Department for
Business, Energy
& Industrial Strategy

Peer Networks Programme Year 1 (2020 to 2021) Evaluation Report

A report by Hatch, Winning Moves and Belmana

OGL

Contents

Executive Summary

The Peer Networks programme was a business support scheme aimed at improving the resilience and capacity of small and medium enterprises (SMEs) to adapt to external changes, and to help SMEs unlock longer-term productivity gains and growth. The programme was launched as part of the Government's response to Covid-19, and support was available for up to 6,000 participants from Autumn 2020 until 31 March 2022. This evaluation covers the first year of the Peer Networks Programme, up to 31 March 2021.

The programme was nationally designed and delivered locally across the 38 Local Enterprise Partnership (LEP) areas[1]. Participants received 18 hours of peer network support sessions structured around Action Learning Sets (ALS), plus a half day of one-to-one support. Due to Covid-19, the programme pivoted to fully online delivery rather than face to face and sought to help businesses adapt to the challenges of the pandemic.

Approach to the early evaluation

This evaluation seeks to understand the effectiveness of scheme delivery and early business benefits generated. The five high level questions (HLQs) are:

- HLQ 1: How effective is the Networks Programme in recruiting businesses and ensuring they complete the programme?

- HLQ 2: Is the Networks programme successfully delivering high quality business support?

- HLQ 3: How effective is the Networks Programme at encouraging SMEs to adopt new practices?

- HLQ 4 and 5 (combined): What early changes are businesses making after participating in the programme and what factors influenced this?

The full list of HLQs and their sub-questions can be found in Appendix A.

The evaluation report draws on analysis of:

- Programme data and characteristics of beneficiaries engaged

- Survey data collected on beneficiary perspectives at baseline stage, during delivery and immediately post-completion

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[1] Local Enterprise Partnerships number 38 and cover all of England. They are constituted by local authorities and ran in partnership with public and private sector stakeholders, with the remit of co-ordinating economic growth

- Participant drop out survey data

- Survey data for treatment and matched comparison groups at six month post completion

- In-depth interviews with 33 beneficiaries

- In-depth consultations with national and local delivery partners and action learning set facilitators and SME participants

  The analysis of survey data for a sample of businesses participating in the programme at six months post completion, and a matched comparison group, is an important part of the evaluation approach, however, it is important to note the difficulty in isolating the impact of this specific intervention where both the participants and businesses in the comparison group may have accessed wider business support.

HLQ 1: How effective is the Networks Programme in recruiting businesses and ensuring they complete the programme?

The programme was introduced at pace in August 2020 to support firms experiencing the economic effects of Covid-19. Despite a compressed timeframe for **marketing and recruitment**, the programme achieved 90% of its target for business completions. A total of 4,462 businesses were recruited, of which 3,769 businesses completed the programme. The **drop-out rate** from the Peer Networks was approximately 16% (lower than the 30% rate originally assumed in programme design).

The national **branding** was well received by local stakeholders and most local areas used it to enhance their local marketing of the Peer Networks Programme. Delivery partners and facilitators mostly felt that the **programme offer** was distinctive. Most (80%) of participants said their motivation for signing up was to learn from other businesses. In most areas, local marketing was the most effective channel for recruiting participants. Although there was an aspiration for a significant proportion of programme participants to be new to business support, 62% of participants were existing growth hub clients.

Originally, firms needed to have at least five employees to participate. In late 2020 it was subsequently decided to allow all areas the discretion to recruit up to 30% of their overall participants (across all cohorts combined) from firms that have 2-4 employees. With respect to delivery, although the dropout rate was low (based on the attribution of Growth Hubs and delivery partners of their cohorts), almost half of participating businesses (44%) did not attend the full 18 hours of group sessions – principally due to clashing time commitments (business-related and personal).

HLQ 2: Is the Networks programme successfully delivering high quality business support?

Participant satisfaction was high; all aspects of the programme recorded at least four out of five in overall satisfaction from participating businesses. Feedback on **facilitator quality** was very positive, despite one third of facilitators having little, or no, prior experience of delivering online action learning groups. **One-to-one sessions** were well received and were perceived by delivery partners and stakeholders interviewed to be more effective where they were more integrated with the action learning set sessions.

The **programme was designed** nationally, drawing on evidence of successful similar programmes such as the Belgian scheme PLATO[2]. Local stakeholders were involved in its development to tailor delivery to local business needs and business support arrangements. 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. A number of areas praised the less structured nature of the Peer Networks approach which allowed providers to focus on businesses' real and pressing challenges and did not involve a prescriptive programme of content or target outputs. 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.

The low drop-out rate meant that **cohort size** was larger than expected (the average cohort had 10 starts and 8 completions). Facilitators commonly suggested that the optimal group size would be around eight businesses. Regarding **cohort composition**, the most important factor was felt by delivery partners interviewed to be the need to avoid placing direct competitors together to maximise impact, as well as ensuring the group enabled a range of perspectives, but with enough common ground (in terms of markets/sector and stage of business) to enable mutually beneficial knowledge sharing.

Over 20% of cohorts **completed the action learning set sessions** in less than eight weeks, with many doing so in under six weeks which is a significantly shorter delivery period than BEIS originally anticipated in programme design. This was in part due to the compressed delivery timeframe in year one. Whilst over 80% of post-completion survey respondents indicated they were happy with the length and frequency of sessions, the most common area for improvement cited by participants was shorter and less frequent sessions, delivered over a longer time period.

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[2] Schoonjans B, Van Cauwenberge P and Bauwhede H (2013), Knowledge Networking and Growth in Service Firms, The Service Industries Journal 2013, Volume 33, Number 11, pg1051-1067

HLQ 3: How effective is the Networks Programme at encouraging SMEs to adopt new practices?

There was a strong consensus amongst delivery partners and participants interviewed that attendees **brought forward real, tangible issues** facing their businesses and that they had been able to be very open and honest about their challenges. Issues raised and discussed were felt to be broad enough in scope to allow all participants to contribute to the discussions, and attendees reported enjoying bouncing ideas off the group, exposure to new ideas and perspectives, and realising they were not alone in the challenges they faced. Overall satisfaction grew session by session, with peak satisfaction being reached by the sixth session (out of nine sessions).

HLQ 4 and 5: What early changes are businesses making after participating in the programme and what factors influenced this?

Continued Networking. The survey evidence suggests the programme has helped businesses to form bonds with fellow cohort members and establish trusting relationships that will help business leaders. Most (73%) participating businesses have been active in networking with businesses outside the programme six months post completion. Of those networking with businesses outside the programme, slightly more than a fifth (22%) suggested that they would not have done so if they hadn't participated in the Peer Networks programme. However, during interviews many participants suggested they would benefit from a structured approach to sustain follow-on contact

Growth Aspirations. Whilst there was minimal change in the growth aspirations of the participants following completion, their perceptions of their ability to grow improved. The proportion of respondents rating their ability to grow their business as strong or very strong, rose by 19% between the baseline figures and Post Completion survey. This is expected given the volatile context of the Covid-19 pandemic and the time needed to make changes to a business.

Abilities to Make Changes. When asked about their skills to manage employees (+13%), to lead their business (+20%), to overcome obstacles to growth and/or ability to adapt to change (+8%), there was a statistically significant increase in how participants rated themselves between the onboarding process and six month survey.

Business Practices Adopted. 89% of surveyed participants had made changes to their business practices in the six-months following completion (89%). The most common areas for change were in: 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% for treatment group, which is statistically significant). It is important to recognise the influence of other types of help and support on this outcome.

Early impact analysis

To isolate what effect Peer Networks may have in isolation, Propensity Score Matching (PSM) analysis was conducted on just those that had Peer Networks support in the treatment group and businesses in the comparison group (those that had no support over the past year). This showed no significant difference in the number of areas where changes were made when controlling for other differences. While we do not know the intensity of changes made, one hypothesis is that Peer Networks may be more successful in encouraging change when combined with other forms of support, although further research would be needed to confirm this.

Whilst the surveys of treatment and comparison businesses point to no statistically significant differences in the number of business changes implemented, **22% of participants reported that they would have been unlikely to make changes had they not attended Peer Networks.**

Plans for Future Changes. The evaluation evidence suggests Peer Network participants are planning on continuing their growth journey through accessing further business support. The majority indicated (71% compared to 32% of the comparison group) they were likely to seek free business support over the next year and under half (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 the 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.**

Change in Business Performance. Considering business perceptions on 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, significantly higher than the comparison group (37%). Similarly, those supported through Peer Networks were less likely to report a decrease in turnover (25% vs 33% in the comparison group – a statistically significant difference). When interviewees were asked what had driven turnover changes, most cited the Covid-19 pandemic, whilst at this time point, few referenced the Peer Networks programme. A majority of businesses in both groups recognised that the pandemic had impacted their turnover (88% treatment group vs 93% comparison group), while a smaller proportion of businesses reported that EU Exit had been a factor (45% and 51% respectively).

When asked (survey) what businesses anticipated their turnover would be under a low, medium and high scenario for 2022, there is some indication that expectations of turnover growth are more positive for the treatment group. However actual turnover growth would be better analysed 3-5 years after the intervention.

In summary, the evaluation evidence suggests that the Peer Network participants have made, or plan to make, comparatively more business changes, are a little more resilient and better performing in terms of expectations of growth, and appear to be slightly better orientated to future growth. Whilst both counterfactual and self-reported perceptions from the surveys suggests that participation in the programme has played some part in this, it appears to be a relatively small part. This positive outcome is also 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.

Lessons Learned

Marketing and Recruitment

1) Comprehensive and well thought through marketing plans are important for local areas promoting programmes like Peer Networks to their business base, especially in terms of encouraging take-up by more businesses that have not previously used business support and to under-represented demographic groups.

2) Case studies, testimonials and videos should be developed nationally to help local areas widen the reach of programme marketing.

3) Where using eligibility criteria to help select participants, it is important to be clear about the underpinning rationale for these. 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.

Programme Design

4) In designing programme content, it is important to carefully consider the scope and duration of the provision. This needs to reflect the practicalities of business managers accommodating the sessions in their schedules, given the delivery methods being used.

5) There is merit in spacing sessions at least two weeks apart (also allowing sufficient time for participants to reflect on what they've learnt) and having a maximum duration of 2.5 hours for online sessions.

6) The ideal size for ALS held online appears to be around eight participants. Face-to-face sessions may justify slightly larger groups as these can effectively accommodate more participants without impacting on discussion. 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).

7) There may be merit in providing further support for ongoing ALS cohort engagement for those businesses that wish to continue meeting after the funded support through, for example, an online forum, 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 for Peer Networks, given its local approach to delivery.

Programme Delivery
8) Careful consideration to an online 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.

9) There is merit in building virtual delivery techniques into the training of future facilitators and considering ways of making the most of online functionality.

10) Where one-to-one sessions are being used alongside ALS, it is 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. For Growth Hubs which already have a similar one-to-one offer, there may be merit in making this an optional element of the programme for first time users of business support, on condition that they then sign up to a further package of Growth Hub assistance.

Management and Governance
11) In planning future programmes with localised delivery, it is important to establish a clear approach for 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 the local delivery partner, which in this case was LEPs/Growth Hubs.

12) Likewise, in designing monitoring and reporting processes, BEIS should ensure systems and procedures do not create unnecessary burden on local partners and contractors, streamlining and removing any duplication of effort where appropriate.

13) Whilst some support for ongoing cluster engagement and sharing between local delivery partners was built into programme, there is a need to ensure there is sufficient direction/ resource to make this effective.

Likelihood of seeking further support

14) The evaluation points to the provision of business support through programmes like Peer Networks encouraging businesses 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.

1. Introduction

The Peer Networks programme is a business support scheme aimed at improving SME resilience and supporting SMEs productivity gains. The first round of the scheme (running from July / August 2020 – March 2021) was delivered as part of the Government's response to the COVID-19 pandemic. This support to business has subsequently been wound down and BEIS confirmed that the programme would end on 31 March 2022. This evaluation focuses only on the first year of funding. This evaluation was undertaken between September 2020-March 2022 by Hatch and its partners, Winning Moves and Belmana.

Evaluation Objectives

The evaluation seeks to monitor scheme delivery, evaluate the early business outcomes of the programme to inform future programme design, funding decisions and to inform longer-term strategy of business support policy. The evaluation has four key aims:

- Understand how the Peer Networks Programme is being delivered in practice and how to improve delivery.
- Understand and measure the early impacts of the programme in terms of the adoption of new practices.
- Generate evidence to inform future programme design and funding decisions.
- Embed effective data collection practices to enable a separate longer-term impact evaluation to be conducted in future.

Evaluation Questions

The evaluation questions for this work are set out below, comprising five high level questions (HLQs), with a series of sub-questions included in Appendix A.

- HLQ 1: How effective is the Networks Programme in recruiting businesses and ensuring they complete the programme?

- HLQ 2: Is the Networks programme successfully delivering high quality business support?
- HLQ 3: How effective is the Networks Programme at encouraging SMEs to adopt new practices?
- HLQ 4: What early changes are businesses making after participating in the programme?
- HLQ 5: What factors influence how and what changes businesses are making after the complete the programme?

The evaluation report draws on analysis of:

- Programme data and characteristics of beneficiaries engaged

- Survey data collected on beneficiary perspectives at baseline stage, during delivery and immediately post-completion

- Participant drop out survey data

- Survey data for treatment and matched comparison groups at six month post completion

- In-depth interviews with 33 beneficiaries

- In-depth consultations with national and local delivery partners and action learning set facilitators and SME participants

The conduct and analysis of survey data for a sample of participants at six months post-completion and a matched comparison groups is an important part of the evaluation approach (given the limitations of alternative methods using administrative records at this point post support). However, it is important to note the difficulty in isolating the impact of this specific intervention in the context of wider business support which both the participants and the comparison group may have received, of which there was an unprecedented amount due to the COVID-19 pandemic. Whilst the survey has asked about additional or alternative support accessed; this caveat still needs to be borne in mind.

2. Overview of Peer Networks and Theory of Change

This section sets out the background and rationale for the Peer Networks programme, its objectives, activities and outputs, outcomes, and impacts, before summarising the overall intervention logic in a detailed theory of change diagram. The theory of change provides a key foundation for the evaluation.

Background and Rationale of Policy

The Peer Networks programme is a national initiative led by the Department for Business, Energy, and Industrial Strategy (BEIS), and delivered across England through Local Enterprise Partnerships (LEPs) and their respective Growth Hubs or other delivery partners. The Growth Company is contracted by BEIS to operate as a co-ordinating body, working with the 38 LEP areas to support delivery.

The sections below provide an overview of the scheme's rationale, market failures, objectives, and inputs, as well as the expected outputs, outcomes and impacts from the scheme.

Rationale

- **Business Productivity Review:** the BPR found that businesses like to learn from each other and that they trust that learning process. Peer Networks were a preferred recommendation in the BPR because they were more cost effective than alternatives, easier to implement and addressed gaps in existing market provision. Evidence indicated that Peer Networks can result in 2.5% higher labour productivity.
- **Evidence from PLATO:** an evaluation of a government-supported networking programme (PLATO) in Flanders, Belgium found that participation in the programme increased labour. Learnings from PLATO has been considered in designing the BEIS Peer Networks programme, e.g., the benefits of standardising the programme with common training, to ensure consistency. This also ensures consistent branding to the service reflecting evidence that a common brand may make SMEs more willing to seek advice and make it easier to find the support.

