



Department for
Business, Energy
& Industrial Strategy

wavehill
Social and economic research

Peer Networks Programme Year 1 and 2 Evaluation Findings Summary

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Summary of Findings

Peer Networks Programme Evaluation Findings

£17m

BEIS funding was made available August 2020 - March 2022, a critical time for small businesses as they faced the impact of the COVID-19 pandemic and forced lockdowns.

15,839 businesses expressed interest in participating and a total of 7,529 SMEs completed the programme.

881 cohorts were formed across all LEP areas in England over the two years

The programme was successfully rolled out **virtually**, with participants citing many **benefits** of being able to engage in this programme during a time of extreme physical isolation.

Peer Networks reached a significant proportion of:



Female-led businesses - 35% in year 1 and 39% in year 2. This compares to the national level of female representation on SME strategic management teams of 19%.

Ethnic minority led businesses - 11% in Year 1 and 10% in Year 2. By comparison, 6% of SMEs nationally are minority ethnic group led



Around half of supported businesses were **up to ten years old** (46% in Year 1 and 44% in Year 2), with around a quarter trading for 20 years or more



53% of programme participants suggested that their turnover had **increased** in comparison to normal expectations for the time of year, higher than for the comparison group (37%)

The proportion of respondents rating their ability to grow their business as strong or very strong, rose to **80%** after the completion of the programme, compared to a baseline figure of 61%



In Year 1, **75%** of those that received one-to-one support were **very satisfied** and this increased to **80%** in Year 2.

Participants made, or planned to make, **more business changes**, were a little **more resilient** in terms of their self-reported turnover growth, and appeared slightly **better orientated to future growth** than the comparison group.



Peer Networks programme had a much lower drop-out rate than anticipated (17% compared to a target of 30%), reflecting how valuable the programme was for participants.



Lessons learnt

Marketing and Recruitment



- Local marketing was the most effective channel for recruiting participants.
- Thorough well thought through marketing plans are important to reach under-represented groups and to sustain recruitment year-on-year.
- Adopting an iterative marketing strategy can improve effectiveness.
- It is important to be clear the rationale of using an eligibility criteria to help select participants
- A national brand can enhance credibility and legitimacy of local marketing and recruitment.
- Marketing strategies need to be clear on eligibility criteria and desired sector representation



Action Learning Sets (ALS)

- Over programming the ALS sessions could help businesses to make up any missed sessions.
- Building trust with facilitators was fundamental to successful ALS sessions and successful facilitators started to build this trust during the onboarding stage.
- The ideal size for ALS held online appears to be around 8.
- The frequency and length of ALS sets can impact attendance.
- Online sessions can increase accessibility and support attendance rates.
- Preparing with a facilitator in advance of the ALS improved quality of the session.
- ALS sessions that focused on different themes at each of the sessions tended to see more consistent attendance over the entire period.
- Securing upfront commitment from participants to attend ALS sessions and complete programme is important to quality of overall support.
- Sector-focused cohorts may have a higher risk of grouping competitors together.

Other elements of the support



- Delivery partners valued the relatively free-form nature of the programme and SMEs valued the ability this gave them to truly learn from other businesses.
- One-to-one support can enhance benefits to participants when integrated with the ALS session content.

Further support for Businesses



Provide opportunities for cohort engagements to continue after the formal support period ends.

Signpost additional business support available to participants towards the end of the programme.



Monitoring and resources

Clear monitoring processes and materials are required at launch of programme to ensure reporting can be done efficiently..

National guidance should be designed inclusively with delivery partners and updated with feedback during the programme.

The Playbook should be accessible and designed in a user-friendly way which makes information easy to find and understand.

The design of data collection approaches for key characteristics could be enhanced to improve impact evaluation.

Programme management



For programmes with local delivery, a national coordinator is necessary to maintain on-going communication and feedback between central Government and local leads.

Regular communication between local delivery areas can help share lessons learned and good practice in real-time.

Careful consideration should be given to the type of agreement used between the funding body and local delivery bodies.

1. Introduction

The Peer Networks programme is a national business support scheme that was funded by the then Department for Business, Energy, and Industrial Strategy (BEIS) and ran from August 2020 until 31 March 2022.

A total of £18 million of BEIS funding was made available over the course of the programme, which was ultimately completed by 7,529 businesses across the 38 Local Enterprise Partnership (LEP) areas in England.

The Peer Networks programme was delivered by the LEPs through their respective Growth Hubs or other delivery partners. The Growth Company (which delivers the Growth Hub for Greater Manchester) was contracted by BEIS to operate as a co-ordinating body, working with the 38 LEP areas to support delivery.

This ‘designed nationally, delivered locally’ model was tailored to local business needs and business support arrangements. This approach was very well supported by national and local delivery partners, who noted that the programme struck the right balance between robust national design, guidance, and co-ordination on the one hand, and local recruitment and delivery on the other.

The Peer Networks programme recognised the important role that small and medium enterprises (SMEs) play in the UK economy and was designed to boost their productivity and resilience. However, due to COVID-19, the focus was adapted to support SMEs to respond to more immediate operational challenges associated with the pandemic. In practice, it was found that the scheme’s overall focus on supporting businesses in their key decision making enabled it to address both short-term (COVID-19 challenges) as well as more medium and longer-term growth and productivity priorities.

The resultant programme therefore provided support for SMEs to:

- improve their resilience
- adapt their business models, and
- position themselves for future success.

The support was structured around peer networks, where participants were grouped into cohorts of up to 11 people. These cohorts met virtually for a total of 6-9 sessions, which were structured around a standard approach through Action Learning Sets (ALS) . These sessions saw participants come together to discuss challenges and suggest tangible actions or solutions, with the support of a trained facilitator. The delivery of these sessions was deemed a success by beneficiaries, with over 90% of the Peer Networks participants agreeing that they were able to build trust in fellow participants and share real issues in the sessions.

Due to the COVID-19 restrictions, these sessions were almost all delivered virtually. It was initially hoped that it might be possible for delivery to move to face-to-face if COVID-19 related restrictions had been lifted sooner, however this did not transpire. Most businesses actually saw online delivery as positively impacting on their ability to attend all sessions. At least half a day of one-to-one support was also provided, to complement the action learning sessions.

The Peer Network programme was delivered during exceptional circumstances given the ongoing COVID-19 pandemic and forced lockdowns. Nevertheless, bringing together local business cohorts (even if virtually) allowed business leaders to provide emotional support for each other during this time when physical isolation was such an issue.

The sections which follow provide an overview of how the programme worked, a summary of its outcomes, and lessons learned. The data in this report draws on the Year 1 and Year 2 evaluations completed for the programme. These two evaluation reports have been published separately and are available at gov.uk.

