



**LLEP Business Gateway Growth Hub Board**  
**Wednesday 2<sup>nd</sup> March 2022 14.00 – 16.00**  
**TEAMS meeting**

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**AGENDA**

<b>TIME</b>		<b>ITEM</b>	<b>REPORT</b>	<b>DECISION / INFORMATION</b>	<b>LEAD</b>
14.00	1.	Welcome, Introductions and Apologies	Verbal	Information	Chair
14.05	2.	Declarations of Interest	Verbal	Information	All
14.10	3.	Minutes and Actions of previous meeting	Paper A	Decision	All
14.15	4.	Growth Hub Update	Paper B	Discussion	Rachel York
14.30	5.	Longitudinal Survey	Paper C	Information	Rachel York
14.45	6.	Innovation Update	Verbal	Information	Sue Tilley
14.55	7.	Partner updates	Verbal	Information	All
15.10	8.	Any other business	Verbal	Information	All

Future meeting dates:

1<sup>st</sup> June 2022

31 August 2022

30 November 2022



# Paper B



## Business Gateway Growth Hub Update

### Business Board

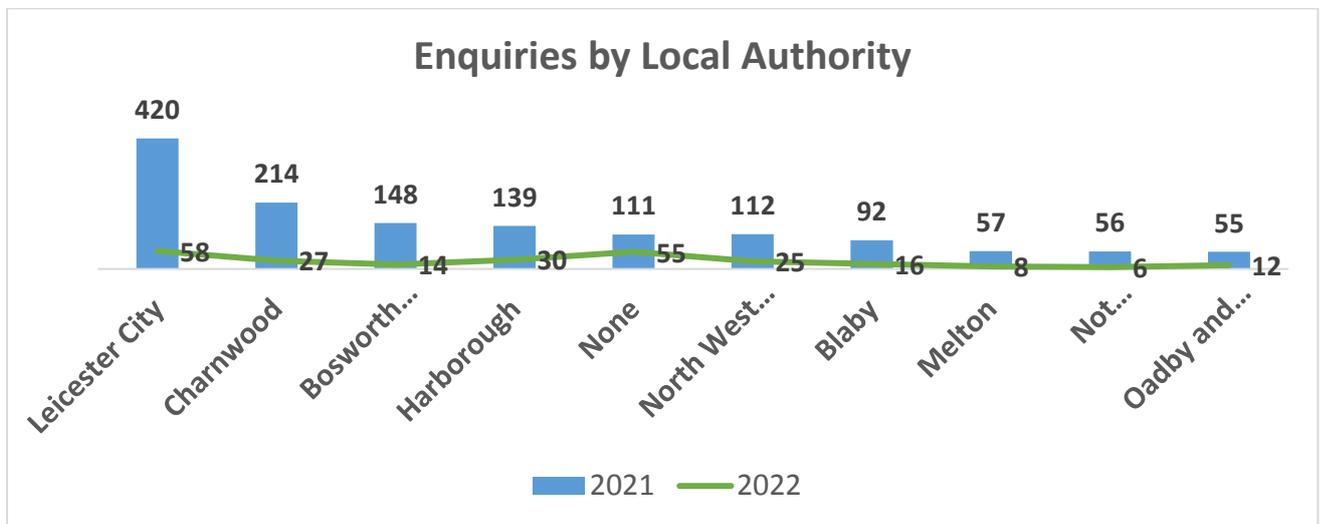
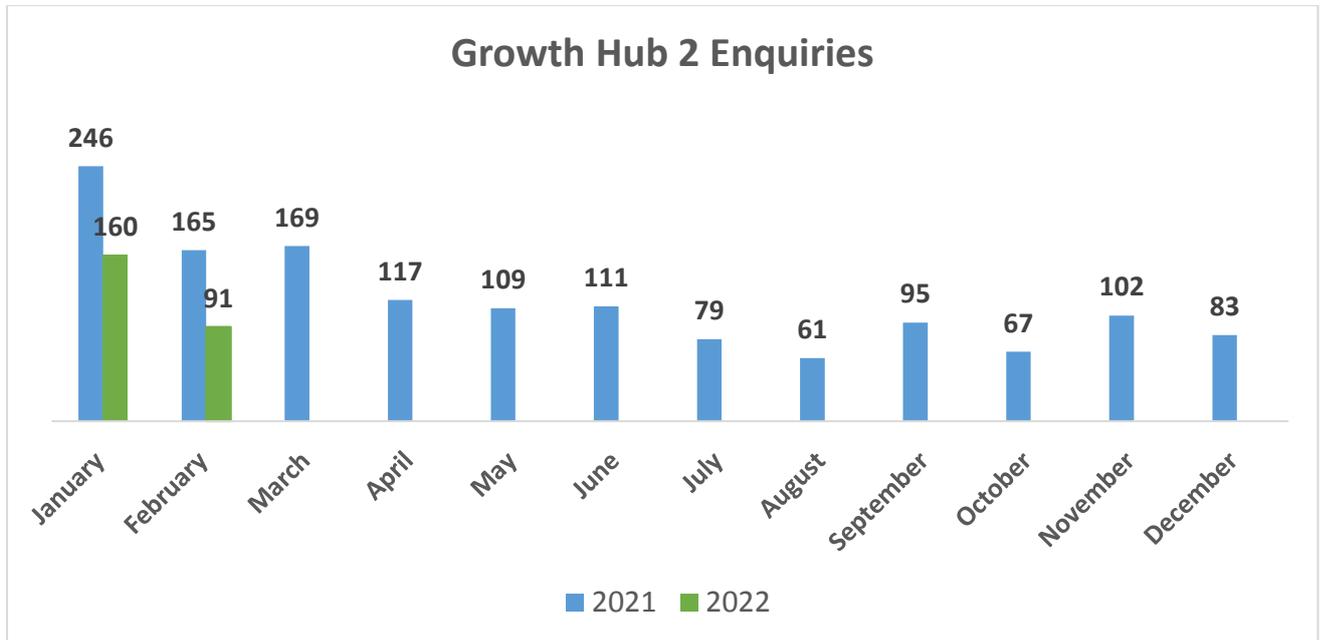
#### **Growth Hub Update**

- Growth Hub team are working with LLEP Zellar project to start working with new businesses that have come to us via the project, and we are planning a series of low carbon/net zero support programmes to align with this work.
- This ties in with the recent Carbon Literacy training that our Business Advisers have undertaken, giving them a certification in this topic.
- The Peer Network programmes has been an overwhelming success in Leicestershire, and despite BEIS not continuing this programme the Growth Hub plans to launch our own entry level version, and an advanced version to keep this momentum.
- On 9 March we are holding a celebratory alumni event for everyone that has been part of Peer Networks, including a motivational speaker and networking.
- The Start Up programme (SUBs) has also been successful, supporting 172 businesses (initial plans were for 150 businesses) and 33 of these businesses have also been awarded ARG grants by the relevant District council.
- Advanced Manufacturing supported a full cohort of 10 businesses, and we look forward to the final report to better assess how we can keep supporting the manufacturing industry.
- The Fashion and Textiles programme also ends soon, and again we are investigating how we can continue support for this industry and build on the CRF project being run by Leicester City Council.
- Final programmes for this funding year are now running; Pre-start support, Women in Leadership, Textiles digital workshop and piloting consultancy/121 support for a more bespoke and reactive offer for businesses.

#### **Planning for 1 April**

- Growth Hub team are putting together a variety of plans ready for when funding is announced:
  - Wider variety of consultants available for 121 support
  - Support for 'purple pound' and disabled business owners
  - Peer Networks entry level and advanced; less restrictive criteria to widen participation

## Growth Hub Data



## I want support with:





# Paper C



## **Longitudinal Survey – Business Gateway Growth Hub** **Summary**

### **Background**

Focus Consultants were appointed by the LLEP to establish the impact of the Gateway to date, and how the difference made to the business community. This report builds on the previous one undertaken in 2019.

Focus Consultants spoke with a range of stakeholders, both internal and external, along with companies the Gateway has supported to produce case studies for the report.

### **Outcomes**

The pandemic emphasised the value of the Gateway in the local community, and allowed us to reach businesses we hadn't before, particularly in the hospitality and manufacturing sectors. Since the pandemic businesses are also choosing to come back to the Gateway for support more often than before, which is interesting.

The penetration rate in the LLEP area increased from 2.6% in 2019, to 11.8% in 2021, along with an increase in website visitors of 103%.

More than half the businesses said their experience was 'excellent' and more than 80% would recommend us.

The survey noted that the programme would benefit from match funding ERDF and BEIS funding to maximise outputs, and these plans are already in place to deliver from April 2022. This should also help with gaining Business Adviser referrals for programmes, which was a downfall noted within the outcomes, although as a Gateway we do encourage delivery providers to take part in recruitment as a way of increasing new businesses to our doors.

Where issues have been identified by various stakeholders, it has been acknowledged that many of the changes are already underway, and the wider community see the benefit in these changes.



## Leicester & Leicestershire Enterprise Partnership

### Business Gateway Evaluation



January 2022



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Project: Leicester & Leicestershire Enterprise Partnership

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Document Title: Business Gateway Evaluation

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## **1.0 Introduction**

In August 2021, Focus Consultants was appointed by the Leicester and Leicestershire Enterprise Partnership to undertake an evaluation of the LLEP's Business Gateway (Growth Hub). The aim of the evaluation is to establish what has been the impact of the Gateway to date and what difference the investment has made to the business community. The report builds on the findings of the 2019 evaluation also undertaken by Focus Consultants, and will assess how delivery has changed particularly in response to the Covid-19 pandemic.

The evaluation report considers the following:

- An appraisal of the operational effectiveness of the Business Gateway, including its processes and systems, and an assessment of how well Growth Hub has engaged with stakeholders, service providers and local businesses.
- Value for money assessment and benchmarking
- An assessment of the impact on local businesses
- An assessment of how the Gateway has changed in response to Covid 19 and its effectiveness
- Case studies of businesses supported
- Service delivery recommendations for consideration.

To undertake the evaluation the following work was undertaken:

- Desk-based review and descriptive analysis of the most recent reports and data prepared by the Gateway.
- Feedback on the delivery model, partnerships and operational arrangements put in place to deliver the Gateway, drawing upon a review of background information and consultations with stakeholders, staff and delivery partners.
- An analysis of the outputs achieved through the ERDF project, the reach of the Business Gateway and penetration levels in terms of website hits and number of businesses engaged.
- Consultation with businesses supported through or engaged with the Gateway, including in-depth one-to-one case studies with a selection of beneficiaries.
- An analysis of service value for money.

Focus has taken every care to conduct the study professionally, openly and thoroughly, to retain an objective stance, to balance the opinions expressed and explore the justification for the comments made. It must also be recognised that there are inevitable budget and time constraints, which limit the resource available for the evaluation.

It should be noted that this assessment was undertaken during the Coronavirus Pandemic and the impact of this will be felt throughout the remainder of the service delivery period for the Business Gateway. This will undoubtedly have an impact on the final spend and outputs achieved by the programme.

## **2.0 Programme Context**

This section considers the context in which the programme was designed, including the service objectives and the rationale for the delivery approach.

### **2.1 Background and Context**

#### **2.1.1 Background**

Growth Hubs are local public/private partnerships, often led by LEPs and local authorities, designed to provide a single local access point for business support, and to join up different sources of support so business owners can get the support they need quickly and easily. There is no single defined model for a Growth Hub because they are designed to reflect local needs and partnership arrangements.

The Leicester and Leicestershire Growth Hub – known as the Business Gateway, is part funded by the European Regional Development Fund (ERDF) and is managed by the Leicester and Leicestershire Local Enterprise Partnership (LLEP) and governed by the LLEP Board. The Business Gateway Growth Hub is run in partnership with Leicester City Council, East Midlands Chamber (Derbyshire, Nottinghamshire, Leicestershire), Leicestershire County Council and the Leicester and Leicestershire Enterprise Partnership Limited (LLEP).

The aim of the Business Gateway since its launch in 2014 has been to offer a single point of access to information and guidance on business support available to enterprises across the region, including specific sector advice, funding, performance planning, implementing innovative ideas and up-skilling the workforce.

The original Business Gateway ERDF programme came to an end in December 2018. In recognising some of the difficulties that arose in the management and operation of the original service as well as the successes in terms of achievement of outputs, a new partnership approach has been taken forward. The new programme brings together the Collaborate project which is a Leicester City Council ERDF funded business support project with the Business Gateway to deliver a single programme in partnership with Leicestershire County Council and East Midlands Chamber with the aim of providing a more co-ordinated and joined up service which will be significantly more resourced with a team of 8 Advisers. The Business Advisers are employed by Leicester City Council, Leicestershire County Council and East Midlands Chamber to provide a wider coverage across Leicester and Leicestershire.

The service was awarded a further £3.9m of ERDF funding to deliver an enhanced service offering a larger team of advisers providing 1-to-1 support, as well as a £1.4 million pot of grant funding available to eligible businesses looking to create jobs or develop new products. Alongside this, the Business Gateway website was refreshed with the aim of it being live from September 2019. The aim was for a much clearer website with clear calls for action for businesses.

The Business Gateway ERDF programme totals £7.9m with an ERDF contribution of £3.9m and will run until June 2023.

## 2.2 Programme Details

### 2.2.1 Delivery

The LLEP's role in the delivery of the Growth Hub is as the strategic lead, and lead delivery partner taking the responsibility for the operational delivery and funding secured through BEIS. Leicester City Council are the accountable body for the ERDF funded elements of delivery. Leicestershire County Council and the East Midlands Chamber are core delivery partners for the ERDF programme.

Leicester City Council is the Accountable body for the ERDF element of the Growth Hub and provides three Business Advisers alongside managing the investment readiness and ERDF grant scheme. The LLEP leads on the Growth Hub's strategic development, operational implementation, Business Adviser co-ordination, marketing and events programme.

The East Midlands Chamber leads on the Information hotline and ERDF funded events programme. Leicestershire County Council leads on local district engagement / networks to maximise SME engagement.

#### *East Midlands Growth Hub Cluster*

The East Midlands Growth Hub Cluster comprises of Leicester and Leicestershire, Greater Lincolnshire, and Derbyshire & Nottinghamshire areas. The cluster group meet on a monthly basis in order to share intelligence, best practice and to explore opportunities to work together to support business across the three areas.

The Business Gateway service focusses on ERDF-eligible SMEs with growth aspirations and individuals looking to start a business within the Leicester and Leicestershire LEP area. The Gateway specifically targets beneficiaries in the LLEP priority sectors which include:

- Food and Drink
- Textiles Manufacturing
- Creative Industries
- Low Carbon
- Logics & Distribution
- Engineering & Advanced Manufacturing
- Tourism & Hospitality
- Business & Finance.

The Gateway champions entrepreneurship and the take up of business support, to achieve sustainable growth. This single channel enables efficient local referral routes, based on a common infrastructure, and ensures easy access to the most appropriate business support based on the needs of the SME, identified through a two-stage diagnostic process. The outcome of this support is for SMEs to engage in the innovation of new products, markets and processes to achieve their aspirations for growth.

## **2.2.2 Services**

The Gateway receives delivers a local business support service and act as a signposting service across a wide range of topics including:

- Business start-up training and mentoring
- Business growth and expansion plans, recruitment and investing
- Access to finance, including local and national grants and loans programmes
- Premises and search for new commercial property
- Employment and skills
- Regulation and compliance.

Programme activity is focused in two key areas:

- Providing information on ERDF business support to SMEs and what support is available and how they can access it.
- Providing Advice and Support to SMEs on accessing the right business support to overcome their barriers to growth; supporting them through dedicated Account Management and mentoring to achieve their growth aspirations.

The Business Gateway delivers four core services:

- One-to-one impartial business advice from a team of eight client-facing and two front-line business advisers.
- Access to finance for development or growth.
- A monthly programme of business webinars to inform and upskill owners, managers, and their employees.
- Signposting to other business support providers.

The Growth Hub also received a 2020-2021 EU Transition Business Readiness Growth Hub Grant of £125,030. The key aims of the Growth Hub EU Transition programme was to make a target of 145,000 businesses aware of how they needed to prepare for the end of the EU Transition, and to help improve business resilience at the local and regional level for the end of the EU Transition Period and the period afterwards to 31<sup>st</sup> March 2021.

Key components of the delivery model are:

- A core information service: a dedicated marketing and first point of call and referral service (triage) for business support (virtual, phone line and physical);
- A localised SME intensive support programme (IDB Business Advice, access to a wider network of business support providers);
- Access to finance through a dedicated grant scheme (ERDF) offering 35% funding for growth businesses, access to complementary schemes such as the Manufacturing Advice Service;
- LEP-wide: business related events, strategic, technical and specialised workshops;
- Enhanced business support including; Investor Readiness Programme and Property support service.

- A dedicated Cloud based Customer Resource Management (CRM) platform that consolidates data whilst automating key business processes and is used for enquiry management, business support enquiries, funding and grant management, advanced reporting, website integration in addition to integrated events and marketing modules
- An interactive website providing 24 hour/7 days per week access to business support information, integrated enquiry mechanism, an event booking facility, and a searchable supplier register
- A range of social media, digital and printed marketing, and communication resources

In addition to the core service delivery above, in 2020/21 the Gateway launched new programmes of dedicated sector support services, offering webinars and expert consultation sessions; a snapshot of the sectors being supported include: fashion/textiles, food/drink and tourism/hospitality.

### **Additional Services**

Additional services have also been commissioned to provide business resilience support in the form one-to-one advice and webinars to help companies deal with the immediate impact of Covid-19 as well as international trade experts to support novice and experienced importers and exporters as they get to grips with the new rules around trading with Europe.

- As more individuals look to self-employment an innovative start-up accelerator programme was launched and delivered through Leicester Start-ups with support provided directly by the Growth Hub.
- An 'investment readiness' support programme was launched to provide advice and webinars for those looking for different finance options.
- Event speakers, including private and public sector, local authorities and specialist consultants provided their knowledge and expertise through a series of webinars and action-planning sessions covering key business themes such as finance, strategy, leadership, sales, marketing, human resources, and wellbeing.
- The Peer Networks programme supported SME business leaders that wanted to develop their business and grow through interactive-action learning and networking with like-minded business owners. The programme was based on the evidence that businesses that seek external advice or undertake formal training are more likely to improve their overall business performance and productivity.
- Start-up Accelerator Programme: Delivered in partnership with Leicester start-ups the Growth Hub utilised supplementary funding to run two accelerators which is a high-tempo six-week programme of mentorship, networking and motivation for start-ups that have already got off the ground.

Specialist support was provided through a combination of the Growth Hub Cluster's Business Resilience Programme and through the Local Business Champions network.

### 2.2.3 Grant Funding

Businesses can also apply for a Business Growth capital grant, which ranges from £2,000 to £25,000, making up 35% of the total programme cost. The Business Gateway continues to offer free workshops on key business themes including finance, marketing, HR and sales.

### 2.2.4 Outputs

- C1 590 enterprises receiving support (3hrs)
- C4 480 enterprises receiving non-financial support
- P13 402 enterprises receiving Information, Diagnostic and Brokerage Support (3hrs).

