

THE SHEFFIELD CITY REGION GROWTH HUB EVALUATION



OUTPUT TARGETS AND ACHIEVEMENTS



The Growth Hub Jobs/Businesses Supported Targets

SCR Growth Hub output targets (Total)

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

Source: SCR Growth Hub FBC, 2016

Notes:

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

The Growth Hub Jobs/Supported Achieved

SCR Growth Hub output targets (Total)

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

Source: SCR Growth Hub FBC, 2016

⊕ Growth Hub performance (to date) against output targets

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

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

Notes:

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

²Jobs created target assumed to be a gross target



Jobs/Supported Achieved Narrative

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

The Growth Hub GVA/Referrals Targets

SCR Growth Hub outcomes targets (Total – to 2021)

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

Source: SCR Growth Hub FBC, 2016

Notes:

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

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

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

Source: SCR Growth Hub FBC, 2016

The Growth Hub GVA/Referrals Achieved

SCR Growth Hub outcomes targets (Total – to 2021)

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

Source: SCR Growth Hub FBC, 2016

Growth Hub performance (to date) against outcome targets

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

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

Notes:

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

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

³Gross figure

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

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



GVA/Referrals Achieved Narrative

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

BEIS Metric Targets and Performance

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

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

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

Notes:

¹Cumulative total (since launch of Growth Hub)

²Excluding website traffic

- The Growth Hub has significantly exceeded – light touch (+31.5%), medium intensity (+155.8%) and high intensity (+167%) – its selected BEIS outcome targets to date; with c22 months of its current funding round remaining



BEIS Metric Targets and Performance

- Consultation has indicated that in BEIS' view the SCR Growth Hub is one of the top performing Growth Hubs in England based on its performance and general operation. Evidence identified by the evaluation to support this includes:
 - Results from a comparative ranking exercise undertaken by BEIS – based on factors such as delivery model, quality of provision, outcome performance - which BEIS stated ranked the Growth Hub as being in the 'upper quartile of the top quarter' of Growth Hubs nationally.
 - BEIS' use of the Growth Hub's CRM as a good practice exemplar for other Growth Hubs to replicate in terms of how best to best capture and report business information and impact insights
 - BEIS' invitation to SCR Growth Hub's management team to join a working group to develop a national evaluation framework for Growth Hub performance

QUANTITATIVE OUTPUTS OVERVIEW



Growth Hub Quantitative Overview

Businesses engaged by the Growth Hub by size (FTE | Employee number)

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

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

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

- None of the other Growth Hub evaluations considered as part of this study (see Section 6) recorded outputs by employee size, therefore comparative assessment with other Growth Hubs is not possible

Growth Hub Quantitative Overview

Businesses engaged by Growth Hub compared to SCR enterprise numbers

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

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

Notes: ¹Excluding 'unknowns'

Growth Hub Quantitative Overview

% of businesses engaged by local authority compared to overall population

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

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

Notes: ¹Excluding 'Other'

- Split of Support measured across Local Authority Areas - (Barnsley, Doncaster and Rotherham above average – with Derbyshire Dales under represented with 4.8% less than the average)

Growth Hub Quantitative Overview

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

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

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

Notes:

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

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

Growth Hub Quantitative Overview

No of jobs by support intensity

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

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

Notes:

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

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

Growth Hub Quantitative Overview

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

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

Source: SCR Growth Hub, 2019

Growth Hub Quantitative Overview

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

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

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

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

QUALITATIVE OUTPUTS OVERVIEW



Growth Hub Qualitative Overview

Business impacts:

The evaluators also identified that the Growth Hub has delivered a range of softer/wider benefits to businesses, these are said to include;

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

Wider points articulated:

- Growth Hub's role as a single-entry point for business support now widely understood.
- Growth Hub has delivered increased quality and volume of referrals – in particular 'net new' businesses.
- Increased role of the Growth Hub as a referrer into external programmes.
- There are however still mixed views on whether the entire remit of the GH is fully understood and is stated that there are still areas of duplication across the region.



Growth Hub Qualitative Overview

Value for Money:

Based on its expenditure to date of £4.4m, the current Growth Hub net cost per job figure is £3,928. Whilst this figure would appear to compare extremely favourably with the generally recognised ERDF median figure of £26,000 gross cost per job, Carney Green have urged caution around this 'cost per job' number as the calculation only takes partial account of the funding costs for the LGF and non-LGF funded programmes that the Growth Hub has referred businesses into.

Detail on the biggest impact:

Whilst the Growth Hub's impact has been relatively evenly spread across the SCR in terms of geography and company size, the data shows the greatest impacts have occurred during the delivery of 'high intensity' support and when working with its largest companies in employee number terms.

EVALUATION RECOMMENDATIONS





Growth Hub Evaluation Recommendations

Carney Green have made a number of improvement recommendations based on the resulting report, Essentially these include:

- To continually review data collection and efficacy to ensure it is collected at the right point in time and is able to add value where required;
- Ensure clarity over future purpose and remit of the Growth Hub and communicate this effectively;
- Ensure the Growth Hub is fully embedded within the SCR bringing it closer to the rest of the organisation, confirming the Growth Hub as the LEP's primary vehicle for business growth;
- Increase the volume of internal communication, focussing on impacts and achievements;
- Reflect on and pursue a collaborative culture both within the organisation (SCR) and externally;
- Maximise the Growth Hub's in-house business intelligence continuing to inform policy and present an informed business voice for the region;
- Build on the ability to commission tailored business support products and services;

THANKYOU...