The Year 1 Evaluation report draws on: analysis of programme data and characteristics of participants; analysis of participant survey data collected on perspectives at baseline stage, during delivery and immediately post-completion; the analysis of survey data for treatment at six-month post-completion and matched comparison groups. This was supplemented by in-depth qualitative research with 33 participating businesses: and in-depth consultations with national and local delivery partners and action learning set facilitators and SME participants.

The Year 2 Evaluation covers the period April 2021 – March 2022 and was developed using a range of data collection and analysis methodologies. In addition to an analysis of programme data collected by delivery partners, the evaluation also drew on data from four different surveys capturing beneficiary information and perspectives at different stages of the programme: a baseline survey; a satisfaction survey asked after each action learning set session; a post-completion survey; and a withdrawal survey for businesses which did not complete the entire programme. The evaluation also drew on in-depth consultations as well as an observational analysis of a sample of action learning sets across 17 different cohorts.

Naturally there are limitations to the data analysis in each evaluation. While a detailed explanation is set out in the respective evaluation reports, a shared limitation across both analyses is the ability to identify if businesses may have received further business support interventions other than Peer Networks, and assessing whether these other interventions may have influenced the outcomes and impacts of the Peer Networks programme. In particular, the BEIS Small Business Leadership Programme operated at the same time with similar eligibility criteria and objectives, which some of the businesses under this programme may also have benefitted from. BEIS are exploring analysis to understand the long-term impacts and possible cumulative impact of attending multiple programmes.

2. Programme Rationale and Design

Programme Rationale

The Peer Networks programme was established by BEIS with the ultimate goal of improving the productivity and resilience (including during Covid-19) of the country's SME business base. The programme was designed to address two main types of market failure amongst SMEs:

Information Failure

Lack of awareness of business support offer and trust in business advice due to the barriers to accessing and assuring this information. The Business Productivity Review (BPR) found that businesses like to learn from each other and that they trust that learning but that the current public and private sector support market is confusing and fragmented.

Positive Externalities

Evidence suggests that business support services often have an alumni network to enable participants to continue to benefit from peer learning beyond the formal end of the schemes. However, uptake of peer networking among SMEs can be limited due to them not considering the wider benefits of learning through networking which limits knowledge transfer.

The Peer Networks programme was designed to address these market failures by:

- enabling businesses to help each other to address issues associated with lack of trust in business advice,
- offering the scheme nationally and operating under a single brand, to help firms to recognise the benefits associated with peer-learning and raise awareness of the support available,
- raising awareness among SME managers about tried and tested practices, which would help them improve their businesses in addition to raising awareness about their own performance compared to their peers; and,
- creating a nationally recognised programme to raise demand for peer networking and increase knowledge sharing among participants and wider networks.

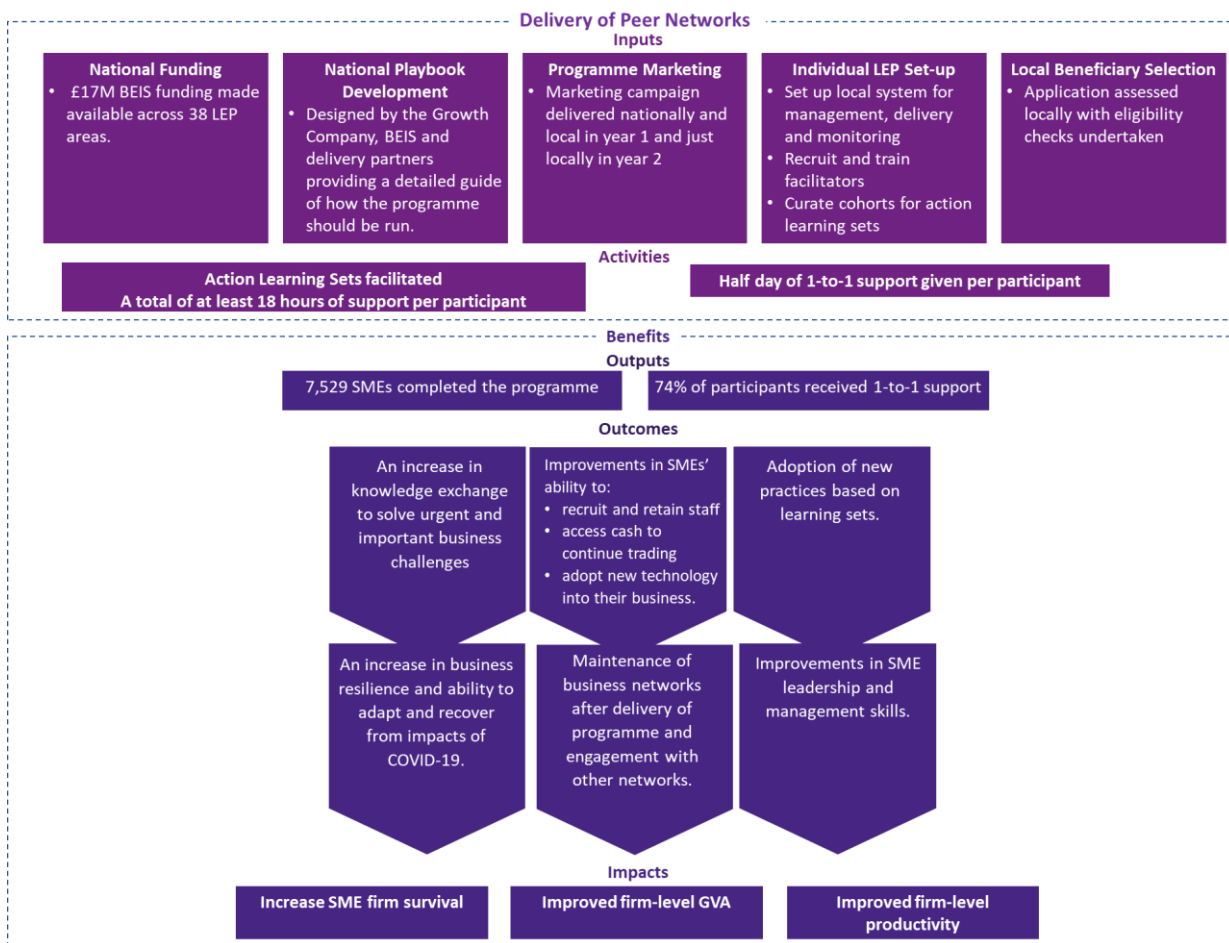
The programme drew on recommendations from the BEIS Business Productivity Review (BPR)¹, which found that businesses prefer to learn from each other and trust that learning process over others. It also found that this model tended to be cost effective, easier to implement and addressed gaps in the existing market provision. The programme also reflected

¹ BEIS (2019). [Business Productivity Review](#)

learnings from the PLATO programme², a well-regarded Peer Networks programme delivered in Belgium.