Output ID	Output Definitions	Total outputs contracted (June 2023)	Total outputs achieved
C1	Number of enterprises receiving support (12hrs)	590	185
C4	Number of enterprises receiving non-financial support	480	108
P13	Number of enterprises receiving Information, Diagnostic and Brokerage Support (3hrs)	402	304

## 2.3 Project Change Request

An application to extend the ERDF element of the Growth Hub was submitted via a project change request that builds on the existing application and sees delivery continue until June 2023. This application and partnership broadens the offer of the Growth Hub and bring together a consortium of delivery that incorporates the delivery of the highly successful Digital Growth Programme events and workshops.

## 2.4 Changing Policy Context

Since the 2019 evaluation, the LLEP has published a number of core strategies for Leicester and Leicestershire including the Delivery Plan and the Covid-19 Economic Recovery Action Plan (2021) which are summarised below.

### Delivery Plan 2021/22

The Delivery Plan is a working document that provides context to focus where LLEP activities will be concentrated in order to meet our objectives and long-term ambitions for the local area. The Plan states a vision for “Leicester and Leicestershire will become one of the most productive economies in England with healthy growth, people and businesses”.

The Plan demonstrates an aim to continue supporting businesses in whatever way possible through the Business Gateway, taking the opportunity to utilise less traditional methods to enable audiences to access the support available.

The report finds that the number of enquiries to the Gateway has shot up to an unprecedented level with a 500% increase on previous years. The Business Gateway was reported to have handled 3,528 enquiries, nearly five times as many as the previous year (2019-2020).

The Gateway has adapted its approach to include virtual one-to-one meetings and delivery of online workshops, and with government funding has been able to provide grants to support businesses through the challenging economic climate of the last two years.

The LLEP Delivery Plan 2021/22 forecasts the following milestones for the year:

- 4,000 enquiries received
- 2,000 client 1-to-1s (including diagnostic reviews)
- 208 workshops delivered in collaboration with Partners
- 150 Recovery Grants awarded
- 1,600 new businesses supported
- 170 businesses involved in Peer-to-Peer support.

The strategic delivery plan for the Growth hub was developed prior to the Covid-19 pandemic and based upon the original Core budget the following high-level objectives were identified:

- Increased business engagement from 13% to 15%
- Investment readiness being delivered from Q2 2020/2021
- MIT Regional Entrepreneurship Acceleration Programme (REAP) Lite: delivered from Q2 2020/2021
- ERDF outputs and objectives delivered
- Improving the core offer of the Growth Hub
- Increasing Core partnership delivery
- Addressing of productivity through Innovation.

### **Covid-19 Economic Recovery Action Plan (2021)**

Although the Gateway service pre-Covid-19 was focussed on helping companies that want to grow, emphasis has shifted to incorporate companies to restart and recover. The Covid-19 Economic Recovery Action Plan sets out priority actions for recovery during 2021 to be implemented by the LLEP and partners to mitigate against the immediate impact of Covid-19.

The Action Plan identifies a number of priority actions for business support, to which the Business Gateway is an essential means of achieving the following aims:

- Provision of ongoing advice and support to business on both Covid-19 and EU transition through a range of channels feeding into the Business Gateway Growth Hub as the impact of both events continues to unfold.
- Respond to an anticipated increase in demand for start-up support through the development and coordination of a cohesive local framework for start-up support. This will draw together existing offers including provision for the development of entrepreneurial skills among key groups, e.g. newly redundant, graduates, young people and women.

- Commission research on the impact of Covid-19 and EU Transition across a range of sectors to enable the development of sector recovery plans and effective targeting of support not only to those industries adversely affected but also those where there are identified opportunities for growth.
- Use discretionary funding to extend availability of Business Grants to a greater number of SMEs and particularly those who have been unable to access any other form of financial support during the crisis.
- Provision of support for the development of locally based supply chains where possible to address instances where chains have been broken as a result of Covid-19 and to mitigate against the impact of EU transition.
- Utilising established channels, further invest in place marketing, with outputs which play to the strengths of the area, mitigating against any residual negative image resulting from Covid-19 and connecting and communicating effectively to new markets and visitors alike.
- Establish sector focused Peer Networks to enhance resilience and recovery from the impact of Covid-19 and enable SMEs to develop potential for future growth and productivity.
- Provide support to enable digital transformation in SMEs across a range of sectors.
- Develop a comprehensive roadmap leading to a zero-carbon economy for Leicester and Leicestershire to include investment opportunities, jobs and skills requirements and identifying pathways to training and careers.

The Plan noted that the Business Gateway Growth Hub delivered over 100 webinars to SMEs between April and October 2019, many of them focused on supporting businesses through Covid-19. In addition, the Growth Hub developed a Covid-19 Business Toolkit to ensure businesses could access the latest information and guidance.

## **2.5 Summary - Changing Policy Context**

According to the Growth Hub Annual Report 2020-2021, the Business Gateway proved to be increasingly relevant and important to businesses in need of support as both the pandemic and the UK's transition from the EU took hold. The Delivery Plan further illustrates how central the Business Gateway is to the LLEP's delivery of support to businesses, whilst the Covid-19 Economic Recovery Action Plan identifies a number of priority actions for business support, to which the Business Gateway is an essential means of achieving the provision of ongoing advice and support to business on both Covid-19 and EU transition through a range of channels.

### 3.0 Progress and Performance

This section outlines the performance to date of the Business Gateway towards achieving the target outputs, in particular considering the progress against the targets set out by the European Regional Development Fund, drawing on performance in terms of engagement and referral data. It involves an analysis of quantitative data provided by the LLEP and is also supplemented by qualitative evidence gathered through consultations to provide commentary where appropriate. The section also briefly accounts for the outputs and outcomes achieved relating to the Gateway’s BEIS funding to further demonstrate the impacts the programme has had.

The method for the evaluation has been designed to allow the positive/ negative effect on those assisted to be measured, both qualitatively and quantitatively, whilst it also highlights the direct impact of the assist delivered whilst drawing conclusion against the hypotheses set at the start of the programme.

The ERDF performance analysis takes into account outputs and outcomes achieved in the last two years, between September 2019 and September 2021. Some wider outputs and outcomes take into account the cumulative outputs achieved by the Gateway since its inception.

#### 3.1 ERDF Outputs

##### 3.1.1 Contracted Outputs

The table below shows the contracted outputs, or the Business Gateway ERDF programme and the actual outputs achieved.

Output ID	Output Definitions	Total outputs contracted (June 2023)	Total outputs achieved
C1	Number of enterprises receiving support (12hrs)	590	185
C4	Number of enterprises receiving non-financial support	480	108
P13	Number of enterprises receiving Information, Diagnostic and Brokerage Support (3hrs)	402	304

To date, the Business Gateway has supported 304 enterprises with information, diagnostic and brokerage support (3hrs), which represents 75.6% of the overall target for June 2023. The programme has also delivered non-financial support to 108 businesses (22.5% of the target) as well as 12hrs of support to 185 businesses (31.4% of the target).

It should be acknowledged that the programme will continue to delivery output for a further 18 months. With nearly two-thirds of businesses having already received the first level of engagement with the Gateway (P13), it is likely that further outputs will be realised as their interaction continues over the coming months – completing the full 12 hours of support can be time intensive for businesses and is dependent on business need.

It is worth acknowledging the intangible nature of many of the additional/ non-contracted outputs produced as a result of enterprises' involvement with the Business Gateway. Businesses themselves report that the programme has helped to improve processes, develop strategy, improve marketing, improve understanding, and help to create long-term impacts on business models and resilience, which isn't necessarily captured in these outputs yet. The experience of other similar programmes suggests that some outcomes are often realised sometime after the intervention has taken place. Consultation with the service team also revealed that in many cases, the Gateway has supported businesses to develop growth plans and strategies that exceeds the end of the programme, and is therefore likely to produce additional outcomes after the completion of the programme.

### 3.2 Outputs and Outcomes

In addition to the contracted outputs achieved in terms of the ERDF programme, the Business Gateway also reports against a number of other BEIS outputs and outcomes, which are detailed in the table below. The LLEP Growth Hub Annual Report 2020/21 and Bi-Annual Report 2021-2022 reports outputs achieved since the programme launched virtually in October 2014.

Indicator	Cumulative Total (since launch of Growth Hub)
Number of businesses that have received 'light touch' triage, information and/or signposting support (excluding website traffic)	4,570
Number of businesses receiving 'medium intensity' information, diagnostic and brokerage support	992
Number of businesses receiving 'high intensity' support e.g. account management / intensive support directly provided by the Hub or partner organisation	1,346
Total number of individuals who been helped to start a business	492
Number of businesses referred to a mentoring programme (combined figure for 'Medium' and 'High' intensity interventions only)	190
Number of businesses referred to a skills or training programme (combined figure for 'Medium' and 'High' intensity interventions only)	1,040
Number of businesses referred to a finance and/or funding programme (combined figure for 'Medium' and 'High' intensity interventions only)	1,900
Number of businesses referred to an innovation and/or R&D programme (combined figure for 'Medium' and 'High' intensity interventions only).	174

Indicator	Cumulative Total (since launch of Growth Hub)
Number of referrals to an export/import support programme (e.g. DIT) (combined figure for 'Medium' and 'High' intensity interventions only).	29

The number of enquiries received within the last year have heavily increased due to the Covid-19 pandemic and clients wanting support and advice on how and where to access support.

### 3.3 Business Gateway Engagement

Between October 2014 to September 2021 the LLEP Business Gateway recorded 212,654 unique visitors to the Growth Hub website.

Indicator	Cumulative Total (since launch of Growth Hub)
Number of individuals that have received 'light touch' triage, information and/or signposting support (excluding website traffic)	5,461
Total number of unique visitors to Growth Hub website	212,654

Source: LLEP Growth Hub Annual Report 2020/21 and Bi-Annual Report 2021-2022

Between October 2014 and July 2019, the Gateway had recorded 104,571 website users. In the last two and a half years, the Gateway has increased its website visitor numbers by 103%.

There are 46,155 enterprises in the Leicester and Leicestershire LEP area (UK Business Counts, 2021), which means that the Gateway has a penetration rate in terms of business engagement (businesses receiving 'light touch' triage support) is 11.8%, which represents a huge increase from the 2.6% penetration rate calculated as part of the 2019 evaluation. On average, the Gateway has also received 4.6 website engagements per business.

### 3.4 Spend

#### 3.4.1 Spend Figures

The table below shows the overall budget for the programme. Each of the four partners contributes ERDF and match funding.

Partner	Budget Allocation
Leicester City	£5,632,209
Leicester County	£251,183
East Midlands Chamber	£1,081,057
LLEP Growth Hub	ERDF £475,708
	BEIS £503,194
	<b>£7,943,351</b>

The total ERDF contribution across all partners is £3,860,469 (using the 48.6% contribution rate present in the LLEP Growth Hub's budget).

The table below shows the actual spend figures for the programme to September 2021.

Departments	Budget Allocation	Spend to Date	%
Leicester City	£5,632,209	£3,219,737.85	57.2%
Leicester County	£251,183	£212,035.57	84.4%
East Midlands Chamber	£1,081,057	£909,428.32	84.1%
LLEP Growth Hub	ERDF £475,708	ERDF £316,370.68	66.5%
	BEIS £503,194	BEIS £334,597.79	66.5%
<b>Total</b>	<b>£7,943,351</b>	<b>£4,992,170</b>	<b>62.8%</b>

Overall, the programme has spent £4.9m to date, representing 62.8% of the overall budget.

The wider Gateway is also funded by BEIS. In partnership with the lead organisation, the LLEP is able to match the ERDF funding on staff costs and promotional activities. By undertaking this partnership, the LLEP has been able to maximise the core BEIS funding which has enabled them to focus spend on activities for business support, including: training frontline business advisors.

### 3.4.2 LLEP Growth Hub – Business Gateway Spend

The Business Gateway's individual budget and spend is detailed below.

Budget Heading	Budget Allocation	Spend to Date	%
Salaries	£551,219	£216,492.24	39.3%
Indirect 15%	£82,683	£32,473.97	39.3%
Marketing	£45,000	£2,747.00	6.1%
Consultancy	£240,000	£0.00	0.0%
Events	£60,000	£2,715.68	4.5%
Totals	£978,902	£254,429.89	26.0%
ERDF (48.6%)	£475,708	£123,652.93	26.0%
Match	£503,194	£130,776.96	26.0%
<b>Total</b>	<b>£2,936,706</b>	<b>£763,289</b>	<b>25.6%</b>

The individual LLEP Business Gateway has spent 25.6% of its budget. Underspend is largely attributed to the impact of Covid-19 on face-to-face events, with marketing also predominantly using online platforms. However, it is considered very likely that the service will achieve the spend targets by the end of the programme.

### 3.5 Summary – Programme Progress

- To date, the Business Gateway has supported 304 enterprises with information, diagnostic and brokerage support (3hrs), which represents 75.6% of the overall target for June 2023. The programme has also delivered non-financial support to 108 businesses (22.5% of the target) as well as 12hrs of support to 185 businesses (31.4% of the target).
- It should be acknowledged that the programme will continue to delivery output for a further 18 months. With nearly two-thirds of businesses having already received the first level of engagement with the Gateway (P13), it is likely that further outputs will be realised as their interaction continues over the coming months – completing the full 12 hours of support can be time intensive for businesses and is dependent on business need.
- Consultation with staff and stakeholders revealed that the team are confident that by the end of the programme, the service will have caught up with business assists – the pandemic has seen an exponential rise in enquiries, the challenge moving forwards is converting these into 12-hour assists. The economic climate makes job creation harder than when the programme was designed – lots of businesses laid people off and have since streamlined their business over the course of the pandemic.
- Since the Growth Hub was launched, 4,570 businesses have received 'light touch' triage, information and/or signposting support, 992 business have received 'medium intensity' support, and 1,346 businesses have received 'high intensity' support e.g., account management / intensive support directly provided by the Hub or partner organisation.
- There are 46,155 enterprises in the Leicester and Leicestershire LEP area (UK Business Counts, 2021), which means that the Gateway has a penetration rate in terms of business engagement (businesses receiving 'light touch' triage support) is 11.8%, which represents a huge increase from the 2.6% penetration rate calculated as part of the 2019 evaluation.
- Since 2014, the Growth Hub has supported 492 individuals to start a business. The Gateway has also referred 1,040 businesses to a skills or training programme, 1,900 business to a finance and/or funding programme, 174 businesses to an innovation and/or R&D programme, and 29 businesses to an export/import support programme.
- Between October 2014 and July 2019, the Gateway had recorded 104,571 website users. In the last two and a half years, the Gateway has increased its website visitor numbers by 103%.
- Overall, the programme has spent £4.9m to date, representing 62.8% of the overall budget. Underspend is largely attributed to the impact of Covid-19 on face-to-face events, with marketing also predominantly using online platforms. However, it is considered very likely that the programme will achieve the spend targets by the end of the programme.
- The individual LLEP Business Gateway has spent 25.6% of its budget. Underspend is largely attributed to the impact of Covid-19 on face-to-face events, with marketing also predominantly using online platforms. However, it is considered very likely that the service will achieve the spend targets by the end of the programme.

## 4.0 Programme Management and Governance

This section provides a qualitative analysis of the implementation and management of the programme. It includes an analysis of delivery performance, marketing, business engagement, management, challenges. Impacts, ideas and next steps. It has been informed by consultation with delivery staff from the LLEP, the Growth Hub and a range of stakeholders. Feedback from businesses is included in the next section.

### 4.1 Governance

Business Gateway is part-funded by the European Regional Development Fund and is run in partnership with Leicester City Council, Leicestershire County Council, East Midlands Chamber (Derbyshire, Nottinghamshire, Leicestershire) and the Leicester and Leicestershire Enterprise Partnership Limited (LLEP).

The Business Gateway ERDF programme offers SMEs across Leicester and Leicestershire a single point through which they can access all ERDF business support. The initial ERDF project ran from September 2015 to the end of 2018; further ERDF funding was secured for a second Growth Hub programme which has operated from 2019 and will run until 2023.

The LLEP was responsible for overall management of the service, the claims and monitoring of the programme and the marketing, communication, and events. LLEP was responsible for all other activity within the delivery of the programme, including: marketing, systems, partnerships, performance, claims etc. The activities undertaken by each partner were split with the LLEP taking responsibility for the information (Infrastructure) and the Chamber and EMB's activity being focused on the provision of Advice and Support (Account Management).

In October 2019 the governance of the Growth Hub operation shifted to the Business Growth Hub Board. The role of LLEP Business Growth Hub Board is to provide direction and scrutiny of the Business Growth Hub which is the Growth Hub for Leicester and Leicestershire.

The Business Growth Hub Board is chaired by a private sector member of the main LLEP board and is responsible for oversight of the entire LLEP operational programme including all investment programmes and service directly delivered. Performance reports are received on a quarterly basis. Strategic direction is currently provided by the Business Board. The Board has the following objectives:

- To provide strategic direction and scrutiny of LLEP Business Growth Hub in relation to BEIS Core Funding and any other contractual obligations.
- Overseeing the development, delivery, and review of the business support priorities in the SEP and emerging LIS and LLEP Delivery plan
- Ensure delivery of the growth Hub in accordance with the Schedule of Work in Schedule 3 to BEIS.
- Prioritise business growth initiatives and make recommendations to the LLEP Board regarding the allocation of programme resources;

- Ensure that business support service provision is effectively aligned to the LLEP programmes including the Innovation, Skills, and Enterprise Zones;
- Inform evolution of business growth related activities, taking account of global trends, capability and capacity in the LLEP area;
- Consider any other business growth related matters which are specifically referred to the board by the LLEP Board and Executive;
- Assessing impact and performance through the Monitoring and Evaluation Framework for Growth Hubs and oversee risk management;
- Provide direction on the operation of the growth Hub and its future sustainability;
- Approve and present reports to the main LEP Board.

## 4.2 Programme Management

Leicester City Council is the Accountable body for the ERDF element of the Growth Hub and provides three Business Advisers alongside managing the investment readiness and ERDF grant scheme. The LLEP leads on the Growth Hub's strategic development, operational implementation, Business Adviser co-ordination, marketing and events programme.

The East Midlands Chamber leads on the Information hotline and ERDF funded events programme. Leicestershire County Council leads on local district engagement / networks to maximise SME engagement. This partnership has a strong track record of working together and provides a solid foundation for delivery. The delivery partnership provides Business Advisers in the form of:

- Leicester City Council - 3 Full time Business Advisers
- Leicestershire County Council - 1 Full time Business Advisers
- East Midlands Chamber - 4 Full Time Business Advisers and 2 Full time Frontline Business.

## 4.3 Staff, Stakeholder and Delivery Partner Consultation

To demonstrate the wide-ranging impact of the programme, this section details the results of consultation with staff and stakeholders. The consultation included one-on-one interviews with key members of the Business Gateway delivery team, as well as key stakeholders including representatives from the core delivery partners and individual support providers.

Feedback from staff and delivery partners was gathered in two ways:

- **One-to-One Interviews with Key Staff and Stakeholders** – in-depth consultation with staff and stakeholders who have been directly involved in the programme, including representatives from each of the core delivery partners and some contracted delivery partners.
- **Online Questionnaire for Wider Staff and Stakeholders** – a questionnaire was circulated to additional staff and stakeholders who engaged with the Business Gateway, capturing feedback on programme process, performance, impacts and any lessons learnt.

