14.

Wider Benefits

The Growth Hub has brought wider benefits to those involved in the finance and delivery of its services, improving connectivity between the partners and the local business community.

14.1 University of Gloucestershire

Traditionally, universities are better able to engage with big businesses, but across the country, 96% of businesses are SMEs and the ability to connect with this community can be more challenging for academic institutions. In Gloucestershire, the University's association with the Hub has brought about a step change in its business engagement activity with SMEs, helping to establish its name within the local Gloucestershire business community and connect with them in a way that was not previously possible. Through the Business School, the Hub's resources are being integrated more closely with the University and projects such as the threesixty consultancy project, where students work to live business briefs, demonstrate how the Hub can bring valuable learning opportunities to benefit students and businesses alike. The Business School also launched two new programmes in 2020/21, the BA Business Management (Enterprise and Innovation) and the MBA Global (Enterprise, Innovation and Design Thinking), based on material gathered from the Growth Hub and the S&GE programme.

The Growth Hub has supported the University to embed entrepreneurship in the curriculum and transformed its connection with the business community.

The GRIP and GAINS programmes especially brought opportunities to engage and opened doors with businesses on a scale that had not happened before at the University. Despite operational challenges in delivering these services, businesses who took part reported positive and lasting links with academics which benefitted their businesses. Some KTPs have been generated through these channels.

The University's students have benefitted greatly from the Growth Hub and S&GE programme and it has resulted in entrepreneurship becoming an embedded part of the curriculum for courses in the Business School especially, and also those where enterprise plays a strong role in future careers such as sports, recreation, creative industries and gaming.

The S&GE programme has been particularly active with student engagement and has supported 268 students and graduates from the University since it was set up in 2017. In the year following April 2020, students and graduates accounted for around 25% of S&GE clients. Twice during the academic year, the S&GE team gives presentations to groups of students offering an insight into what it means to be in business and to outline the considerations involved.

The University has around 9,000 students and 50% are from the local area and many want to stay in Gloucestershire when they graduate. A significant proportion of young undergraduates are from widening participation backgrounds (13.5% compared to an 11.9% average for all UK universities) where social capital can be an issue and confidence can be low. Exposure to local employer connections and entrepreneurship training can be especially valuable in this context. Over time it is hoped this approach will help to improve graduate employment outcomes, including self-employment.

Employers can access support from the student community and value their input around how to use social media, raising their digital profile and promoting sustainability. The experience is mutually beneficial giving students experiential learning opportunities and giving employers solutions to current issues. Your Future Plan is a university initiative which also draws on the resources of the Growth Hub and S&GE team to support employability skills for those about to graduate. For the current generation of students building a growth mindset and strengthening their abilities to problem solve, adapt and be resilient is a priority for the University.

The academic perception of the Growth Hub has changed over time as more and better relationships have been built with SMEs than otherwise would have happened. Some local SMEs have taken up courses at the University following links made through the Growth Hub, particularly MBAs, business courses and computing and postgraduate courses. The Senior Leaders' Degree Apprenticeship was very popular with Growth Hub clients, many of whom have gone on to the MBA programme.

The Growth Hub is a proud achievement for the University of Gloucestershire, enabling it to enhance its civic offering and connection with its region. The University won a Times Higher Education Leadership and Management Award (THELMA) in 2018 for the most Outstanding Employer Engagement Strategy for its work with the Growth Hub. It is ranked in 6th position in the UK for universities with the largest number of SME engagements in 2019/20¹¹.

14.2 GFirst LEP

The Growth Hub is a flagship project for GFirst LEP, through which it channels support for businesses in the County to scale up and grow. Its creation and the rollout of its network centres has been a major achievement. Work commissioned by

¹¹ HESA, Open Data, Business and Community Services by HE Provider

the LEP suggests it has achieved a 25% penetration rate into the business community¹².

The Growth Hub allows GFirst LEP to reach an audience of small business, listen to their needs and channel its resources to help them scale up.