Programme Inputs and Activities

The chart below provides a summary of how the programme was designed and delivered. The subsequent sections draw out further details and the changes made between the two years that the programme was running.



National-Local Management

At a national level, the programme was overseen by a Programme Board including senior officers from BEIS and the Growth Company, which met monthly to provide oversight. Operationally the programme was developed and managed by a combination of BEIS officials and a team from the Growth Company which was appointed to be national delivery partner.

² Schoonjans, B et al. (2013). Knowledge networking and growth in service firms. The Service Industries Journal, 33(11), pp.1051-1067

Year 1 to Year 2 change: Streamlined Communication

The initial approach to communicating with the 38 LEP areas was to cascade communications between the Growth Company / BEIS and the cluster leads³. The cluster leads would then share information with the other Growth Hub areas within their cluster.

Fairly quickly, it became clear that this was leading to some inconsistent messaging reaching different LEP areas. As a result, the approach shifted to monthly briefing and feedback sessions between the Growth Company / BEIS and each of the ten clusters. This was broadly felt to have improved communication flow, although some consultees interviewed felt it was still an unnecessary layer in the management structure.

Later in the year 2 delivery phase, the Growth Company delivered a number of whole network briefing sessions, inviting representatives from all growth hubs, which allowed a direct communication channel. This reduced the risk of messages being mis-conveyed in cascading, and further simplified the communications route, which was well received.

Funding

The total programme budget was £18 million from BEIS. Local allocations of funding were based on the total number of peer network cohorts each LEP area could deliver. LEP areas received funding (retrospectively linked to cohort completions) at a cost per cohort of up to £15,000 to enable them to manage the programme, deliver marketing and communications, recruit and train facilitators, recruit SMEs and deliver the programme.

Playbook Development

A national 'Playbook' provided a detailed guide of how the programme should be run, to ensure consistency across the LEP areas. Partners looked positively on the Playbook and followed it closely and generally sought to deviate only on minor aspects. For example, some areas introduced a short diagnostic session with businesses before onboarding.

Programme Marketing

Recruitment to peer networks was undertaken through local and national channels, including:

- local LEP, Growth Hub and delivery partner promotion via websites, social media and direct contact with local businesses;

³ A cluster lead was a LEP area chosen within each geographic cluster to lead communication between the national delivery partners and the local LEP delivery partners within that area.

- a national programme website - www.peernetworks.co.uk providing information on the scheme and the opportunity to express interest in the programme, which would be passed automatically onto the relevant local Growth Hub and/or delivery partner; and,
- a national marketing campaign (in Year 1 only) focusing primarily on marketing via digital channels and through various publications nation-wide. Although no national marketing was originally planned, this was added as a boost to recruitment across all areas in Year 1.

Year 1 to Year 2 change: Reduced national marketing presence.

During the first year of the programme, around one in five (22%) expressions of interest were directed through the national landing page. Local marketing therefore generated the majority of demand in all areas, with over half of participating businesses invited to apply directly by their Growth Hub or LEP.

A change was made in Year 2 of the programme to cease national promotion of the scheme, which did reduce the visibility to businesses. As such, 5% of referrals to the programme came from the national landing page in Year 2. Local marketing and recruitment were also affected in Year 2 by the smaller pool of easily-engaged potential participants (as many businesses already known to Growth Hubs had enrolled in Year 1) and some LEPs struggled to recruit.

Participant Eligibility

Core eligibility criteria were based on national programme design and reflected a need to focus on businesses where more significant impacts could be achieved. This mostly focused on increasing turnover and employee numbers in the business. SMEs based within each LEP area were eligible for the support, on the basis that they:

- were in operation for 1 year or more,
- had a minimum of five employees,
- had a turnover of £100,000 or more; and,
- had an aspiration to improve.

Desirable characteristics also included businesses with the potential to scale up, and businesses that exported or had the potential to become an exporter.

Year 1 to Year 2 change: Greater allowance made for businesses with fewer than 5 employees

Eligibility criteria was a challenge to beneficiary recruitment. Many areas found strong demand among smaller micro businesses (with fewer than five employees) which fell below the original size threshold. There were low levels of interest in sectors most affected by COVID. In late 2021 (Year 2), BEIS decided to allow all areas the discretion to recruit up to 30% of their overall participants (across all cohorts combined) from firms that had 2-4 employees or turnover of less than £100,000. In practice, the monitoring data suggests that around 21% of supported businesses in Year 2 had fewer than five employees.

Individual Area Delivery approach

The choice of delivery approach was left down to each LEP area, with a small number opting to deliver the programme entirely in-house, and others split between commissioning out all aspects of delivery (facilitation, one to one support, co-ordination, administration, and reporting), or just commissioning out the action learning set group facilitation.

The decision on how to curate the SME cohorts was a key responsibility that sat with the LEPs. While guidance was provided in the Playbook around how cohorts might best be curated (e.g. not placing competitor firms within the same cohort), each area had autonomy to decide on the approach to this.

Each LEP area was in charge of setting up local systems for management, delivery and monitoring of the Peer Network cohorts. They were also responsible for recruiting and training facilitators as well as curating cohorts based on guidance from the Playbook. Once the programme was marketed and SME managers could apply, individual LEPs assessed the applications and enrolled eligible SME managers onto the programme.

Delivery

The original expectation was for ALS sessions to run for at least three-months, with six to nine sessions of two to three hours each spaced two weeks apart. In practice, the average time taken to complete all sessions was just under 11 weeks in Year 1. In Year 2, the majority of cohorts took 12 weeks or more, in line with the guidance.

ALS sessions were structured differently across LEP areas. Some facilitators took an open approach to discussions, while others introduced a more structured approach, with themed sessions and introductory presentations or expert speakers to help to focus the discussion.

The one-to-one support (of at least 3.5 hours) was offered either on an ongoing basis, held between action learning sets, or following completion of all action learning set sessions. In

many cases, this was undertaken with the session facilitator, enabling a smooth continuation from the group discussion.

Year 1 to Year 2 change: Integration of One-to-one Support

As a result of feedback from Year 1, there was an increased emphasis in year 2 (including through the playbook) of the importance of ensuring the 1-2-1 support was more closely integrated with the group sessions.