The following people were consulted with as part of the evaluation:

- Sue Tilley, Head of Business & Innovation, Leicester and Leicestershire Enterprise Partnership
- Deepa Shah, Growth Hub Economic Intelligence Officer, Business Gateway
- Nermine Habib, Growth Hub Project Officer (Peer Networks), Business Gateway
- Peter Allen, Growth Hub Marketing and Communications Officer, Business Gateway
- Aruna Bhagwan, Business Adviser, East Midlands Chamber
- Joanna Moore, Business Advisor, East Midlands Chamber
- Paul Stuart, Head of Enterprise, East Midlands Chamber
- Dianne Beresford, Deputy Chief Executive, East Midlands Chamber
- Paul Bennett, Business Adviser, East Midlands Chamber
- Nade Townsend, Front Line Business Adviser, East Midlands Chamber
- Kalpna Mistry, Events and Marketing Officer, East Midlands Chamber
- Russell Pacey, Senior Business Support Manager, Leicester Council
- Joanne Ives, Regeneration Programmes & Projects Manager, Leicester Council
- Helen Harris, Economic Growth Manager, Leicestershire County Council
- Ian Lockwood, Growth Hub Delivery Partner, Ian Lockwood Digital Consultancy Ltd.
- Simon Hall, Peer Networks Delivery Partner, Oxford Innovation Services
- Maria Peggs, Peer Networks Delivery Partner, Vispera Ltd.
- Chris Owen, Peer Networks Delivery Partner, Owen & Partners
- Sarah Hope, Sir Tomas White Charity.

The findings of this consultation have been grouped together under themes and have not been attributed to particular individuals.

#### **4.3.1 Engaging with the Programme**

The initial diagnostic is a very effective means of understanding what support is required and is used to shape and inform how the programme will support the business, whilst helping businesses to understand their barriers to growth and the wealth of support available to them. The engagement process is crucial, as once a business has been provided initial support, they are generally open to further engagement with the Gateway – business support programmes are often tacked-on to businesses applying for grant funding to provide added value. Businesses typically approach the Growth Hub with one thing in mind, but the Gateway make efforts to ‘sell’ their other services and programmes. The engagement process also helps the Gateway to understand common issues in the industry, for which they can then put together a webinar or event to support them.

Businesses engaging with the Gateway are from all types of sectors - the pandemic has broadened the scope of businesses that typically engage with the Gateway, such as hairdressers, who rarely sought business support prior to the pandemic. A ‘universal’ service, the Gateway work with any businesses that fit within the ERDF criteria. Some businesses are ineligible for ERDF support, but they are signposted elsewhere.

*“It’s important to have a strict qualifying criteria and filtering process so the enquiry is suitable when reaching you and that businesses understand what is needed and become qualified first as many businesses wanted time and advise without enrolling onto the programme so it’s trying to balance this with longer term aims of the programme.”*

#### **4.3.2 Role of the Business Advisers**

Business advisers act as a broker, offering types of support to businesses through a IDB diagnostic tool that is used to guide advisers through the process of capturing all data from the business, workforce development, funding, and skills. Advisers consider themselves as a ‘critical friend’, and will provide coaching and mentoring rather than direct instructions; advisers ask revealing questions that will help them to reveal certain insight about their business and their plans. advisers also signpost to additional support, including to Gateway webinars to upskill, or to a university to access student support, or access to grants and other business supports. Business’s experience, the number of referrals and the amount of detail can depend on the individual Advisor, with some variance between them.

Business Advisers are split across the three delivery partners: Leicestershire County Council (one), the City Council (three), and the Chamber (four). Each delivery partner has their own targets for business engagements, grant applications, production of new products and services, new jobs created, and the number of 12-hour assists.

It is important for advisers to manage business’s expectations around how much intensive support they can provide themselves, and what can be achieved within 12 hours. For more intensive support, businesses need to engage with the products and programmes directly.

*“The biggest challenge is that the team of Business Advisers are not managed by the Business Gateway Manager although the Business Gateway has contributed funds towards some of their salaries. This matrix arrangement is unworkable and severely handicaps the success of the entire Business Gateway”.*

#### **4.3.3 Impact of Covid-19 on Delivery**

The programme has been operating in an unprecedentedly challenging environment, with the Covid-19 pandemic drastically altering the way it works. The team changed its whole service and experience almost overnight to pivot to an approach that dealt with immediate enquiries faster than before, in an effort to meet the increased demand for support. The team have adjusted very well, from dealing with a few clients a day, to a much higher volume of engagements. During the pandemic, the Gateway transformed into a ‘hotline’ an abundance of enquiries – advisers weren’t enrolling all businesses onto the programme, instead trying to understand their immediate need around finance or survival, often with no follow-up.

The rate at which advisers meet with businesses to conduct diagnostics has increased exponentially, with online delivery of support having a positive impact on productivity; although Teams was initially challenging for businesses and advisers alike, advisers were able to meet a greater number and a greater range of businesses. played a distress-management role for businesses who had become uncertain of their future.

Businesses were increasingly enquiring as a means of securing a grant to aid their survival, whereas prior to the pandemic, SMEs were looking at developing growth plans and funding strategies to support these. Businesses were also rethinking their business model, diversifying into online models and setting up new websites to add another means of income generation. The impact of Covid-19 has meant that digitisation has gone from a 'nice to have' to 'must have' and consultancy support was delivered to local companies which explored and demystified digital transformation and digital marketing opportunities.

*“Majority of the enquiries that are received are looking for financial support (grants), least interested in soft support/non-financial support such as training/webinars/seminars/one to one's, etc. With most of the grant funding coming to an end, the engagement or offering support to businesses will remain the main challenge”.*

*“The impact has been dealing with high numbers of enquiries and associated admin which has impacted on being able to be proactive and reach out to longer term clients and also different to focus on outputs. Meetings as now more online have been shorter so takes longer to achieve programme outcomes”.*

Lots of hospitality and events businesses sought urgent support, with some adapting to online delivery, or purchased new equipment, but that sector in particular struggled – a significant number of tourism and hospitality businesses went under, despite seeking grants for outdoor seating areas to increase their covers. Business challenges raised have been wide-ranging issues around supply chain, access to finance and the need for capital funding for new equipment to further automate to drive innovation and enhance productivity.

A noticeable number of businesses however continued to grow throughout the pandemic, especially manufacturing businesses. It was suggested that the pandemic hasn't had as big an impact on business deaths in Leicestershire as anticipated; although small businesses on the high street went under, simultaneously new businesses were forming via newly-redundant personnel. There was a noticeable move away from retail to the service industry in the shape of cafes and restaurants.

The Covid-19 pandemic has had a varying level of impact on the Growth Hub's services. In some cases, such as with the grant panels, the pandemic has presented the opportunity for remote working, which has cut down travel costs and made meetings more efficient. However, some connectivity is lost when meeting virtually rather than face-to-face.

The primary difficulties have arisen when new schemes or programmes have been developed within the Growth Hub, with ideas sometimes developed in isolation, which suffer when developed virtually. Moreover, the shift to remote delivery meant that a lot of the quality content supplied by external consultants was reduced to webinar activity, which limited its value.

The internal team have been forced to adapt to become more responsive to changes in delivery mechanisms, business support focus, and in terms of strategy. In the last couple of years, new projects and programmes – alongside the Covid-19 pandemic – have altered both the way the Growth Hub works, and the content of the support delivered to businesses. In terms of processes, each new project or programme has required a change to the CRM system, with forms needed to be made available through the website, and a portal created to allow external access to limited parts of the system too. A Microsoft Teams facility was also developed to provide centralised information storage and notifications, sharing of best practice, requests for specialist advice etc. The remote approach presented fresh challenges in terms of paperwork – in particular, securing appropriate signatures for funders – and new processes.

The course of the pandemic was characterised by a plethora of BEIS-funded grant schemes issued by the government, with the Gateway under intense pressure to deliver access and support. At one stage, advisers were scheduled to attend monthly meetings with agencies, universities and support providers who would present/advertise their services, raising awareness amongst advisers, but the focus changed as a result of Covid-19 and the processes changed considerably. The pandemic created an entire 'bolt-on' sector of business support around recovery grants, furlough and alternative packages that created an even wider range of programmes to understand for advisers. Processes became reactive, without any resources, or support, and little time to research.

In recent months, businesses have returned to pre-pandemic pursuits of growth, although in the last few weeks the pandemic has once again become prevalent – businesses are trying to build resilience and prepare themselves for the possibility of lockdowns and restrictions occurring once more. Businesses have used the Gateway to access the Business Resilience Programme, as well as exports support service (in response to Brexit and the new regulations, duty tax and other legislative changes).

The pandemic has emphasised the value of the Gateway more than before. There is a legacy that businesses have a different relationship with grants than prior to the pandemic. Growth grants and traditional grants typically required businesses cases and a bank of evidence, whereas Covid has changed people's perceptions of application requirements. In a way, the pandemic has allowed the Gateway to access businesses that they might not usually work with, such as in the manufacturing sector. It was also suggested that clients and businesses are returning to the Growth Hub at a more frequent rate than prior to the pandemic. The challenge moving forwards is to how to convert the businesses that have had some short contact over the course of the pandemic to enrol on the programme and to meet the outputs of the programme.

#### 4.3.4 Performance

The programme has evolved from a website service to what it is today, with various elements bolted-on as the years have passed. Like most Growth Hubs, the Gateway has done the best they could with a multitude of new grants and programmes but without any additional resource.

The LLEP team is decidedly small, and despite additional funding, resource has been difficult to retain because of the uncertainty around the future of the LEPs. The team work very hard to dissipate information and knowledge to the business community about the support available regardless of resource pressures.

At present, the Gateway is behind in terms of 12-hour business assists, and in terms of job creation. The team are confident that by the end of the programme, the programme will have caught up with business assists, but the challenging economic climate makes job creation harder than when the project was designed – lots of businesses laid people off and have since streamlined their business over the course of the pandemic.

Overall, it is felt that the Gateway has a long way to go still to replace what was Business Link; the Gateway isn't a recognised brand as yet, whilst Business Link was a nationwide brand across LEPs. It was suggested that the Gateway has suffered from having its own identity within the LLEP, and this can be very confusing for businesses. The Gateway is still thought to be successful in terms of raising awareness of business support in the area. Despite its failings, the Gateway is businesses first port of call, with the only alternatives likely to be paid membership bodies such as the FSB, the Chamber or a specialist trade organisation.

*“The organisation can be complicated and linked to so much support, many businesses have not heard of the Business Gateway or Growth Hubs and often businesses are surprised especially with the grants as many do not know about this”.*

*“Still confusion that Business Gateway is the LLEP and vice versa.”*

*“The marketing budget is tiny so we have to rely on public relations and social media to build our profile. A lot of feedback from clients at events is that they didn't know we existed or what we do”.*

Moreover, because much of the ERDF contract has been sub-contracted to other bodies – such as MediLink, NBV etc – it is even more confusing for businesses who aren't sure what is free support and what isn't. Businesses can also be confused by the variance in quality of support out there. Even advisers can struggle to keep up with the number of new programmes that have been launched.

There is a perception amongst some advisers that the although Gateway is the primary business support service in the county, it is competing against various other programmes in the city.

*“With duplications in support mechanisms, and how this has been funded, the ERDF based project and related outputs have become difficult to achieve”.*

#### 4.3.5 Management

The programme suffered from a lack of project and contract management as well as a lack of a shared rationale for certain activities or decisions. The collaborative structure presents some barriers to cohesive working; at times, the Gateway has operated in silos – the team is diverse and spread across a number of organisations. There is a variance in the way each delivery organisation and even each Adviser works to meet the needs of their local businesses. For example, Leicestershire is thought to be characterised by a higher take up of business support programmes, whilst businesses in the city are considered to be much more focused on grant funding.

Advisers aren't line-managed by the same person, with each adviser employing different approaches – there could be questions over quality assurance, performance management and consistency. It was noted that D2N2 employed a Partnership Manager to broker stronger relationships between providers, advisers and delivery partners. Each partner would benefit from a shared communications strategy as well as a programme plan detailing milestones and scheduling how the programme will unfold over the course of a few years, rather than the ad-hoc, 'bolt on' approach that is deployed currently.

Staff turnover has also created problems for the programme, in particular the changing of the Growth Hub manager which has resulted in a lack of a clear strategy of who the Gateway is targeting. The Gateway would benefit from a cohesive strategy around vision, marketing and delivery, all delivered in a focused way. The new manager has provided a sense of relief amongst staff and stakeholders, as a dedicated manager can concentrate on the role moving forwards. Within the LEP network generally there has been quite a lot of churn in response to the uncertainty around the LEP review.

In terms of governance, some members of the team suggested that the ERDF programme could be more joined up to the Project Board, Business Board and the LEP. The LEP would benefit from the ERDF programme formally feeding into the Business Board, which would then have a mechanism to feed intelligence, market failure, new developments and strategy back into the LEP.

The advisers work with businesses every day, but they feel left out in any decision-making or strategy around what support programmes are selected, or what businesses actually need help with. The programme is hoping to build a closer relationship with the advisers in order to use their close understanding of the problems businesses are facing to commission projects that are more aligned with the local area.

*“I believe that the programme has been under-resourced, with flaws in project design and changes in the management structures, made extremely difficult for delivery staff. The engagement with delivery staff should have been earlier, during the project design stage and being practical when setting targets, including overall programme outputs and outcomes.”*

*"I don't think we've worked as one team across the programme or that it has been well managed. We've not come together since August 2019, communication is not consistent so some hear about things while others don't. We had some good processes early on but again these all went out of the window with new staff or leaders".*

#### 4.3.6 Programme Design

The wider Gateway is largely funded by BEIS, with some selective projects being funded by ERDF, and the entire system operating as one Growth Hub. At times, the BEIS and ERDF sides of the Growth Hub have been working against each other, with much of the Growth Hub's focus having been on achieving BEIS outcomes – BEIS funding has been used to fill the calendar with events and webinars in what was reported to be a 'scattergun' approach. The singularity of the two schemes has also prevented the GH from providing businesses with the most effective service; the Growth Hub is designed to give businesses access to the best support, regardless of its funding, businesses should not be aware of whether a project is ERDF- or BEIS-orientated. The programme structure would have benefitted from ERDF and BEIS funding being used as match funding for each – outputs could have been more aligned, some of the BEIS-funded workshops and events could have contributed to ERDF outputs, and relationships would have been easier.

In time, each side of the programme has progressively merged, and over the next few months it is hoped that the programme will be tied together and heading in the right direction. Since the new Partnership Manager and Growth Hub Manager have been recruited, there has been more of an effort to achieve outputs in parallel.

The structure of the programme could have been designed in a way that better complements the work that advisers are doing with the beneficiaries in the LEP area. One of the biggest issues has been a perception of separation between the Growth Hub and the advisers – moving forward, the programme is looking to use the advisers more to inform their strategic decision making. The Growth Hub has primarily structured support and commissioned programme in line with the LEP Strategy, but will attempt to bridge the gap in using advisers to help tailor their support more closely to the needs of businesses.

When the Gateway was established, the Chamber, the City and the County provided match funding in order to draw down ERDF funding; the amalgamation of advisers, working across different bodies, is thought to be a structural weakness. It has been difficult to undertake partnership working with organisations that have different priorities; a mixture of public and private organisations can be challenging; private businesses operate with their own agendas, rather than public organisations who aren't governed by the same drivers. This is mainly attributed to a lack of KPIs from said partners at the outset of the programme. The programme requires a contract review of the relationship between the Growth Hub and its partners, with more structure.

*“By not having a direct control of budget and resources, it becomes difficult to be creative and developing support mechanism that not only meets the business needs but also assist in meeting the project targets”.*

*“The lack of co-operation between all of the various competing business support providers in Leicestershire means that businesses are often not referred to the best support for them at that stage in their progress. Internally it's the inflexibility of the BA team and the lack of a coherent plan with clear roles for each staff member”.*

The LEPs and the Gateway have traditionally mainly attracted micro businesses or start-ups, whilst more mature businesses – once they had reached a certain size – thought they were above the expertise. This is partly attributed to the Gateway itself; in order to attract a larger, more established business to engage with the Growth Hub, the Advisors themselves have to be of the highest quality, and it is sometimes difficult to source and recruit likeminded advisers with a similar level of experience.

However, in the last couple of years, the introduction of the peer programmes has helped the GH to attract a broader sector and wider age range of business, and attracting the kind of clients the LEP wants to work with. Furthermore, the remote delivery of the programme is thought to be more popular with these types of businesses, who might be more time-pressured and less likely to attend in-person networking events, which are typically favoured by smaller businesses. Individual project control is also thought to be a successful way of working; for example, Peer Networks is managed by the Growth Hub directly, and the project is considered to be very impactful. The Peer Networks team have been surprised that as a result of engaging with the Peer Networks programme the businesses themselves have sought to construct their own network to continue working alongside each other and sharing advice amongst peers.

In addition, one example of good practice is the Gateway's merging of two grant processes – the Gateway ERDF grants and the Chamber's digital grants programme – evolving a model from both schemes that used one panel and the same process for approvals and for adviser interaction. The panel consists of other Growth Hub partners, the two accountable bodies (the City Council and the Chamber), which has drastically improved the governance. The system is robust, and the panel see the value in identifying where a Growth Hub or digital adviser can be best used, and in identifying case study opportunities.

#### **4.3.7 Benefits to Businesses / Impacts**

In the first couple of months, businesses were too preoccupied with short-term survival to engage in any long-term future planning or growth plans with the programme. The Gateway served an invaluable purpose at a time when businesses had nowhere else to turn; the Gateway were effective at managing expectations too, trying not to give false hope but instead providing realistic support. However, eventually the programme has been able to help businesses regardless of the support they needed, whether it was for survival, growth, or diversification. For some businesses however, the pandemic presented opportunities.

The programme has supported many entrepreneurial businesses to access new markets with new products or new ideas. Encouraging businesses in the LLEP area to gain confidence to continue to trade or commence trading internationally has been a very important area for the LLEP Business Gateway.

The Gateway benefits businesses by providing a free one-stop-shop, bringing together all elements of business support and providing access to appropriate funding streams where possible. Without a holistic Gateway, businesses would have no way of gaining access to the myriad of business support programmes, and without the advisers, the business would likely not be aware of the support they need in the first place.

As a triage service, the Gateway provides a management function that the individual delivery partners would be unable to do themselves – the administration, engagement, billing and marketing would mostly be beyond the partners, who rely on the Gateway to facilitate access to businesses in need.

*“The Gateway is a more flexible and approachable form of business support - able to create support products relatively quickly. Its successes include integrating with the business support community and the wider economy, pioneering carbon reduction projects, making it clear that its main focus is on SMEs and microbusinesses”.*

*“We give businesses more clarity and help to encourage their ideas and priorities in a non-biased way”.*

*“Businesses understand the value of the programme and appreciate the support as often not such detailed and wide range of support out there unless it's paid for”.*

The Gateway is heralded as an unbiased, confidential business support organisation who have no ulterior motive but to find out what is best for the business and help them to navigate through the complicated, ever-changing network of government business support programmes. From a business support point of view, the Gateway's role is sometimes to challenge the business to think differently, to ensure businesses have considered their market, their rationale for investment or expansion, to make sure they are following the right procedures and doing what is right for their long-term growth. The free nature of the support helps to engage a wider cohort of businesses, who perhaps wouldn't have been willing to pay for support that they hadn't received before. Events and webinars facilitate collaborative working amongst SMEs, who feedback very positively about being able to interact with likeminded businesses. Businesses have said that they would not be able to afford such one-to-one support, a detailed analysis of their operations, management and strategy, especially for small businesses.