The Strategic Case for the programme indicated that SMEs account for approximately 60% of private sector employment and 46% of private sector turnover. COVID-19 has

adversely affected the UK and global economy, and these effects are thought to be more pronounced for SMEs, which often lack the cash reserves and resilience to withstand sudden shocks to their business.

The Strategic Case also highlighted that there is often low ambition and willingness to improve their business among UK SMEs, as demonstrated by the low demand for external advice and overestimation of performance.

Market Failures

The Peer Networks programme was designed to address two main types of market failure:

- **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 BPR found that businesses like to learn from each other, and peer learning generates higher levels of trust, however the current public and private sector support market is confusing and fragmented.
- **Positive Externalities:** evidence suggests that existing 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 SMEs not considering the wider / external benefits of learning through networking which limits knowledge transfer and results in suboptimal demand for peer networking schemes.

The programme aimed to overcome these market failures through:

- 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, which aimed 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 which would raise demand for peer networking and increase the amount of knowledge sharing among both participants and wider / informal networks.

Objectives

The Peer Networks programme was originally designed to support SMEs to improve their productivity, however the COVID-19 pandemic has meant the focus was adapted to support SMEs to respond to the more immediate operational challenges.

The resultant programme aimed to provide support for SMEs as they moved into and through the COVID-19 recovery to:

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

The longer-term aim is to reduce the UK productivity gap by supporting business leaders to find practical solutions to strategic and operational challenges which can drive increased sales and firm-level productivity.

Inputs and Activities

The total potential programme value was £13m, which was fully funded from BEIS. Local allocations of funding were based on the total number of peer network cohorts each LEP area could deliver. On the basis of the original commitments made by LEP areas, an initial sum of £8.65m was allocated, although it was anticipated that the figure could change. The final, total allocation of funding was £6.805m.

LEP areas received funding (retrospectively linked to cohort completions) to enable them to manage the programme, deliver marketing and communications, recruit and train facilitators, recruit SMEs and deliver the programme.

A national Playbook designed by the Growth Company, with input from BEIS, Growth Hub Cluster leads, the wider growth hub network, and wider delivery partners, provided a detailed account of how the programme should be run, to ensure a level of consistency across the LEP areas. LEPs recruited participants and ran the programme at a local level, in many cases outsourcing delivery to other providers.

The programme was designed to support cohorts of SMEs to come together to discuss challenges and suggest solutions, with the support of a trained facilitator in an action learning style. Due to the COVID-19 restrictions, these sessions were delivered virtually.

SMEs based within each LEP area were eligible for the support, on the basis that they:

- had been in operation for one year+
- had a minimum of five employees (in November 2020 a decision was taken that this threshold could drop to two+ employees for some of the recruited beneficiaries, up to a cap of 30% of all beneficiaries in each LEP area)

- had an aspiration to improve
- had a turnover of £100k+.

Additional flexibility around eligibility criteria was also agreed for SMEs affected by COVID, for example where pre-COVID employment and turnover met the eligibility criteria, those businesses were considered eligible.

It was also agreed that the potential to scale up and export would be treated as desirable characteristics.

Outputs, Outcomes and Impacts

The programme aimed to deliver peer networks to support up to 6,000 participants in the first round to cohorts of up to 11 participants, receiving 18 hours of support, typically over 6-9 sessions (lasting 2-3 hours each), plus at least half a day of separate one to one support.

The Peer Networks programme aimed to deliver the following intermediate outcomes:

1. An increase in knowledge exchange to solve urgent and important business challenges.
2. Improvements in SMEs' ability to:
   - recruit and retain staff where appropriate
   - access cash to continue trading
   - adopt new technology into their business.
3. Adoption of new practices among the SMEs supported (eg management and technology), by implementing changes based on the learning.
4. An increase in business resilience and therefore improvement in SMEs' ability to adapt and recover from impacts of COVID-19
5. Improvements in SME leadership and management
6. Maintenance of business networks after delivery of programme and engagement with other networks.

Ultimately the key impacts of the scheme for businesses were anticipated to be:

- Increased SME firm survival.
- Improved firm-level GVA.
- Improved firm-level productivity.

Theory of Change

Building upon the initial theory of change design undertaken by BEIS, as well as through detailed review of the programme business case, Playbook and insights gained from scoping consultations, an updated Theory of Change diagram was produced to capture the key elements of the intervention, processes involved, expected outcomes and impacts, and the underlying assumptions.

The theory of change provides a key foundation for the evaluation, in the following ways:

- It was mapped against the evaluation questions to ensure that the final set of evaluation questions captured the key elements of the programme and underlying assumptions to be tested.
- It provided the basis for the process review analysis and design of research tools, helping to ensure all key programme aspects were tested.
- It provided the basis for the impact evaluation analysis and design of research tools, helping to ensure the key routes to impact were tested through the range of evaluation tasks.

Net Additional Increase in UK Level GVA and firm productivity

Co-benefits including:
- Spillover effects as participants change jobs and bring their insights to new companies
- Unsupported businesses see competitors making productivity improvements and respond with further investment

Changes contribute to enhanced productivity and growth (typically expected to materialise after 3-7 years):
- Growth in / Sustaining firm level GVA
- Improvement in / sustaining labour productivity levels

Changes contribute to effective COVID response and strengthened business skills in the short term
- firm survival
- participant views on the resilience of their SMEs
- participant views on their leadership and management skills
- participant perception of ability to recruit and retain staff
- participant perception of ability to access cash to continue trading
- changes in the participant SME's intention to adopt or actual adoption of technology

Changes implemented to leadership and management approaches

Changes implemented to staff recruitment and retention

Changes implemented in approaches to accessing finance

Changes implemented in technology use / adoption

Changes implemented to sales and marketing approaches

Changes implemented to business products / processes

Changes implemented in response to COVID-19, EU Transition or Net Zero

Economic growth supported is not significantly displaced from other firms

Support from this scheme is not significantly substituted from alternative schemes

SME stays in business long enough to implement improvements

Changes made by businesses would not have happened without the support from the scheme

SME Manager diffuses knowledge to colleagues and makes / contributes to decisions about changes in their business

SME Manager uses network contacts in future to help in making decisions about the business

SME Managers reflect on application of learning to current business challenges

Length of the programme is sufficient to enable participants to learn

Participants are able to make the changes they need to their businesses

SME Manager learns and increases their confidence in how to improve their business

SME Manager builds their networks of trusted business colleagues

One to one support complements and builds on learning from ALS's

SMEs have access to required equipment to effectively engage in a virtual format

Participants find the support content and ALS process relevant, high quality and valuable

SME Manager Participants attend full programme

SME Managers engage with network colleagues within and outside sessions

Intervention – Action Learning Sets, 1 to 1 support and networking. Delivered through 18 hours of support over 6-9 sessions, to 6,000 SME managers through 527 cohorts.

Intervention – Action Learning Sets, 1 to 1 support and networking. Delivered through 18 hours of support over 6-9 sessions, to 6,000 SME managers through 527 cohorts.

SME Managers invited to Action Learning Sessions

Challenges faced by participants align with topics the programme is targeted at

Participants build trust in facilitator/coach and fellow participants and feel comfortable sharing problems

Delivery is undertaken following the guidance in the Playbook

Drop out rates from cohorts do not exceed 40%

SME Manager commits to the programme and signs contract for participating

Eligible SME Managers invited onto the programme

Participant is a senior manager / person with influence in the business

LEPs are able to develop effective cohorts, following guidance in the Playbook

Each LEP Area:
* Sets up local system for management, delivery and monitoring
* Recruits and trains facilitators
* Curates cohorts for action learning sets

Application assessed and both formal eligibility & informal suitability checks undertaken

SMEs see the support as relevant, valuable, high quality and unique in its offer

Sufficient number of skilled facilitators recruited to meet demand

SME Manager becomes aware and applies to receive support

Marketing materials will be consistent across all areas to build a brand

Marketing Campaign – delivered locally [Nov 2020 – supplemented by national campaign]

LEPs have sufficient knowledge and networks in local areas to recruit the target businesses

Intervention. £8m made available to deliver Peer Networks cohorts across 38 LEP areas. Delivery model provided (including Playbook for delivery) as well as technology platform licences

External factors which might affect intervention: Continued role of LEPs – Changes in wider business policy or business support policy – Impacts of Brexit on delivery – Impacts of COVID on delivery – impacts of other business support programmes received by participants – Differences by size, sector and geography of participants.

Rationale
Government's response to the COVID-19 pandemic, as well as focusing on improving the resilience of SMEs, their capacity to adapt their business model to external changes and position themselves better for future growth, driving longer-term productivity gains. Concept of the Peer Networks programme has been evidenced to be cost effective, meet business needs and improve productivity. More widely, there is a low demand for external advice, low ambitions and willingness to improve despite evidence showing businesses that participate being more likely to be a high growth in turnover firm.

Target outcomes

Processes

Intervention

Assumptions

The following diagram illustrates the theory of change across two pages, starting with Rationale and ending with Increase in UK-level GVA.

3. Programme Performance and Beneficiary Business Characteristics

This section sets out analysis based on programme performance data provided by the Growth Company and baseline data captured as part of the beneficiary onboarding process.

Programme Performance Data

Programme Expenditure

Final spends on year 1 of Peer Networks was £6.94m to the 38 LEP areas and includes additional funding for the Programme Coordinator but excludes the funding for the evaluation. All the funding was from BEIS and does not include any funding for BEIS staff.

Some LEP areas may have used existing internal resources to deliver some elements of the programme e.g., administration, marketing and 1-2-1 sessions so did not claim the full amount of up to £15k per cohort. Similarly, not all of the 10 cluster[3] leads claimed the £15k per cluster allowed for cluster level activities.

Recruitment

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

- a national scheme website, 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 or delivery partner
- local LEP, Growth Hub and delivery partner promotion via websites, social media and direct contact to local businesses, and
- national marketing campaigns focusing primarily on marketing via digital channels and through various publications nation-wide. Although no national

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[3] Regional groupings of LEPs, with leads to assist with and provide oversight on delivery

marketing was originally planned, this was later added as a boost to recruitment across all areas.

Data was collected by the Growth Company from each LEP to capture expressions of interest per area and the numbers of these coming via the national landing page. The table below (Table 3.1) summarises this by cluster area.

Table 3.1 Expression of Interest

	All EOIs (as at 11 Feb 2021)	% from national landing page
East Midlands	890	9%
London and South East	775	46%
North East	232	16%
North West	1393	16%
Ox Cam Arc	962	23%
South Central	527	32%
South West North	448	15%
South West Peninsula	352	16%
West Midlands	743	21%
Yorkshire and Humber	272	34%
England	**6,594**	**22%**

Source: The Growth Company; analysis by Hatch.

The programme secured strong demand over the recruitment period, with over 6,500 expressions of interest received, although after eligibility / suitability checks, this was not sufficient to meet the original programme aim of 6,000 businesses assisted, given the expected conversion rate of expressions of interest to onboarding to completions.

Around one in five (22%) expressions of interest to the programme were directed through the national landing page, with local marketing generating the majority of demand in all cluster areas.

Cohort Recruitment by LEP Area

Each LEP area was invited by BEIS to commit to delivering the number of cohorts it felt was achievable (although there was flexibility to adjust this up or down over the delivery period). Table 3.2 summarises the originally anticipated number of cohorts and participants committed to by each LEP and the actual number of participants that were recruited.

Table 3.2 LEP Cohort Allocations

Local Enterprise Partnership (LEP)	Originally Anticipated Number of Cohorts	Originally Anticipated Number of Participants	Actual Number of Participants
East Midlands			
D2N2 LEP	23	253	270
Greater Lincolnshire LEP	*25*	*275*	*179*
Leicester and Leicestershire LEP (LLLEP)	14	154	129
London and South East			
London Economic Action Partnership	*23*	*253*	*250*
South East LEP	13	143	178
Hertfordshire LEP	16	176	105
North East			
North East LEP	*33*	*363*	*254*
Tees Valley LEP	24	264	82
North West			
Cheshire and Warrington LEP	9	99	60
Cumbria LEP	9	99	135
Lancashire Enterprise Partnership	23	253	312
Liverpool City Region LEP	*9*	*99*	*132*
Greater Manchester LEP	16	176	314
Ox/ Cam Arc			
Buckinghamshire LEP	9	99	110
Cambridgeshire and Peterborough CA	14	154	91
New Anglia LEP	23	253	156
Oxfordshire LEP	13	143	158
South East Midlands LEP	*12*	*132*	*91*
South Central			
Coast to Capital LEP (C2C)	10	110	84
Enterprise M3 LEP (EM3)	*7*	*77*	*61*
Solent LEP	10	110	88
Thames Valley Berkshire LEP	8	88	91
South West North			
GFirst LEP	*10*	*110*	*47*
Swindon and Wiltshire LEP (SWLEP)	10	110	53
West of England LEP	18	198	42
South West Peninsula			
Cornwall and Isles of Scilly LEP	*12*	*132*	*50*
Dorset LEP	11	121	146
Heart of the South West LEP	12	132	105
West Midlands			
Greater Birmingham and Solihull LEP	18	198	163
Black Country LEP	5	55	43

Local Enterprise Partnership (LEP)	Originally Anticipated Number of Cohorts	Originally Anticipated Number of Participants	Actual Number of Participants
Coventry and Warwickshire LEP	18	198	110
The Marches LEP	8	88	48
Stoke-on-Trent and Staffordshire LEP	27	297	94
Worcestershire LEP	16	176	84
Yorkshire and Humber			
Humber LEP	6	66	44
Leeds City Region LEP	6	66	59
Sheffield City Region LEP	5	55	28
York & North Yorkshire LEP	2	22	16
Total	**527**	**5,797**	**4,462**

Source: BEIS - LEP Cohort Allocations (November 2020). Note: Cluster name is in blue, cluster lead is in italics.* **as at 22/4/21**

There is no strong 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 than this average.

The majority of areas fell short of their targets however there were few areas that significantly undershot their targets. A number of midsized LEP areas set themselves ambitious targets for completions which they successfully met, suggesting they may be able to offer good practice in programme delivery to other areas less successful.

Cohort Delivery Approach

The majority of LEP areas (33 out of 38 areas) delivered the programme by commissioning an external delivery partner. Five opted to deliver in-house, and of those five, four had quite modest cohort commitments of 12 or fewer.

Cohort Completion Data

A total of 4,462 businesses were recruited to the programme, of which 3,769 businesses were recorded as having completed the programme. Against the original targets, this means that significantly fewer than the 6,000 business target was recruited onto the scheme, however, 3,769 business completed against the original target of 4,200 completions. This equates to 90% of the business completions target achieved. Given significant challenges of a compressed delivery timescale, and the complexity of

delivering the programme through 38 delivery partners, this represents a significant achievement.

The scheme was designed to accommodate a cohort drop-out rate of around 30%. Cohorts were designed to comprise 11 participants which would fall to an average of 8 following expected dropouts. In practice the overall dropout rate (defined as participants which attended a first session but subsequently dropped out) was 15.5%, considerably lower than expected although this figure does not capture those allocated to a cohort, but who didn't attend the programme.

The expectation from BEIS was that the minimum time needed to complete the programme would be around three months, on the basis of six three-hour action learning set sessions set up at least two weeks apart, and with time at the end to complete a further half day of one-to-one support[4]. In practice, the average time between attending the first action learning set session and the final session (but excluding the one-to-one support) was just under 11 weeks.

