FINAL

Monitoring and Evaluation Framework for Growth Hubs – 2020-2021

Introduction

This framework has been **refreshed** to ensure that Local Enterprise Partnerships (LEPs) through their Growth Hubs are collecting the right data in the right way to a) maximise their operational performance and impact, and b) to demonstrate "**what works"** in order to inform future BEIS and wider national and local policy thinking.

Evaluating the long-term impact of Growth Hub activities involves linking firm-level data to Government administrative data and tracking the effect on such things as business turnover and employee numbers over a period of many years. However, BEIS also needs to report on short/medium term outcomes to demonstrate what is being achieved today, which is why our data requirements also include summary (i.e. aggregated) statistics of the number of firms benefiting from the different levels of support and advice that is accessible via Growth Hubs.

This framework therefore sets out:

- The categories of support by "intensity level";

- The aggregate statistics and firm-level data items that LEPs (via Growth Hubs) will need to collect and report into BEIS on an annual (and ad-hoc) basis;

- Why these statistics are valuable to both BEIS, LEPs and Growth Hubs;

- Roles / responsibilities; and

- Data privacy considerations.

This framework should be seen as the **minimum set of data to collect** and LEPs (via Growth Hubs) are encouraged to collect any additional data that they believe will help them operationally (e.g. linked to ERDF and other programmes) and to illustrate their wider impact, particularly on business growth and productivity in LEP areas and natural clusters such as the Northern Powerhouse and Midlands Engine.

Reflecting on LEP and Growth Hub feedback on the previous framework, we have sought to align the core metrics more closely with European requirements and refined our ask to further reduce the data burden, recognising the variety of Growth Hub models and typologies that are currently in place.

This paper also incorporates examples of best practice from LEPs and Growth Hubs who are operating a **data-driven approach** and who have already realised the value (for both operational and evaluation purposes) of good data collection, usage and analysis.

Intervention Intensity

The key factor determining the aggregate statistics and firm-level data LEPs are required to report is the "intensity level" of the support the Growth Hub has provided to a business. Recognising that, in practice the intensity of support exists on a continuum (both in terms of time spent with a business and in terms of the nature of support), the following categories are thought to be a practical way of measuring the support provided.

- **"Light touch" –** <u>transactional</u> interactions with Growth Hubs which do not consume significant dedicated resource. Examples:

    o telephone enquiries and basic signposting

    o face-to-face appointments (involving very light-touch diagnostics)

    o web-based interactions (e.g. contact form, user registration to members area, use of live chat, online diagnostic tools, message through social media) [note: only **interactive** actions should be counted – not **passive** actions like views of a web page]

    o Attendance at Growth Hub organised events, festivals, conferences or pop-ups etc. (NB these are large events that deliver high-level information around business support/advice options. They are not more intensive workshops.)

    o Other contact medium not listed above

- **"Medium intensity" –** interactions which use moderate Growth Hub resource (approximately 1-hour plus) and which broadly aligns with the point in the customer journey at which GH start collecting basic firm-level data. Example:

    o business diagnostic with Growth Hub advisor/ business attendance at a support workshop

    o referral to business support schemes and programmes (local and national)

- **"High intensity"** – interactions representing sustained support and using significant Growth Hub resource, broadly aligned to the EU 12-hour metric for "Enterprise Support"[1]. Examples:

    o businesses with managed accounts

    o services / support directly provided by Growth Hub

LEPs on behalf of their Growth Hubs are required to report <u>aggregated statistics</u> (set out below) for firms who have <u>only</u> benefited from "Light touch" interactions.

LEPs on behalf of their Growth Hubs are required to report <u>aggregated statistics</u> and <u>firm-level data</u> (detailed later) for firms who have benefited from "Medium intensity" or "High intensity" interactions.