There has been some excellent positive feedback from clients, particularly those that have developed a fruitful relationship with the advisers by spending 3 hours or more. Over the course of the pandemic, more businesses have sought quick and fast advice on funding, but the real added value comes from engaging one-to-one with advisers – although the majority of businesses contacted the Gateway to enquire about a grant, those that were persuaded to consider other areas of businesses support via the Gateway have benefitted more from the programme.

The Gateway contract suppliers to provide specialised support to businesses. With regards to marketing, businesses are typically benefitting from support to improve out-of-date or poorly functioning websites, as well as SEO advice, social media, and online advert campaigns. As a result of their engagement with the Gateway's partners, businesses are thought to be more competitive and are more confident that they are pursuing the right strategy. Businesses are also offered website audits, social media comparator advice, and to a lesser extent: advertising and wider IT systems, servers and software.

#### **4.3.8 Challenges**

There is a divide in Leicestershire between the Growth Hub and the Chamber who are fighting for the same audience. Businesses are often unaware as to whether the support they are receiving is from the Gateway or from the Chamber, with the same content often delivered between the two but badged slightly differently. The entire structure would benefit from improved internal communication to avoid any overlap or duplication of events, with the Growth Hub more responsible for delivery. Part of the problem is the multitude of business support functions and brands across Leicestershire. Advisors themselves admit that it is challenging to refer businesses to all programmes, perhaps due to a lack of a good understanding of what each individual project does. It is acknowledged that this is perhaps inevitable as a result of the vast number of available programmes.

Moreover, advisers found it difficult to keep up with the myriad of new programmes and schemes announced by the government, with little time to familiarise themselves with the detail for often short-term interventions before businesses would already be contacting them to ask about it. Businesses might also be frustrated by a perceived 'postcode lottery' in terms of what support is available in their area, with newer government grants administered at district level, rather than through the LEP, which further complicates eligibility criteria and the role of the Gateway.

*"New products are launched without relevance and ignoring the SME/microbusiness focus and without market research".*

*"Speak the language of business, not of the public sector. Events and products without market research struggle to be successful".*

It was suggested that the Gateway only has a short reach amongst businesses; businesses involved are typically from the same pool of existing businesses that have worked within these processes before in pursuit of webinars, grant funding, with some seasoned grant appliers. The Gateway have plans to work with different telemarketing companies to source data and approach clients in a different way to improve penetration amongst businesses who are yet to engage with the Growth Hub. The Gateway has formed good relationships with those already in the pipeline, but the key is identifying new businesses. It was suggested that the penetration rate could be improved by using a joint marketing strategy (for example, with the FSB).

Some of the advisers have taken it upon themselves to develop their own processes to assist the delivery of support. Initially, there was little in the way of resources and information about each programme/partner involved in the Gateway, so advisers would collect leaflets and create spreadsheets to collate information, which has produced a 'knowledge bank' internally, although this needs development. The website now also has a 'support finder' for those looking to self-serve, but the content could be more detailed - not every provider is on the website, which can be limiting, and some are paid for and some aren't, which is also confusing. The advisers would benefit from centralised resources in terms of a formal knowledge bank that would allow even non-starters to have something to reference from.

The website is dated and fails to draw people in; for an organisation which is promoting the digital agenda, the old-fashioned design is counterintuitive and difficult to navigate, failing to meet the 'two clicks test'. As a result, despite a strong offer, businesses aren't always aware of what programmes are offered through the Growth Hub. The programme could undertake more comparator research to see what has been successful at other Growth Hubs.

Some of the programme providers expressed frustration with a lack of signposting from advisers to their programmes of support, particularly the programmes that focus on larger businesses. It was suggested that the advisers are predominantly fielding start-ups micro-businesses as part of their diagnostic sessions, whereas some of the providers work mainly with businesses with five or more employees. Moving forwards, the programme team could consider implementing KPIs for advisers to encourage a minimum-level of signposting to providers' programmes, as some providers are reliant on their own telemarketing and communication to source businesses. The wider programme would arguably benefit from more emphasis on slightly larger companies, or scale-up businesses. Providers are reported to be more likely to refer businesses back into the Growth Hub if they are pursuing further growth and development themselves, which is thought to be more likely if they are more mature and slightly further along in their development.

#### **4.3.9 Improvements**

Despite a slow start, the programme is increasingly engaging with district partners in wider Leicestershire, with some districts thought to be more forthcoming than others. Although activity is conducted within the districts, some districts have only one Economic Officer, which can prevent them from focusing on any one type of activity. Moreover, local councillors have their own businesses and programmes, and can sometimes be reluctant to be seen as part of the overall Gateway package. The programme would benefit from a more tailored resource in the districts, rather than a one-size-fits-all approach that doesn't distinguish between city and county businesses. In D2N2, local authorities are involved in the Steering Group, allowing them to get the new services to market a lot faster. This might help rural businesses take advantage more of business services, as rural businesses typically don't access publicly funded projects as much.

Furthermore, the communication across the Gateway could be improved; on more than one occasion, stakeholders discussed how the programme hasn't addressed the audience appropriately, with terminology providing confusing for businesses.

The programme would benefit from more programming with regards to workshops, linking 3-hour workshops over topics that micro businesses are interested in, using language that they are used to – rather than public sector terminology such as ‘micro business’, ‘scale up’ or ‘accelerator’ which is not thought to be inclusive or encouraging of people to engage with the GH. Webinars have too often followed no pattern, based on topics that aren’t targeted at small businesses, and were marketed with language that sounded exaggerated and as though it were aimed at larger companies, instead of on ‘growth’, ‘getting more customers’, ‘leadership and management’, and ‘recruitment’. Webinars can also be repeated, to capture new businesses who have been recommended the session by previous attendees. Linked-up webinars will also help the programme to achieve the 12-hour outputs.

*“The market for business support is massively overcrowded, repetitive and overlapping and the poor businesses must be terribly confused. The impression created by these prepared products (accelerators etc) and often the way in which clients are dealt with (ie having to complete a huge enquiry form with all kinds of sensitive detail before they have even spoken to us) is that the business support sector are only interested in ticking boxes. The BG should break away from this with a more flexible product offer, based around genuinely identified client needs, more business-friendly processes and much less jargon.”*

The Evolutive CRM system is poorly received. Evolutive recording requirements increased by 50% over the course of the pandemic, with government seeking constant feedback on new programmes, which meant the advisers felt saturated. The CRM system is considered to be clunky, repetitive and time-consuming. A lessening of reporting requirements would be welcomed.

There is a gap in terms of strategy, defining how different parts of the programme ought to work together to provide a more integrated customer journey. The programme needs to build a better sense of a collective to break down the silo working that is characterising delivery at present. The Gateway has a lot of untapped potential to add more value, improve efficiency and teamworking, to reach more clients, if a strong vision and strategy could provide that direction.

*“To have more two-way dialog and sharing of clients with linked support providers. To have face to face or telephone involvement with new projects that link into the programme to aid a deeper connection and understanding.”*

*“It feels very piecemeal. Everyone needs to agree and know what we are trying to achieve, who the target audience is and how we are going to do it. Systems need to be better to allow this to happen and communication must improve”.*

*“Internal communication between senior management in the LLEP and the BG is very poor. Projects that need support are communicated at the last minute”.*

It is acknowledged that the Gateway team are already starting to make the changes that will hopefully increase its effectiveness in the new few months. The Growth Hub want to attract a larger and more diverse set of clients in addition to micro-businesses, now looking at scale-up programmes that attract larger SMEs who will need a suite of support to meet their wider needs. Larger SMEs are more likely to recruit new employees, Kickstart employees and apprentices; to draw down larger grants; or to have net zero ambitions. Larger businesses have a need for more diverse programmes, and are likely to engage more with the Gateway.

#### **4.3.10 Value for Money**

The programme adds value to businesses by sharing hands-on expertise to business leaders who are so often inwards-looking, helping them to ask questions of their models and processes at a time when they are likely to be concentrating on running the business on a day-to-day basis.

“The service is the glue that holds the machine together, or the oil that keeps the machine running smoothly – it is the focus point for local authority partners, for districts, for people like the University of Leicester and other schemes out there”. It is a good way of understanding what the variety of offers are across Leicestershire.

*“Yes - the core team work very hard, often do much more than is in their job description and expenditure on areas such as marketing is very low. Some of the software data platforms that have been bought in the past do not represent value for money and will shortly be ended”.*

*“Overall, I think the Business Gateway is very well managed. I find the Team professional, effective, very supportive and are an absolute pleasure to work with. They are committed to providing the very best levels of support they can within the confines of the budget they are given. The Business Gateway Team have a very good profile and reputation with local businesses”.*

#### **4.3.11 The Future**

In recent months, the team have showed a willingness to change the way they operate, focusing more on delivering good quality business support and delivering ERDF outputs effectively. There is a confidence that if the programme can improve the way they deliver their product, with improved marketing, content, and a strong programme of linked webinars, that outputs will be achieved over the course of the programme. The Gateway have recently received more money and have subsequently increased the outputs. The appointment of a new Growth Hub Manager represents an opportunity for reform.

*“There is still clearly a need for business support and of a kind that is different from that offered by universities or the chamber. SMEs and microbusinesses need bespoke support, built around their time commitments and realities. The BG is establishing itself as the best provider of this. We believe that our offer needs to evolve away from set products towards more bespoke one to one support that clients will really value”.*

The LEP should consider integrating key government schemes into the Growth Hub, preventing programme from competing for the same audience, and allowing the LEP to take advantage of services that are already there. For example, in D2N2, the Peer Network programme is integrated into the ERDF Growth Hub programme, which helped to attract new businesses, but also allowed the LEP to retain businesses in an elongated programme as a means of achieving ERDF outputs in addition to BEIS outcomes. The Digital Growth Programme will soon be integrated into the Gateway, and other key government schemes should follow suit.

Other recommendations from consultees included: the development of an annual operational plan based on economic priorities – featuring marketing, events, support programmes etc.; and a Business Adviser team recruited by and managed by the Gateway.

*“Short term - rebuilding of trust in leadership and strategic direction, less red herrings like focusing on sectors which wasted lots of time last year; medium - working as one team, with clear focus and agreed priorities, reaching new audiences not reached before”.*

*“The BG needs an agreed plan of activity, written in advance, providing activities, events, products etc throughout the year to meet the needs of the sectors identified as priorities in the economic plan. These should be supported by market research (from the target clients) particularly about timing of delivery (day/evening etc). That way, each member of the immediate and wider team can be clear on what the objectives are and how they should be supporting the plan”.*

#### 4.4 Summary – Staff and Stakeholder Consultation

##### The Covid-19 Pandemic

- The programme has been operating in an unprecedentedly challenging environment, with the Covid-19 pandemic drastically altering the way it works. The team changed its whole service and experience almost overnight to pivot to a ‘hotline’ approach that dealt with a higher volume of immediate enquiries faster than before. The pandemic created an entire ‘bolt-on’ sector of business support around recovery grants, furlough and support grants. The pandemic forced businesses to seek grants rather than growth plans, as well as support to rethink their business model, diversifying into online models and setting up new websites to add another means of income generation.
- The pandemic has presented the opportunity for remote working via a Microsoft Teams facility, which was developed to provide centralised information storage and notifications, sharing of best practice, requests for specialist advice etc. The remote approach cut down travel costs and made meetings more efficient, but also presented fresh challenges in terms of paperwork – in particular, securing appropriate signatures for funders – and new processes.
- In the first couple of months of the pandemic, businesses were too preoccupied with short-term survival to engage in any long-term future planning or growth plans with the programme.

The Gateway served an invaluable purpose at a time when businesses had nowhere else to turn. However, the pandemic presented opportunities for some businesses.

The programme has supported many entrepreneurial businesses to access new markets with new products or new ideas. Encouraging businesses in the LLEP area to gain confidence to continue to trade or commence trading internationally has been a very important area for the LLEP Business Gateway.

- The pandemic has emphasised the value of the Gateway more than before. There is a legacy that businesses have a different relationship with grants than prior to the pandemic. In a way, the pandemic has allowed the Gateway to access businesses that they might not usually work with, such as in the hospitality and manufacturing sectors, who might have been seeking support for the first time. It was also suggested that clients and businesses are returning to the Growth Hub at a more frequent rate than prior to the pandemic. The challenge moving forwards is to how to convert the businesses that have had some short contact over the course of the pandemic to enrol on the programme and to meet the outputs of the programme.

### **Programme Management, Governance and Process**

- The collaborative structure presents some barriers to cohesive working; at times, the Gateway has operated in silos – the team is diverse and spread across a mix of public and private organisations who operate with their own agendas and at times might overlap or duplicate delivery. Business Advisers are split across the three delivery partners, each of which has their own targets. The programme would benefit from a shared set of KPIs across partners, as well as a shared communications strategy. It was noted that D2N2 employed a Partnership Manager to support this structure.
- In terms of governance, some members of the team suggested that the ERDF programme could be more joined up to the Project Board, Business Board and the LEP. The LEP would benefit from the ERDF programme formally feeding into the Business Board, which would then have a mechanism to feed intelligence, market failure, new developments and strategy back into the LEP.
- The advisers work with businesses every day, but they feel left out in any decision-making or strategy around what support programmes are selected, or what businesses actually need help with. The programme is hoping to build a closer relationship with the advisers in order to use their close understanding of the problems businesses are facing to commission projects that are more aligned with the local area.
- At times, the BEIS and ERDF sides of the Growth Hub have been working against each other, with much of the Growth Hub's focus having been on achieving BEIS outcomes. The programme structure would have benefitted from ERDF and BEIS funding being used as match funding for each – outputs could have been more aligned, added value would be maximised, marketing resources could be shared better, and some of the BEIS-funded workshops and events could have contributed to ERDF outputs.

- One example of good practice is the Gateway's merging of two grant processes – the Gateway ERDF grants and the Chamber's digital grants programme – evolving a model from both schemes that used one panel and the same process for approvals and for adviser interaction. The system is robust, and the panel see the value in identifying where a Growth Hub or digital adviser can be best used, and in identifying case study opportunities.

### **Challenges and Lessons Learnt**

- Overall, the Gateway still has issues with brand recognition, as businesses are thought to be unsure about who their support is delivered by. Part of the problem is the multitude of business support functions and brands across Leicestershire. Moreover, because much of the ERDF contract has been sub-contracted to other bodies – such as MediLink, NBV etc – it is even more confusing for businesses who aren't sure what is free support and what isn't.
- The LEPs and the Gateway have traditionally mainly attracted micro businesses or start-ups, whilst more mature businesses – once they had reached a certain size – thought they were above the expertise. However, in the last couple of years, the introduction of the peer programmes has helped the Growth Hub to attract a broader sector and wider age range of business.
- It was suggested that the Gateway only has a short reach amongst businesses; businesses involved are typically from the same pool of existing businesses that have worked within these processes before in pursuit of webinars, grant funding, with some seasoned grant appliers. The Gateway have plans to work with different telemarketing companies to source data and approach clients in a different way to improve penetration amongst businesses who are yet to engage with the Growth Hub. The programme might improve its penetration rate in the districts via dedicated resource, rather than a one-size-fits all approach across the LEP area. In D2N2, local authorities are involved in the Steering Group, allowing them to take advantage of business services more directly.
- The website now also has a 'support finder' for those looking to self-serve, but the content could be more detailed - not every provider is on the website, which can be limiting, and some are paid for, and some aren't, which is also confusing. The advisers would benefit from centralised resources in terms of a formal knowledge bank that would allow even non-starters to have something to reference from.
- There is a need to address referral mechanisms – there is no current consistent process followed by staff in relation to referrals and the information regarding the outcome of referrals is limited so the central team is unable to see an overview of the entire customer journey this is a key focus of improvement.
- Some of the programme providers expressed frustration with a lack of signposting from advisers to their programmes of support. Moving forwards, the programme team could consider implementing KPIs for advisers to encourage a minimum-level of signposting to providers' programmes, as some providers are reliant on their own telemarketing and communication to source businesses.

- The programme would benefit from more programming with regards to workshops, linking workshops across topics that micro businesses are interested in, using language and terminology that they are used to, and merging both BEIS- and ERDF-funded session into one platform. Webinars have too often followed no pattern, based on topics that aren't targeted at small businesses, and were marketed with language that sounded exaggerated and as though it were aimed at larger companies. Linked-up webinars and the integration of key government schemes into the Growth Hub will also help the programme to achieve the 12-hour outputs, and help to prevent projects from competing for the same audience.

## 5.0 Programme Outcomes and Impact

To demonstrate the wide-ranging impact of the programme, this section details the results of consultation with businesses engaged. A wide range of business consultation has been undertaken during the interim evaluation stage using the following:

- **Online Questionnaire for Beneficiary Businesses** – A questionnaire was circulated to businesses who engaged with the Business Gateway capturing details about the benefits that taking part in the programme has had on their businesses.
- **Case Studies of Beneficiary Businesses** – This section captures more in-depth feedback from one-to-one consultation with businesses who have received in depth support and provides a more detailed understanding of the impacts that support from the Business Gateway can have.

The findings of each of these is shown over the following pages.

### 5.1 Questionnaire for Beneficiary Businesses

As part of this evaluation a beneficiary survey was developed to engage and seek feedback from those who have accessed support from the Business Gateway programme. The aim of the consultation was to gather feedback on how successful the different elements of the Gateway's business support programme had been and the impact it has had upon its beneficiaries.

The survey was designed in consultation with staff and an electronic survey link was circulated to businesses to take part in the survey.

In total, 26 businesses completed the questionnaire. The findings of the report are shown in the following section.

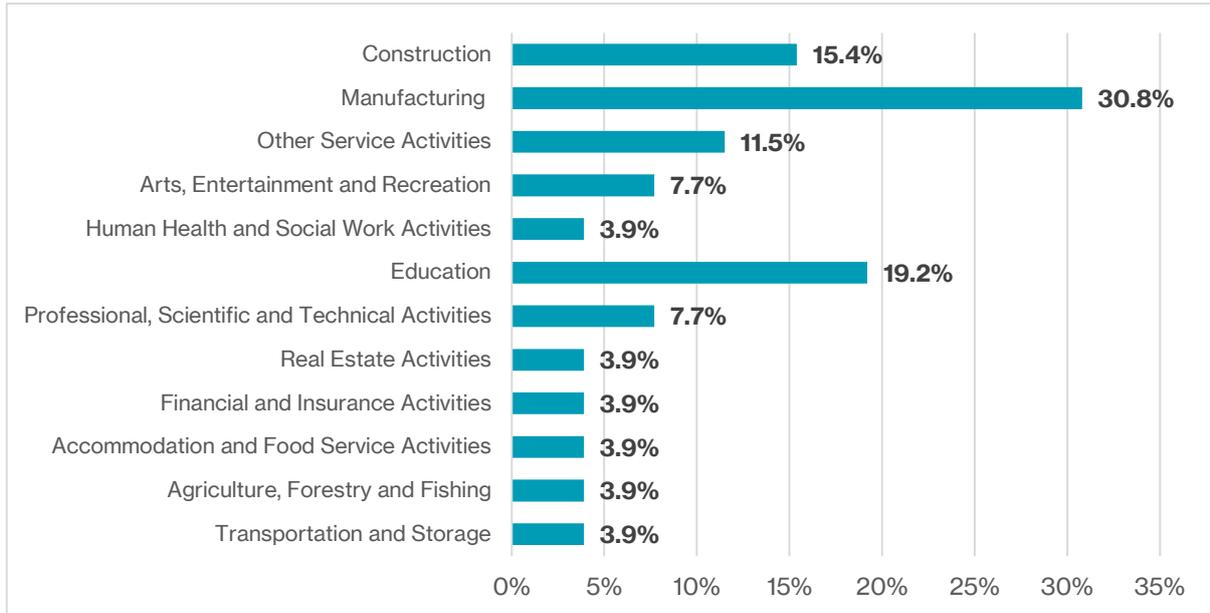
#### 5.1.1 Snapshot of the Businesses Taking Part

To provide context we have first analysed the types of businesses taking part in the survey. This includes a review of the sectors that they are working in, their size and core business. The details are shown below.