3. Programme Performance

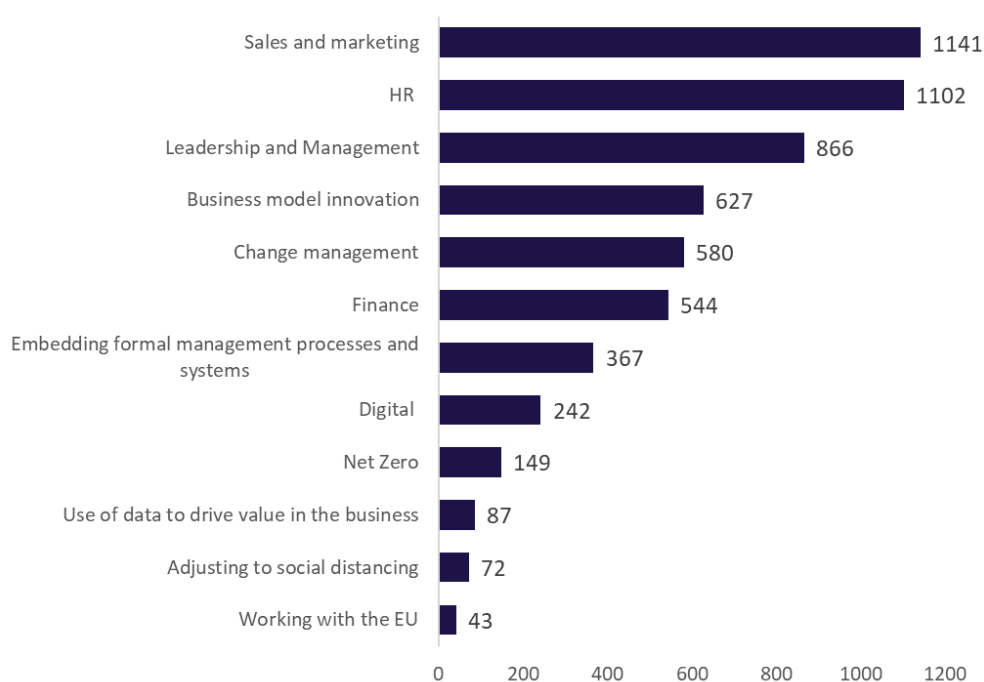
Action Learning Set Topic Coverage

On signing up to join the Peer Networks programme, beneficiaries were asked about the topics they were most interested to learn about, and subsequently following each action learning set session, facilitators recorded the main topics discussed.

Data across both years of the programme was similar in terms of the common topics for discussion when participants onboarded compared to what was actually discussed in the action learning sets:

- Leadership and management and sales and marketing were among the most common topics sought for discussion when participants onboarded and also the most common topic discussed in action learning set sessions.
- Business model innovation and finance were also commonly selected as topics of interest for businesses when onboarding and were also among the most common topics discussed in action learning set sessions.
- HR and change management were considered topics of interest by fewer businesses when onboarding, but were amongst the more common topics discussed in sessions.

Year 2 Main Topics Discussed in Peer Network Sessions⁴



⁴ N.B. Raw data for year 1 topics discussed was not available, but further information can be found in the year one evaluation report.

Source: The Growth Company. Based on data from 3,207 action learning set sessions, with up to three topics noted per session. 2,551 'Null' responses and 1,250 'Other' responses are not included in the chart. Note: underlying data for Year 1 was not available for this work to be combined in this chart, however showed a very similar pattern of main topics discussed.

Programme Delivery Costs

Overall, the Peer Networks programme is regarded as providing very good value for money and being a cost-efficient business support programme.

The Year 1 final programme spend was £6.94m, which was funded entirely by BEIS, and includes funding for the Programme Coordinator but excludes the funding for the evaluation. This funding of up to £15,000 per cohort was provided to the LEPs upon completion of the funded activities.

Average unit cost for the programmes equated to £1,875 per SME supported.

Each completed cohort cost £15,000, with an expectation that 8 participants from each cohort of 11 would complete the support. This indicates a unit cost of support for each of those 8 businesses was £1,875 per business. In practice, more businesses than anticipated completed the support within each cohort in both years, suggesting the unit cost would have been slightly lower.

To benchmark this, analysis of data from over 600 business support projects undertaken in the previous European Regional Development Fund programme (2007-13)⁵ showed a median public sector cost per business assisted of £10,200. This highlights the much lower unit cost of the Peer Networks business support.

Outputs Achieved

Recruitment into the Peer Networks programme indicated that demand was strong. Over the two-year period, 15,839 businesses expressed interest in participating in the programme and a total of 7,529 SMEs completed the programme (compared to a target of 11,742). The programme had a much lower drop-out rate than originally expected, (17% compared to a target of 30%), reflecting that participants found the support valuable.

Overall attendance at the sessions was 54%, meaning on average participants only attended around half of the scheduled sessions. Further insight and lessons learned regarding participation and attendance are set out in Section 4.

⁵ DCLG (2013) England ERDF Programme 2014-20: Output Unit Costs and Definitions

Given significant challenges of a compressed delivery timescale (particularly in Year 1), and the complexity of delivering the programme through 38 delivery partners (and with many of these sub-contracting delivery services), these output figures represent a significant achievement.

Participant satisfaction was extremely high, with all aspects of the programme recording at least four out of five in overall satisfaction from participating businesses. In Year 1, an average overall satisfaction score of ALS sets was 4.6. This figure rose slightly to 4.7 as measured in the Year 2 evaluation survey. In Year 1, 75% of those that received one-to-one support were very satisfied and this increased to 80% in Year 2.

Other headline outputs of the programme are set out in the table below.

Summary of Outputs, Peer Networks Programme

	Year 1	Year 2	Total
Expressions of interest	6,594	9,245	15,839
Target businesses recruited	6,000	5,742	11,742
Actual businesses recruited	4,462	4,631	9,093
Businesses completed programme	3,769	3,760	7,529
Anticipated drop out rate	30%	30%	30%
Actual drop out rate	16%	19%	17%
% of Participants that were existing growth hub clients	62%	54%	58%
Target number of cohorts	527	522	1,049
Actual number of cohorts	427	454	881

Source: BEIS Peer Networks programme evaluation reports for Year 1 and Year 2

While cohorts were established across all LEP areas in England, there was no correlation between size of LEP and number of cohorts taken on. The average number committed to per LEP was 14. However, some of the largest LEP areas by business numbers (e.g. South East LEP, Leeds City Region LEP and South East Midlands LEP) committed to fewer than this average, while some of the smallest (e.g. Tees Valley LEP and Worcestershire LEP) committed to more.