Table 3.3 Time Taken for Delivery of Action Learning Sets, by Cohort.

ALS Delivery Length	Number (and %) of Cohorts
Less than 6 weeks	38 (9%)
6-8 weeks	56 (13%)
8-10 weeks	101 (24%)
10-12 weeks	84 (20%)
12 weeks or more	148 (35%)
Total	**427**

Source: The Growth Company – Peer Networks Dashboard Data – based on data around ALS session dates by cohort. Percentages have been rounded to the nearest whole number.

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. The two charts below compare the findings from these two pieces of analysis.

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[4] The original expectation was that the 18 hours would be comprised of nine two-hour action learning set sessions, which would have entailed a longer delivery period than three months.

Figure 3.1 Topics of Interest to Participants when Onboarding

Source: Peer Networks Onboarding survey Data. Affirmative responses given as bar label; 2,558 responses (respondents were able choose multiple answers to indicate all topics that were of interest to them)

Figure 3.2 Main Topics Discussed in Peer Network Sessions
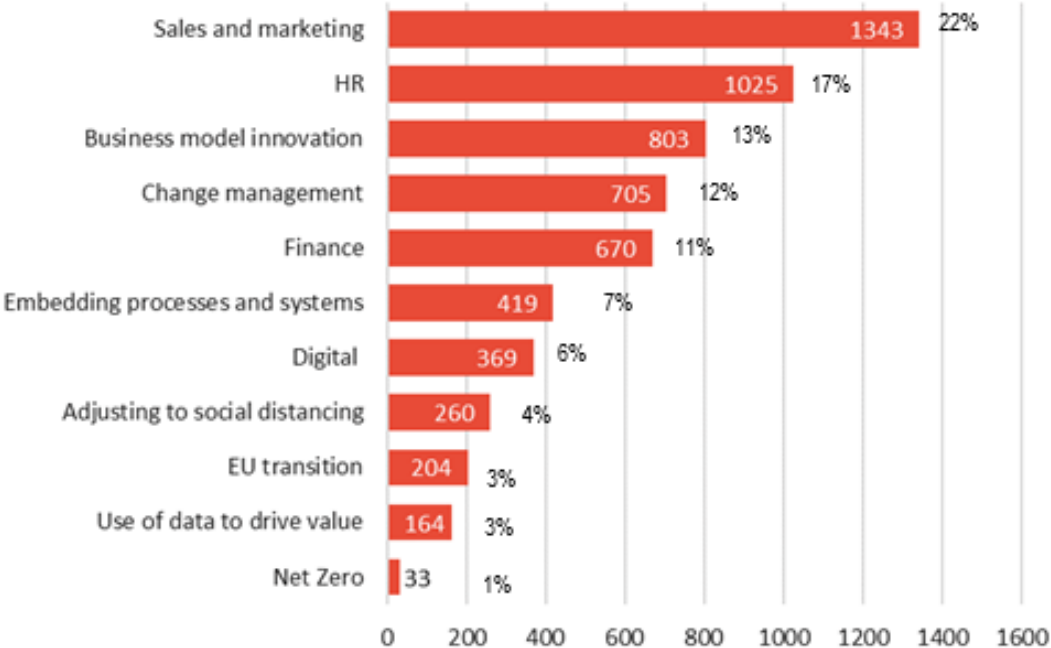
Source: The Growth Company – Peer Networks Dashboard Data. Based on data about topics discussed from across 3,082 Action Learning Set Sessions (up to three topics recorded for each session).

Sales and marketing and business model innovation were the most common topics of interest at onboarding stage and two of the top three most common topics discussed in sessions. HR and change management were considered topics of interest by far fewer businesses when onboarding, but which were amongst the more common topics discussed in sessions.

Characteristics of Supported Businesses

The sections below provide an overview of the characteristics of supported businesses, based on onboarding data for the Peer Networks programme. This data covers 3,534 supported businesses, however gaps in the data provided mean that the sample size for certain questions can differ. Nevertheless, this gives a strong indication of the characteristics of supported businesses.

Business Size

Figure 3.3 Size-band of Supported Businesses
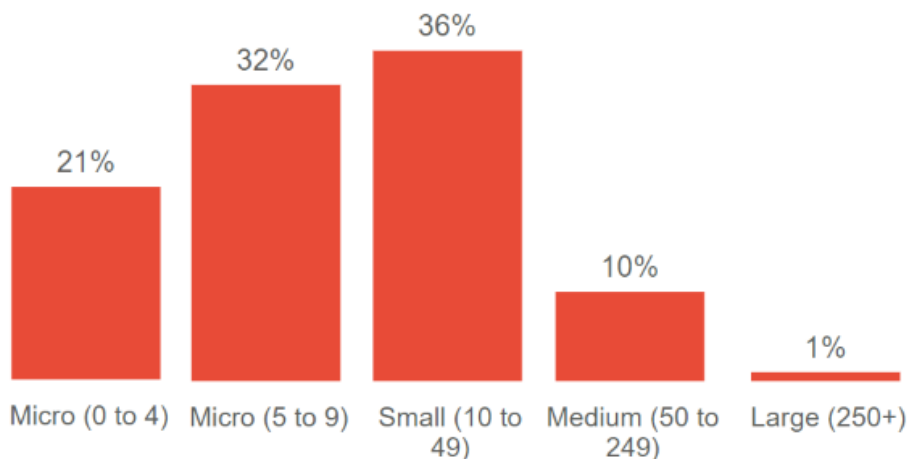
Source: Peer Networks Onboarding survey Data. n= 3534

The original eligibility criteria for the programme required supported firms to have at least five employees, however following representations by a number of LEP areas, additional flexibilities meant this was reduced to two employees for up to 30% of businesses onboarded. Although this does not cover all businesses supported, the chart suggests that 21% of businesses supported had fewer than five employees. Around 53% were micro businesses (fewer than 10 employees) and a further 36% were small businesses (10-49 employees).

Business Sector

Figure 3.4 Sector of Supported Business compared to the National Distribution
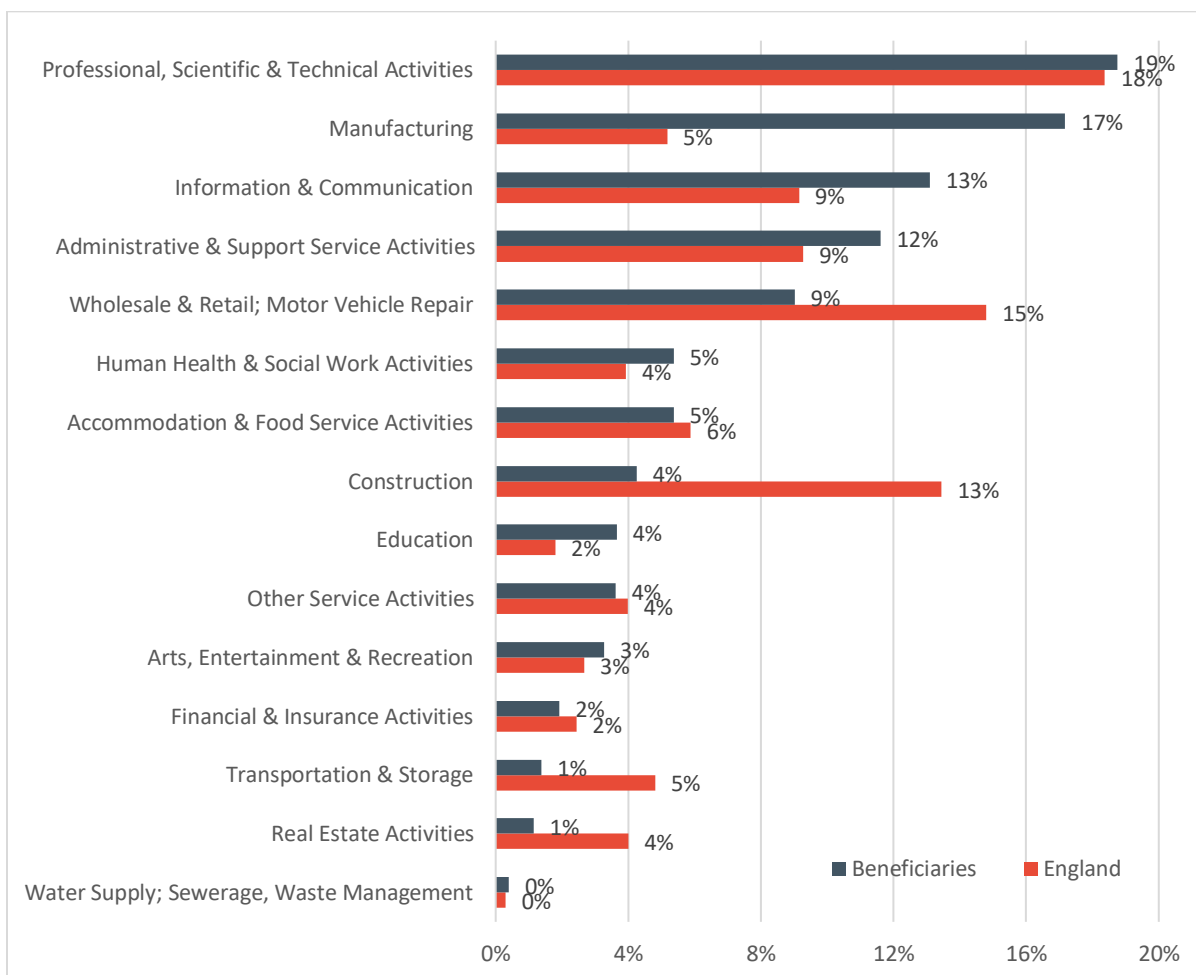
Source: Peer Networks Onboarding survey Data. Responses: 3,534; UK Business Counts, ONS (2020)

Figure 3.4 shows the proportion of Peer Networks beneficiaries by high level sector, alongside the overall proportion of businesses in England in each sector. This highlights sectors which were over and under-represented in the Peer Networks client base.

A large proportion of businesses come from service sectors, including professional, scientific and technical (19%) , ICT (13%) and administrative and support services (12%). There was also a substantial number of manufacturing businesses with over-representation compared to the national business population (17% vs 5%). Retail and wholesale sectors made up a large number of supported businesses but were under-represented (9% vs 15%), while construction businesses were significantly under-represented compared to the business population as a whole (4% vs 13%).

Business Age

Figure 3.5 Supported Businesses by Year Started Trading
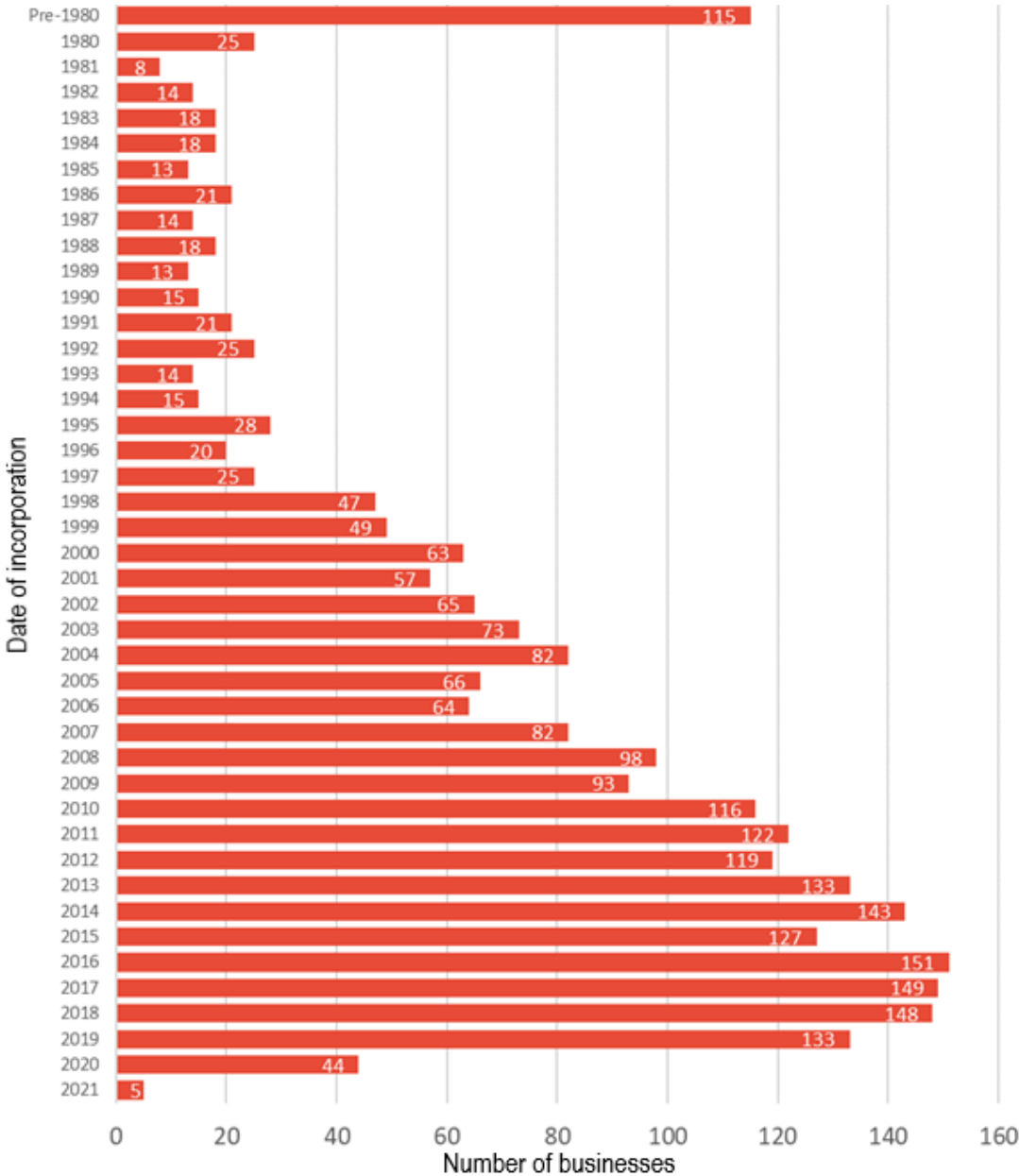
Source: Peer Networks Onboarding survey Data. Responses: 2,669

Peer Networks appears to have broad appeal across many business age-bands. The chart shows a broad spread of ages of supported businesses, with the just under half (46%) being between two to 10 years old.

Growth / Scale up Potential and Exporter Status

Scale-up potential (as assessed by the LEP) and exporting were desirable characteristics for businesses onboarded to the programme. The table below indicates a mixed approach to these criteria. While the majority of onboarded businesses (79%) were assessed as having scale-up potential, around one in five businesses onboarded did not have scale-up potential. Most (80%) were also not current exporters, although they may have been deemed to have export potential.

Table 3.4 Representation of Desirable Characteristics in Businesses Onboarded

Desirable Criteria for Onboarding	Yes	No	Total	% Yes
Business having scale-up potential	1,807	481	2,288	79%
Business being an existing exporter	726	2,904	3,630	20%

Source: Peer Networks Onboarding survey Data. Responses shown as totals in the table.

Existing Growth Hub Client Status

Peer Networks aimed to attract participants that had not previously accessed business support. In reality, the majority of participating businesses were existing clients of Growth Hubs, suggesting many may have already received business support before.