Aggregated Statistics

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[1]
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/672407/ESIF-GN-1-002_ERDF_Output_Indicators_Definition_Guidance_v5.pdf

BEIS requires the following information from Growth Hubs via LEPs **every six months** via the Bi-Annual and end of year Growth Hub Annual Reporting process, which covers all interactions with businesses and individuals (including those at group events, business festivals and pop-ups). **The data gathered at the Bi-Annual report will cover the first six months of a funding period. The data gathered at the Annual report will cover the full year funding period.**

Notes: Businesses should be counted only once i.e. they will either appear under light intensity, medium intensity or high intensity categories.[2]

Measures such as "combined turnover" or "combined employee numbers" should only include the local business office receiving support (in the case of multi-site businesses). They will be calculated by aggregating the values recorded at firm-level. They should be the most recent values held by the LEP/GH at the point of reporting. Please ensure you are not accidently double-counting this information.

Measures such as "total number of referrals" do not need to reflect whether (or not) the referral was taken up.

- Total number of <u>unique businesses</u> that have been supported (i.e. receiving **light, medium** or **high intensity support** as defined above**)** by the Growth Hub in the defined period (6 or 12 months)

- Number of <u>businesses</u> that have received **'Light touch'** triage, information and/or signposting support

- Number of <u>individuals/pre-starts</u> interacted with who have received '**light touch**' triage, information and/or signposting support.

- <u>Number of businesses</u> receiving '**Medium intensity'** information, diagnostic and brokerage support.

- <u>Combined turnover (amount £)</u> of businesses receiving '**Medium intensity'** information, diagnostic and brokerage support.

- <u>Combined employee numbers</u> (FTE) of businesses receiving '**Medium intensity'** information, diagnostic and brokerage support.

- <u>Number of businesses</u> receiving '**High intensity'** support i.e. sustained support and using significant Growth Hub resource.

- <u>Combined turnover (amount £)</u> of businesses receiving '**High intensity'** support i.e. sustained support and using significant Growth Hub resource.

- <u>Combined employee numbers</u> (FTE) of businesses receiving '**High intensity'** support i.e. sustained support and using significant Growth Hub resource.

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[2] BEIS understands some LEPs/Growth Hubs have difficulty de-duping their CRM systems, therefore we have requested an additional statistic on the total number of unique businesses supported in a given period.

- Total number of businesses that have received **'Medium'** and **'High intensity'** support that, have the opportunity, ambition and greatest potential to grow, or that could be classified as potential Scale-Ups using the definition provided below:

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

- For 'Medium' and 'High' intensity interventions only, the tabulated responses to the satisfaction question **"How would you rate your overall satisfaction with the support provided by the Growth Hub?"** rated on a five-point scale[3]. A survey approach is sufficient[4].

- Total number of referrals to a <u>mentoring</u> programme (note: a combined figure for 'Medium' and 'High' intensity interventions only).

- Total number of referrals to a <u>skills or training</u> programme (note: a combined figure for 'Medium' and 'High' intensity interventions only).

- Total number of referrals to a <u>finance and/or funding programme</u> (note: a combined figure for 'Medium' and 'High' intensity interventions only).

- Total number of referrals to an <u>innovation and/or R&D programme</u> (note: a combined figure for 'Medium' and 'High' intensity interventions only).

- Total number of referrals to an <u>export/import support programme</u> (e.g. DiT) (note: a combined figure for 'Medium' and 'High' intensity interventions only).

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[3] (1 Very Dissatisfied- very poor, 2 Somewhat Dissatisfied - poor, 3 Neither Satisfied nor Dissatisfied-average, 4 Somewhat Satisfied - good, 5 Very Satisfied – excellent)

[4] Acknowledging that at the point of reporting, customer satisfaction data may not yet have been received for all businesses supported.

Firm-level Data

The following tables set out the **minimum** data to be collected for all businesses[5] benefiting from either "Medium intensity" or "High intensity" support from the Growth Hub. Annex 1 provides rationales for collecting each data type. Note: BEIS will distribute an annual review spreadsheet template to assist LEPs and their Growth Hubs in collecting firm-level data.