The size profile of SMEs that participated in the programme was relatively consistent across the two years. Over half of all businesses (53% in Year 1 and 62% in Year 2) were classified as micro (10 or fewer employees) and around a third (36% in Year 1 and 29% in Year 2) were

small (11-49 employees). In both the first and second year of the programme, 21% of businesses supported had fewer than 5 employees. The eligibility change to business size was made during Year 1 of the programme and was continued into Year 2.

The sector profile of businesses supported by the programme in many cases mirrors the relative proportion of those businesses across England, although a number are notably over or under represented. In particular, manufacturing, was one of the most strongly supported sectors and was over-represented in the spread of beneficiaries supported by Peer Networks (17% of beneficiaries in Year 1) compared to the proportion of those businesses across England (5% of the national business base). Under-represented sectors compared to the national business base included wholesale & retail motor trade (9% of beneficiaries compared to 15% of the national business base) and construction (4% of beneficiaries compared to 13% of the national business base).

The programme attracted businesses with a broad range of business age. Around half of supported businesses were up to ten years old (46% in Year 1 and 44% in Year 2), with around a quarter trading for 20 years or more.

Peer Networks was designed to have broader reach than many support programmes and as such, aimed to attract participants that had not previously accessed business support. In reality, the majority (58%) of participating businesses were existing clients of Growth Hubs, suggesting many may have already received business support before. Further insight is provided on this point in the following chapter.

On the whole, the Peer Networks programme was able to attract a participant group that was representative of SMEs across England in terms of the diversity characteristics of supported businesses. In the first year, around one third (35%) of Peer Network attendees were female and this figure increased to 39% in the second year. Both of these figures are above the national level of female representation on SME strategic management teams (19%)⁶. Similarly, data on ethnic minority leadership indicates that 11% of Year 1 and 10% of Year 2 participants were of an ethnic minority, while around 6% of SMEs nationally are minority ethnic group led.⁷

Outcomes and Impacts

The outcomes and impacts of the Peer Network programme set out below are based on the Year 1 evaluation and impact assessment only. When the decision was made to end the programme after Year 2, it was also decided that the Year 2 evaluation would not include an impact assessment analysis.

⁶assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/204764/130523_Evidence_7_Enterprise_FINAL.doc&psig=AOvVaw2GSeMmyRtpqKXh4QxBp_kH&ust=1668271830914395

⁷ House of Commons Library, (2022), Business Statistics Research Briefing

The Peer Networks programme has proven effective in achieving its desired outcomes in terms of encouraging the take-up of new business practices, improving SMEs leadership and management abilities, and encouraging networking and further business support take-up.

These outcomes were evidenced through three surveys conducted relating to participants involved in Year 1 of the programme: a baseline survey, a post completion survey, and a 6-month post completion impact survey. These surveys show how participants' responses changed before and after the programme, as well as benchmarking against a business comparison group.

Comparison of key outcomes for the Peer Network programme and the comparison group is done using Propensity Score Matching (PSM), which is a statistical technique that involves estimating the impact of an intervention by comparing outcomes for individuals in the treated and untreated groups with a similar propensity to be treated. A methodological issue facing this analysis was that businesses may have received further business support other than Peer Networks, and these may have influenced the outcomes and impacts for the Peer Network programme. Full details on how PSM has addressed this challenge and other limits to the methodology can be found in the Year 1 Technical Appendix.

- Continued networking. The Peer Networks programme helped businesses to form bonds with fellow cohort members and establish trusting relationships that will help them as business leaders. In a survey completed six months after programme completion, 63% of respondents indicated they had established such trusting relationships. Likewise, the participating businesses were also active in networking with businesses outside the programme, with 73% saying that they had done so. Of those networking with businesses outside the programme, slightly more than a fifth (22%) suggested that they would not have done so if they had not participated in the Peer Networks programme.
- Higher growth aspirations. After completing the Peer Networks programme, business' perception of their ability to grow improved. The proportion of respondents rating their ability to grow their business as strong or very strong, rose to 80% in a survey completed immediately after the completion of the programme, compared to a baseline figure, before the start of the programme, of 61% (which is a statistically significant difference).
- Improved abilities to make changes. The business leaders that participated in the programme became increasingly positive about their personal abilities following the Peer Networks experience. There was a statistically significant increase in how participants rated themselves immediately before starting the programme, and then six months after completion, around factors including: having the skills needed to manage their employees (+13 % points), having the skills to lead their business (+20 % points), feeling they can overcome obstacles to growth and/or feeling able to adapt to change (+8 % points).

- Changes to business practices. A high proportion of participants made changes to their business practices in the six months following completion (89%; the same proportion that had stated they were planning to make changes when surveyed immediately after completing the support). The most common areas where businesses made changes were: HR, recruitment and retention of staff (57%); sales and marketing (56%); and leadership and management (49%). The businesses in the comparison group were less likely to have made changes in the past six months (79% compared to 89%, which is a statistically significant difference).
- The surveys of treatment and comparison businesses point to statistically significant differences in the number of business changes implemented, and just under a quarter (22%) of participants reported that they would have been unlikely to make changes had they not attended Peer Networks.
- Strong business performance. Over half of participants in the Peer Networks programme (53%) suggested that their turnover had increased in comparison to normal expectations for this time of year, which was higher than for the comparison group (37%) – the difference is statistically significant. Similarly, those supported through Peer Networks were less likely to report a decrease in turnover (25% compared to 33% in the comparison group). Again, the difference is statistically significant.
- Plans to access future support. Peer Network participants planned to continue their growth journey through accessing further business support. The majority (71% compared to 32% of the comparison group) indicated they were likely to seek free business support over the next year and more than two fifths (42% compared to 16% of the comparison group) are likely to seek paid for help and advice. Of these, the vast majority (72%) stated that Peer Networks support influenced their likelihood of pursuing further business support in the next year, mainly due to an increased awareness of the value of business support and a greater appreciation of the value of networking.
- Based on the programme rationale, accessing additional advice and help does influence business' propensity to plan and make changes. It follows that, if Peer Networks encourage businesses to seek future support above and beyond what they may have done otherwise, this may in turn have an impact on future business performance. Longer-term productivity analysis will be able to test this.

In summary, the Peer Network participants made, or planned to make, comparatively more business changes, were a little more resilient in terms of their performance in self-reported turnover growth, and appeared to be slightly better orientated to future growth than the comparison group. Whilst evaluation findings indicate that participation in the programme played some part in these positive changes, they also suggest these were influenced by the extent to which these participants accessed other forms of businesses support (the seeking of which may have been due to Peer Networks), with this particular sub-set of businesses relatively more orientated to growth than the average.

4. Lessons Learnt

Key lessons learned and important factors that drove delivery success across the programme design and delivery are set out below.