Table 3.5 Growth Hub Client Status of Supported Businesses

Existing Growth Hub Client	1,634
New Growth Hub Client	2,166
Total	3,801
% New Clients	43%

Source: Peer Networks Onboarding survey Data. Responses shown as total in the table.

Diversity Characteristics of Supported Businesses

. When compared to the national business population however, the client base is representative of SMEs in England.

While still an incomplete picture, this evidence indicates that while around one third (35%) of Peer Networks attendees were female, intake is broadly in line with the representation of females on SME strategic management teams (19%)[5]. Similarly, the data on ethnic minority leadership indicates that 11% of Peer Networks attendees were of an ethnic minority is likely to be broadly in line with the representation of ethnic minority individuals on SME strategic management teams.

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[5] assets.publishing.service.gov.uk%2Fgovernment%2Fuploads%2Fsystem%2Fuploads%2Fattachment_data%2Ffile%2F2047 64%2F130523_Evidence_7_Enterprise_FINAL.doc&psig=AOvVaw2GSeMmyRtpqKXh4QxBp_kH&ust=1668271830914395

Without more detailed data on the demography of business owners / senior figures in businesses across England, it is difficult to comment more fully on representation across the supported beneficiaries.

Further analysis at individual LEP level alongside insights on the nature of the local business base, should help better identify target clients where additional outreach and marketing might be needed in order to increase participation in the programme.

Table 3.6 Diversity Characteristics of Supported Participants

Characteristics of Participants	%
Gender Identification (where provided, 4,794 responses)	
Male	57%
Female	35%
Prefer not to say	8%
Age Bracket (where provided, 2,710 responses)	
16-24	1%
25-34	10%
35-44	26%
45-54	31%
55-64	16%
65+	2%
Prefer not to say	14%
Ethnic Group (where provided, 2,674 responses)	
English / Welsh / Scottish / Northern Irish / British	76%
Indian	3%
Any other White background	2%
Any other Asian background	2%
Any other Mixed / Multiple ethnic background	1%
Irish	1%
White and Asian	1%
African	1%
Pakistani	1%
Any other ethnic group	2%
Prefer not to say	11%
Physical or Mental Health Condition or Illness Lasting or Expected to Last 12 Months or More (where provided)	
Yes	4%
No	82%
Prefer not to say	15%

Motivation for Signing Up

Figure 3.6 Motivation of Supported Businesses to Sign-up to the Programme
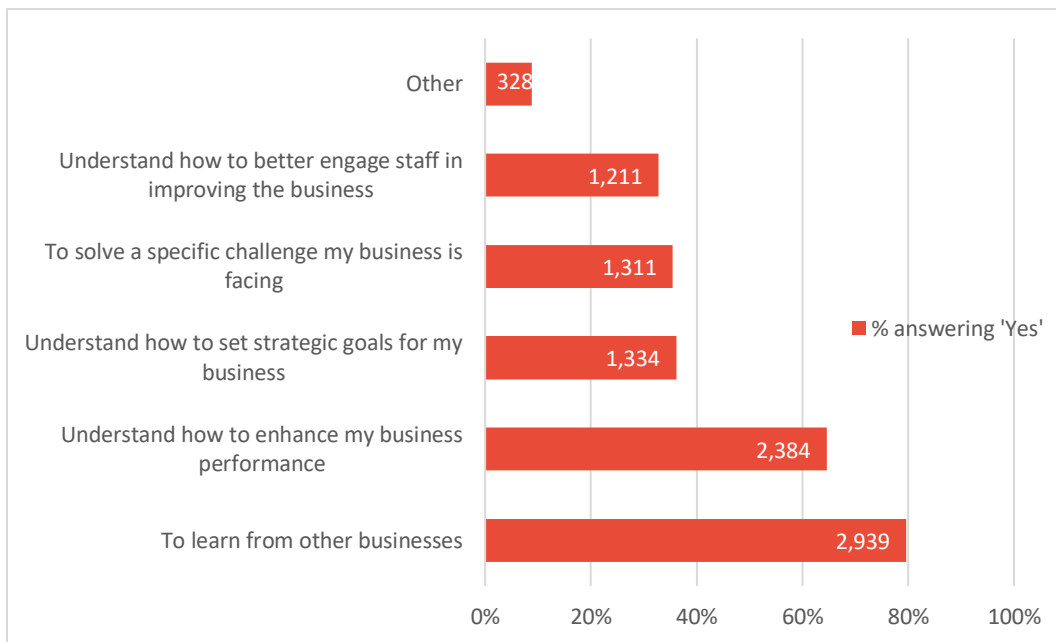
Source: Peer Networks Onboarding survey Data. Affirmative responses given as bar label; total response for each question 2,523

As might be expected, there was a fairly broad range of motivations for businesses to sign up to the programme. The responses suggest that businesses typically signed up with a general aspiration to learn from other businesses (80%) and understand how to enhance their own businesses (65%), rather than signing up with specific issues and challenges in mind that they wanted to resolve (36%). Around 33% of businesses wanted to better engage staff in the business and understand how to set strategic goals.

Growth Aspiration

At the point of onboarding, 98% of businesses reported having growth aspirations for their businesses (based on 2,391 responses) and 84% believed they were likely or extremely likely to be able to achieve this (from 2,214 responses). Section 4 illustrates how these figures compare following attendance in the programme.

COVID Impacts

The charts below provide an overview of how businesses regarded the impacts of COVID and increased risk to their finances. Nearly 55% of businesses reported their turnover was below normal, while just 15% indicated they had not been affected and 21% said turnover was above normal expectations. 36% of onboarded businesses considered the risk of insolvency had increased as a result of COVID-19, while 11% felt it had reduced.

Figure 3.7 Covid Impacts on Supported Businesses

In the last six months, how has the coronavirus (COVID-19) pandemic affected your business's turnover, compared with normal expectations for this time of year?

How has the coronavirus (COVID-19) pandemic affected your business's risk of insolvency?
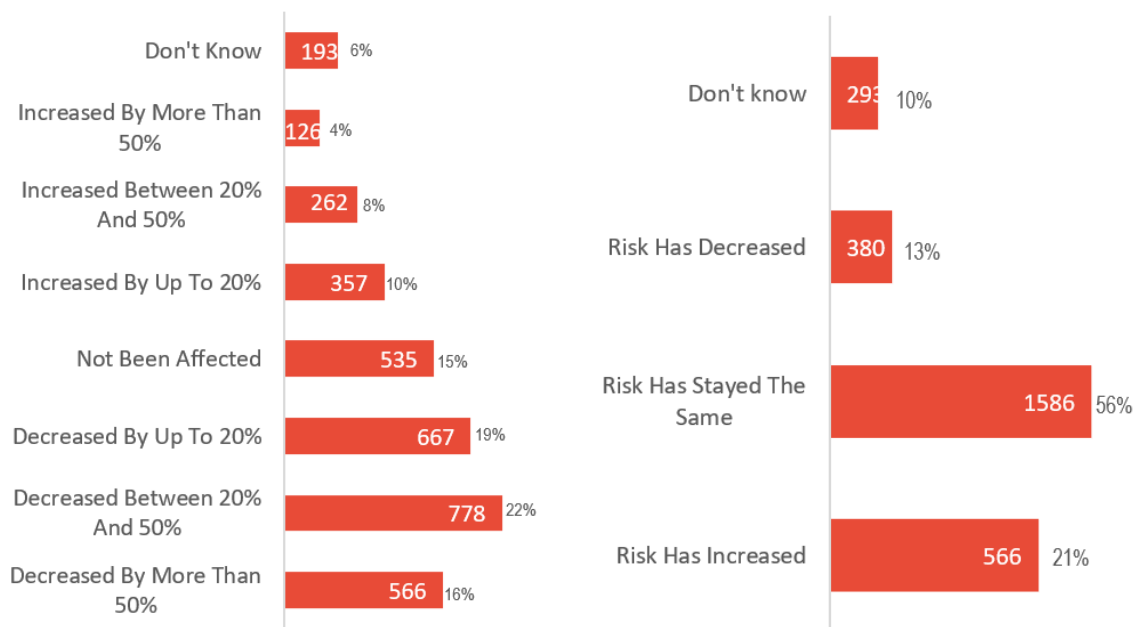
Source: Peer Networks Onboarding survey Data. Responses: 3,502 to question (1); 3,522 to question (2).

4. Beneficiary Perspectives: Delivery

This section sets out analysis of data collected through both the beneficiary post-completion survey and satisfaction surveys gathered after each ALS session. The analysis covers: beneficiary perspectives on delivery and satisfaction provided by beneficiaries.

Recruitment into Peer Networks

Over half of participating businesses were invited to apply to the Peer Networks programme directly by their Growth Hub or LEP. Other popular routes included signposting by other organisations or participants, or through online promotional material (including both website promotions and social media). Responses were broadly similar for respondents to the drop out survey.

Just over three quarters (78%; n=969) of businesses reported that they were not aware of similar peer networks support in their area at the time of applying. Those that were aware appear to be distributed evenly across the LEPs/Growth Hubs and not based in one particular area.

Most businesses agreed or strongly agreed that the process of applying to the programme was easy (91%; n=1,605) and that their application was dealt with quickly (91%; n=1,588). This was broadly similar to respondents of the drop out survey.

Figure 4.1 How businesses heard about the Peer Networks programme

How did you hear about the Peer Networks programme?

I was invited to apply by the Growth Hub or LEP	53%
I heard about Peer Networks via another organisation	13%
I saw the programme promoted on social media	12%
I saw the programme promoted on Growth Hub/LEP website	10%
I heard about the programme through word of mouth from another participant	10%
General email	3%
Work/employer	3%
Peer Networks Facilitator	1%
Don't know	1%
Other	1%
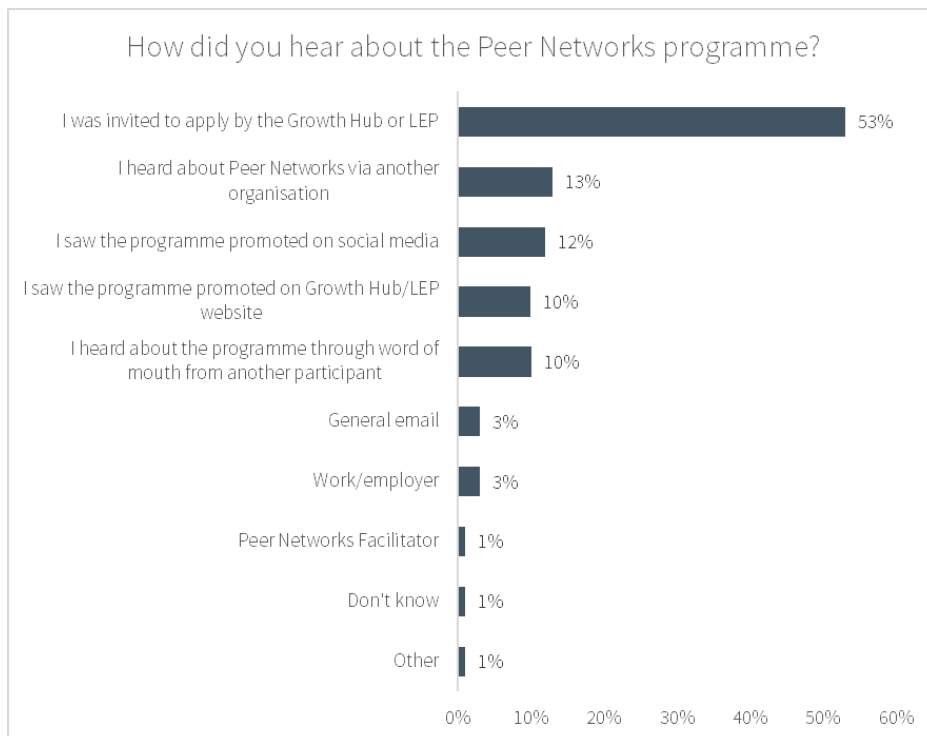
Source: Peer Networks Post Completion survey - prompted list; multiple response; n=1,606[6]

Learning Outcomes

The most commonly reported topic covered by the Peer Networks programmes was leadership and management, with 78% reporting that they learnt about this through participation in the programme. As shown in the figure below, sales and marketing, change management and business model innovation were also common topics.

Which of the following topics did you learn about through participation in the Peer Networks programme?

Topic	Percentage
Leadership and management	78%
Sales and marketing	59%
Change management	44%
Business model innovation	44%
HR	38%
Finance	30%
Embedding formal management processes and…	24%
Digital (including adoption and…	20%
Use of data to drive value in the business	14%
Adjusting to social distancing	9%
EU transition	7%
Net Zero	3%
Knowledge sharing and various topics	3%
business planning and strategy	2%
Netoworking and staff development	1%
Did not learn anything	1%
Other	1%

Source: Peer Networks Post Completion survey - prompted list; multiple response; n=1,584

Figure 4.2 Topics businesses learnt about through programme participation

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Action Learning Sets

Attendance

Just over half of businesses (60%; n=1,611) had attended all of the available sessions. There were no notable differences in attendance by sector and size.

Where respondents were unable to attend all sessions, this was most commonly due to personal circumstances where (n=621 responses):

51% had conflicting work commitments
19% reported family or health related issues
15% reported prior commitments unrelated to work.

Note: non-attendance at certain sessions in most cases did not represent drop-outs (with drop-outs typically defined by LEPs as where a participants consciously ended their participation in the programme part-way through).

Quality

Figure 4.38 Feedback on quality of action learning sets

Overall, to what extent do you agree with the following statements about the action learning sets?