##### a. Sectors

Businesses taking part in the survey were asked which sectors they were a part of. The responses are shown in the graph below, which illustrates the diversity of food and drink sub-sectors covered by the Business Gateway.

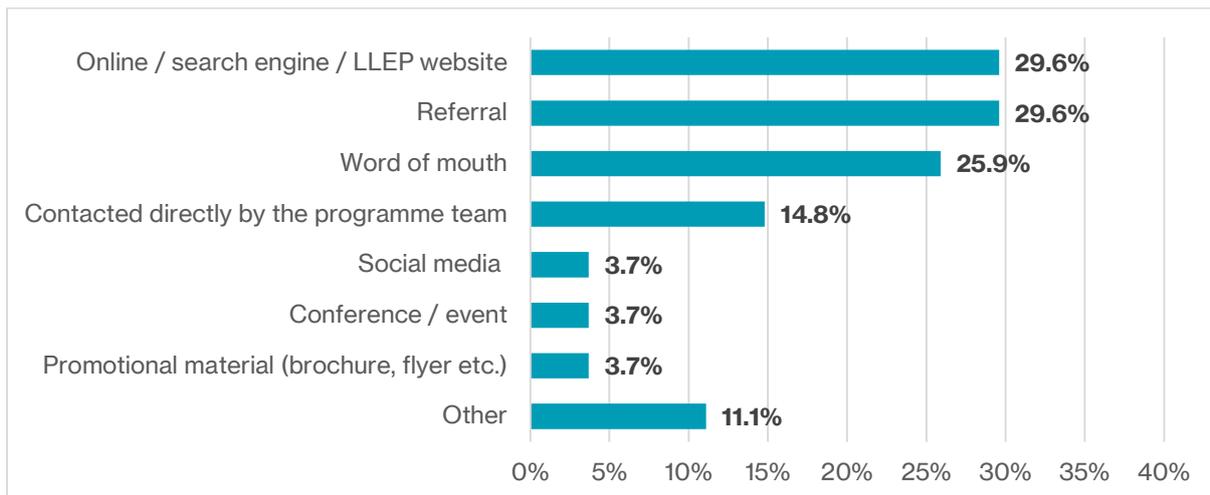
Around one-third of the respondents are made up of manufacturing businesses (30.8%). In addition to the sectors listed, businesses in marketing and design, commercial cleaning, and photography also completed the questionnaire.



### 5.1.2 Involvement with the Business Gateway

#### a. Initial Engagement

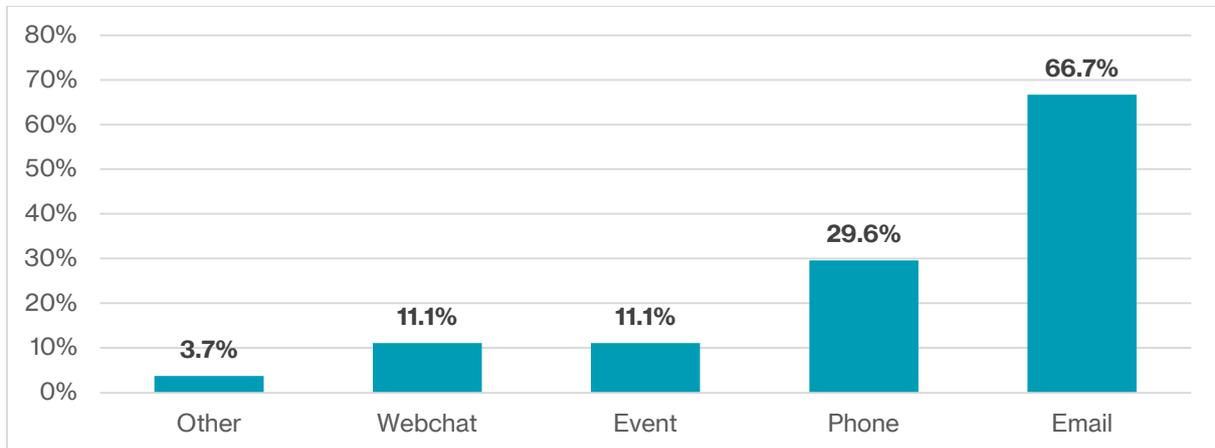
Businesses were asked how they found out about the Business Gateway. The data suggests that there is a strong process of engagement and referrals. 29.6% of businesses engaged with the Business Gateway as a result of a referral, with a further 25.9% informed via word of mouth, and 14.8% contacted directly by the programme team respectively. In addition, some businesses commented that they were contacted via an email circulation list from previous attendance on workshops. One-third (29.6%) of businesses found out about the Business Gateway online, through a search engine or via the LLEP website.



Anecdotal evidence from stakeholders consulted with as part of the evaluation suggests that the Business Gateway struggles to differentiate itself from the LEP and East Midlands Chamber, with beneficiaries sometimes not knowing which organisation is responsible for the support they are receiving.

## b. Engagement Method

Data from the questionnaire shows that most businesses are contacted via email (66.7%), with more than one-quarter engaging via a phone call (29.3%). A small number of businesses were recruited through an event (11.1%), which can be attributed to the impact Covid-19 has had on the number of in-person events held by the Business Gateway.



## c. Rationale for Involvement with the Business Gateway

The survey sought to determine why businesses were motivated to get involved with the Business Gateway. Motivations varied, from businesses who were looking to survive the Covid-19 pandemic – primarily by securing grant funding - to those looking to grow their business via free courses. The results show that businesses view the Business Gateway as a means to help them move forwards, be that through marketing, training, skills development and expert advice.

The rationale for involvement for some businesses were closely linked to the unpredictability and economic climate produced by the Covid-19 pandemic:

- “Covid support”.
- “To be able to stay afloat as a business during the Covid times”.
- “Help and advice for my business post first lockdown”.

A selection of other responses is below:

- “Develop skills applicable to growing a business and to network”.
- “To learn about how to grow my Business and get advice about the areas that I have little or no experience in”.
- “Interested in the free courses offered”.
- “Free advice”
- “Using their experience to invest in my company”.
- “I needed assistance in structuring my business methods as I kept on being messed around by clients”.
- “To learn new skills and to develop my business”.
- “Wanting to use social media for business and hadn't got a clue”.

- “Looking for mentoring/peer support”.
- “To get help to support my start-up business”.
- “Learn, get information and especially advice”.
- “Investment grants and business rate relief to support expansion project”.
- “Getting the support from the council to improve systems within the workplace”.
- “Understanding legislation and regulation better”.

*“To make use of business support (training, advice, grants) to help develop and grow our business”.*

#### **d. Support Received from the Business Gateway**

Businesses were asked to describe the support they received from the Business Gateway. The answers reveal the key areas of support that businesses have sought. The most frequent areas of support provided include: funding opportunities, purchasing equipment, mentoring, marketing, websites, signposting, and business support programmes.

A selection of responses is below:

- “The support has been outstanding, almost too good to be true in all honesty. Joanna Moore has helped us with various projects and introduced us new other people that could potential help our business”.
- “I had support on the Business plan, on the management of social networks and marketing. This was very beneficial for me because it gave me a readability of what I have to do and the storm of business plan and this cash flow allowed me to know how to manage this new year. With these tools month-by-month I will be where I am going and my turnover goals”.
- “Very good advice and referrals to relevant training courses, support with a business and marketing plan”.
- “I attended a range of webinars and also had one phone conversation regarding potential funding opportunities”.
- “Provided support and guidance in preparing application to receive grants and loans to support an expansion project and were proactive in suggesting we could receive business rate relief”.
- “I have attended several online courses and recommended them to others”.
- “Review and critique of my website and other marketing efforts”.
- “I've been on Gearing for Growth, and I'm now having business coaching”.
- “Really great support, always at hand and so knowledgeable”.
- “Peer Network 6-month programme”.
- “Business advisor session to advise what support is available for me”.
- “We have received many free online webinars packed with information ranging different topics”.

*“Business gateway has been that valuable bridge between the government and the small businesses. Being local to the area with powers and expertise of their own, they know which areas are in greater need of support and they have put to use their resources very wisely. They motivate, they educate, they are approachable, they understand our concerns and most of all, they have provided a good service to Leicester businesses”.*

It is also worth noting the intangible services Business Gateway has provided outside of the services listed above; anecdotal evidence from businesses as part of the case study interviews suggest that many benefit from the peer-to-peer networking facilitated by the Gateway’s Peer Networks programme, which business leaders have said helped them to feel less alone during the pandemic. Some businesses said they are able to have more confidence in their business and their development as a result of having the programme on hand.

#### e. Satisfaction

The survey asked how satisfactory each business found their experience with the Business Gateway. Over half (55.6%) said that their experience of the Gateway was ‘excellent’, with 96.3% of businesses rating their experience as either ‘good’ or ‘excellent’.



Businesses were able to elaborate on why they found their support to be ‘excellent’, ‘good’ or ‘indifferent’. Businesses who found their experience to be ‘excellent’ attributed this to: the detailed information provided, effective signposting, business planning, regular updates of opportunities,

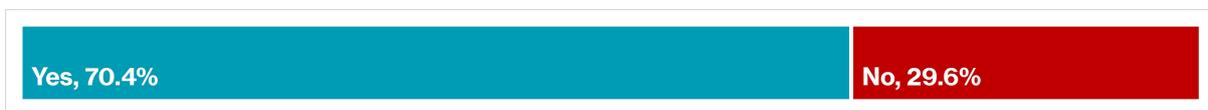
- “The presenters and facilitators were all excellent, very knowledgeable and up to date with their knowledge and information”.
- “Information provided is always very thorough and well presented”.
- “It was focussed, helpful and really helped me with seeing challenges and opportunities with more clarity and making a plan to deal with them”.
- “A lot of useful information. I learned something about myself”.
- “Always available, if they do not have the answer then they sign post me to the right person”.
- “Advisor was excellent and pointed out the current issues i need to focus on to increase brand awareness and sales”.
- “It was really informative, made me feel motivated, and then couldn't really put it into practice as lockdown etc, would really like to participate in the social media things again”.
- “Each webinar session was interesting, interactive and improved my knowledge of a range of relevant topics”.
- “It was very useful to access this support, the adviser was very knowledgeable and worked hard to support me in the areas needed.
- “Helpful, advised of several free courses and services”.

Other businesses rated their experience as 'good' because they "received good advice and secured two sets of funding which was very valuable and helpful". The one business that felt 'indifferent' about their experience suggested that "most support is in the form of basic level of consultation that probably works well for less experienced companies/directors". Other suggested improvements include:

- "Gearing for growth seemed more aimed at people right at the beginning of the journey. where I assumed it was to give you a push after being in business for a short time".

### 5.1.3 Referrals

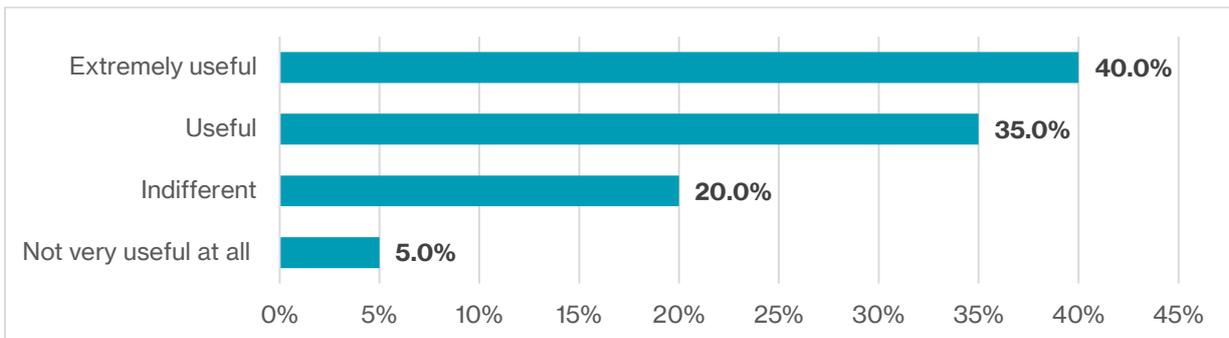
Overall, 70.4% of businesses that completed the questionnaire said that the Gateway provided them with a referral for support/advice.



Businesses that completed the survey said that they were referred to: Business Advisers, the digital growth hub, online training courses, grant applications, one-to-one consultancy, seminars, webinars, Green BELLE, NBV Enterprise Solutions, and various other services.

#### a. Usefulness

Overall, 75.0% of these businesses said that the referral they received via the Business Gateway was at least 'useful', with 40.0% saying that the referral was 'extremely useful'.



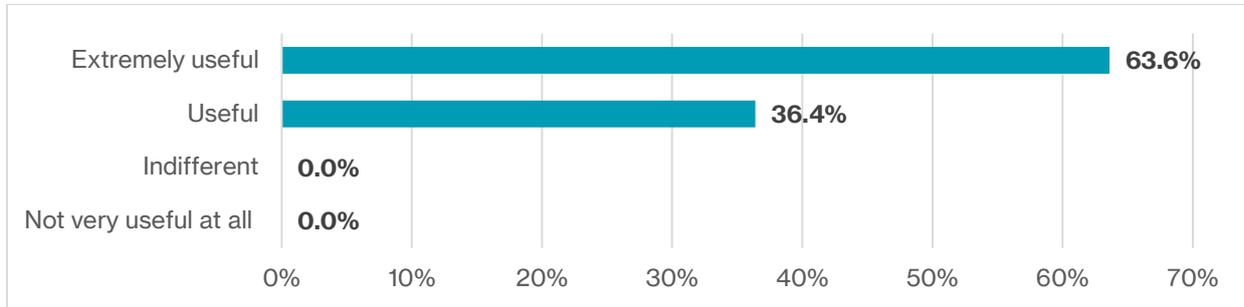
### 5.1.4 Diagnostic

40.7% of businesses surveyed completed a diagnostic (3hrs) with one of the Business Gateway Advisers.



**a. Usefulness**

63.6% of businesses surveyed said that they found the diagnostic with the Business Adviser to be 'extremely' useful; 100.0% of businesses found the diagnostic to be at least 'useful'.



The data is corroborated by consultation with stakeholders and beneficiaries, who suggest that the Business Gateway is able to add more value over a longer period of engagement than for referrals.

- “This service has helped me manage a change in our business model, given me strategies and tactics to improve. Certainly helped in the short and medium term”.
- “I have increased my customer base”.

**5.1.5 One-to-One Advice**

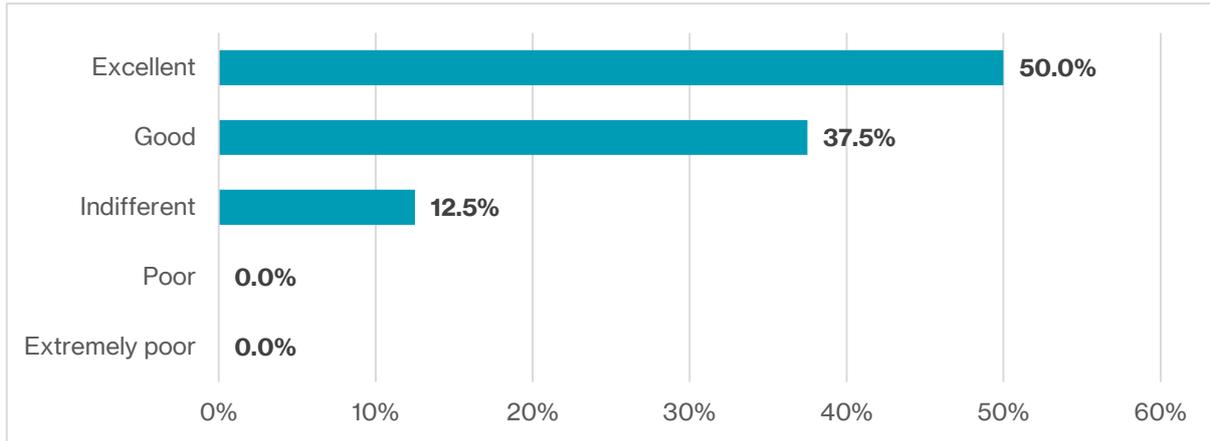
40.7% of businesses surveyed received additional one-to-one advice (12hrs) from one of the Business Gateway Advisers.



**a. Rating**

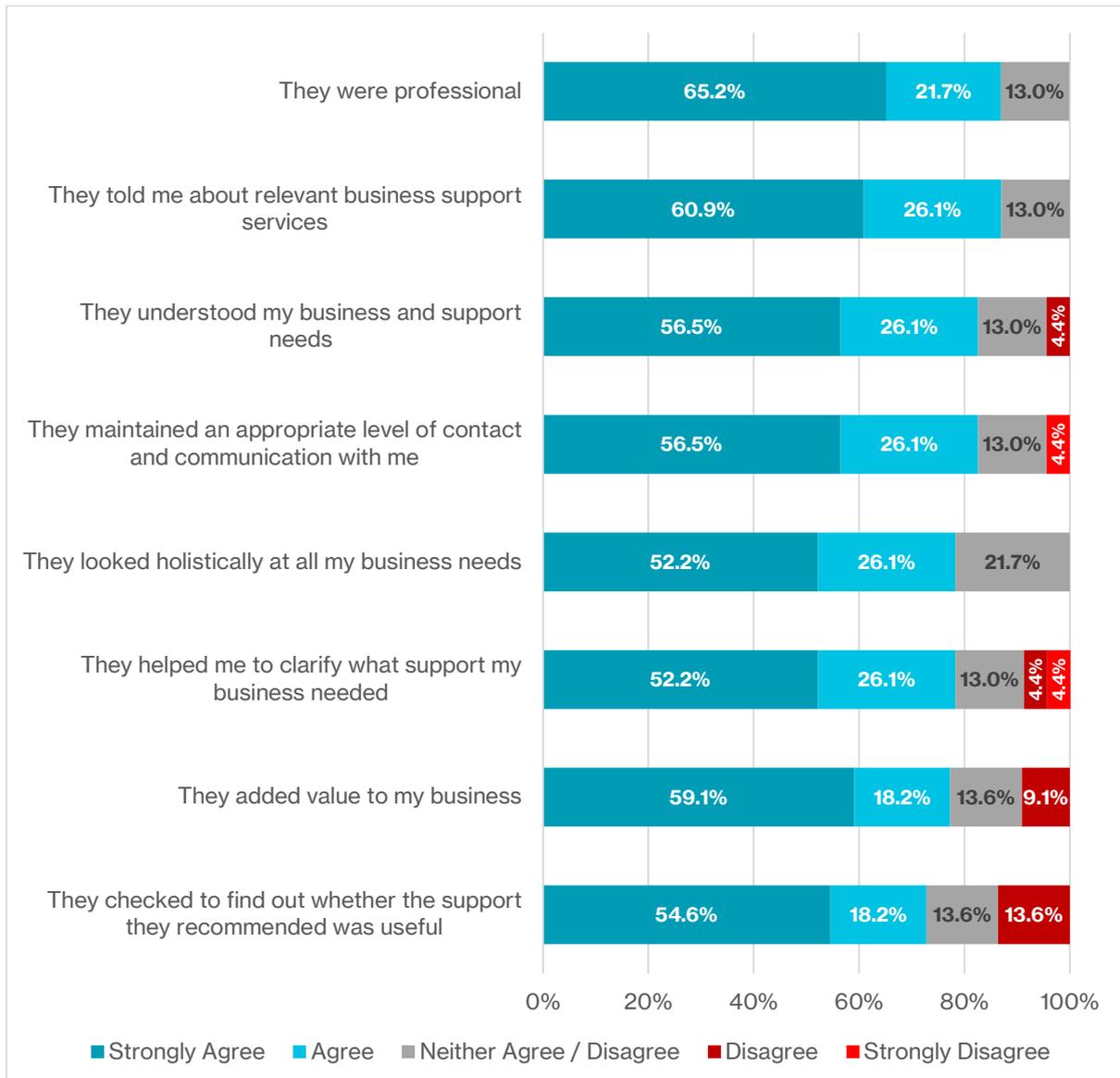
50.0% of businesses surveyed said that the one-to-one advice they received from a Business Gateway Adviser was 'excellent', with a further 35.7% saying that it was 'good'.