Marketing & Recruitment

The Peer Networks programme was marketed at both the national and local level. National branding was provided by the programme coordinator (approved by BEIS). It was used by LEPs in local marketing, in line with the approach set out in the Playbook guidance. National marketing was essentially stopped in Year 2 of the programme, with almost all marketing coming from the local delivery partners.

The window for marketing and recruitment of participants was narrow from the outset, reflecting both the short programme timescales as well as initial delays due to Covid-19. Although the programme intended to recruit businesses who were new to business support, existing Growth Hub clients actually made up a significant portion of participants, especially in the first year (62%).

Key lessons learned relating to marketing and recruitment are set out below.

1. Local marketing was the most effective channel for recruiting participants.

Why: Because LEPs and Growth Hubs have existing contact networks of businesses that are open to participating in business support programmes and could recruit these participants quickly and efficiently.

Local marketing and recruitment of participants was primarily led by Growth Hubs / LEPs in some areas, while it was outsourced to appointed facilitator contractors in others. In many cases, it was delivered by a combination of the two. Local areas used various routes including online content and social media, but the most effective route appears to have been direct contact through existing networks of businesses. Over half of Peer Networks businesses signed up following a direct invitation from their local Growth Hub or LEP, and many more heard about the scheme through local websites and social media. National promotional activity (such as online and trade publication advertising) was not a major source of participants for the programme, with 22% of referrals from the national landing page in Year 1 and 5% in Year 2.

2. Comprehensive and well thought-through marketing plans are important to reach under-represented group (including those businesses new to support) and to sustain recruitment year-on-year.

Why: Because Growth Hub networks are limited to businesses that already access support and may under-represent certain demographic groups, some of whom are less likely to access support.

LEPs with a large local network of business contacts and business support relationships could recruit a high number of participants quickly, but they tended to be existing Growth Hub clients. A more robust marketing plan that extends beyond a LEPs existing network is necessary to encourage take-up by businesses that have not previously used business support and those from under-represented demographic groups. In addition, several LEPs noted that recruitment in Year 2 had been made more challenging because those immediately keen had signed up in Year 1. For LEP areas that primarily focused on existing businesses known to the LEP, this marketing approach was therefore less effective in Year 2.

3. A national brand can enhance credibility and legitimacy of local marketing and recruitment.

How: Association with national government helps to add credibility to the programme and the reach of a national campaign helps to create brand awareness.

National branding of the scheme was very helpful in delivery and lent credibility and legitimacy to the programme, which helped recruitment efforts. The majority of areas appear to have used the branding in their promotion of the scheme. Beyond the brand, some local delivery partners interviewed felt that more marketing materials provided at a national level would have been beneficial, for example videos and case studies.

4. Adopting an iterative marketing strategy can improve effectiveness.

How: LEPs are able to understand in real-time what recruitment techniques have worked and implement more of the same or adjust to something more effective.

The Growth Company undertook a deep dive review of marketing approaches employed by each LEP part way through Year 2. Findings from this work leading to a best practice webinar in Autumn 2021. This highlighted that where LEP areas monitored and responded to what worked in recruitment, some had achieved high levels of businesses recruit, including businesses which had not previously engaged with the Growth Hub.

Participant Eligibility

The core eligibility criteria set out in the national Playbook were closely followed by local areas. In November 2021, BEIS agreed additional flexibility to allow up to 30% of supported businesses to have fewer than five employees (but more than two) or turnover of less than £100,000. This change was made after many LEPs reported a strong demand for the programme amongst businesses with fewer than five employees. In practice, the monitoring data suggests that around 21% of supported businesses in Year 2 had fewer than five employees, well below the 30% cap.

The Playbook also sets out a series of non-core criteria (e.g., growth / scale-up and export potential and businesses new to business support).

Key lessons learned relating to eligibility are set out below.

5. Where using eligibility criteria to help select participants, it is important to be clear about its underpinning rationale.

Why: Criteria can help ensure support targets businesses where it can have greatest impact but limits the pool of eligible beneficiaries. Delivery bodies must be able to accurately target eligible beneficiaries in their marketing and easily communicate these criteria to interested participants.

While local areas recruited according to the eligibility criteria defined in the playbook, many reported it as a barrier to marketing and recruitment efforts because it was too restrictive, while also not feeling like they fully understand why certain criteria were in place. Playbooks should be explicit on how the criteria should be used to determine eligibility in practice. This should include clear guidance on definitions and the use of quotas or targets to ensure a minimum proportion of supported businesses meet these requirements. This is particularly important where using additional criteria (i.e. growth / scale-up and export potential and businesses new to business support) for which there may be a tendency to take a lighter touch approach.

6. Marketing strategies need to take eligibility criteria and desired sector representation into consideration.

Why: Receiving a high number of ineligible applications is inefficient for both the applicant and the programme administrators who need to assess these applications.

Data from the Peer Networks programme suggest that there is value in including specific eligibility criteria in campaign materials. Although Year 1 of the programme saw over 6,500 expressions of interest, only 4,462 of these businesses were eligible for support. Being clear on eligibility criteria from the outset can help reduce the number of unsuitable candidates that apply. In addition to eligibility criteria, marketing strategies should also consider any targets in terms of sector representation within the participant group. Certain sectors, including construction and agriculture, forestry and fishing were under-represented in the participants in the Peer Networks programme. This may indicate, for LEP areas where these are important growth sectors, that more may need to be done to market and engage businesses in these sectors.

Playbook Guidance

A national Playbook designed by the Growth Company, with input from BEIS, Growth Hub Cluster leads, the wider growth hub network, and other delivery partners, provided a detailed guide to how the programme should be run, to ensure a level of consistency across the LEP areas. Overall, the Playbook was seen as a highly valuable resource and was well received by local areas, with many indicating this was clear and easy to apply to delivery.

Key lessons learned relating to the Playbook are set out below.

7. National guidance should be designed inclusively with delivery partners and updated with feedback during the programme.

Why: Iterative feedback incorporated while the programme is on-going can help improve its overall impact upon completion. Local delivery partners who are on the ground working with beneficiaries have the greatest insight into how delivery is going and what improvements can be made to the programme to improve its effectiveness.

The Growth Company in particular highlighted the importance of the inclusive process involved in designing and writing the guide, and that LEPs were consulted after Year 1 which informed an update, leading to fewer questions in Year 2. Developing a Playbook with input from all delivery bodies was seen as key to enabling delivery to operate smoothly.

8. The Playbook should be accessible and designed in a user-friendly way which makes information easy to find and understand.

Why: It is in the interest of the programme that national guidance is followed as closely as possible to ensure consistency across different localities. National guidance that is hard to follow and confusing may lead to local areas deviating from this guidance.