- ■ I was happy with the length of action learning set sessions (n=1610)
- ■ I was happy with the frequency of action learning set sessions (n=1595)
- ■ I shared relevant and real issues for my business with the action learning set (n=1599)
- ■ I was able to build trust in fellow participants (n=1598)
- ■ The insights shared by fellow participants were useful to my business (n=1605)
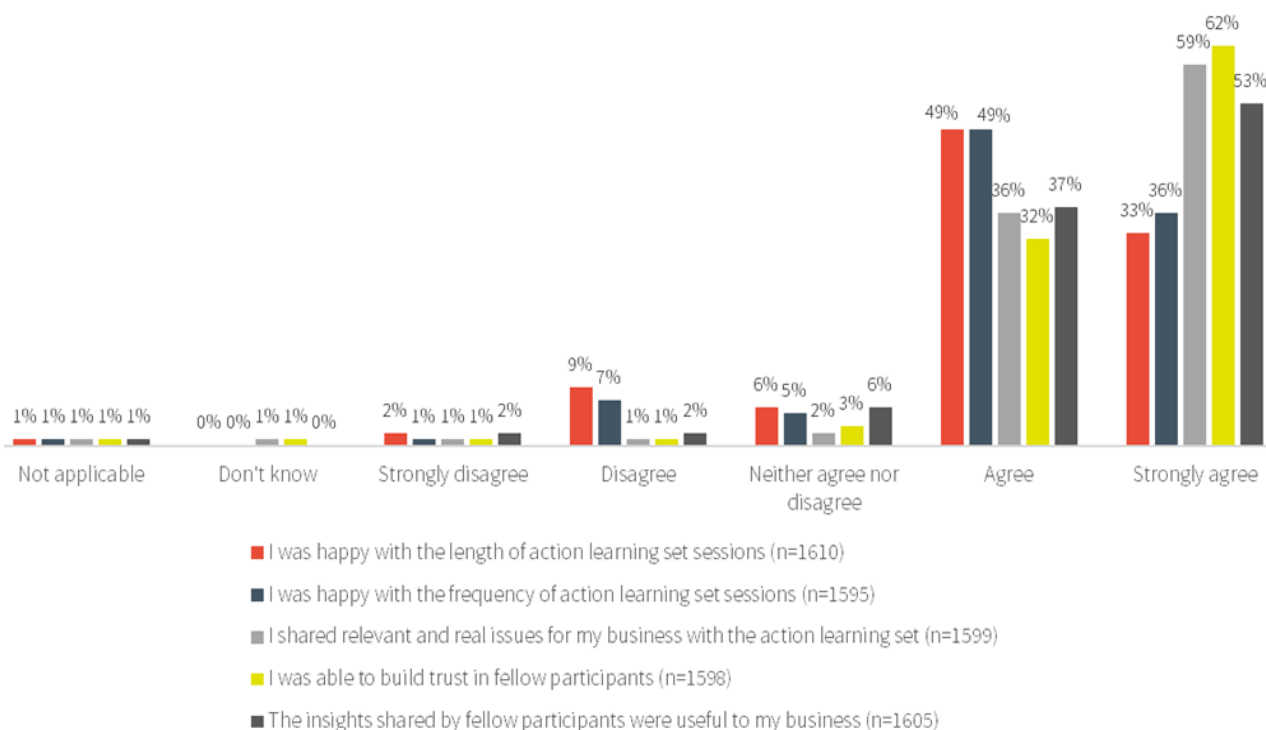
Source: Peer Networks Post Completion survey - prompted list; single response

Businesses were satisfied with the support provided by the Peer Networks programme, as shown in the chart above, with over 90% reporting they agreed or strongly agreed that they were able to build trust in fellow participants and shared relevant, and real, issues in the sessions.

The areas where the largest proportion of participants were dissatisfied (though still a minority) was around length and frequency of sessions. This feedback is further reflected in suggestions for future programme delivery (discussed later) where some businesses reported that sessions were too long and too frequent for them to be able to fit them into their schedule easily.

Online Delivery

Figure 4.4 How online delivery affected programme delivery
Most (84%; n=1,606) believed that online delivery impacted positively on their ability to attend all the sessions, however feedback on how it impacted specific aspects was varied, as shown in the figure 4.4. No significant differences were observed by size or sector. Some differences were observed by LEP but the sample size is too small to be confident in reporting these differences.
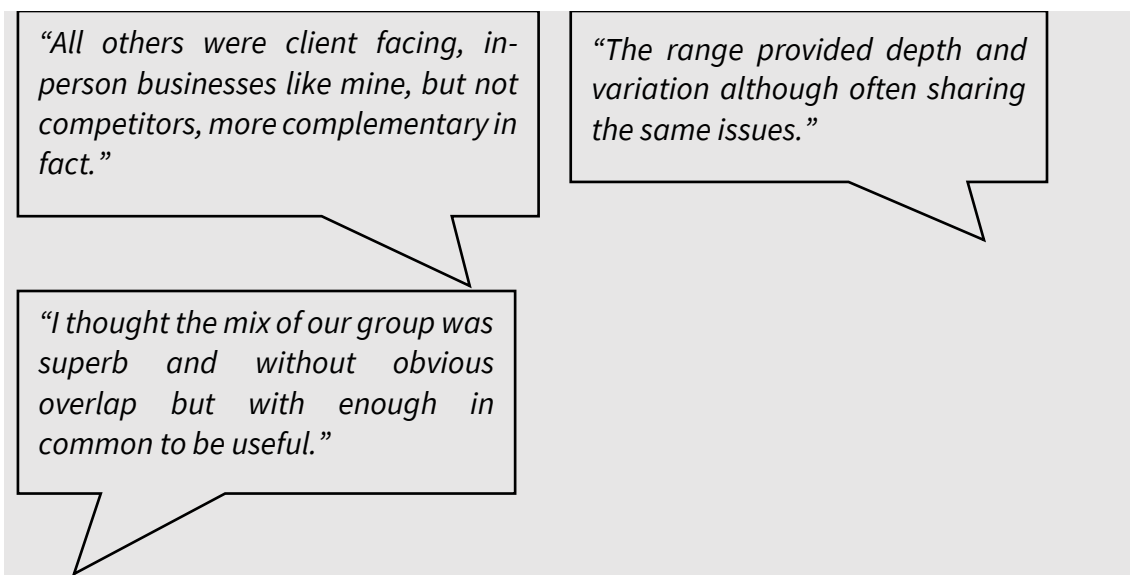

How do you feel that online delivery (compared with attending in person) affected the delivery or impact of the following factors?

- Your ability to have good or effective discussions (n=1604)
- Your ability to build relationships with other attendees (n=1603)
- Your confidence to share business challenges with the group (n=1603)
- Your ability to attend all sessions (n=1606)
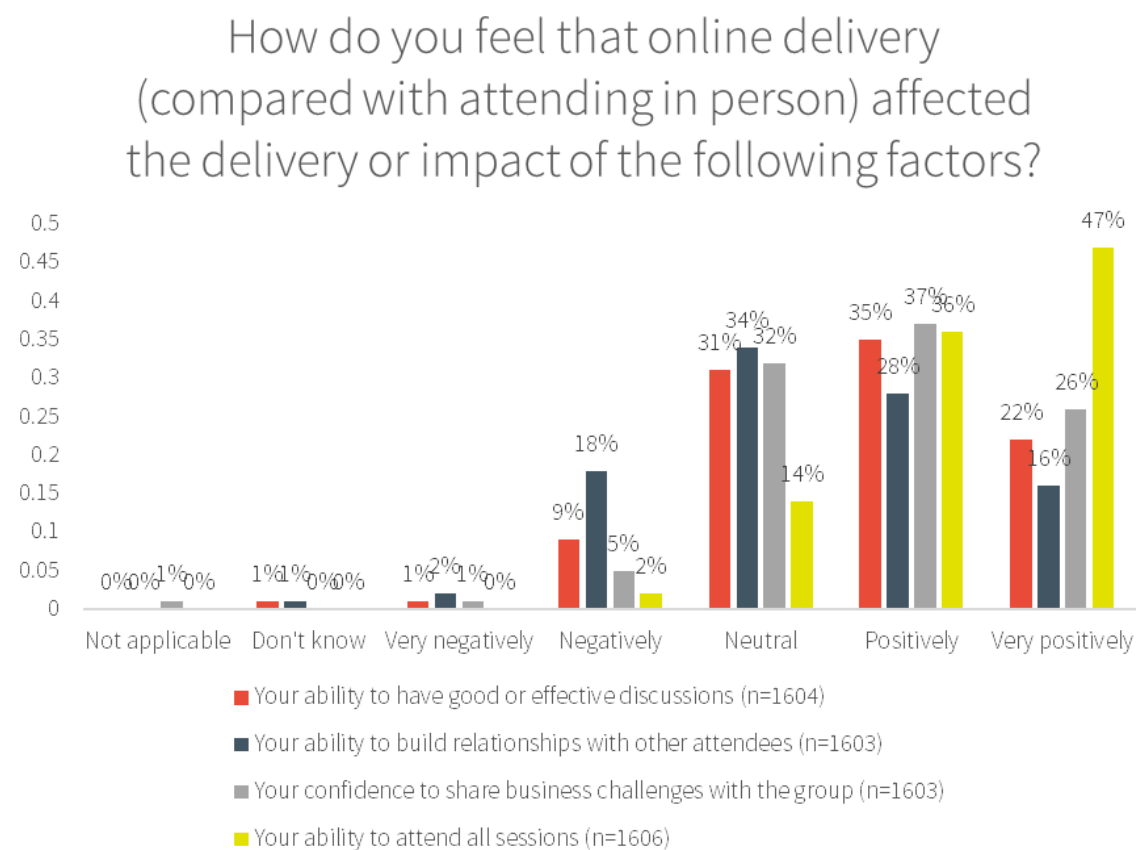
Source: Peer Networks Post Completion survey - prompted list; single response

Around 20% felt that online delivery impacted negatively or very negatively on their ability to build good relationships with other attendees and 9% reported it impacted negatively or very negatively on their ability to have good discussions. Although this feedback is reflected in the lessons learnt where some businesses felt that they would ideally like some face-to-face interaction, it does not appear to impact on their overall satisfaction with the programme.

Cohort Composition

Most reported that the cohorts they participated in had the right number of businesses (86%). There were no significant differences in responses observed by size, sector of business or other baseline database fields (including scale-up potential, exporter status and whether they were existing Growth Hub clients). Some differences were observed by LEP, but the sample size is too small to be confident in reporting these differences.

As shown in the figure below, just under 60% reported that the mixture of businesses met their expectations with nearly 30% reporting that there was a better mix than expected.

Figure 4.5 Extent mixture of businesses attending action learning sets met expectations
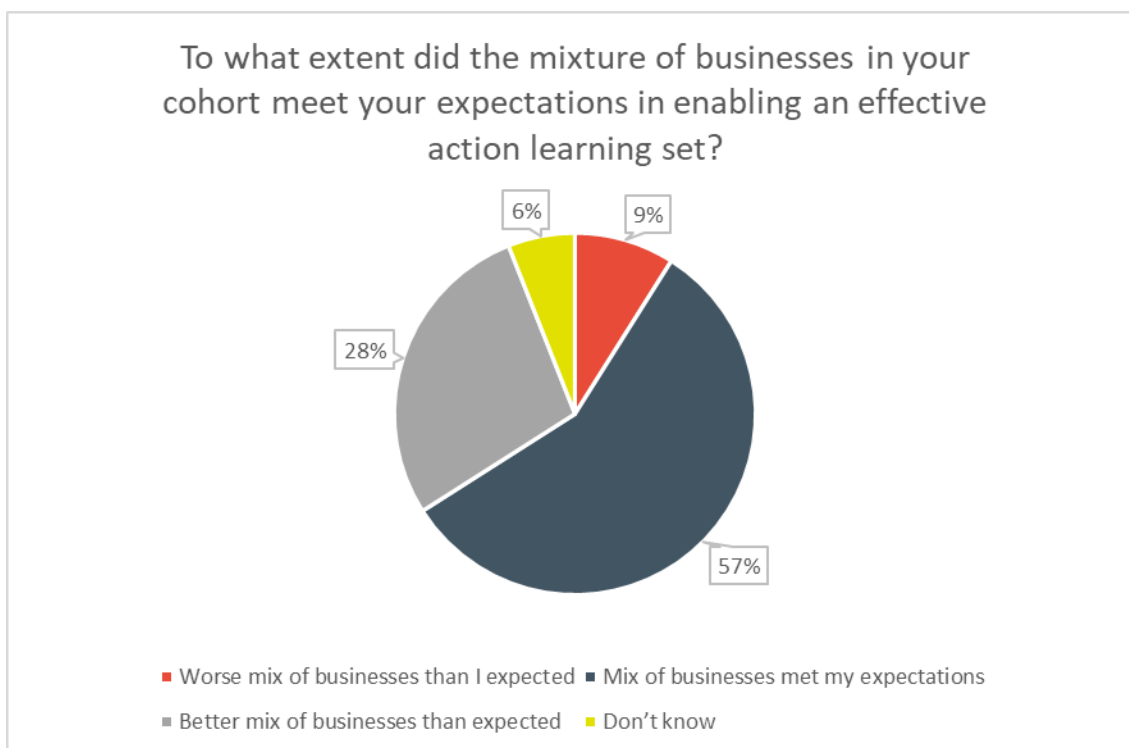
Source: Peer Networks Post Completion survey - prompted list; single response; n=1,608

Where businesses reported a better mix than expected this was mainly related to the variety and diversity of businesses, but within this comparability to ensure shared issues/problems.

> *"All others were client facing, in-person businesses like mine, but not competitors, more complementary in fact."*

> *"The range provided depth and variation although often sharing the same issues."*

> *"I thought the mix of our group was superb and without obvious overlap but with enough in common to be useful."*

Where a worse mix of businesses than expected was reported this was often because there were not enough common areas of interest between businesses and where some found themselves in groups dominated by other sectors or with businesses at a different stage in their development. This was reported by 40 of the 75 businesses that reported a worse mix. Within this group there was an equal mix of those that indicated the group was too diverse or wide overall, and those reporting that others in the group were similar but their business felt like the "odd" one out.

> *"This was a small group as very few people attended every session, and we were completely different in size, sector and proposition so very little in common."*

> *"Most of the businesses were B2B, mine is not B2B and there was no one from a similar B2C sector – e.g. health care or personal fitness. That meant that the flow of knowledge didn't/couldn't apply to my own."*

> *"I'd have expected more businesses akin to my sector/size/challenges"*

> *"Whilst it's a nice idea in theory to have a mix of those very new to business and those with 30+years of management experience, in actuality the issues being faced by the different people is very different."*

Others reporting a worse mix than expected (25 out of 75 businesses) felt that their cohort lacked diversity with some reporting they were placed with direct competitors. Those citing this reason were spread across 16 different LEP areas and not concentrated within one particular area.

Satisfaction survey Analysis

All programme participants were asked to complete a short satisfaction survey at the end of each action learning set session.

Each satisfaction question involved a scale from one to five, where one was the worst response e.g. very dissatisfied, and five the best e.g. very satisfied. The charts below show responses across all those who responded on the scale of one to five. These are broken down by LEP area for all areas where sufficient data was available (33 out of 38 areas).

The survey data highlights:

- An average overall satisfaction score of 4.6 across all areas, with the highest scoring areas recording an average of 4.9, and all areas above an average score of 4.0, reflecting highly positive feedback across LEP areas.
- Quality of the input from the other businesses on the cohort was rated highly, with every area recording at least an average satisfaction score of four out of five, and the average being 4.6 across all areas.
- Satisfaction with the quality of facilitation was also strong, with an average satisfaction score of 4.7 out of 5 across all areas, and again every area being rated at least four out of five.
- 'Meeting expectations' scored slightly lower overall, at an average across all areas of 4.0 out of 5, but still only one area was rated below an average of four out of five.
- Figure 4.6 also shows average responses on a session by session basis, and indicates that overall satisfaction grew as the sessions progressed, although responses declined.

