



Driving prosperity in the M3 corridor

Enterprise M3 Board

28 March 2017

Enterprise M3 Growth Hub Update – Item 12

Enterprise M3 Board Members are asked to:

NOTE the progress made by the Growth Hub since the November Board meeting.

NOTE that we have officially secured further revenue funding of £287k for 2017/18.

1. Background

- 1.1. The Enterprise M3 Growth Hub offers a universal service to all businesses through the online portal and a one to one strategic advice service to businesses that have the potential to be highly innovative or grow rapidly.
- 1.2. At the November Board meeting Nicki Clark, Chief Operating Officer of the BE Group and Roya Croudace, BE Group Growth Hub Director, provided an update to the Board on the work of the Growth Hub.
- 1.3. The Board received details on the performance of the Growth Hub and impact to date, however, members were concerned about the performance of the Growth Hub, its long term sustainability plans and its visibility. There was an acceptance that an objective Growth Hub service was unlikely to become fully sustainable but the Growth Hub were asked to explore maximising revenue streams and provide a new growth plan with a clear strategy for future years.
- 1.4. The Board were also informed that Government have confirmed that we have both revenue and capital funding for 17/18 to meet a further year of Growth Hub operation. A decision has yet to be taken regarding Government's future intentions for funding of all Growth Hubs beyond 17/18.
- 1.5. The Board agreed that the Growth Hub contract should be extended for a further 12 months to ensure continuation of momentum and enable various alternative revenue models to be tested but requested that the Growth Hub should focus on a number of key areas to ensure that it delivered real value for money and impact. The Board requested that the future business plan was reported to the September 2017 meeting along with clear evidence on what was being achieved.

2. Progress since November Board

- 2.1. The extension of the contract is in the process of being signed. A revised set of KPI's and Management Information has been agreed with the BE Group for the next 12 months. These include: *enterprises securing information from the portal; enterprises receiving support (HIGP); jobs created; jobs safeguarded; increased innovation; and, increased turnover. Further details are included in Appendix 1.*
- 2.2. The team have been working with the BE Group and Growth Hub staff on their future business plan setting out their growth plans and strategies for enabling various sustainable revenue models to be tested. The final plan will be presented to the Board in September. The draft has been reviewed by Mike Rushworth (Chair of Enterprise and Innovation Action Group), Chris Quintana and other members of the Enterprise and Innovation Action Group (EIAG), including Andrew Lambert and will then be reviewed by the EIAG at its next meeting in April.

- 2.3. Following on from the November Board meeting, both Roya and Chris Quintana have met with a small number of Board members to explain the role and priorities of the Growth Hub and to discuss any concerns and how the BE Group will take forward the Growth Hub into the coming financial year. These meetings have been valuable to all concerned. A common theme of feedback from these meetings included:
- A lack of understanding of the basics of the Growth Hub including how to access the service. It was suggested that a simple crib sheet should be developed and made available to the Board setting out who the Growth Hub is for, what it is for, and how is it working – what are the important and essential aspects of the service.
 - The Growth Hub remained ‘invisible’ to the Board in what it has really achieved. It was unclear as to how many businesses the Growth Hub had supported and in what way. The Board want to know where we were, where we are now, highlights of what we have achieved, and what are the challenges going forward, they want to know what would ‘good’ look like if this was going to plan. We plan to bring performance information to the Board on a bi – monthly basis and will start this at the next Board meeting in June. The weekly update will be used to highlight particular achievements.
 - Information and signposting on the website needed to be improved so businesses could understand better who were eligible for the Growth Service. Those businesses who aren’t eligible should be signposted to the help they need whether that be the National Helpline, other relevant business support organisations such as their local Chambers, FSB, Enterprise First, IOD and private sector providers. Arranging a quarterly business support partner forum to share activities and encourage a more seamless service for businesses is vital to ensure the Growth Hub adds value to businesses.
 - Presentations to the Board focused on how the GH is hitting its targets and impact their work is having on businesses. Feedback was given on the recent GH presentation in November which contained too much detail and assumed that members know what it all means. There was inadequate information on why the GH was missing the targets, although an understanding that the start was slower than expected.
- 2.4. Since the November Board meeting, we have received and completed Schedule 3 for BEIS which confirms our Growth Hub development plans for 2017-18 and have received a formal grant offer letter that will ensure we receive revenue funding for 2017/18.

3. **Conclusion**

- 3.1. A key factor going forward will be availability of future government funding beyond March 2018. We are pressing government for a decision. We will continue to keep the Board informed of progress as we move forward into the new financial year, and as per the Board request given at the November meeting, we will formally present to the Board our position in September 2017.

Chris Quintana
Enterprise and Innovation Project Manager
16 March 2017

Key Performance Indicators for 2017/18 Growth Hub Contract

- **Enterprises securing information from the portal:** There are currently 8000 unique customers accessing portal. Based on a continued focus on customer acquisition and portal development, our assumptions are that we will continue to see growth of 10 – 15% year on year. Management information will be collected through Portal analytic and Google analytics and reported monthly.
- **Enterprises receiving support (HIGP):** This is a measure of those businesses accessing the Growth Service and provided with a High Growth/High Innovation action plan and specialist support. To support our drive for quality of intervention, we have agreed a slight reduction in year 3 and 4 from 250 per year to 180 (15 p/month) and 200 (16/17 p/month) respectively. This is to reflect what we believe is achievable based on what we know to be realistic 2 years into the service. Reported monthly based on action plans recorded on the Growth Hub CRM.
- **Jobs created:** This is a measure of the cumulative number of jobs created by businesses who have been supported by the Growth Hub. The target, which assumes 1.5 jobs per business, is 200 new jobs in 2017/18 and 416 in 2018/19, however this is based on the number of businesses supported in the first 2 years of the service and those additional jobs which will be created from support delivered in year 3 of the contract. The measure also assumes 80% of HIGP businesses provide baseline and impact data. Collection method for reporting will be through the use of client declaration forms which will include quality of job created following action plan implementation at year 1 & 2 anniversary.
- **Jobs Safeguarded:** As above, this is also a measure of the cumulative number of Jobs safeguarded by businesses who have been supported by the Growth Hub. Based on base line and impact data from 80% of HIGP customers, the target in 2017/18 is 140 and 2018/19 is 160. Represents each business safeguarding a minimum of 1 job. Collection method for reporting will be through the use of client declaration forms which will include quality of job safeguarded following action plan implementation at year 1 & 2 anniversary;
- **Increased innovation:** This measures the percentage of business who have received a High Growth Action Plan and have declared an increase in innovation. Based on the assumption that 80% will return base line and impact information, and of those 5% will not have innovated in anyway, the target is 75% of businesses per year will have innovated in some way. Reported by Growth Champion assessment and declaration from client following action plan implementation at year 1 & 2 anniversary.
- **Increased turnover:** This is based on the assumption that businesses supported by the Growth Hub are HIGP and will on average achieve 20% year on year growth. Reported by Growth Champion assessment and declaration from client following action plan implementation at year 1 & 2 anniversary.