Overall the feedback on the content and clarity of the Playbook was very positive. Where comments were made during evaluation consultations around areas that could be improved, some highlighted that it could be more succinct and could simplify the language used. Others felt that supplementary guidance in another format, such as a video guide, could be valuable. Some felt that more technical sections of the Playbook, such as reporting requirements, could have been set out more clearly.

Cohorts

The Action Learning Set (ALS) cohorts were a fundamental component of the Peer Networks programme. While guidance was provided in the Playbook around how cohorts might best be curated, each area had autonomy to decide on the approach to this. The guidance asked that competitor firms should not be placed together in a cohort, as that might inhibit their willingness to build trust and discuss challenges openly. This appears to have been carefully considered in all areas and, as a result, rarely arose as an issue in delivery.

There was significant variation in cohort design, with some areas developing sector focused cohorts, some focused on putting together businesses at a similar stage of development and others actively seeking a much more mixed grouping. Positive feedback on the programme across the range of differently composed cohorts suggests that there is no single most effective way to compose cohorts.

Key lessons learned relating to cohorts are set out below.

9. The ideal size for ALS held online appears to be around 8.

Why: Given online delivery, many felt that groups with a larger number of participants gave each individual less time to input and to have their own issues discussed.

Facilitators commonly suggested that the optimal group size would be around eight businesses. Based on this assumption and the predicted drop-out rate (based on previous peer networking or similar programmes), BEIS decided cohorts should be set up with 11 participants. However, the actual number of participants per cohort tended to be higher in the Peer Networks programme due to a lower than anticipated drop-out rate. The Year 1 evaluation suggested that the acceptable size of an ALS cohort may be slightly larger for face-to-face sessions, as these can effectively accommodate more participants without impacting on the work of the group. There may also be merit in experimenting with smaller cohort sizes particularly for specialist sector/ themes (where it may be harder to recruit sufficient numbers of businesses).

10. The frequency and length of ALS sets can impact attendance.

How: Sessions that occurred too frequently didn't allow enough time for recommendations to be implemented or new discussion topics to arise. Many participants started to lose focus in online sessions that lasted longer than 2 – 2.5 hours.

A significant proportion of businesses feeding back from surveys and interviews indicated that the learning sessions were run too close together and lasted too long. There is merit in spacing sessions at least two weeks apart (also allowing sufficient time for participants to reflect on what they learnt) and having a maximum duration of 2.5 hours for online sessions.

11. Securing upfront commitment from participants to attend ALS sessions and complete programme is important to quality of overall support.

Why: Given focus on learning from peers within each cohort's ALS sessions, the commitment to attending all group sessions is particularly important.

It is important that at the stage of committing to participate in the programme, businesses understand what is involved and what they are signing up to do. Their participation (or lack of) impacts on other participants given the programme design of learning from Peer Networks. To help reinforce the importance of participation, a "Participant's Charter" was developed as part of the playbook.

12. Sector-focused cohorts may have a higher risk of grouping competitors together.

For the Year 2 programme, there was a greater focus by areas on supporting more sector or demographic focused groups, on the assumption that bringing together sufficiently similar businesses would enable them to learn more relevant lessons from one another and with the building of trusting networks of peers. Interview feedback was mixed with some finding this very useful and not creating any issues of competition (found in discussion with one of the

manufacturing sector focused cohorts). Another group found that there was greater competition between participants which constrained conversation and became an obstacle to developing trusting relationships (in one of the food and drink sector focused cohorts).

Programme Design and Delivery

Delivery partners felt that Peer Networks was a well-designed and beneficial programme. Businesses rated the quality highly and recognised the value of having the opportunity to step back from their day-to-day work and critically review their businesses. Participants were very positive about the effectiveness of the ALS sessions – it was felt that businesses brought real and relevant issues.

Lessons learned around the programme design focus on the ALS technique, facilitation, online delivery and one-to-one support are set out below.

13. Clear monitoring processes and materials are required at launch of programme to ensure reporting can be done efficiently.

Why: A streamlined monitoring and reporting process, which minimises duplication and repetition can help to limit the administrative burden felt by local delivery partners who are required to report on a multitude of programme related metrics.

Monitoring and reporting requirements were often raised by delivery partners and facilitators as being provided too late, not being sufficiently clear and being too onerous. Having key guidance, a website (if applicable), arrangements for data collection and monitoring in place before launching a programme would have made this process more efficiently and quicker to complete, reducing the time burden felt by local delivery agents.

14. Delivery partners valued the relatively free-form nature of the programme and SMEs valued the ability this gave them to truly learn from other businesses.

Why: The flexibility allowed local areas to shape both the composition of cohorts and explore the issues that local businesses were facing.

The absence of prescriptive content and outcome targets made the scheme attractive to delivery partners and enabled the programme to focus very directly on the specific and immediate needs of participating businesses. Peer Networks was particularly attractive to SMEs for the opportunities it presented to learn from other business leaders. In both years, over three quarters of participants said their motivation for signing up was to learn from other businesses.

15. ALS sessions that focused on different themes at each of the sessions tended to see more consistent attendance over the entire period.

Why: This set-up ensured participants could benefit from all sessions and communicating this in advance meant they had sight of what was on offer and could plan accordingly.

Under the standard ALS model, each session should focus on one or two businesses' issues. In some cases this ran the risk that once the business had had their issue discussed and received feedback, they might be less inclined to attend future sessions. Some Year2 facilitators ended up adopting a hybrid approach, which deviates slightly from the standard ALS model. With the hybrid approach, facilitators focused on different themes at each of the sessions, aligning specific issues brought to the group by participating businesses with those themes, and starting off each session with a presentation on the topic or an external speaker, which helped to stimulate discussion among the group on that topic. This type of hybrid delivery approach had been generally welcomed by participants, and helped retain business attendance after the session where their issue was discussed.

16. Over programming the ALS sessions could help businesses to make up any missed sessions.

Why: Nearly half of all participants didn't complete all the ALS due to unexpected demands from their business. Additional sessions could help boost the number of firms able to completion the sessions.

A key challenge was around the time commitment, with occasionally unexpected demands on time as a result of business needs, staff shortages or other caring responsibilities, particularly as businesses opened up after lockdown but COVID infections remained an issue. Reflected in the survey results and in interviews, this time pressure challenge was felt to be especially the case for managers of micro sized business who were more likely to get drawn away if anything unexpected arose. In designing programme content, it is important to carefully consider the scope and duration of the provision, and hence the setting of associated minimum hours of attendance rules. This needs to reflect the practicalities of business managers accommodating the sessions in their schedules, given the delivery methods being used.