Figure 4.6 Overall satisfaction of the first four Peer Networks sessions (all beneficiaries)
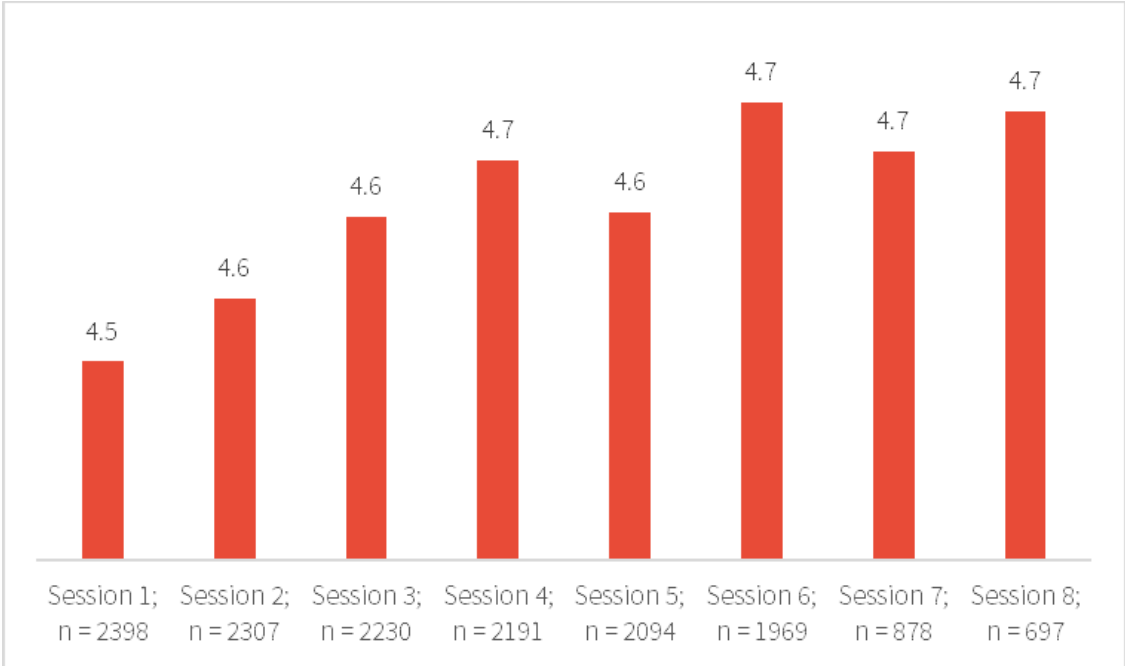
Source: Peer Networks Satisfaction survey Data. Responses given by session ("Don't know" and "not applicable" excluded).

Figure 4.7 Overall satisfaction by LEP

Overall satisfaction

LEP	Score
GFirst	4.9
Cambridgeshire and Peterborough	4.9
Black Country	4.9
Tees Valley	4.8
Swindon and Wiltshire	4.8
South East	4.8
Solent	4.8
Sheffield City Region	4.8
Liverpool City Region	4.8
Hull and East Yorkshire	4.8
Cumbria	4.8
Cornwall and Isles of Scilly	4.8
Cheshire and Warrington	4.8
Worcestershire	4.7
Leeds City Region	4.7
Lancashire	4.7
Greater Lincolnshire	4.7
EM3	4.7
D2N2	4.7
Coast to Capital	4.7
England average	4.6
Coventry and Warwickshire	4.6
Buckinghamshire	4.6
York and North Yorkshire	4.5
Stoke and Staffordshire	4.5
London	4.5
Hertfordshire	4.5
Heart of the South West	4.5
Greater Manchester	4.5
South East Midlands	4.4
Greater Birmingham and Solihull	4.4
Oxfordshire	4.3
Thames Valley Berkshire	4.1

Source: Peer Networks Satisfaction survey Data. Averages are of 16,978 datapoints across 8 sessions ("Don't know" and "not applicable" excluded) returned across the LEPs. LEPs with fewer than 50 datapoints omitted.

Findings from the drop out survey

A survey of participants who joined but did not complete Peer Networks was undertaken after programme delivery for Phase 1 was completed. A sample size of 77 was achieved, representing a response rate of 15% from a population of 520 known drop-outs.

Of the 77 businesses surveyed who dropped out, 15 individuals were excluded from the analysis, as some reported having completed the programme, or were unsure if they had taken up the full support offering. 31 attended did not attend any Action Learning

Set Sessions. The resulting sample was 31 survey respondents and is included in this analysis.

When those that dropped out were asked why either the full support offer or some of the offer was not taken up, the three most frequent reasons given (multi-choice) were:

- Time constraints i.e. businesses could not afford the time required to participate (9 respondents)

- Personal circumstances and attitudes (6 respondents) covering a range of factors such as finding other participants to be overbearing

- Content i.e. the content of support offered was not found to be useful (5 respondents).

Details of the drop out survey methodology and sampling approach can be found in Appendix F.

Drop out survey cohort composition

Around two thirds of participants felt that the number of businesses present in their sessions was appropriate (22). This is roughly less than participants (86%).Two individuals felt there were too few, and two felt too many.

Less than half of drop out survey respondents agreed that they were happy with the length (11) and frequency of the sessions (14), whilst also affirming that the sessions 'shared relevant and real issues' (12). A large number of respondents felt ambivalent to the notion that they were able to build trust with other participants (10) or found the insights by fellow participants useful to their business (7). This is less positive than results from participants that completed the programme.

When asked, 'To what extent did the mixture of businesses in your cohort meet your expectations in enabling an effective action learning set?', 12 participants out of 31 respondents thought the mix of businesses met their expectations, and similarly, 12 individuals reported that this mix was worse than they expected. When asked why they thought there was a worse/ better mix of businesses, the majority thought the mixture of businesses was 'too dissimilar' (10), with only two individuals answering, 'too similar'.

Drop out survey delivery

Figure 1.1 How do you feel that online delivery (compared with attending in person) affected the delivery or impact of the following factors?
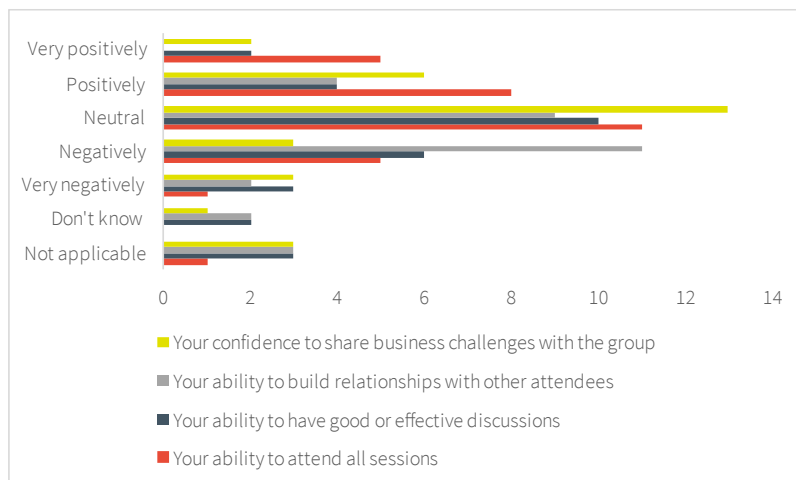
Source: Peer Networks drop out survey. Responses: 31.

Most respondents to the drop out survey did not receive any one-to-one mentoring support (21), with 9 having received the benefit. All responded to the question 'How would you rate your overall satisfaction with one-to-one support?', and most (7) were either 'very satisfied' or 'somewhat satisfied'.

Drop out survey recommendations for future delivery

The most prominent areas of feedback cited by respondents are: 'Content' (7), 'Format' (9), and 'Time' (9). Examples of such comments are outlined below:

- Content: "Ours was a moaning session/s about the impacts of covid - actually having dedicated session themes may have helped structure the conversation away from this or make it more useful. Despite best efforts of the facilitators, it felt like groundhog day and I would have preferred to just dip in and out of relevant subject areas that I could have used to push my business forward instead of dwelling on negatives."

- Format: "I really didn't enjoy attending the couple of sessions digitally, I would much rather have met face to face, however this was not possible due to COVID"

- Time: "I felt the session was too long, but fully understand why the session was the length of time it was."

In addition, others highlighted the following as areas where they would want to see improvements: digital limitations (1), specific issues with the facilitators (3), problems with the other group members (1), and the presence of direct competitors (1).

Drop out survey outcomes

When asked, 'over the last year have you taken up any other free or paid for business support schemes?', the majority of respondents had not taken up any other business support schemes over the last year, though 12 individuals have done so (n=31).

Of those that had taken up support schemes (n=12), the most prominent forms of training were leadership and management support, and general business support, with digital technology guidance also appearing.

Respondents appear to particularly agree with two of the statements: 'Within my role as a business leader I feel able to adapt when change occurs' (16), and 'As a business leader I feel I can achieve my goals even if there are obstacles' (20). In contrast, 'I have all the skills I need to lead my business over the next three years', was disagreed with at the highest rate (9), with 9 respondents also noting that they neither agree or disagree with that statement.

Figure 1.1 Thinking about the way you feel today, to what extent do you agree or disagree with the following statements:

Source: Peet Networks Drop out survey n=31

When asked whether the programme enabled them to develop a wider network, the majority answered negatively (17), or reported that it was not applicable (8). A minority reported that Peer Networks enabled them to develop a wider network (2).

Respondents reported that participating in the programme has not changed their future aspirations (18). Only a couple of individuals noted that participating in Peer Networks had changed their business aspirations (n=31).

One to One Support

Of the 1608 post completion survey respondents, 85% reported that they had received one to one support and so were asked to provide feedback on this element of support. Reasons for not taking up one to one support were not captured, but anecdotally some emails from businesses suggested that they had not fully completed support at the time of survey fieldwork[7].

Almost three quarters (73%; n=1366) of those accessing one to one support had used the session at least in part to build on topics covered in the action learning sets, while 24% reported that the one to one sessions had focused on topics not covered in the action learning sets.

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[7] When compared against other survey answers given, businesses that did not complete one to one support did not show any significant differences in other feedback given for the programme, than businesses which had completed the one-to-one support.

Overall, three quarters (74%) of those that received one to one support were very satisfied. This high level of satisfaction was also reflected with individual aspects of one to one support where:

- **75%** were very satisfied with the content of one to one support
- **74%** were very satisfied with the length of one to one support
- **75%** were very satisfied with how useful the sessions were.

Figure 4.11 Feedback on one-to-one supported received, including satisfaction overall with specific aspects and how one to one support was used
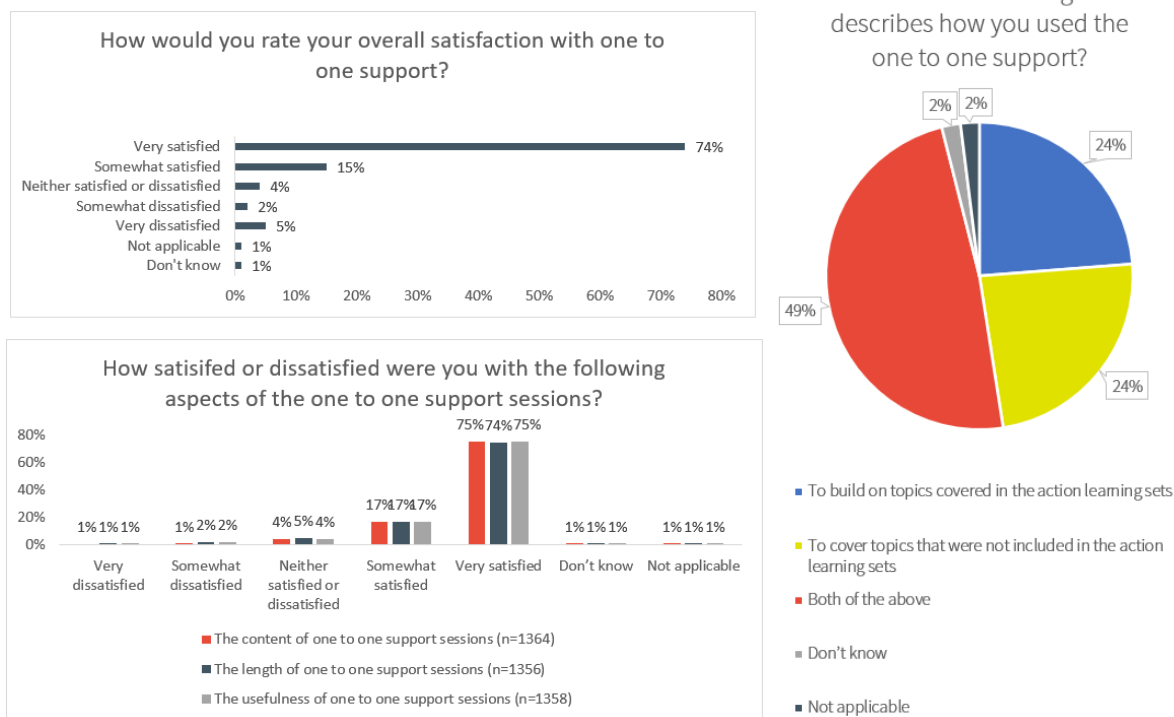
Source: Peer Networks Post Completion survey, n=1351

Beneficiary Recommendations for Future Delivery

When asked whether they had recommendations for future delivery, just over half gave suggestions (n=548). Responses were quite varied but key themes are summarised below:

Reducing length and frequency of ALS sessions
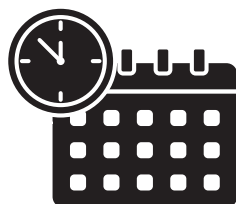
Of those that provided ways in which they felt the programme could be improved, approximately 20% would prefer shorter sessions and 10% felt

"Three hours felt heavy going, 2 hours is probably my limit virtually to stay attentive"

"The sessions were great but too long, which risks being counter-productive. Likewise, they were a little too frequent. 2-2.5 hours every 6 weeks would be perfect. Assuming strong attendance I would also recommend a few fewer businesses in each group in order to really build the peer relationships and add greatest value to the challenges."

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that they would prefer less frequent sessions. This related not just to the business' ability to attend but also their ability to concentrate and having adequate reflection time between sessions. Those citing frequency were a mix of those had weekly sessions but also those that felt every two weeks was still too much, preferring a 3 week or monthly commitment. This was most common for smaller businesses[8]

"The sessions were too close together for actions to be completed, or new issues to emerge, also 3 hours was too long. 2 hours once per month would be more than sufficient."

"The sessions should be further apart. Ours came in almost once a week which is too frequent for a 3 hour commitment."

Including face to face elements

"Understandably the sessions had to be conducted virtually. I think our facilitator did an excellent job of keeping us on track. I imagine that I would have got even more out of the sessions if it was face to face, there were some that were more vocal than others - as in any group situation."

Approximately 13% of those with suggestions for improvement felt that some face to face interaction would improve their experience.

"I think in person would be much better however, with COVID totally understand why [we used] zoom."

Continue sessions/extend the timeframe of the programme.

"Extend from 6 sessions to 10 or do one a month for 6 months - business and markets can change over that time and also more time to report on progress and how things learnt have worked."

Around 9% reported that they would like the sessions to continue formally, as they felt that they were making good progress and would benefit from further engagement. Some also mentioned that this would enable sessions to reflect on changes made and feedback on how they are working.

"Network programme was too short it could have continued for the full year. Our group has agreed to continue to network together as a group with monthly catch-ups as the programme has delivered real value to us all."

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[8] Comments on frequency and time commitment are more prevalent for smaller businesses (fewer than 19 employees). The database does have some missing data making a full analysis difficult, but excluding those where size isn't available suggests around three quarters with this complaint were from those with fewer than 19 employees

More structure
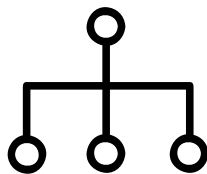
Approximately 9% of those making recommendations felt that the sessions may have benefited from more structure, with some citing a desire for set discussion topics, briefing in advance of what may be covered in upcoming sessions or rotation of businesses in the spotlight.

It is important to note that having pre-set topics is at odds with the format for ALS. There was no evidence in comments that the nature of ALS was not communicated to businesses, but instead, some commented that a more structured programme may suit them better.

"I personally would have liked some structure around different business themes. For example, this week, a slight emphasis on marketing issues or HR."

"Greater structure to the learning sets so that members are better prepared to present business challenges and debrief any actions taken."

