



---

# D2N2 Growth Hub – Summative Assessment

Project Board

1 March 2019

---



**European Union**

European Regional  
Development Fund

# 1. Background

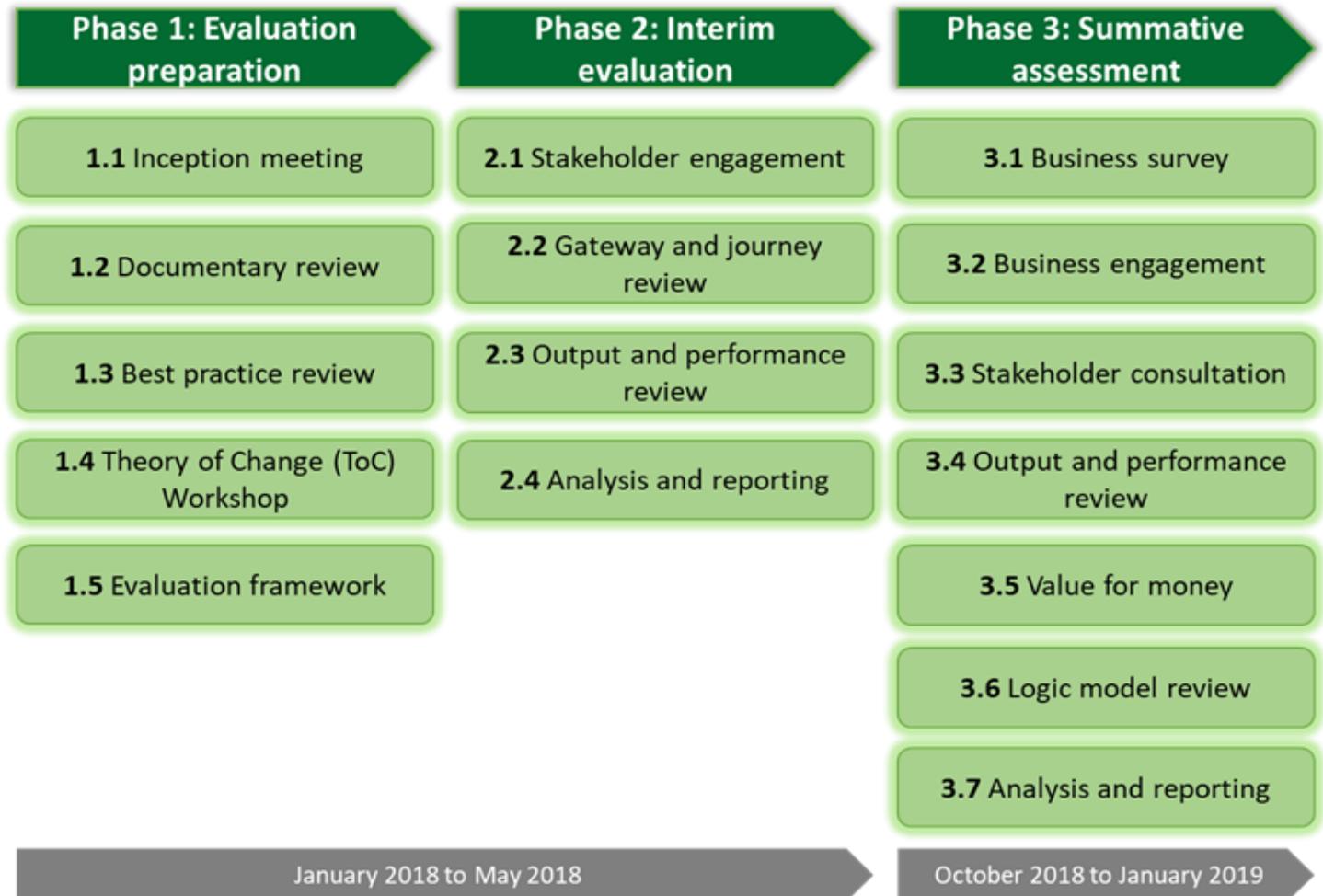
---

- Summative assessment required as part of ERDF funding
- Specific to the D2N2 Growth Hub ERDF project (not wider Growth Hub activities)
- Follows specific government (MHCLG) guidelines regarding report focus and structure:

- Context and rationale
- Progress
- Delivery and management
- Outcomes and impact
- Value for money
- Lessons learnt

# 2. Approach

- Two outputs: 1) Interim evaluation (May 2018); 2) Summative assessment (Jan 2019)



# 3. Project context

---

- D2N2 Growth Hub ERDF Project was grounded within a sound policy context:
  - Government creation of Growth Hubs
  - Response to perceived market failure regarding access to business support – and need for improved coordination and simplification following closure of RDAs and Business Links
  - D2N2 SEP also highlighted need to establish a business support system responsive to the specific needs of businesses in the area
- ERDF Project therefore provided further resource to the recently created Growth Hub
- Project objectives aligned to core Growth Hub roles and associated market failure: awareness raising; advice and referral; coordination and partnership; and intelligence gathering and interpretation

## 4. Project progress

---

- Data at mid-January 2019 demonstrated the following projected performance:

Indicator	Targets	Projected performance at project closure (31 March 2019)	
	Adjusted (via PCR)	Number	% of lifetime PCR target
C1 (12-hour assists)	472	444	94%
C5 (new enterprises supported)	64	40	62.5%
C8 (jobs created)	240	218.5	91%
P13 (3-hour assists)	2,505	2,512	100%
ERDF expenditure	£2,533,815	£2,478,002	98%

# 4. Project progress

---

- Project expected to achieve, or fall within 10% of, 5 out of 6 contracted targets
- Reflects significant improvement from interim evaluation stage, linked to:
  - Increased focus by partners upon C1 outputs rather than P13 outputs
  - Greater awareness of, and focus upon, contracted targets
  - Increased use of project pipelines to target relevant businesses
- These improvements followed a series of issues identified at interim stage and partly addressed by a Project Change Request (PCR), namely:
  - Significantly delayed project start
  - Unrealistic project targets (particularly P13s)
  - Lack of initial focus upon identifying job outputs
- The Project engaged with 6,860 businesses since commencement – against its ‘awareness raising’ objective of engaging 6,000 businesses

# 5. Project delivery and management

---

- Positive that Project Board incorporated wide range of partners – however, its focus sometimes overlapped with the performance management role of the Executive Group (feedback indicates this has improved since interim stage)
- Executive Group provided detailed review of performance and sought to address issues as they arose – an effective function of the Project
- The overall project management was effective, particularly given large partner numbers and associated complexity – the Project enabled additional resource and drive for the Growth Hub
- Rigorous project administration but need for greater clarity and consistency from the outset – primarily due to delayed clarification at national level and effects of delayed start

# 5. Project delivery and management

---

- Support was well received by businesses:
  - 59% of (84) businesses consulted said their expectations were completely met; a further 32% said they were partly met
  - 52% said support received was ‘very high quality’; a further 37% said it was ‘reasonably high quality’
- A key benefit was the initial period of face-to-face engagement with a Business Adviser to fully understand the business and identify specific support requirements; this enabled an informed plan to assist the business

*“I felt as if I were getting personal support tailored to my needs...my contact with the staff, I would say, was second to none.”*

# 5. Project delivery and management

---

- The Enhanced Local Services Provision represented a positive addition to the Project, enabling local authority partners to build on their existing expertise to deliver locally-tailored support where appropriate
- Whilst delivery mechanisms generally ran smoothly, the presence of ‘internal’ targets for each partner organisation did create challenges - e.g. ‘broken’ journeys whereby a business accessed an initial 3-hours support from one partner and were then referred to a different partner if they required additional support (in some cases this ‘handover’ was not particularly smooth)
- Some Enhanced Local Services Providers also referred to a lack of referrals from the Growth Hub, although this was not a major issue for most – the majority used their own networks and engagement mechanisms