- “Really helped me plan for the future and signposted me to some great support with regards to managing finance”.
- “It has given me some ideas for support and funding”.
- “I did have monthly meetings with the business advisor in between meetings - I can't remember how long they were, but they were incredibly helpful”.
- “Confidence in the running of my business, pointing me in the right understanding to continue to grow”
- “I've previously had excellent advice from a Growth Hub adviser and followed it up. I now have a coach so chose not to have a further session from the Growth Hub, but know it's there if needed”.
- “Increased customers”.



### 5.1.6 Business Advisers

Businesses were asked how strongly they agreed with the following statements about their Business Adviser.



We can draw the following conclusions from the data:

- 86.9% of businesses agreed that the Business Advisers were professional; and that they told them about relevant business support services.
- 82.6% of businesses agreed that the Business Advisers understood their business and support needs; and that they maintained an appropriate level of contact and communication.
- 78.3% of businesses agreed that the Business Advisers looked holistically at all of their business needs; and that they helped them to clarify what their business needed.
- 77.3% of businesses agreed that the Business Advisers added value to their business.
- 72.8% of businesses agreed that the Business Advisers checked to find out whether the support they recommended was useful.

### 5.1.7 Grants

One-third (33.3%) of businesses that completed the survey had received a grant as a result of Business Gateway support.



Businesses were asked to detail who the grant was from, what it was for, and how much it was for. The responses below give an idea of the types of grants businesses have been securing via the Business Gateway, including to start an online business, for growth (and digital growth), for machinery, lighting, diversification, and cycling to work.

- “Enterprising Growth Grant - £18,825 - from the North West Leicestershire District Council which falls under the Governments Subsidy Control regime in accordance with the EU-UK Trade Cooperation Agreement, World Trade Organisation and other Free Trade Agreements.”
- “It was for machinery that opened new sales areas as well as making efficiencies in the work shop”.
- “Lighting - Green Belle £3,116.86 (Payment pending) Business Gateway Growth Hub - Hand driver system (Allowing us to go almost paperless for driver routing and deliveries £8,277.50)”.
- “It was a grant to start an online business and it was managed by Leicester City Council”.
- “Invest to grow grant and loan from Derby University”.
- “Cycle to work grant”.
- “Digital growth, EU fund for £4,500”.
- “North West Leicestershire District Council - £5,000 for new equipment”.

### 5.1.8 Improvements and Recommendations

The survey sought to gather feedback on how the Business Gateway could improve and whether they could have done better in the delivery of the service. The vast majority of respondents thought that there wasn't anything the Gateway could improve, with one business suggesting they were “more than happy with the service”.

- “Nothing...they provided all the advice and help required without being pushy”.
- “Nothing I am more than happy with the service I received and ongoing services”.
- “In all honesty I can't think of anything, they have been a total pleasure to work with”.
- “No not really, we feel extremely happy with everything”.

A few businesses noted potential means of improvement; taking these into account, the Business Gateway could improve its service by providing more relevant support, more experienced advisers, target larger businesses, an annual review, and more of a follow-up with businesses. A selection of these comments is below:

- “Offer annual review after initial period”.
- “Continue the support longer term”.
- “Look to support businesses that can become large international players and get the support they need early on”.
- “Need to get back to face to face and actual physical meetings, where possible”.
- “Have a single point of contact and a regular catch up via phone or email”.
- “They didn't listen to what I really needed. The assistance I was offered was off the point and irrelevant”.
- “There should be advisors that are experienced with a more experienced board. The level of engagement was very basic”.
- “Having individual support will be better in order to have good communication and appropriate advice”.
- “Follow-up emails or calls would have helped to understand more as a new business owner”.
- “Regenerate Granby Street/Belvoir Street area by bringing in the specialist shops/businesses in which have all closed down. Provide free car park in the city centre area so that people come to town rather than Fosse Park”.

## **5.1.9 Overall Impact**

### **a. Impacts**

The impact of the Business Gateway was measured against increases in competitiveness, productivity, turnover, efficiency, market access, new customers, new products/services, new technology, job creation in response to Covid-19 and Brexit amongst beneficiaries.

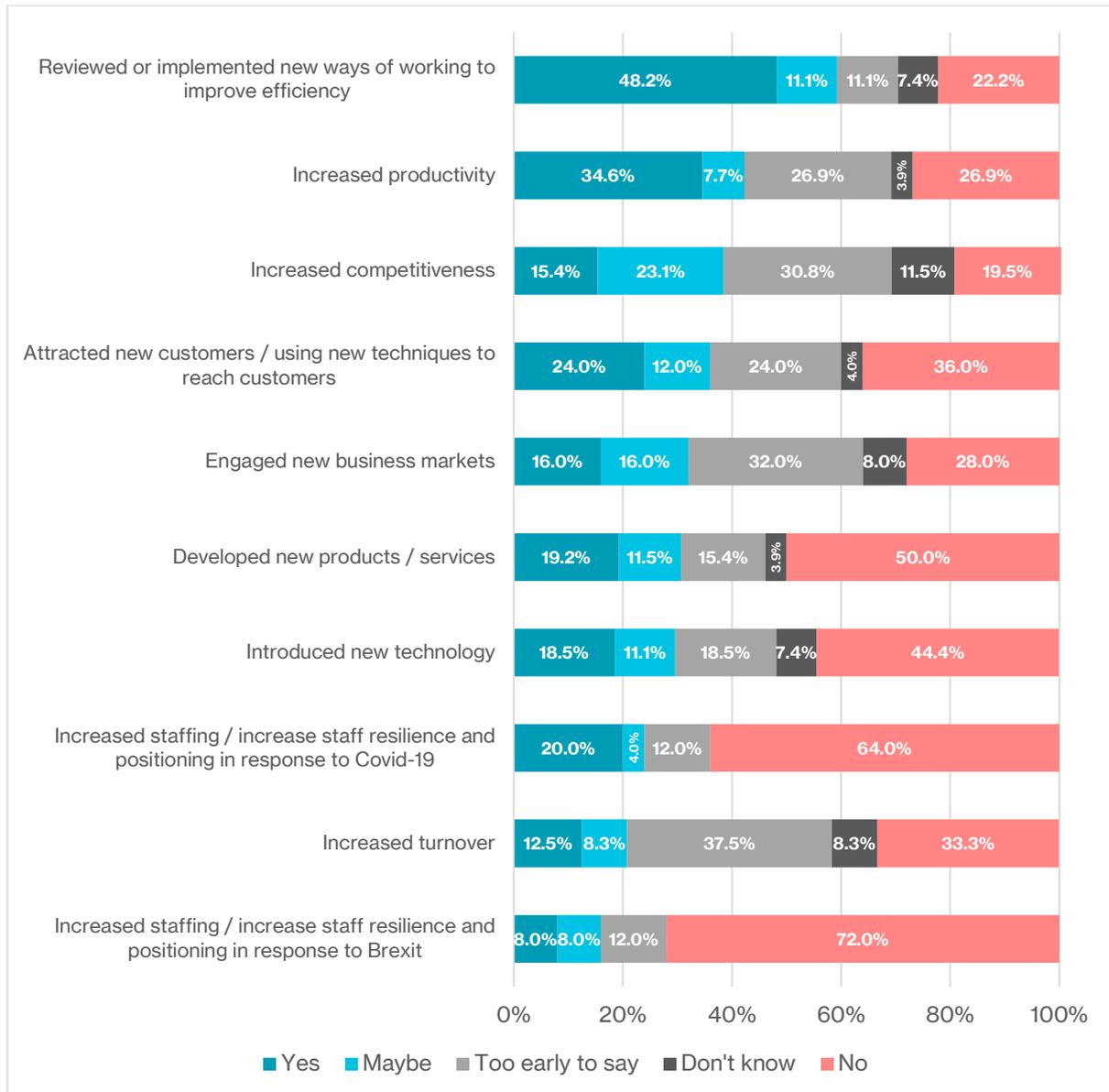
The Business Gateway has been most influential in terms of supporting businesses to:

- Review or implement new ways of working to improve efficiency (up to 59.3%)
- Increase productivity (up to 42.3%)
- Increase competitiveness (up to 38.5%)
- Attract new customers/use techniques to reach new customers (up to 36.0%)
- Engaged new business markets (up to 32.0%).

The Gateway also supported around one-third of businesses to develop new products/services (up to 30.7%) and to introduce new technology (up to 29.6%).

A further proportion of businesses were able to increase their turnover (up to 20.8%) after their engagement with the Business Gateway. As a result of the support, advice and guidance from the Gateway, businesses were able to increase staffing/staff resilience and positioning in response to Covid-19 (up to 26.1%) and Brexit (up to 17.4%) respectively.

The results are illustrated below:



**b. Outcomes**

The survey asked businesses what they thought the main outcomes achieved for their business as a result of the support provided by the Business Gateway. Businesses referred to increased confidence, efficiency, productivity and turnover; new job creation; personal development; better health and wellbeing; an improved work environment; access to new markets; lower carbon footprint; introduction of new technologies; development of strategy, planning and marketing. The full list of responses is below:

- “Introduction of new technology and improved efficiency”.
- “Safeguarding of not just jobs but livelihoods, a desire to expand on the range of products we sell by going online”.
- “Financial support received enabled the business to relocate invest in new technology and capacity and enter new markets”.
- “Better understanding of legislation and how to implement it within the business”.
- “Helped with strategy, planning and marketing”.
- “New jobs created, increased productivity...which should leave to increased turnover”.
- “Efficiencies in production, better working environment, new markets, increased turnover, safeguarded jobs”.
- “Creating a marketing strategy and digital support plan”.
- “Cost saving and reduced carbon footprint”.
- “Was able to manage a relocation to Dubai; signposted me to helpful support around finance”.
- “Improved our tech and efficiency and helped us to be ready to employ more people”.
- “My personal confidence and increase in knowledge of a range of relevant areas”.
- “My focus has been on staff wellbeing and personal development to be able to better support my business”.
- “Developing current management systems”.
- “Increased turnover. Better understanding of marketing”.
- “If it wasn't for the immediate closure due to covid after starting the lectures/talks, it would have helped a lot to find and engage with new client base across social media platforms”.
- “Increased my understanding of what I need to do to improve my business”.
- “Information, networking and knowledge”.
- “Secured new business and have made robust plans for creating future new business”.

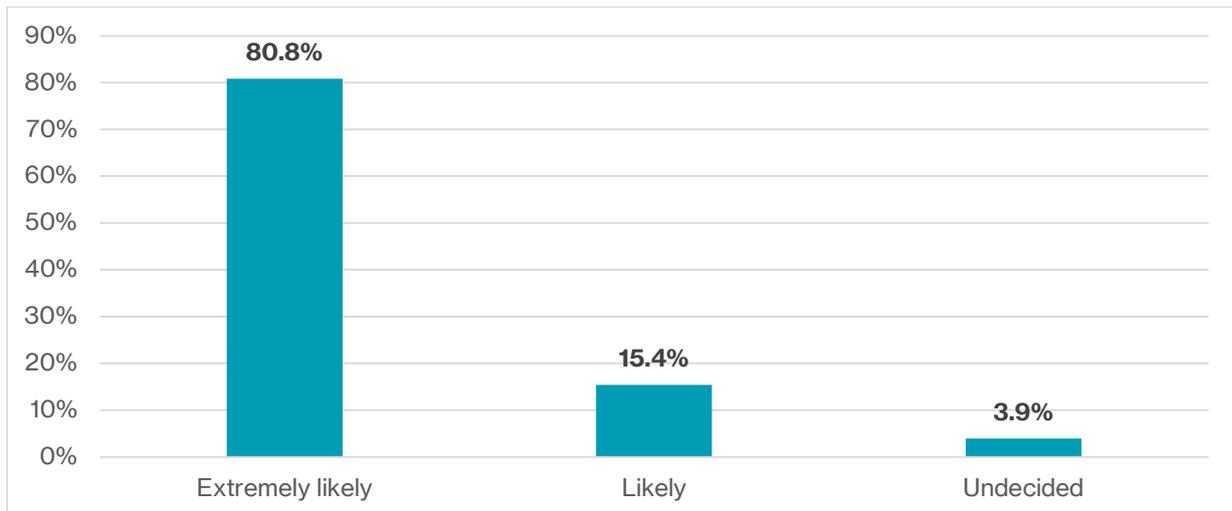
### **c. Environmental and Social Impacts**

One business that had received support from the Business Gateway reported that their involvement has resulted in being part of an environmental monitoring programme; another said that the Gateway had helped to reduce their energy use and carbon footprint. A selection of responses is below:

- “We are now part of an environmental monitoring programme so will hopefully improve our environmental impact at our business over the next 12 months”.
- “Thinking about starting a jar returns policy if the stockists will accept it”.
- “Not yet but it will do”.
- “Reduced our energy use and carbon footprint”.
- “We have reduced our carbon footprint as a result”.
- “Only improved processes to minimise our social & environmental impact”.

### **d. Recommending the Service**

Overall, 80.8% of businesses said that they would recommend the Business Gateway to another business.



### 5.1.10 Future Business Needs

The survey questioned businesses on what type of support they thought their business/organisation needs, either now or in the future. An analysis of the responses suggests that businesses think they need (and will need) the types of business support already offered through the Business Gateway, which evidences the role the Gateway has to play in business growth in the LLEP area.

Requests for more funding and investment were frequent amongst beneficiaries. In terms of business support - training, one-to-one mentoring and strategic support were mentioned alongside marketing, social media, sales, signposting, management support, graduate recruitment, and information sharing on regulation and legislations. Businesses also suggested the safeguarding of jobs would be important moving forwards.

A selection of responses is below:

- “Social media - what to do, how to do it, back to basics with it all”.
- “Information on regulation / legislation / Brexit related guidance / importing / exporting”.
- “Annual review with same advisor”.
- “On going notice of any support programs which become available or introductions to new overseas markets”.
- “Website needs improving. Marketing needs more work. Publicity need work”.
- “Strengthening business plans Funding (grant)”.
- “I offer a bespoke service and having someone who understand the bespoke business market / service environment would be very helpful in terms of planning, marketing, business expansion and engaging with new clients”.
- “Individual support with a person experienced in this field of activities”.
- “Help with finding new graduate and early career employees in Leicester & a Cantonese speaker for our HK office”.
- “Further manufacturing and warehouse investment”.
- “New machinery to open more markets, safe guard jobs to make efficiencies in production, which will then lead to implementation of an office structure with better IT and marketing”.
- “Similar to what I've already had, plus possible grants for new projects”.

- “Innovation Finance (large scale) Internationalisation Factory setup Recruitment”.
- “Training - Mentoring - Future Grants - General Business Support”.
- “Marketing and sales support”.
- “Continue doing what you are doing. Strategic reviews as we keep growing and therefore need to ensure that we grow correctly and efficiently”.
- “Funding at a much higher % than is available right now”.
- “Improving management systems”.

*“Strategic support, assistance with laying out business methods and contracts; help in preparing me to face clients. No amount of marketing, identifying my ideal customer, or building my business “story” helps me to engage with the business process, and I am not talking about accounting. I’m talking about processes”.*

### **5.1.11 Covid-19 and Brexit**

Attitudes towards the future impact of the Covid-19 pandemic and Brexit on LLEP businesses were tested through the questionnaire. Businesses were asked whether either would have a further impact on the type of support that businesses need. Some businesses noted that both the pandemic and Brexit are still affecting businesses:

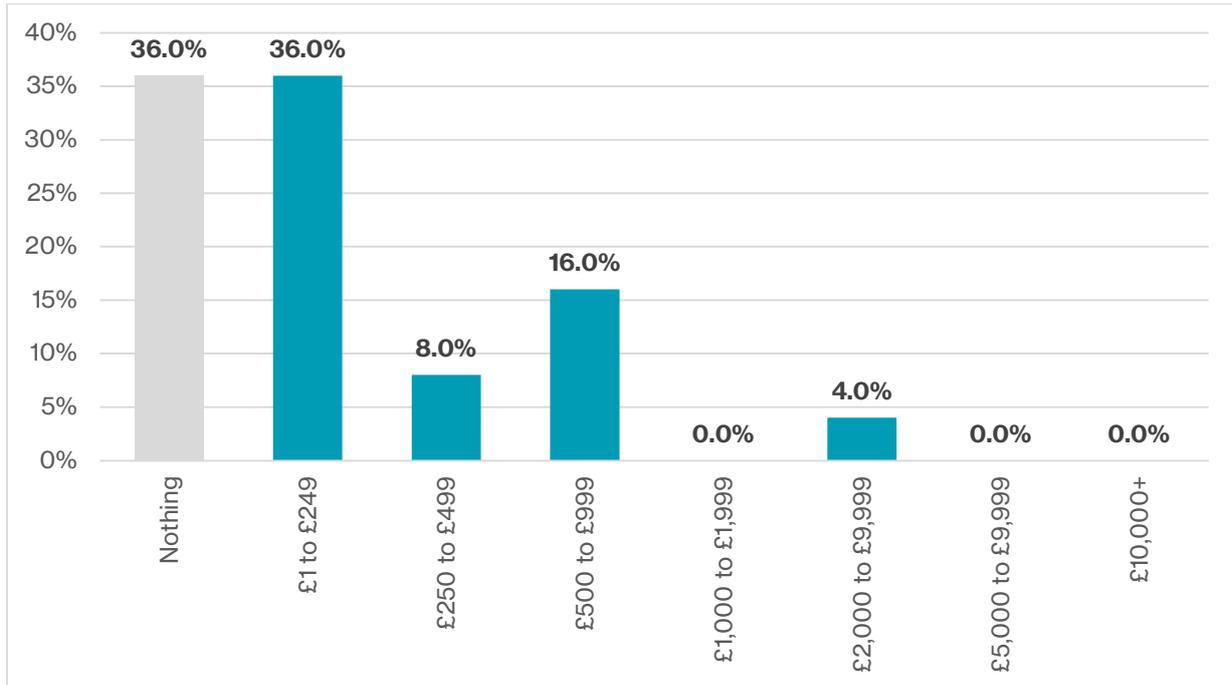
- “Yes, developing resiliency as a business and exploring other related business opportunities”.
- “Covid is still affecting business, just yesterday I had large award ceremonies cancelling, these are things that see me through and businesses aren’t rescheduling. We went into the new year uncertain if we would reopen the doors after Christmas, people aren't planning ahead as they are fed up with cancelling”.
- “Yes, these are challenging times”.