Business details and unique identifiers

	Type	Format	Notes
1.1	Contact name	Free text (no character limit)	
1.2	Contact e-mail address	Free text (no character limit)	
1.3	Contact telephone number	Free text (no character limit)	
1.4	Business name	Free text (no character limit)	Validate with lookup service
1.5	Company Registration Number (CRN) Issued by Companies House	8 digit number or 2 upper case letters and 6 digits e.g. 89675265 e.g. SL007945	Find/validate with lookup service If not a limited company and lookup failed, then leave blank If company is being registered soon, collect this once registered
1.6	HMRC VAT Registration number (VRN) [only needed if no CRN reference is available]	9 digits e.g. 123456789	Found on business VAT certificate Validate with lookup service Find VAT service from name If not VAT registered then leave blank
1.7	HMRC employers PAYE reference number (not accounts office reference) [Only needed if CRN or VAT references are not available]	DDD/LDDDDD or DDD/LLDDDDD e.g. 135/A56789 e.g. 135/AB56789	L = Letter (upper case) D = Digit Also called Employer reference It can be found on HMRC business ePAYE letters OR by asking an accountant

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[5] "Businesses" throughout this paper excludes individuals in the pre-start up or pre-registration stage

			If not employing anyone on payroll then leave blank
1.8	Number of FTE employees at local business's office receiving support	Decimals allowed. e.g. 13.5	Full time, part time and subcontractors only
1.9	Turnover (£)	XXX,XXX	Total income/sales
1.10	Full address of local business's office receiving support	Free text (no character limit)	
1.11	Postcode of business local business's office receiving support	Free text (max 8 characters)	
1.12	Is this a multi-site business	"Yes" or "no"	
1.13	Brief description of what the business does	Free text (100 words max)	The product/service it delivers. The customers it serves.
1.14	Growth/Scale-up potential	Free text (100 words max)	Brief description of the firm's levels of ambition and potential to grow
1.15	Month business started trading	MM/YYYY	Month the business first started making sales Provides an objective measure of the maturity of the business

Notes:

In relation to unique business identifiers: Only one of CRN, VAT registration or PAYE reference number need be collected. For non-employers, who are not limited companies, and who are below the VAT threshold, all three fields can be left blank.

Summary of support

	Type	Format	Notes
1.16	Cumulative length of interaction since very first contact with the Growth Hub	Hours (whole number digits)	Roundup to nearest hour
1.17	Summary of what support the business says it needs	Free text (no character limit)	What is the nature of their enquiry and subsequent business need

Support given in each interaction (1 or more) - Separate spreadsheet cells for each interaction

1.18	Type of support	Free text (no character limit)	Brief description of the support given during an interaction. Examples: Diagnostic, Referrals, Answer question, Ongoing support, Follow up. A single interaction can involve several types of support.
1.19	Date of this support	DD/MM/YYYY	This is the date of interaction with the GH (not the date a referral is taken up).

Notes:

Some CRM systems can more easily report at the level of project (or project stage/output). This being the case, it is sufficient to record/describe each project (or project stage/output) completed and the completion date.

Referrals and signposting (0 or more) - Separate spreadsheet cells for each referral

	Type	Format	Notes
1.20	Name of referral program / service	Free text (no character limit)	Included all referrals of any kind made by the hub.
1.21	Purpose of referral	Free text (no character limit)	e.g. developing management capabilities, access to finance, recruiting technical skills
1.22	Date of referral?	DD/MM/YYYY	
1.23	Was the referral accepted and taken up?	Free text (no character limit)	If known, please record whether a referral was "accepted" or "not progressed". If pending, please record as "pending". If not known, please record as "unknown".
1.24	Notes about this referral (optional)	Free text (no character limit)	

Data Security, Privacy and Data Sharing

Growth Hub customers who receive "medium" and "high" intensity support should be informed that their data will be shared with BEIS for research and evaluation purposes only. Growth Hubs via LEPs will therefore need to ensure that any data sharing agreement must enable information on recipients to be shared with BEIS. This is to enable the use of data for matching to other public and commercial datasets for the purposes of evaluating and monitoring the ongoing impact of Growth Hubs. The following is an example of the agreement that has been used for other programmes and provides an indication of what will be required. LEPs will need to check that they are suitable in their own circumstances.