Historically, LEPs have a more natural connection with medium and larger businesses and the Growth Hub has extended its offering to the small business community on a scale that didn't previously happen. The value of the Hub was highlighted during the pandemic when businesses sought out its services to adapt and survive in the changed environment. It became a vital information channel for the LEP to gather and understand the concerns of the business community and feed them back to central government departments which in turn helped to inform the support policy at a national level. Through the Growth Hub, the LEP also has additional capacity to fulfil national policy objectives such as delivering Countywide Scale Up activity which is a core theme in BEIS. This includes:

- delivering mentoring support in key areas such as sustainability, digital implementation, change management;
- coordinating services with other key LEP projects e.g. Inward Investment;
- working with partners to seek additional sources of funding for new products and services.

It offers a tool for delivering on aspects of the industrial policy and on the strategic economic plan (SEP) for the region around themes such as cyber security, technology, advanced manufacturing and energy. The LEP also draws on its wider connections with the public and private sector to share knowledge and expertise with the Growth Hub team.

The Growth Hub and S&GE projects will continue to be a key channel for GFirst LEP to support the County in its economic recovery and is a strategic partner for delivering the recently published Recovery Plan to 'reimagine and restart' Gloucestershire. The Hub network also help to extend the LEP's reach to more businesses and have a physical presence across the County.

14.3 Benefits for Network Hub Partners

The two longer established network partners in Cirencester and Tewkesbury also report benefits to their organisations from delivering a hub service.

¹² Growth Hub Evaluation Report, EBS Consulting, June 2020

14.3.1 Cirencester

The Cirencester Growth Hub became operational in 2018 and was the first of the five planned Hubs to open outside of Gloucester. It is based at the Royal Agricultural University in a new, purpose-built facility which it shares with Farm 491, an incubator facility for agritech businesses. It employs two full-time equivalent navigators and is the only Hub in Gloucestershire to operate on a membership model with the aim of being self-financing for revenue costs. In June 2021 it had around 35 members and from this group, around 60 people would consider the Cirencester Hub to be their office. Demand for the co-workspace has been strong. Members come from all sectors (apart from agritech) including consultancy, designers, legal professionals, charities and cyber security. Most enquires relate to access to funding.

Having a Growth Hub at the RAU gives them a vital link with the local business community, creating a stronger community support network through the facilities it provides and the services it offers as well as increasing its visibility for local businesses. It also adds to the student experience at the RAU, offering ready-made business space and a facility in which to engage with the business community.

14.3.2 Tewkesbury

The Tewkesbury Growth Hub is located in Tewkesbury Borough Council's offices in the centre of the town. It opened in November 2018 and offers co-working space, incubator units and has meeting space which can be rented by businesses. It has one business navigator and provides business to business support and advice.

ONS figures reported that Tewkesbury Borough was the fastest growing local authority outside London in 2019. Around 30% of Gloucestershire's housing growth up to 2031 is expected to be in the area and employment is expected to grow by between 8,000 and 10,000 jobs. The borough is home to major aerospace companies and around 23% of its employment is in manufacturing.

The Tewkesbury Growth Hub offers a front door for the Council and gives it a more accessible interface for the business community which facilitates greater understanding of each party's needs on both sides. They deliver services to the business community in response to their needs. The Hub's physical space and in-person support is an important part of the offering at Tewkesbury and was curtailed out of necessity by the pandemic. Other than help with digital adaptation, most businesses approach the Tewkesbury Hub looking for support with marketing, social media and branding, and general support for business growth.

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15. Conclusions

The Growth Hub is tasked with a broad range of objectives and has made progress towards many. It brings added value for small businesses and is a proud achievement for its partners and funders.

Since 2017, the Growth Hub has expanded its offering and delivered business support and advice services costing £8.0 million, of which 54% has come from EU funds. By early 2021 its services consisted of the Core Growth Hub and the Start and Grow Enterprise programme, both of which will run until the end of 2022/ early 2023. During Phase 2, the Growth Hub's support programmes led to an estimated:

- **562 full-time equivalent jobs** being created in Gloucestershire;
- **£293 million additional turnover** for businesses in Gloucestershire; and
- **£107 million GVA** for businesses in Gloucestershire.

Since its inception in 2014, the Growth Hub's services are estimated to have supported the creation of 1,189 jobs, £398 million business turnover and £155 million GVA for businesses in Gloucestershire.