"Generally speaking, I enjoy when attending the lesson not clearly knowing what we are going to discuss. But perhaps have a few sessions which are strictly structured i.e. marketing day ; how, when recommendations for my business."

In addition to the above themes, approximately 10% commented on the mixture of businesses within cohorts.

Perspectives on Delivery from the In-depth Interviews

Thirty-three semi-structured in-depth interviews with Peer Networks participants took place between November 2021 and January 2022. The interviewees were selected to provide a spread in terms of the characteristics (i.e. area, sector, number of employees) and were intended to provide a more qualitative source of data about the businesses' experiences of Peer Networks, the benefits they have gained or factors affecting this[9].

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[9] Open ended responses to the interview questions have been tagged with a theme in order that they can be represented by charts. For example, a response to the question 'What worked well about the Action Learning Set sessions?' along the lines of "Generally thought they were good. The facilitator did a great job running them" would be tagged with 'Good facilitator'. Where open ended answers touch on multiple points, the most salient or strongly worded is used unless it is appropriate to tally each individually

Action Learning Set Sessions

In line with the larger scale surveys, it can clearly be seen that good facilitation was a key message from the sub-sample of beneficiaries positive of the ALS sessions. The main praise for the facilitators was related to the way in which they managed the sessions (10 of out of 33). It was suggested that facilitators provided a sound structure to the sessions, kept good track of time and made good use of on-line breakout rooms. In addition to providing good structure and management, facilitators were credited with encouraging discussion and providing useful 'nuggets of information' during the ALS sessions.

Other important themes mentioned by a smaller number of the interviewees were the helpful contributions from other participants, good structure of the sessions, and a good mix of participants:

- It was said that the sessions felt well planned, with relevant themes covered and opportunities for all to contribute

- Some participants felt that the other participants were kind, open and honest, which contributed to insightful discussion

- Where points raised by other participants were focussed on particular problems, useful discussion followed.

Figure 4.12 Regarding the Action Learning Set sessions, what worked well?
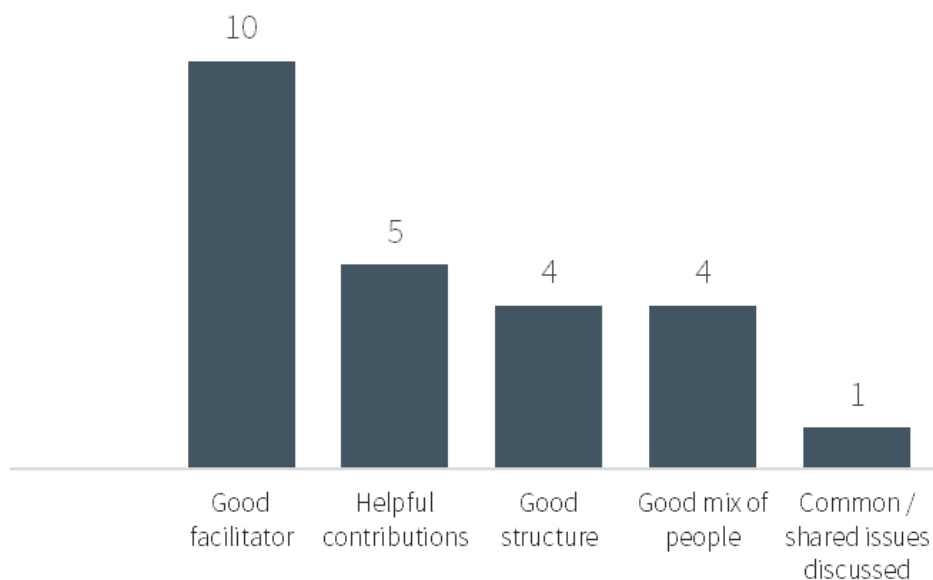
Source: In-depth Interviews with Peer Networks Participants, Hatch, Winter 2021
Responses: 24/33 interviewees who said that something worked well during the ALS sessions

Interviewees were also asked what did not work well about the ALS sessions. Responses were much more varied, but the three most common factors were: poor attendance; the quality of others' contributions; and the shortcomings of virtual delivery and a preference for face to face (all 5 out of 33). These concerns were also echoed in the Post Completion survey. There was less emphasis given in the in-depth interviews to the length or frequency of ALS sessions being burdensome.

- **Poor attendance**: The interviewees that highlighted the issue of infrequent / poor attendance often expressed the view that with inconsistent attendance it was hard to build trust and a positive atmosphere with fellow participants.

- **The quality of others' contributions**: The interviewees that indicated a preference for face to face delivery nevertheless often caveated this with a recognition that online delivery also had its advantages for them (e.g. less time commitment). This accords with the findings of the Post Completion survey.

Figure 4.13 Regarding the Action Learning Set sessions, what did not work well?

Source: In-depth Interviews with Peer Networks Participants, Hatch, Winter 2021.
Responses: 27/33 interviewees who said that something did not work well about the ALS sessions.

A couple of interviewees cited a lack of time available to get the best out of the sessions, whilst others noted that the sessions took up too much time. This echoes one of the findings from the Post Completion survey, and the recommendations given in the in-depth Interviews that thought more time was needed to develop trust and familiarity with the group. For instance, one participant stated "[we were] just starting to understand each other and give each other useful input, then that was the end".

One-to-one (1-2-1) Support

Similar to the ALS sessions, good facilitation emerged as a principal factor that was said to have worked well for the interviewees in the 1-2-1 support:

- **Good facilitator**: A common response was that facilitators were able to share practical insight based on their own business experience.

- **Relevant and challenging**: Some also highlighted the benefit of 1-2-1 support as it was challenging and tailored to their needs. Related to this, a number indicated that facilitators pushed participants to think about issues in new ways.

- **Good advice**: A smaller number of interviewees also pointed out that they received useful practical business advice, with this often being linked back to the knowledge and expertise of the facilitator.

Generally, fewer interviewees had specific comments about what they thought didn't work so well with the one to one support - suggesting generally effective delivery. However, where interviewees did comment on what worked less well with these sessions, one of the key themes was that advice given was too generic to be really useful. Either the 1-2-1 support provider was not able to fully grasp the specifics of the problem faced by the participant or was able to understand the specific problem but did not have specific suggestions. Possibly related to this, a similar number of the respondents thought they had not had enough sessions to get real value from the one to one component.

Interviewees were asked their views on how programme delivery could have been improved. Responses were varied, although some key themes emerged:

- **Cohort composition:** A quarter of the interviewees (9) thought greater consideration should be given to the composition of groups, either in terms of greater commonality in the groups (7) in terms of sector and size in particular, or in contrast, in terms of more diverse groups (2). More consideration, vetting or self-selection could be introduced to the process of composing groups to improve the likelihood of achieving a good group.

- **Some face to face delivery**: Reflecting the feedback on face to face delivery above, a quarter (8) thought the delivery should be face to face, as originally planned pre-pandemic. This would help, in their view, by more effectively fostering the connections between the participants. Some of the interviewees however, noted that maintaining some virtual delivery would still be good (i.e., a hybrid approach). This accords with future recommendations evidenced by the Post Completion survey findings

Figure 4.16 How, if at all, do you feel the programme could have been improved?

Source: In-depth Interviews with Peer Networks Participants, Hatch, Winter 2021
Responses: 30/33 participants who said that something could be improved about the programme. These findings are indicative

Various other ways of improving delivery were mentioned by a small number of interviewees. One interviewee said their overarching feeling was that the facilitator was just 'going through the motions', rather than tailoring sessions to the specific needs of the participants. Other problems participants mentioned included facilitators not addressing issues related to confidentiality and maintaining the privacy of participants. Other interviewee's felt the facilitator permitted too much time wasting and the delivery was often not 'succinct' enough.

A lack of follow up from the organisers was highlighted in response to this and a number of other questions. A number of interviewees (3) suggested that there was merit in facilitators setting up a network for participants both during participation and as a means of encouraging continued networking post completion (i.e. creating a forum such as a Whatsapp group).

A number of interviewees also suggested that the programme could be improved through reducing the feedback requirements, which one referred to as *'excessive'*.

5. Beneficiary Perspectives: Outcomes

Outcome Analysis

To understand outcomes, three types of analysis were conducted:

- Comparing the overall results from the baseline survey to overall results from the post completion survey and six month impact survey. This has been used to identify statistically significant changes.

- Comparing the sub-sample of businesses that provided information at baseline and who also responded to the six month impact survey. This analysis has been used to create Sankey diagrams to show change of opinion/response.

- Comparing key outcomes of interest for those accessing the Peer Networks Programme and a comparison group. This has been carried out using Propensity Score Matching (PSM). This a statistical technique that involves matching individuals with similar characteristics from the treatment and comparison group. Further details are provided in the technical appendix.

In the sections that follow, change is discussed using these three methods.

Caveat to comparing key outcomes for the treatment group with the comparison group

A potential methodological issue is that businesses may have received further business support interventions other than Peer Networks[10], and accessing these interventions may have an influence on the outcomes for the programme.

As Peer Networks was run 6-8 months prior to the fieldwork period, further support, help or advice may have occurred after treatment businesses accessed the Peer Networks programme. This means their decision to access further support may have been influenced by the Peer Networks programme.

We have therefore been unable to match to the comparison group on responses to this question because PSM should be conducted on the basis of pre-treatment characteristics.

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[10] In some cases Growth Hubs/delivery partners went out to their existing networks to recruit businesses to Peer Networks, as such, it is expected that businesses may have had additional help or advice.

In the absence of matching on whether businesses accessed further support in the PSM, we have performed an additional PSM exercise to check the robustness of statistically significant findings focusing on businesses in the treatment group that had Peer Networks support only and businesses in the comparison group that had no advice or help in the past year. This is to understand if significant differences can be observed between treatment and comparison groups when no other support has been accessed.

Additional exploratory analysis was also run on the treatment and comparison group. This included running regression on the treatment group and comparison group separately to understand if receiving additional advice or support over the past year influenced key outcomes.

Where outcomes or impacts appear to be influenced by treatment, but where there is also an association with accessing other support (as determined by these additional checks), this has been highlighted in the body of the report and any differences between the treatment and comparison group caveated.

A further limitation of this study is that the comparison group has only been surveyed post-treatment, whereas data has been captured from the treatment groups at three time points. This means however that we have been unable to observe changes over time in attitudes and behaviour. The PSM has looked to match on as many pre-treatment characteristics as possible but we cannot be certain that there were not attitudinal differences between the two groups pre-treatment. This has been highlighted in relevant sections of the report.

Changes in Attitudes

Statistically significant[11] changes in attitude can be observed when comparing all responses from the Baseline survey to all responses from the six month impact survey giving an early indication that businesses may feel more confident in their abilities. These changes are shown in the figure below and summarised in the following bullet points:

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[11] Change is significant across all four statements between the baseline survey and the six month impact survey.

Figure 5.1 Projected change in turnover for the treatment and comparison group between 2021 and 2022
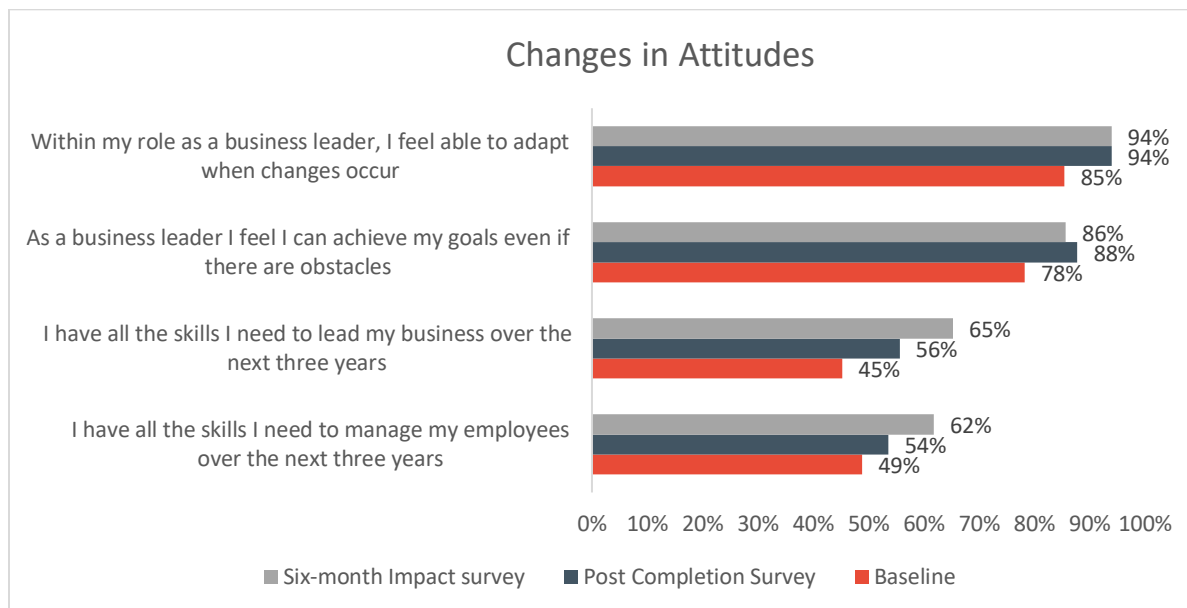
Source: six month impact survey – supported by Peer Networks treatment group; n=781, Comparison group; n=506

- six months on from support **62% (n=899)** agreed or strongly agreed that they had all the skills necessary to manage their employees over the next three years, compared to **49%** (n=3,371) at baseline and **54%** (1,611) in the post completion survey.

- six months on from support **65%** (n=899) agreed or strongly agreed that they had all the skills necessary to lead their business over the next three years, compared to **45%** (n=3,361) at baseline and **56%** (n=1,606) in the post completion survey.

- six months on from support **86%** (n=897) agreed or strongly agreed that as a business leader they could achieve their goals even if there are obstacles, compared to **78%** (n=3,363) at baseline and **88%** (n=1,607) in the post completion survey.

- six months on from support **94%** (n=897) agreed or strongly agreed that within their role as a business leader they were able to adapt to changes, compared to **85%** (n=3,360) at baseline and **94%** (n=1,606) in the post completion survey.

When examining responses for the sub-sample of businesses that provided a response both at baseline and in the six month impact survey, an attitudinal shift can also be observed within responses, with the net effect showing a larger proportion moving towards the agreement category for all statements, indicating a greater confidence. For example, 12% of participants, who had previously disagreed, now agreed that they had

all the skills needed to lead their businesses; only 3% of them went the opposite way. No significant differences were found with respect to size or sector either.

Effects on Network Development

When asked if they have kept in touch with businesses they met through the programme six months post completion, 63% (n=899) say that they had. There was a statistically significant difference between businesses having received support in addition to Peer Networks in the last year (66%) and businesses having not received any other support (58%).

With regards to networking with businesses outside the programme, 73% (n=893) say that they have done so. There was also a statistically significant difference between businesses having received support in addition to Peer Networks in the last year (79%) and businesses having not received any other support (67%). Approximately one in five (22%; n=653) suggest that they would not have done so if they hadn't participated in the Peer Networks programme. A small number of participants interviewed indicated that their networking had been more substantive, involving a mix of approaches including face to face meetings or digitally. This suggests there may be merit in the Growth Hubs or BEIS encouraging or facilitating continued networking post-completion.