'The use of the Business's information may include matching to other data sources to understand more about organisations like yours and general patterns and trends, although the business's data will not be published or referred to in a way which identifies any individual or business. If the business has any questions in relation to how the information the business provides, and in particular any personal data, will be processed and disclosed please contact xxxxx'

LEPs will need to ensure that the Growth Hub has put in place appropriate data protection arrangements in line with the General Data Protection Regulation (GDPR) and the Data Protection Act 2018 as laid out in the national LEP Assurance Framework.

Roles and Responsibilities

BEIS will conduct a high-level, over-arching evaluation of the Growth Hub policy, using the firm-level intervention data collected from LEP and/or Growth Hub CRM systems. This may consider groups of similar LEPs / interventions, different Growth Hub typologies or leveraged in alternative sources of funding. However, it is unlikely to focus on any one particular LEP area or type of business intervention. This leaves the responsibility for evaluation at this level with the LEP itself. BEIS remains happy to advise on evaluations and recommends that LEPs engage with us at the beginning of the funding period.

BEIS will continue to act as a central focal point for sharing best practice between Growth Hubs, facilitated by the Growth Hubs Steering Group (Customer Insight & Data), and is happy to be approached for advice on monitoring, evaluation, the design of marketing materials and CRM systems or other analytical support. BEIS may distribute analysis of local business populations and business needs and help to "link" Growth Hub data to other datasets to help LEPs develop their Growth Hub strategies and targeting. Additionally, BEIS will distribute an annual review spreadsheet template to assist LEPs and their Growth Hubs in collecting firm-level data.

As Growth Hubs (those funded by BEIS) are led and governed by LEPs, LEPs are therefore responsible for both day-to-day monitoring of performance and wider strategic, process and impact evaluations of their activities – including value for money at a local intervention level. LEPs are **strongly encouraged** to develop a robust evidence base[6] of the value of their Growth Hubs to ensure that they can demonstrate impact ahead of any future bids for public sector funding. Growth Hubs are encouraged to take a scientific approach to interacting with customers and to develop evidence of "what works".

Further Information

If you have any questions (including analytical) in the first instance please contact Chris Hepworth (chris.hepworth@beis.gov.uk) or Stuart Roddam.

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[6] At the evaluation design stage (strongly recommended to be before implementation of a new type of intervention), the score of the evaluation on the Maryland scale should be considered and justified.

ANNEX 1 (Rationale for data collection)

- **What:** Contact name, telephone number, email address
  Why: Future contact is more likely to succeed with a named contact to call back.

- **What:** Business name, trading address (including postcode)
  Why: For direct mail, site visits, event planning and geographical analysis

- **What:** Companies House Reference Number, VAT Number and /or PAYE Number
  Why: These help to uniquely identify businesses, especially useful where businesses have common names. Data matching can be used to generate an analysis of the growth and behaviours of your customers, to enable targeting and marketing services more effectively.

- **What:** Interaction type, dates of interaction, time spent with business
  Why: A record of previous interactions helps case managers to assess a business maturity and allows analysis of which types of businesses are seeking which advice. Enables operational benefits such as automatically scheduled call-backs X months after the previous interaction which secure repeat business and are useful for building relationships and "closing the loop" on growth hub activity. Not only useful management information for resourcing, but very strongly recommended for Growth Hubs applying for EU funding to satisfy their requirements.

- **What:** Description of business (maturity, sector, aspirations)
  Why: So that Growth Hubs can understand their users and tailor their services appropriately. Local economies have different strategically important sectors and knowing the firms sector allows for a comparison of growth hub support and activity with local populations and LEPs strategies

- **What:** Services, schemes or partners to which clients are referred to e.g. Department of International Trade.
- *Why: Important for customer relationship management and sourcing of alternative assistance, also provides evidence to inform engagement with other programme owners. For evaluation can be source of counter factual group.*