The rationale for the Growth Hub has remained valid over time. There is an on-going need for the support it provides within the ever-changing business environment and its value was particularly evident during the pandemic when it became a vital resource which helped businesses to adapt and survive. Its role in supporting businesses and its connections with the public sector, the private sector and the education sector means it can channel its advice to best effect.

The original targets set for most Growth Hub programmes were over ambitious and some were later revised. Progress against the revised targets is strong, however the job creation target is a challenge for most programmes, ever more so given the impact of the pandemic on the business community. It may also be unrealistic to expect a directly attributable link between a 3hr or 12 hr support service and employment growth, especially for a service where businesses can be signposted to other support providers, and where most who are looking for support are pre-start, micro and small businesses.

Although the Growth Hub has met significant delivery challenges, particularly at the outset in 2017, it has managed them well, redesigning services to deliver as much benefit as possible for Gloucestershire businesses. The pandemic was an even greater challenge and, again, it adapted its offering in response to continue to support the business community in the best way possible, to successful effect.

15.1 Achievement of Objectives

Many objectives have been set for the Growth Hub's programmes by its funders and it is making progress towards each one. Some, however, are on a level that is overly ambitious for a support intervention on this scale.

15.1.1 Growing GVA

Feedback from the survey suggests the GVA growth supported by the Hub's programmes is around £25 million each year which is equal to £107 million from the beginning of Phase 2 in January 2017 up to Q1, 2021. Further GVA impacts were realised during Phase 1. The recent survey of 400 businesses suggests that growing the business is a key motivation for contacting the Hub, and it is positively regarded as a place to access the support that allows this to happen:

- 90% of those who used the Business Guide service felt they were recommended a course of action that would help their business grow long-term;
- 48% of those using the S&GE service felt it helped them to grow within the region;
- 45% of those who took part in the GRIP programme felt they grew within the region and developed links with the research sector as a result; and
- 63% of those who took part in the GAINS programme felt they grew within the region as well as enhanced their competitiveness as a result of taking part.

Overall, 47% of those who received high intensity support from the Growth Hub's programmes reported improved efficiency, 40% reported improved profitability, 38% reported improved products and services, 36% reported an increased ability to innovate, 34% reduced their operating costs and 30% enhanced their digital capabilities. Of those who received moderate intensity support, 42% reported increased efficiency, 38% reported improved profitability, 30% reported reduced costs and 25% reported an improved quality of product or service. All of these aspects contribute towards GVA growth.

In 2019 there were 30,600 active businesses across the County. Between 2017 and 2021, the Growth Hub formally engaged with around 3,000 businesses (C1 and P13 outputs) to deliver 3 hour and 12 hour support services. Different eligibility criteria applied during Phase 1 when the service was funded by HEFCE, however, it is estimated that around 2,670 businesses were supported with a comparable level of service (3 hours and 12 hours of support) during this time. There will be some overlap between those supported during Phase 1 and Phase 2, however, at the very most, the combined total represents around 18% of the active business base in Gloucestershire that will have received low, medium or high intensity support services from the Growth Hub during the last 7 years. A further group of businesses will have benefitted from lighter touch interventions of less than 3 hours of support. On this scale it could not be expected to generate a substantial impact on the high level economic indicator for regional productivity.

In addition, the majority of businesses who use the Growth Hub and Start and Grow Enterprise are small and micro businesses: of the sample of 400 businesses

interviewed, 88% reported they had five or fewer employees and 73% reported a turnover of £100,000 or less. Around 95% of businesses that engage with the Hub had 10 or fewer employees and 94% had an annual turnover of £1 million or less. Therefore given its reach and the business community who engages with the Hub, it would be unreasonable to expect high levels of GVA growth from the services delivered.

The businesses that engage with the Growth Hub consistently report a very positive experience, however the evidence that this translates into increased turnover and employment is more complex. Based on survey feedback, 38% of those supported experienced a growth in turnover after their contact with the Hub and 17% reported an increase in employment. For most businesses, part of this change was due to the support they received. Therefore it can be concluded that the Hub is supporting the growth ambitions of the business it engages with and in some cases this results in an increase in turnover and, to a lesser extent, employment. In addition, many more businesses will have safeguarded their turnover and employment as a result of the support they received, especially during the pandemic, however this is not currently recorded.