# 6. Project outcomes and impact

---

- Consultation with 84 business beneficiaries identified the following two key outcomes from support received:
  - Enhanced knowledge levels (including business-related knowledge and knowledge of available business support)
  - Greater likelihood of accessing business support in the future
- These aligned closely with the Project's initial objectives, and particularly reflected its 'enabling' role with regard to growth
- Businesses also reported economic impacts, with the online survey showing that:
  - 21% had created at least one job (34% expected to create a job over the next year)
  - 34% had already safeguarded a job (23% expected to over the next year)
  - 46% had already increased their turnover (54% expected to over the next year)

## 6. Project outcomes and impact

---

- Six core impacts referred to by businesses from support received:

**Clear diagnosis of issues & enhanced understanding of their business**

**Awareness of, & guidance to access (more rapidly), business support**

**Increased knowledge and skills (aligned to growth)**

**Development of longer term support relationships (with Advisers)**

**Catalysing change & enabling growth**

**Enabling networking & collaboration with other businesses**

# 7. Project value for money

---

- Project is forecast to achieve similar cost per assist (C1) and cost per job (C8) figures as profiled at its outset
- The cost per 3-hour (P13) assist is expected to be lower than profiled (due to overperformance)
- When comparing the Project's cost per output figures with established literature related to the ERDF 2014-2020 (see overleaf) it is evident that:
  - The Project's C1 cost per output of £5,581 is close to the median level provided in the literature (and is considerably more positive when considering the significant number of P13s that the Project provided)
  - The Project's unit cost of £11,341 per job is considerably lower than that within the literature; this is especially positive when considering the relatively indirect role of the Growth Hub when supporting some businesses (i.e. IDB provision)

# 7. Project value for money

---

- Project unit costs per output (all expenditure) versus suggested unit costs based on literature review of the 2014-2020 ERDF programme:

Output type	Suggested unit cost (2014-2020 programme)	D2N2 Growth Hub ERDF Project unit costs
C1 (business assists)	£11,258* / £4,053**	£5,581
C8 (jobs created)	£26,000	£11,341

\* *Relates to 'intensive' support*

\*\* *Relates to 'less intensive' support*

# 8. Lessons learnt – for D2N2 Growth Hub

---

- Greater clarity for businesses regarding geographical coverage of different Business Advisers
- Continue to develop and utilise (consistently) the Growth Hub CRM to support effective information gathering and ensure support can be targeted on business need
- Potential for a shared database/portal across D2N2 business support providers to increase the effectiveness of intelligence gathered across the region
- Continuing recent developments, the D2N2 Board to be the strategic driver of the Growth Hub, with appropriate representation from partner organisations and private sector representatives
- Potential to further reduce and simplify the range of business support products available in the D2N2 region

# 8. Lessons learnt – for delivering interventions

---

- Importance of projects commencing on time cannot be understated – benefits include:
  - Targets (outputs and expenditure) are more realistic and achievable
  - Effective development and (consistent) implementation of processes, systems and guidance
  - More effective development of internal project partnership working
- Requirement for a planned focus upon achieving contracted targets from the outset of interventions; for example through regular use of client pipelines
- Interventions should consider the extent to which each delivery partner is given individual output targets; a ‘whole’ project approach should be encouraged

## 8. Lessons learnt – for policy makers

---

- Projects and their partners require absolute clarity regarding compliance and associated guidelines several months in advance of commencement
- Business support provision should:
  - Increasingly target specific groups of businesses through market segmentation, particularly to support increased productivity and high growth
  - Retain an ‘open to all’ information and brokerage service at the same time as incorporating the more targeted provision referred to above



[www.carneygreen.com](http://www.carneygreen.com)