17. Building trust with facilitators was fundamental to successful ALS sessions and successful facilitators started to build this trust during the onboarding stage.

Why: Trust and understanding was rooted in the facilitators having a clear understanding of businesses' operations and the specific challenges they each faced. This understanding enhanced their ability to add value and facilitate the sessions.

It was commonly regarded that the role of the facilitator was fundamental to the success of cohorts. Participants identified that it was important that facilitators were able to make people feel comfortable to share, were good listeners, were approachable and charismatic. Critical to success, was that facilitators built a trusting relationship with the participants. Several facilitators interviewed highlighted that this began with a discussion at the onboarding stage to build understanding, rapport and participant buy-in to the programme. In terms of behaviours, businesses and facilitators highlighted the importance of setting ground rules for the groups, managing expectations of how the sessions would run, managing discussions and encouraging participation from all of the group.

18. Preparing with a facilitator in advance of the ALS improved quality of the session.

Why: Facilitators could often add value through their own experience and insight, drawing lessons for the participants, which they valued highly.

A number of facilitators interviewed highlighted that they worked with businesses ahead of ALS sessions where that business would be sharing their issue – helping to ensure they (the facilitator) fully understood the issue, and that the business was able to frame it in a way that made it relatable to others in the group.

19. Online sessions can increase accessibility and support attendance rates.

Why: Many participants found that online was more convenient, afforded them more flexibility and saved travel time compared with attending sessions in person.

Although online delivery does not suit all businesses and there are some downsides to this approach, particularly in relation to building rapport and relationships, it has also provided some significant advantages for businesses. Many participants interviewed felt that online delivery still enabled sharing of issues, as well as saving time and making sessions more accessible for those needing to balance other responsibilities. Careful consideration to this aspect of the delivery approach should be given in planning future programmes, possibly including the trialling of hybrid cohorts with different balances of in person and online engagement to suit business needs.

20. Provide opportunities for cohort engagements to continue after the formal support period ends.

Why: An important outcome from this project is increased and continued networking amongst businesses to continue learning from each other. The programme has proven successful in increasing the appetite for continued networking post completion.

There may be merit in providing further support for ongoing cohort engagement for those businesses that wish to continue meeting after the funded support through, for example, an online forum as a shared space for news and self-guided facilitation. For other businesses that don't favour this approach, there may also be benefit in six monthly or annual alumni workshop sessions. This would be best organised at the local level, given its local approach to delivery.

21. Signpost additional business support available to participants towards the end of the programme.

Why: An important outcome from this project was encouraging SMEs to access business support. The programme has proven successful in encouraging participants to access further business support (both free and paid for) after completion.

The evaluation of Peer Networks found that the provision of business support encouraged participants to seek future support above and beyond what they may have done otherwise,

which in turn may have an impact on future business performance. Providing signposting towards the end of planned support can help these businesses to search for and secure this additional assistance more effectively.

22. One-to-one support can enhance benefits to participants when integrated with the ALS session content.

Why: Participants could benefit from help to apply and adapt the ALS cohort learnings to their specific business challenges.

Although highly rated by participants in the Peer Networks programme, in some cases, interviewees noted that the one-to-one support was not closely integrated with the cohort action learning, had not been taken up and/or risked duplicating other business support offers locally. Where one-to-one sessions were being used alongside ALS, it was useful to provide guidance to clarify the purpose of the one-to-one sessions and encourage closer integration with the ALS delivery timetable to ensure they consolidate the issues and actions explored in the action learning. Where it was more successful, participants interviewed highlighted the rapport they had with the individual delivering that support as particularly key.

Management and Governance

There was a strong consensus amongst delivery partner consultees that the concept of a nationally designed scheme that was delivered locally was an effective model to pursue. In terms of the specific design of this programme, the consultees described the programme design as well considered, well organised and consistent, and felt that delivery by local partners meant that an understanding of the local economic landscape could be built into delivery, which was seen as highly valuable.

Communications between national delivery partners and LEP/Growth Hubs evolved throughout the delivery phase, settling into an effective model of all-area briefing sessions accompanied by monthly meetings with each Growth Hub cluster group.

Key lessons learned relating to management and governance are set out below.

23. For programmes with local delivery, a national coordinator is necessary to maintain on-going communication and feedback between central Government and local leads.

Why: Without strong coordination, information dissemination may not be consistent in terms of content and timing, which can impact the quality of delivery across local areas.

In planning future programmes with localised delivery, it is important to establish a clear approach to communication and governance at the outset. This will help to avoid a lack of clarity or misunderstandings about the respective roles and responsibilities between BEIS and LEPs/Growth Hubs. Weekly meetings between the Growth Company and BEIS for the Peer Networks programme ensured close tracking of progress and resolution of any issues with both organisations felt by stakeholders to have managed the programme well. The national co-

ordinator role was seen by consultees as critical to ensure the programme remained organised across the 38 different LEP areas and provided visibility of national management to local areas, holding them to account, and ensuring management of any issues arising.

24. Regular communication between local delivery areas can help share lessons learned and good practice in real-time.

How: The flexibility afforded to local delivery partners allows different approaches to be taken in delivering aspects of the programme. Sharing lessons on what works while the programme is underway allows for local areas to implement what has proven successful elsewhere.

The monthly cluster group calls with each of the ten regional clusters were chaired by the Growth Company, as national coordinator. They were widely seen as effective by both the national and local delivery partners. Local partners found it very useful to have BEIS representatives involved in the calls and found the team very responsive when issues needed to be addressed. Participants did highlight, however, the need to ensure there is sufficient direction/ resource to make these sessions effective (e.g., establishing a knowledge sharing platform and/or sessions between Growth Hubs to share knowledge and good practice).

25. Careful consideration should be given to the type of agreement used between the funding body and local delivery bodies.

How: Since the national body is not directly delivering the programme, they must consider how they can most effectively maintain some control over delivery outputs whilst providing for some local flexibility.

BEIS consultees noted that delivery contracts rather than grant agreements with the 38 LEP areas would have been a better way to manage delivery of the programme. Contracts would have enabled greater levers for addressing under-performance than the grant agreements offered.

26. The design of data collection approaches for key characteristics could be enhanced to improve impact evaluation.

How: Better co-ordination, data collection and sharing on businesses supported under different Government business support programmes could have enhanced the quality of impact evaluation.

One of the challenges for the impact evaluation was not being able to track whether supported businesses had also received support from other Government backed business support programmes. Better co-ordination and data sharing around this within Government and between delivery partners could have helped to identify any businesses which had received other support, helping to enhance the quality of impact evaluation. If still difficult, collecting this information early on at the application stage rather than post-participation would have supported this. Further work on multiple participations should be explored in the longer term.