15.1.2 Supporting high-growth SMEs

The programmes have invested time in developing a careful screening process to ensure they are reaching businesses with high growth potential and a high growth mindset. The content of the programmes, especially the more intensive support services, has been appropriately designed to develop the skills that lead businesses towards the path to high growth. However, the majority of businesses that engage with the programme are pre-start, micro and small businesses for whom high growth might be defined in terms of £000s of increased turnover and single figure job growth. Therefore while the design of the support is highly appropriate, its impact will be determined by the scale and nature of the businesses who chose to engage.

15.1.3 Roll-out of service County-wide

Progress with the roll-out of the five further Hubs has been slower than originally planned. Two Hubs (Cirencester and Tewkesbury) were established in 2018 and a further Hub was opened in Stroud in March 2020 just two weeks before the Covid-19 pandemic required a lock-down and a shift to home working. The Cheltenham Hub launched online in March 2021 and the Forest of Dean opened its physical facilities in July 2021. The longer established partners (UoG, RAU, Tewkesbury) all report positive benefits though involvement in delivering the Hub, however, due to the delayed roll-out it will take a longer time to evidence the full benefits of the County-wide delivery of the service.

15.1.4 Scaling-up businesses

The Hub's offering greatly expanded between 2017 and 2019 in particular, with the introduction of the GRIP and GAINS projects which were designed to support scaling up through knowledge exchange, innovation and leadership. While the GRIP and GAINS projects were challenging to deliver, businesses reported a positive experience and new scale up behaviour as a result of taking part. The Growth Hub's core activities are also aimed at scaling up businesses and the Start and Grow

Enterprise project offers this advice to pre-start and early stage businesses. The majority of businesses that engaged with the Growth Hub's programmes have reported scaled up activity as a result and this evidence is described in sections 5.7, 6.7, 7.7 and 8.7. A wider issue is the number of businesses with a scale up mindset. Around 14% of the 400 businesses surveyed reported their main reason for approaching the Hub was for advice on introducing a new product or service and 11% reported it was to collaborate with the University. This suggests a purposeful approach to scaling up rather than the more general reason given which was to support growth through marketing, management and funding advice. Therefore an ongoing challenge for the Growth Hub network is to develop mindsets which lead to more businesses being motivated to scale up.

15.1.5 Boosting business survival rates and supporting entrepreneurship

For several years, the three-year business survival rate in Gloucestershire has been higher than the rate for both the South West and for the UK as a whole, although the business survival rate has fallen in all three areas since 2014. However, the decrease in Gloucestershire has been much less than in the wider South West region and in the UK as a whole. In 2019, the three-year business survival rate in Gloucestershire was 61%, compared to 49% in the South West and 52% in the UK as a whole. This is a significant gap and reflects positively on the Gloucestershire business community and potentially the work of the Growth Hub. It is short of the 70% target set by GFirst LEP in the SEP which may now be over-ambitious given the impact of the pandemic and the wider national performance on this indicator.

It is estimated that there were 3,200 start-ups across Gloucestershire in 2019 and in general the number of annual start-ups has been higher in the County since the Growth Hub was established in 2013. Across all programmes, the Growth Hub has supported around 269 new starts since 2017 (the C5 target – number of new enterprises supported) which is relatively small compared to the number of new start businesses recorded at the County level. However, those that engage with the Hub's programmes report that it helps them to start up with more confidence than would otherwise be the case. Therefore, while the penetration rate into the business start-up community is relatively modest, it is encouraging more confidence among new start business owners which benefits their businesses in the long-run.

S&GE's monitoring data suggests it is achieving further objectives of supporting those in under-represented groups to set up in business. Of all people who engage with the S&GE project, 61% identify as female; 19% are aged 18-24 (young people); 47% are aged 40+ (career changers); 8% report a disability; and 14% report a non-white ethnicity. The support delivered to students and young people could also encourage more to stay in the County, helping to addressing concerns around out-migration in this age group.