Some businesses that completed the survey suggested that they consider it unlikely that the Covid-19 pandemic and Brexit will have any further impact on the type of support required, which indicates a preference for a return to traditional business support services.

- “No businesses need to learn to adapt to the new situations created by Covid. The lawmakers need to find ways to simplify importing / exporting activities with Europe post Brexit to move back to a less administrative way of doing business which existed prior to Brexit”.

### **5.1.12 Value for Money**

Respondents were made aware of the fact that the services they received from the team were provided free of charge due to external funding secured from the European Union. The survey asked businesses how much they would have been prepared to pay for the service they received, if this funding was not available.



36.0% of businesses that completed the survey valued the support they received from the Business Gateway to be worth up to £250; 8.0% valued the support they received at £250 to £499, 16.0% at £500 to £999, and 4.0% at between £2,000 and £9,999. If we take an average of all responses, using midpoints of each range for each response, we find that businesses would be willing to spend an average of £335 each for the support they received.

If the Business Gateway meets its output targets and engages with 590 businesses, this would equate to £197,650 worth of perceived support. If businesses continue to realise further outputs (such as increases in turnover, employment and expenditure on RD&I) as expected in the next two years, the perceived value of support is likely to be even higher.

### 5.1.13 Additional Comments

Businesses were afforded the opportunity to make any additional comments about the Business Gateway:

- “Have appreciated the topics on offer and also being included in a business community”.
- “Continue using knowledgeable and gifted presenters to give best value for the webinars”.
- “I can’t praise the staff enough”.
- “Great initiative, very useful to business owners and a great variety of subjects covered”.
- “No. You try very hard and I appreciate the service. Oh: the times of the sessions were very hard for me to attend - very inflexible. I cannot do morning sessions or evening sessions and would prefer shorter sessions of two or three hours rather than four. Starting around two pm. Thank you for everything”.
- “It was all positive. You don't need to provide any food, money could be saved there, coffee good though!! networking happened before the event starts”.
- “I am supportive of the Business Gateway but have found that it is not right for our business. The level of intervention is too small and basic to add any value to us”.

## 5.2 Summary - Questionnaire for Beneficiary Businesses

- The data suggests that there is a strong process of engagement and referrals. 29.6% of businesses engaged with the Business Gateway as a result of a referral, with a further 25.9% informed via word of mouth, and 14.8% contacted directly by the programme team respectively. Most businesses are contacted via email (66.7%), with one-quarter engaging via a phone call (29.6%).
- Motivations for getting involved with the Gateway varied, from businesses who were looking to survive the Covid-19 pandemic – primarily by securing grant funding - to those looking to grow their business via free courses. The results show that businesses view the Business Gateway as a means to help them move forwards, be that through marketing, training, skills development and expert advice.
- Over half (55.6%) of businesses surveyed said that their experience of the Gateway was 'excellent', with 96.3% of businesses rating their experience as either 'good' or 'excellent'. Overall, 80.8% of businesses said that they would recommend the Business Gateway to another business.
- 70.4% of businesses that completed the questionnaire said that the Gateway provided them with a referral for support/advice; 75.0% of these said it was at least 'useful', with 40.0% saying that it was 'extremely useful'. One-third (33.0%) of businesses surveyed secured a grant via the Gateway.
- 40.7% of businesses surveyed completed a diagnostic (3hrs) with one of the Business Gateway Advisers. 63.6% of these said that they found it 'extremely' useful; 100.0% found it at least 'useful'. 40.7% of businesses surveyed also received additional one-to-one advice (12hrs) from one of the Business Gateway Advisers; 50.0% of these said it was 'excellent'.
- The majority of businesses surveyed were very positive about their engagement with a Business Adviser. 86.9% agreed that they were professional; and that they told them about relevant business support services. 82.6% agreed that they understood their business and support needs; and that they maintained an appropriate level of contact and communication. 78.3% agreed that they looked holistically at all of their business needs; and that they helped them to clarify what their business needed.
- A few businesses noted potential means of improvement; taking these into account, the Business Gateway could improve its service by providing: more relevant support, more experienced advisers, target larger businesses, an annual review, and more of a follow-up with businesses.
- The Business Gateway has been most influential in terms of supporting businesses to: review or implement new ways of working to improve efficiency (up to 59.3%); increase productivity (up to 42.3%); increase competitiveness (up to 38.5%); attract new customers/use techniques to reach new customers (up to 36.0%); and to engage new business markets (up to 32.0%).

- The main outcomes achieved for businesses as a result of the support provided by the Business Gateway are: increased confidence, efficiency, productivity and turnover; new job creation; personal development; better health and wellbeing; an improved work environment; access to new markets; lower carbon footprint; introduction of new technologies; development of strategy, planning and marketing.
- If we take an average of all responses, businesses would be willing to spend an average of £335 each for the support they received. If the Business Gateway meets its output targets and engages with 590 businesses, this would equate to £197,650 worth of perceived support.

### **5.3 Case Studies**

As part of this evaluation, 4 businesses that have engaged with the Business Gateway were consulted with directly to produce more comprehensive case studies looking at the impact that the programme has had.

#### **5.3.1 Cocoa Amore**

##### **Background**

An industry renowned chocolate business operating from a boutique on Silver Street, Leicester, Cocoa Amore is an established chocolatier with a passion for handmade, handcrafted, speciality chocolate. From decadent wedding favours to chocolate making workshops, Cocoa Amore offers a range suitable for every customer. The business caters for corporate events, wedding favours, and even offers chocolate making workshops; clients have included Sainsburys, Goldsmiths and Watches of Switzerland. The modest team headed up by founder and MD Peter Gardner have a national reputation, having won awards for small business and enterprise even being invited to 10 Downing Street and featured in a special Christmas Market with the Chancellor of the Exchequer, which was recognising the top 100 Small Businesses.

Since opening in Leicester in 2013, the business has expanded to accommodate 13 staff across stores in Grantham and at Belvoir Castle. The business has plans to go global and hopes to build the business up through a franchisee scheme where Cocoa-Amore the brand can develop its creative and indulgent offerings to high streets up and down the country. The model includes a high-street customer function and a manufacturing room on-site.



The workshops last around 2.5 hours and participants learn about chocolate from around the world (guided by tasting) before donning aprons and gloves to create their own handmade box of truffles.

### **Involvement with Business Gateway**

Cocoa Amore have had some experience with business support programmes in the past, having attended a few Business Gateway events over the last few years and having worked closely with the Food and Drink Forum. However, for a long time the business was deemed ineligible for grant funding via ERDF schemes due to their retail function. As the business has grown it has segmented its production areas, making them more eligible for grant funding.

Over the course of the pandemic however, Cocoa Amore sought support from the Business Gateway as a means of developing resilience and to position themselves to take advantage of a market that has seen many manufacturers decrease their platforms; for example, it was publicised that well-renowned chocolate makers Thorntons were forced to close many of their units in response to the pandemic.

The business looked for any opportunities that would allow them to both generate growth in the wake of the pandemic, and to save costs in the present. The Gateway helped direct the business to £3,500 of innovation grant funding that was made available as a Covid-19 Recovery Grant, and was used for the redesign of packaging – in 2020, supply issues meant the business were unable to secure certain colours or sizes of packaging, which affected the consistency of the brand – Cocoa Amore exclusively market themselves in black and gold, which were unavailable via the packaging manufacturer. The grant funding was used for prototyping, research and development, and the creation of the first run of boxes.



### **Impact of Involvement with Business Gateway**

As a result of the signposting from the Business Gateway, Cocoa Amore decided to redesign the boxes themselves, assigning a new local provider, which helped to cut material costs and labour time by 50%. The new partnership has also allowed the business to offer bespoke packaging for corporate clients on a short-run basis. From a brand perspective, the grant ensures consistency across all packaging too.

Perhaps more importantly, because Cocoa Amore now have a relationship with the Business Gateway, and they feel as though the Business Advisers understand their business needs, they are now subscribed to any opportunities that the Gateway's advisers see fit to signpost them to. The advisers have given the business confidence that they are on the right track moving forwards, and it was noted that the one-to-one support isn't readily available elsewhere.

Larger companies are thought to have the in-house expertise to seek and apply for funding; smaller businesses like Cocoa Amore rely on the Business Gateway to signpost and advise them as they don't have time to seek funding on their own.

### 5.3.2 Penny Price Aromatherapy

#### Background



Based in Hinckley, Penny Price Aromatherapy has been instrumental in making aromatherapy one of the most popular and well-known natural, holistic approaches to health and wellbeing since launching in 2003. The business teaches aromatherapy courses at a clinical level, as well as supplying aromatherapy potions, and the creation and manufacture of aromatic formulations for clients. The oils are specifically distilled for therapeutic use, before being distributed across the world as private-label goods using their various clients' branding.

PPA use only natural and sustainable oils and ingredients in their products, with the entire range of essential oils either organically grown or naturally farmed. 'Naturally farmed' means that the field in which the plants are grown, the environment in which they develop, and the plants themselves are unaffected by pollution, fertilisers, pesticides or any other interferant.

#### Involvement with the Gateway

PPA had previously received grant support through the iNet for equipment, and were signposted to the Business Gateway by their iNet contact. In early 2020, the Gateway supported PPA to secure a grant through a Growth Hub grant programme. At the time, the business was looking to expand by pursuing a larger premises to facilitate the growth of various elements of the business, which were originally all housed under the same roof. Following the purchase of an additional unit nearby, PPA divided their business activity between the two sites, splitting the mass manufacture of products, the testing for key clients, and their other activities over two locations.

The grant funding was used towards machinery and kit-out of the new premises, as well as the training of staff, which has allowed the business to expand its production and range.

The new unit now houses their training academy, with the funding also used to purchase screen walls, (allowing trainees to have somewhere safe to get changed), a state-of-the-art computer suite, and the development of an office space into a smaller laboratory, which allowed them to complete testing and manufacturing at both units.

The Gateway has helped PPA to source a new filling machine that enabled us to flow better through the products, reduce time and increase capacity. The machine also reduces waste as a result of improved accuracy in the filling process. The Gateway have further supported the business to fund a tube filling machine - part of that funding was also used to develop their innovative vegan hair and body care range.

### Impact of Involvement with the Gateway

As a result of their involvement with the Gateway, PPA were able to leave their training academy in the original premises and open a new premises for production.

The grant funding has helped with set up costs for the new premises, improving their process flows and production levels, improving efficiency. The new computer equipment allowed teaching to be improved by adopting PowerPoint presentation methods. PAA's students now have access to better teaching facilities, a separate kitchen learning space, and new car parking spaces.

The primary benefit of the Business Gateway grant has been the creation of space to grow – with their capacity increasing by 50%. Over the course of the pandemic, the space has enabled the business to be more resilient – social distancing has been accommodated, and the two unit working environments has created more stability and continuity. If one unit suffers from staff absences or Covid-19 cases, the other side of the business can continue working. Focusing the individual teams on different elements are also helping each segment of the business to flourish in their own way, with each section receiving a more detail-orientated approach as a result.



Overall, the Gateway have helped to drive the business forward whilst keeping in line with their company values. The process of working with the Gateway has encouraged PPA to question how they can make better business decisions, where they can lower costs and improve efficiencies.

The support of the Growth Hub has given the business the confidence to expand – the grants have accelerated expansion. Located on a business park with a low availability of highly-sought after units, the grant allowed the business to take advantage of the situation and set themselves up for continual growth into the future.

## **Social and Environmental Impacts**

Aromatherapy is thought to have been increasingly beneficial over the course of the Covid-19 pandemic, particularly in light of heightened awareness of mental health. Over the last two years, the business has also adapted to the social distancing requirements of each national lockdown by moving some of their theoretical courses online, launching an e-learning platform as well as webinars to ensure they remain accessible.

The new Black Spruce range saw the company try to increase the prominence of aromatherapy in the male market, as this was identified as a gap in their market. The product is designed to give people the opportunity to improve wellbeing without the stigma of 'anything being wrong', with essential oils as a means of supporting men's health.

## **Process**

The entire process was considered to be mostly straightforward. The Gateway Adviser helped the business to understand which elements of any new development or purchases would be eligible, suggesting alternatives, before supporting them with the grant application. The Adviser was commended for helping the business to consider things that they wouldn't have considered themselves, and for regularly checking-in.

Deadlines were sometimes challenging, with the structured submission/approval timetable not aligned with the timeframe for securing the new unit. In some cases paperwork was misleading, and there was some confusion regarding the categorisation of revenue and capital elements and the differences of categorisation across different grant bodies.

Moreover, the business would have preferred to have received a site visit from the Business Adviser, although it was acknowledged that this might not have been possible due to the Covid-19 pandemic.

### **5.3.3 National Forest E-Bike Holidays**

#### **Background**

Originally founded to offer gentle EBike holidays in the National Forest, the business offers luxury self-guided walking and cycling holidays in north Leicestershire, branching out into south Derbyshire and southeast Staffordshire.

The UK's newest forest is an environmental project run by The National Forest Company and stretches from the western outskirts of Leicester in the east to Burton upon Trent in the west, and is planned to link the ancient forests of Needwood and Charnwood. Run by husband-and-wife team, Alan and Sue Jerham, the business provides bikes, routes and in-person support to facilitate exploration of the area.

2019's winner of Best New Tourism business in Leicestershire, the electric bike and walking holidays are self-guided with daily mileage kept low to ensure that participants have time to explore the many attractions of the National Forest. The business offers tailored trips with bespoke itineraries for each guest. Each itinerary includes hand-picked accommodation, daily luggage transfer between hotels and a detailed route provided for each day. Cycling and walking holidays are offered from 2 to 7 nights; walking holidays were added in 2021 in response to customer demand.

The target market is those looking for a luxury holiday; accommodation is hand-selected by quality, the electric bikes are top of the range, and routes are chosen that can be enjoyed at a relaxed pace to account for the largely over 50s market.



### **Involvement with the Business Gateway**

In response to being made redundant, Sue Jerham launched the business with the support of the Business Gateway, having been signposted to the Growth Hub via northwest Leicestershire's Economic Officer. The business first sought support through the Gateway's Digital Growth Programmes, which at the time were delivered in-person over a whole day, and later through shorter webinars during the pandemic. Lacking any in-house IT specialism, the business benefitted from a structured programme of events and webinars on everything and anything with a digital angle, giving them essential support.

The business engaged in lots of courses at the outset, and found them really helpful. Over the course of the pandemic, the Business Gateway Advisers signposted the business to further IT support with Ian Lockwood Digital Consultancy, who are contracted to deliver specialist digital support for the Growth Hub. The consultancy facilitated access to a paid expert who provided guidance to support the development of a paid digital strategy that would ensure cost effectiveness.

The Business Gateway very quickly pivoted at the outset of the pandemic to provide the same course content as webinars that had been delivered in person; online sessions remained interactive in a similar style to the in-person events. The materials available and the personnel responsible for presenting the content are thought to be highly useful and informative.

Despite rapid growth from 2019, the business was forced to cease operations until July 2020 as a result of the Covid-19 pandemic. National Forest E-Bike Holidays formed a pipeline of potential guests, but couldn't commit to any bookings until national lockdowns were lifted.

The business sought support from a Business Gateway Adviser as part of the LEP's Tourism Covid-19 Recovery Plan that included a suite of webinars and one-to-one support.

### **Impact of Involvement**

The business has benefitted from engaging on two levels, from attending events at the early stage of the business development, to more specialised digital support once the business and its website were up and running. In some cases, the business has attended the same events – once in person, and later as a webinar, to top-up their knowledge and to be aware of any more recent changes. One of the key benefits of the Digital Growth Programme is the ready availability of the support, and the detail provided; each business participant was provided significantly detailed resources to aid their development. The business considers Leicestershire to be very lucky to have access to that level of support.

Specifically, the business engaged in events that informed them of how to use Google Analytics, as well as paid digital/social advertising. In particular, the support delivered around paid digital advertising revealed to the business both who they needed to be targeting, but also who they didn't want to target. Engaging with the Business Adviser also helped to reveal that there were essential steps to take prior to digital advertising, which would have been a costly mistake at the time.

Moreover, the one-to-one time spent with a business adviser has helped National Forest E-Bike Holidays to stop and think about the direction the business is heading in; the adviser asked probing questions around plans, strategies and ideas, helping the business to question where and how their processes or markets could be more effective. The adviser also helped to signpost the business to additional support.

Perhaps most importantly, the business adviser helped the business to recognise the importance of pricing time into its cost model. Prior to engaging with the business adviser, client didn't take into account the time spent on developing bespoke itineraries. Overall, the adviser has therefore made a crucial difference to the profitability of the business model.

As a result of their engagement, the business has referred many businesses to the Gateway, particularly any that are looking for digital support.

### **The Future**

The business is currently applying for the Green Tourism Award, which it hopes will further raise awareness of their operation. The business has benefitted from sector-specific support, and hopes this continues into the future.

### 5.3.4 Cast Iron Welding Services (CIWS)

#### Background

Based in Coalville, Cast Iron Welding Services (CIWS) has been operating for 75 years and is verified as achieving a reduction in carbon emissions by as much as 89%. CIWS offer a remanufacturing service for cylinder heads that are used in a ship's engine or in a powerplant. Cylinder heads in these industries are between 300mm and 600mm in diameter and can weigh a tonne or more; each cylinder has its own head made of cast iron which, typically, in service can begin to corrode and crack. Typically, owners will be pressured to buy a new cylinder head from the engine maker or from companies that copy parts, whereas CIWS offer a unique foundry process that can bring the cylinder head back into its original condition. CIWS repair cylinder heads for between 25% and 40% of the cost of a new one from the engine builder.



*A severely damaged cylinder head before and after refurbishment*

#### Involvement with the Business Gateway

CIWS originally sought support from the Gateway in response to the enormous challenges brought on by Brexit, and a desire to innovate and grow the business to mitigate against the associated impacts on trade. Following a brief meeting with one of the Business Gateway's advisers, CIWS were confident that they wanted to establish their credentials from an environmental perspective.

The business procured an environmental impact assessment through the Business Gateway, with the Growth Hub contributing a grant to cover 50% of the cost.

The assessment was carried out by ReFlow Maritime, who aid businesses on their path towards net-zero emissions by enabling them to calculate, share and document their product's environmental sustainability across the entire value food chain.