15.1.6 Increased participation of students

The Start and Grow Enterprise programme has taken an active role in engaging with students at the University of Gloucestershire. It has embedded entrepreneurship within the business school's programmes and for those where a solo career path is more common such as the creative industries, gaming and sport and exercise. The

S&GE programme has supported 268 students and graduates from the University since it was set up in 2017 and in the year following April 2020, students and graduates accounted for around 25% of S&GE clients. In addition there is an active strategy of engaging students in live business challenges with support from the Growth Hub through projects such as the threesixty consultancy project. All of this activity is directly supporting graduate employability and resilience.

15.1.7 Business simplification

The Growth Hub is an intermediary service which is deeply connected to the business support landscape: it listens to business needs and it guides them through the most appropriate course of support. From the sample of 400 businesses who had engaged with the Hub since 2017, 78% reported that it performed “extremely well” or “quite well” in simplifying the business support landscape (see 11.7). Therefore it is making a very strong contribution towards achieving this objective.

15.1.8 Export growth

Just 5% of the 400 businesses surveyed reported seeking advice about “selling products or services overseas” as their main reason for engaging with the Hub (see 11.3). Between 2013 and 2020, exports from England fell by 27% while exports from the South West fell by 21%. Most of the decrease took place after 2019 following the UK’s decision to leave the EU which has changed the environment for exporters. However, a small but important group of respondents report additional capacity to sell overseas as a result of their engagement with the Hub. Therefore the Hub is supporting the export ambitions for those who seek it.

15.2 Benefits for Businesses

Feedback on the Growth Hub from business users has been consistently positive. It is a place they turn to for advice on a host of issues, mainly related to how to market, promote, manage and grow their business. Following support from the Growth Hub, 38% of businesses reported an increase in turnover and 17% reported an increase in employment and the majority considered that some part of this is due to support they received. The key benefits it delivers for businesses are:

- support to any business in any sector that can demonstrate an ambition, capacity and capability to grow;
- a free and impartial source of advice from professional, credible guides with practical experience;
- a connection to the wider business support landscape;
- a large range of workshops and events to support growth;
- access to a huge amount of information on starting-up and growing businesses;
- a personalised support programme tailored to the needs identified by the business themselves: not a standard programme for all; and
- a physical resource and focus for local small business communities.

15.3 Benefits for Key Funders and Partners

The Growth Hub plays a strong, central role in supporting the LEP's ambitions for economic development in Gloucestershire. For the University of Gloucestershire, it supports its ambitions for promoting knowledge exchange and business engagement. It has enabled both organisations to reach beyond their traditional audience and engage with the small business community in a way that would not be possible on the same scale otherwise and both organisations consider it to be a proud achievement. The Hubs in Cirencester and Tewkesbury also report positive benefits to their organisations from delivering the service in these areas.

It takes time to establish credibility in a service, especially one that is free and publicly funded and the Growth Hub has now reached this point. Momentum could be lost if there is a gap in funding between the current phase which ends in 2022 and the next stage. Therefore all future funding options should be investigated as a matter of priority for the Growth Hub.

16. Consultees

The following people were interviewed when compiling this evaluation:

Name	Role & Organisation
Alex Cottrell	Gloucester Growth Hub Manager
Sarah Danson	Director of Strategic Growth, GFirst LEP
Charles Dodwell	Project Manager, Start and Grow Enterprise
Kate Hall	Commercial Contracts Manager, University of Gloucestershire
Mark Hawthorne	Leader, Gloucestershire County Council
Stephen Marston	Vice Chancellor, University of Gloucestershire
Jessica MacDonald	Start-up, Student Enterprise and University Incubation Coordinator, Start and Grow Enterprise
Yesim Nicholson	Cirencester Growth Hub Manager
David Owen	CEO, GFirst LEP
Dominic Page	Head of Business School, University of Gloucestershire
Polly Pick	Director of Business Engagement and Partnerships, University of Gloucestershire
Katie Power	Tewkesbury Growth Hub Manager
Diane Savory	Former Chair, GFirst LEP (2011-2021)
Gemma Tandy	Head of Employability and Work Based Learning, University of Gloucestershire

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