The impact assessment calculated how much carbon is emitted to the atmosphere when you manufacture a new engine cylinder head as well as calculating the emissions related to CIWS's unique foundry repair process. Whereas the new manufacture of engine cylinder heads in Finland (used as an example) is calculated to emit 8,000kg of carbon, CIWS's remanufacture produces only c.800kg of carbon, representing an 89.3% reduction in emissions, taking into account the entire carbon trail including: the mining of the metal, through to the casting and the freight for transporting it around the world.

### Impact of Involvement with the Business Gateway

The ReFlow lifecycle-based environmental qualification system demonstrates the reduction in emissions CIWS's process provides. Using the data, they were able to acquire ISO accreditation, which has gone on to form a central plank of CIWS's marketing.

The accreditations mean that CIWS's remanufacturing service is verified to an international standard, which will have a dramatic effect on the future of the business.



From a business perspective, the accreditation secured via the Business Gateway gives CIWS an advantage in a market that is increasingly concerned with sustainability. Clients are starting to value and acknowledge the importance of lowering emissions in manufacturing processes, as well as the economic benefits of a cheaper process.

*“The whole initiative has provided us with a new way of promoting our business today and for the future. A refreshing new outlook to our 75-year-old process”*

The accreditation is helping CIWS to stand out, particularly in the heritage market which is more likely to be procured through a local authority or a public organisation, working on buildings and heritage installations around the world. CIWS's system is used for more than just engine cylinder heads, with the foundry also working to repair vintage cars, listed Victorian street lamps and Royal Mail post boxes. At present, CIWS expect to soon receive their largest order to date – from a local authority. The deciding factor in that partnership is ultimately attributed to environmental impact and proof that CIWS are not only cheaper than the opposition, but they are saving c.90% of carbon that would be emitted to the atmosphere. Without the grant, which CIWS would not have heard about or been able to access without support from the Business Gateway, the business would not be in a position to win that contract.

## 5.4 Summary – Case Studies

- To date, the Business Gateway has had a positive impact on all of the businesses consulted as part of the case study analysis. The case studies offer anecdotal evidence of the impact of the Gateway, illustrating examples where grant funding has cut costs; improved consistency, profitability and efficiency; improved marketability; and facilitated business growth.
- The Covid-19 pandemic forced businesses the change the way they operate – some have developed new products, others are targeting new markets, and some have taken the opportunity to develop new commercial premises.
- The case studies illustrate the dual challenge the Gateway has between delivering effective support and penetrating new businesses. One of the case studies has previously been involved in business support and grant programmes, and so were more likely to be aware of support available through the Gateway, and are more receptive to the process and paperwork requirements. Businesses that have not previously engaged with the business support network in Leicester and Leicestershire are more likely to find it difficult to access the support available.
- The case studies demonstrate the effectiveness and tangible benefits of providing free business mentoring and grant support to businesses. It is also worth noting the intangible services Business Gateway has provided; anecdotal evidence from businesses as part of the case study interviews suggest that many benefit from the peer-to-peer networking facilitated by the Gateway’s Peer Networks programme, which business leaders have said helped them to feel less alone during the pandemic. Some businesses said they are able to have more confidence in their business and their development as a result of having the programme on hand.
- Consultation with staff and stakeholders reveals that the BG benefits businesses by providing an unbiased, confidential, free one-stop-shop, bringing together all elements of business support and providing access to appropriate funding streams where possible. Without a holistic Gateway, businesses would have no way of gaining access to the myriad of business support programmes. Over the course of the pandemic, more businesses have sought quick and fast advice on funding, but the real added value comes from engaging one-to-one with BAs. The free nature of the support helps to engage a wider cohort of businesses, who perhaps wouldn’t have been willing to pay for support that they hadn’t received before.

## 6.0 Value for Money

To explore the extent to which the Business Gateway programme has represented value for money we have applied a simple but standard analysis of the estimated cost per output. This enables comparison to be undertaken with the cost per output achieved within the Priority Axis 3 of the ERDF Programme. Drawing upon the analysis in the impact assessment section, this section provides a clear analysis of the value for money that the programme has provided and is benchmarked against similar interventions.

It should be noted that this is only an **approximate method** of understanding efficiency, as projects and programmes deliver a range of activities. The results should be viewed alongside the overall quality and impact of the programme.

### 6.1 Cost per Outputs

#### 6.1.1 ERDF Cost per Outputs

The ERDF England Operational Programme 2014 to 2020 (2019) highlighted that the allocation of programme funding for Priority Axis 3 (PA3) was as follows:

- €172,320,905 for Less Developed areas, equating to £143,797,487
- €520,026,363 for Transition areas, equating to £433,948,999
- €822,835,839 for More Developed areas, equating to £686,635,937.

In total, the allocated programme funding for Priority Axis 3 was €1,515,183,107, equating to £1,264,382,423.

The table below details the published targets under Priority Axis 3 (PA3): 'Supporting the capacity of small and medium sized enterprises to grow in regional, national and international markets and to engage in innovation processes'. The targets are taken from ERDF England Operational Programme 2014 to 2020 (2019): 'Table 5: Common and Programme-specific output indicators (by investment priority, broken down by COR for the ERDF).

We have calculated the cost per ERDF output by dividing Union Support (£) by the ERDF Target.

ERDF PA3 Cost per Output					
Output	PA3a Target	PA3c Target	PA3d Target	PA3 ERDF Target	Cost per ERDF Output
Number of enterprises receiving support (C1)	18,886	47,216	28,329	94,431	£13,389
Number of enterprises receiving non-financial support (C4)	4,906	12,264	7,359	24,529	£51,546
Number of enterprises receiving information, diagnostic and brokerage support (P13)	/	4,693	2,816	7,509	£168,382

### 6.1.2 Business Gateway Cost per Outputs

The ERDF contribution to the Business Gateway is £3,860,469. This can be used to work out the costs per output of the Business Gateway outputs contracted and achieved by the programme.

3,860,468.586

The table below shows the cost per output for the contracted outputs – this is what the cost per output was anticipated to be at the start of the programme and assumes the full £3.9m was spent. It has been calculated using the following calculation:

$$\text{Business Gateway Contracted Programme Budget (ERDF Contribution) / Contracted Outputs} \\ = \text{Cost per Output Contracted}$$

The table below also shows the cost per output of the outputs that have been achieved so far by the programme. We have taken the ‘worst case scenario’ – assuming that all of the programme contracted spend will be spent but no further outputs will be achieved.

In reality, the actual cost per spend achieved by the end of the Business Gateway programme is likely to be better than this, as the numbers of outputs reported by the Business Gateway increases as the programme draws to a close. These figures should be reviewed once all outputs have been reported.

This figure has been calculated using the following calculation:

$$\text{Business Gateway Total Contracted Programme Budget (ERDF Contribution) to date / Outputs} \\ \text{Achieved to Date} \\ = \text{Cost per Output Achieved}$$

Business Gateway Cost per Output				
Output	Outputs Achieved	Cost per Output Achieved to date	Outputs Contracted	Cost per Output
Number of enterprises receiving support	185	£20,867	590	£6,543
Number of enterprises receiving non-financial support	108	£35,745	480	£8,043
Number of enterprises receiving information, diagnostic and brokerage support (P13)	304	£12,699	402	£9,603

### 6.1.3 Benchmarking – Value for Money

The table below shows the cost per output of the Business Gateway programme benchmarked against the ERDF PA3 outputs. It shows the cost per output of the contracted outputs and the original contracted cost per output that was anticipated at the start of the programme.

*Note: Again, this tables assumes a worst-case scenario – assuming that no additional outputs are achieved above and beyond the contracted targets, but that the full budget is spent.*

<b>Business Gateway/ERDF Cost per Output</b>			
<b>Output</b>	<b>Cost per Output Achieved to Date</b>	<b>Contracted Cost per Contracted Output</b>	<b>Cost per Output - ERDF Programme</b>
Number of enterprises receiving support	£20,867	£6,543	£13,389
Number of enterprises receiving non-financial support	£35,745	£8,043	£51,546
Number of enterprises receiving information, diagnostic and brokerage (IDB) support (P13)	£12,699	£9,603	£168,382

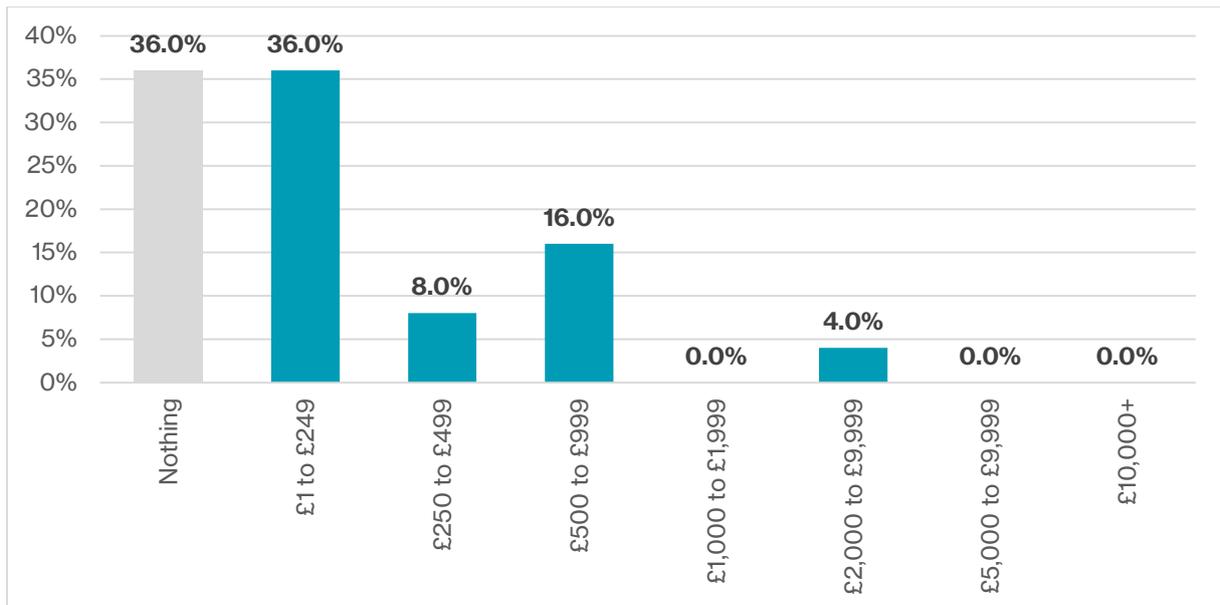
We can see that the programme is delivering very well in terms of value for money against benchmarks for some outputs, but not so well in others. The table shows that even if no further outputs are achieved the programme will have performed well in terms of cost per outputs when compared to the benchmarking of the ERDF programme for the number of enterprises receiving non-financial support, and receiving IDB support. For these outputs the programme is significantly below the expected expenditure – indeed the programme delivered them at a fraction of the overall costs anticipated by the ERDF programme.

The table also shows where the Business Gateway needs to concentrate its resources in the final months of the programme in order to align with ERDF target outputs. The programme has underperformed in terms of cost per outputs when comparing to the benchmarking for the ERDF programme for the number of enterprises receiving support.

This is likely to improve further as further outputs are reported for the programme. If the programme meets its contractual targets for the number of enterprises supported, it will have achieved them at a better cost per output than the ERDF programme target (at around 50% of the cost).

## **6.2 Perceived Value from Businesses**

Beneficiary survey respondents were made aware of the fact that the services they received from the team were provided free of charge due to external funding secured from the European Union. The survey asked businesses how much they would have been prepared to pay for the service they received if this funding was not available.



36.0% of businesses that completed the survey valued the support they received from the Business Gateway to be worth up to £250; 8.0% valued the support they received at £250 to £499, 16.0% at £500 to £999, and 4.0% at between £2,000 and £9,999. If we take an average of all responses, using midpoints of each range for each response, we find that businesses would be willing to spend an average of £335 each for the support they received.

If the Business Gateway meets its output targets and engages with 590 businesses, this would equate to £197,650 worth of perceived support. If businesses continue to realise further outputs (such as increases in turnover, employment and expenditure on RD&I) as expected in the next two years, the perceived value of support is likely to be even higher.

### 6.3 Summary – Value for Money

- Even if no further outputs are achieved the programme will have performed well in terms of cost per outputs when compared to the benchmarking of the ERDF programme for the number of enterprises receiving non-financial support, and receiving IDB support.
- The programme has underperformed in terms of cost per outputs when comparing to the benchmarking for the ERDF programme for the number of enterprises receiving support, and will need to concentrate its resources there in the final months of the programme in order to align with ERDF target outputs. If the programme meets its contractual targets for the number of enterprises supported, it will have achieved them at a better cost per output than the ERDF programme target (at around 50% of the cost).
- If we take an average of all survey responses, we find that businesses would be willing to spend an average of £335 each for the support they received.
- If the Business Gateway meets its output targets and engages with 590 businesses, this would equate to £197,650 worth of perceived support.

## 7.0 Conclusions and Lessons Learnt

### 7.1 Conclusions

The main conclusions that can be drawn from this evaluation are:

- The programme has been operating in an unprecedentedly challenging environment, with the Covid-19 pandemic drastically altering the way it works. The team changed its whole service and experience almost overnight to pivot to a 'hotline' approach that dealt with a higher volume of immediate enquiries faster than before. The pandemic created an entire 'bolt-on' sector of business support around recovery grants, furlough and support grants; businesses largely sought grants rather than growth plans, as well as support to rethink their business model, diversifying into online models and setting up new websites. Encouraging businesses in the LLEP area to gain confidence to continue to trade or commence trading internationally has been a very important area for the LLEP Business Gateway.
- The pandemic has emphasised the value of the Gateway more than before. There is a legacy that businesses have a different relationship with grants than prior to the pandemic. In a way, the pandemic has allowed the Gateway to access businesses that they might not usually work with, such as in the hospitality and manufacturing sectors, who might have been seeking support for the first time. It was also suggested that clients and businesses are returning to the Growth Hub at a more frequent rate than prior to the pandemic. The challenge moving forwards is to how to convert the businesses that have had some short contact over the course of the pandemic to enrol on the programme and to meet the outputs of the programme.
- The Gateway's penetration rate in the Leicester and Leicestershire LEP area has increased from 2.6% at the time of the 2019 evaluation to 11.8%. Moreover, in the last two and a half years, the Gateway has increased its website visitor numbers by 103%.
- Over half of businesses surveyed said that their experience of the Gateway was 'excellent'; more than 80% of businesses said that they would recommend the Business Gateway to another business. The main outcomes achieved for businesses as a result of the support provided by the Business Gateway are: increased confidence, efficiency, productivity and turnover; new job creation; personal development; better health and wellbeing; an improved work environment; access to new markets; lower carbon footprint; introduction of new technologies; development of strategy, planning and marketing.
- Consultation with staff and stakeholders reveals that the BG benefits businesses by providing an unbiased, confidential, free one-stop-shop, bringing together all elements of business support and providing access to appropriate funding streams where possible. Without a holistic Gateway, businesses would have no way of gaining access to the myriad of business support programmes. The free nature of the support helps to engage a wider cohort of businesses, who perhaps wouldn't have been willing to pay for support that they hadn't received before.
- There are opportunities for the BEIS and ERDF sides of the Growth Hub to work more in tandem, with prioritising outputs and outcomes for each scheme in equal measure.

The programme structure would have benefitted from ERDF and BEIS funding being used as match funding for each – outputs could have been more aligned, added value would be maximised, marketing resources could be shared better, and some of the BEIS-funded workshops and events could have contributed to ERDF outputs.

- It is hoped that the pandemic will have improved the Business Gateway's brand recognition and helped to raise awareness of its services. There is an opportunity for the programme to take advantage of the wider range of businesses that have used the service over the course of the pandemic. To date, businesses are thought to be unsure about who their support is delivered by, with so many business support functions and brands operating across Leicestershire. Businesses involved are typically from the same pool of existing businesses that have worked within these processes before in pursuit of webinars, grant funding, with some seasoned grant appliers.
- In terms of process, the Business Gateway could benefit from improving the consistency of referral mechanisms. Furthermore, the programme team could consider implementing KPIs for advisers to encourage more signposting to providers' programmes, as some providers are reliant on their own telemarketing and communication to source businesses.
- The programme would benefit from more programming with regards to workshops, linking workshops across topics that micro businesses are interested in, using language and terminology that they are used to, and merging both BEIS- and ERDF-funded session into one platform. Linked-up webinars and the integration of key government schemes into the Growth Hub will also help the programme to achieve the 12-hour outputs, and help to prevent projects from competing for the same audience.

## **7.2 Key Lessons Learnt**

- The delivery partnership was designed to create a strong strategic alignment and easy cross-referral mechanisms, and to allow the Growth Hub to link businesses to different types of support provided by national and local providers. However, there is a gap in terms of strategy, in defining how different parts of the programme ought to work together to provide a more integrated customer journey. The programme needs to build a better sense of a collective to break down the silo working that is characterising delivery at present. The programme would benefit from a shared set of KPIs across partners, as well as a shared communications strategy. It was noted that D2N2 employed a Partnership Manager to support this structure. The Gateway has a lot of untapped potential to add more value, improve efficiency and teamworking, to reach more clients, if a strong vision and strategy around marketing and delivery could provide that direction.
- The Gateway would benefit from being more strategic in terms of its deliverability; to date, events have sometimes been poorly attended and could be organised more stringently, with some streamlining of the event portfolio, tied to a programme approach, which would maximise the benefit for the businesses whilst maximising the support that they will receive.

The Gateway could provide a rolling programme of number of core sessions on subjects that are always of interest for businesses that can be repeated, complemented by additional specialist subjects tailored to certain sectors. Webinars could be commissioned on a series basis, allowing businesses to subscribe to a series of events rather than single sessions.

- In terms of the delivery with the business advisers, the team are looking to complement all of the programmes that they put through the Growth Hub with both funding streams – BEIS and ERDF – which should gain further buy-in from the advisers; by aligning the programmes more closely, it is hoped that advisers will be more likely to refer and engage with BEIS-funded projects even if they aren't delivering ERDF outputs. The programme is also hoping to build a closer relationship with the advisers in order to use their close understanding of the problems businesses are facing to commission projects that are more aligned with the local area.
- The BG has secured more traction via digital delivery than face-to-face, and moving forwards it will be important for the GH to accelerate the advantageous position that the shift to remote working has provided. The GH needs to build on the current brand and the loyalty secured over the course of the pandemic, and it is hoped that businesses would return having seen the value that can be attained in the last few months.
- One example of good practice is the Gateway's merging of two grant processes – the Gateway ERDF grants and the Chamber's digital grants programme – evolving a model from both schemes that used one panel and the same process for approvals and for adviser interaction. The system is robust, and the panel see the value in identifying where a Growth Hub or digital adviser can be best used, and in identifying case study opportunities.
- It is universally acknowledged that the Gateway team are already starting to make the changes that will hopefully increase its effectiveness in the new few months. The Growth Hub want to attract a larger and more diverse set of clients in addition to micro-businesses – the introduction of the peer programmes has helped – and is now looking at scale-up programmes that attract larger SMEs who will need a suite of support to meet their wider needs. Larger businesses have a need for more diverse programmes, and are likely to engage more with the Gateway. The wider programme would arguably benefit from more emphasis on slightly larger companies, or scale-up businesses. Providers are reported to be more likely to refer businesses back into the Growth Hub if they are pursuing further growth and development themselves, which is thought to be more likely if they are more mature and slightly further along in their development.