Changes in Growth Aspirations

At baseline 97% (n=2,949) reported that they intended to grow the sales of their business over the next three years. This high level of growth aspiration was still present in the six month impact survey (97%; n=899). This compares to a relatively lower level of aspiration among businesses in the comparison group (83%; n=679). The difference is statistically significant. Given this has only been captured for one timepoint it is not possible to know if the treatment group's maintained aspirations are related to their participation in the Peer Networks programme and would otherwise have declined.

Though the proportion of businesses reporting that they were extremely likely to be able to achieve their growth intentions increased from 29% at baseline to 53% in the post-completion survey, this dropped to 40% in the six month survey - statistically significant changes across all surveys. Businesses that were established in the last ten years were more likely to report this (44%) compared to older businesses (35%).

Examining responses for the sub-sample of businesses that provided a response to this question at baseline and in the six month impact survey (n=717) also shows this shift in

attitude; where 31% reported they were extremely likely to be able to grow their sales at baseline and 39% in the six month impact survey[12].

Figure 5.2 Changes in responses to how likely respondents say they are to grow their business sales
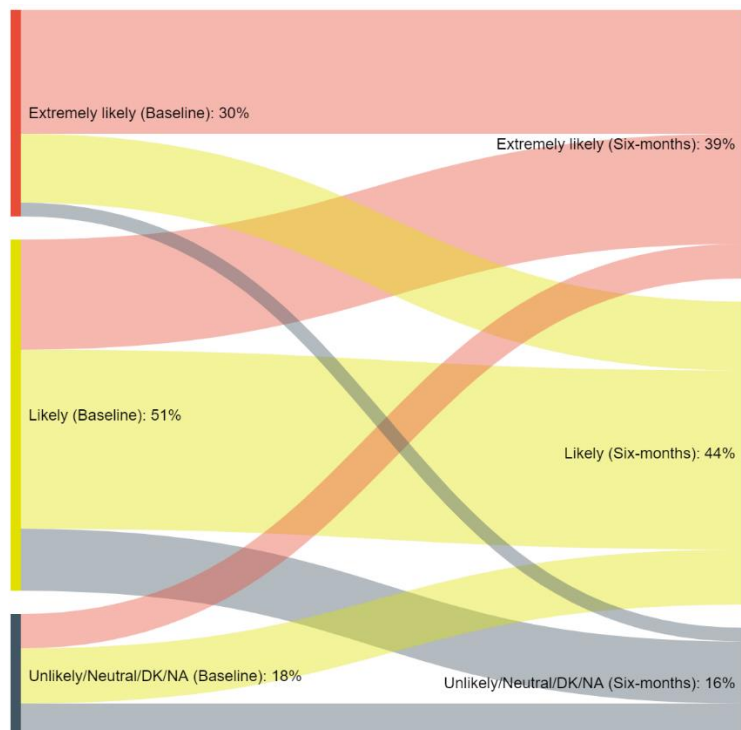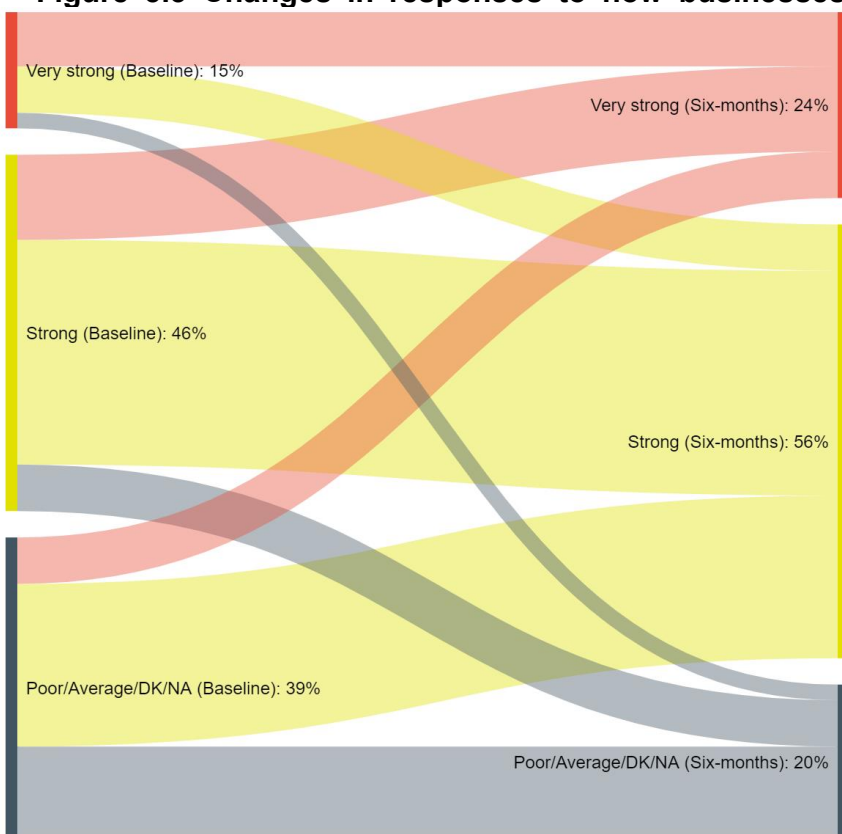

Source: Peer Networks six month impact survey; Peer Networks treatment group; n=717

The proportion of respondents rating their ability to grow their business as very strong, rose to 28% (n=1,607) at the Post Completion survey, from a baseline figure of 14% (n=3,311) based on all respondents. At the end of the six month impact survey it remains higher than the baseline position, at 25% (n=884). The proportion of those rating their ability to grow their business as strong or very strong has also increased from 47% in the baseline survey (n=3,311) to 55% in the six month impact survey (n=884). The difference is statistically significant. Overall, those rating their ability to grow their business as either very strong or strong has gone up from 62% to 80%.

This shift can also be observed in the sub-sample of businesses that responded to this question in both the Baseline survey and in the six month impact survey (n=796), where 24% of businesses reported that their ability to grow was very strong in the six month impact survey compared to 14% at baseline (see figure below).

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[12] This observation could also be associated with the differing Covid-19 situation at baseline versus the six month Impact survey. At baseline there was a full national lockdown and more uncertainty on when things would resume to business-as-usual.

Figure 5.3 Changes in responses to how businesses rate their ability to grow

Very strong (Baseline): 15%

Very strong (Six-months): 24%

Strong (Baseline): 46%

Strong (Six-months): 56%

Poor/Average/DK/NA (Baseline): 39%

Poor/Average/DK/NA (Six-months): 20%

Source: Peer Networks six-month impact survey; Peer Networks treatment group; n=796

Advice and help to run your business

More than half (57%; n=896) of treatment group businesses had received additional help or advice (outside of the Peer Networks programme) on running their business over the past year. As outlined under caveats to the analysis, it is important to highlight the potential influence of this further support on the expected outcomes and impacts of the programme. Where applicable, this is discussed further for each expected impact.

The high proportion accessing other advice mirrors results from the Post Completion survey where propensity to seek support was high. Respondents reported that if the programme had not been available, just over 42% (n=1,611) would have accessed another programme of support. Those that had accessed other business support over the last year, at the time of the Post Completion survey, were also significantly more likely to report that they would have accessed either a free business support programme (40% compared to 29% that had not accessed other support in the past year), or both free and paid for support (10% compared to 5% that had not accessed other support in the past year), if Peer Networks had not been available.

The most common type of help and advice received was from a consultant/general business advisor (37%) or through business networks/trade associations (33%). Just under 15% had also accessed the Small Business Leadership Programme (SBLP). A small proportion of businesses (14%) had taken part in similar peer networking programmes since accessing the Peer Networks programme. Those operating in the trade, transport and hospitality high-level sector had a significantly lower proportion seeking advice or help (46% compared to 57%).

Those that had sought further business support (n=519) were asked whether the Peer Networks programme influenced their decisions to do so and how. Just under 60% (n=298) said that participating in the programme had influenced their decision, reporting an influence in the following ways[13]: This corresponds to the interviews, whereby most interviewees agreed that the programme influenced their decision to take on further support.

	Increased awareness of support value	
	Around 49% of these participants sought further support as the peer networks programme increased their awareness of the value of support available.	*"I didn't know about all the resources available to me before I took part in Peer Networks. The programme showed me what I was missing, and the value of seeking help. I have applied for grants now too."* *"It changed our way of thinking and gave us new ideas for what type of information we could look at."*
	Reinforced the value of networking	
	Approximately 32% of surveyed participants reported that the programme reinforced the importance of networking, which has made them more open and willing to seek further business support.	*"There were things that others in the group were doing that I found interesting, which introduced me to new networks."* *"Talking to business that are doing very well in the commercial world is beneficial. Talking to likeminded people keeps motivation and momentum up."*
	Highlighted further support needs	
	Around 8% of surveyed participants found that the programme was useful in highlighting areas of the business which needed more support.	*"[The Peer Networks Programme] demonstrated gaps in [my] knowledge and experience; [I] went looking for places to fill those gaps."*

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[13] Summary on how Peer Networks influenced business decision to seek advice and help is based on coding of open-end responses.

Alternative support referrals

A further 10% of surveyed participants felt empowered to look for further advice and were signposted to this by mentors and peers.

"I thought the programme was useful, as it increased my confidence. We also got to hear new ideas and innovative ideas. I also received guidance from the leader about where to get more advice."

Source: Peer Networks six-month impact survey; Peer Networks treatment group; n=298

Within the comparison group, 36% (n=661) had accessed help or advice over the past year. This is significantly lower than observed in the treatment group. As observed for the treatment group, the most common type of help and advice received was from a consultant/general business advisor (22%; n=236) or through business networks/trade associations (25%; n=236) but advice from an accountant was also common (22%; n=236). This suggests that there may be some behavioural differences between the comparison and treatment group, however given we do not have a measure for both groups pre-treatment it is difficult to conclude this with certainty.

Changes made over the past six-months

A high proportion (89%; n=899) of those responding to the six month impact survey had made changes in the past six-months. This is in line with the proportion reporting they were planning changes in the Post Completion survey [Post Completion survey: 89%; n=1,608].

The most common areas where businesses made changes were:

HR, recruitment, and retention of staff changes were made by 57% of respondents in the six month impact survey and planned at Post Completion stage by 74%.

Sales and Marketing changes were made by 56% of respondents in the six month impact survey and planned at Post Completion by 64%.

Leadership and Management changes were made by 49% of respondents in the six month impact survey and planned at Post Completion by 64%.

Source: six month impact survey; n=895, Post Completion survey; n=1,393

A significantly higher proportion of businesses in the primary, manufacturing, construction, and utility industries had made changes to their response to net zero targets (38% compared to 28% for the full sample) and to their response to EU exit (22% compared to 13%). This reflects expectations from informal evidence that broadly

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suggests manufacturing businesses are more heavily impacted by EU exit and the emissions reduction agenda than service industries.

Businesses less than 10 years old were significantly more likely to make changes in business model innovation (43%) than those in operation for 10 years or more (33%).

Those that had also accessed additional forms of help or advice over the past year were significantly more likely to report changes in all areas except for EU exit transition and approaches to net zero.

Within the comparison group, 79% (n=679) had made changes in the past six-months. Examining the regression models, produced following PSM, shows that on average, those who attended Peer Networks made 1 more change than those who did not attend the programme. Although this finding is statistically significant it should be interpreted with caution as access to other forms of advice and support influences this outcome. Exploring the number of changes made within the treatment in isolation shows that on average one more change had been made by those who had additional help or advice over the past year compared to those who haven't.

This is further illustrated in the chart below. Although it appears that those that had Peer Networks support only are more likely to make changes compared to those that have not had any form of advice or help, this finding is not significant when controlling for other differences between the two samples. Where Peer Networks has been accessed in combination with other advice a far greater proportion have made three or more changes in the past six months.

Figure 5.5 Number of changes made in the past six-months
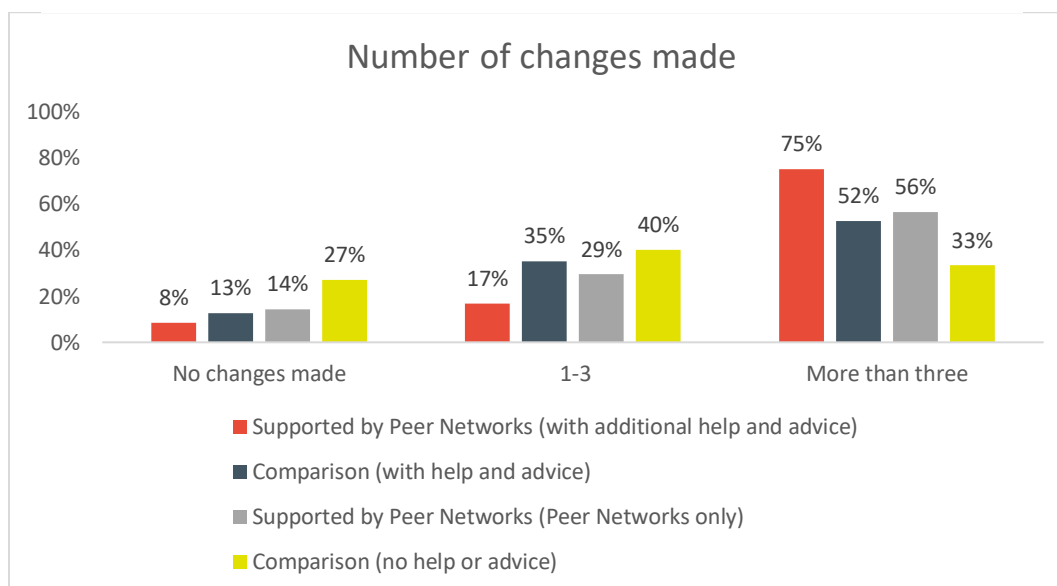
Source: six-month impact survey; Peer Networks treatment group; n=892, Comparison group; n=661.

The most common areas businesses made changes differs in the comparison group, where the group most commonly cited changes to Flexible working (45%; n=679) and Digital and technology adoption (30%; n=679) alongside HR, recruitment, and retention of staff (39%; n=679) which is also common in the treatment group. These findings were also reflected in the interviews conducted on participants post-completion.

Changes made - Self-reported attribution to the Peer Networks Programme

Over half of treatment businesses making changes in the past six months reported that they were somewhat or very likely to have made some changes if they had not accessed the programme. Similarly, only a small number of participants interviewed gave Peer Networks no role in the development of planned future changes.

Businesses did, however, acknowledge a number of ways the programme had helped them to make changes. As shown in the figure below, the most common ways participants reported the Peer Networks programme helped was to improve the businesses' confidence to make changes (reported by 73% of those making changes) and to help refine ideas for improvements (72%). Additionally, over half of businesses making changes reported that support had helped in the following ways:

- Given them ideas for change (56%).

- Helped them make changes more quickly (58%).

- Helped them implement ideas to a higher level, quality, or effectiveness (59%).

This corresponds to the interviews, whereby interviewees mentioned that the programme helped to bring about changes to their business by '*Clarifying thinking*', 'bouncing ideas' off other participants, and sessions providing a '*sounding board*' to test ideas before committing to implement them. Interviewees also mentioned moral support and new perspectives.

A *small* number of interviewees describe a specific *therapeutic benefit* to participating in Peer Networks. This was cited as due to the fact that Peer Networks provided a dedicated time slotaway from the day job, in which problems could be thought about in a structured way. This leads to reducing anxiety about business problems and promoting wellbeing.
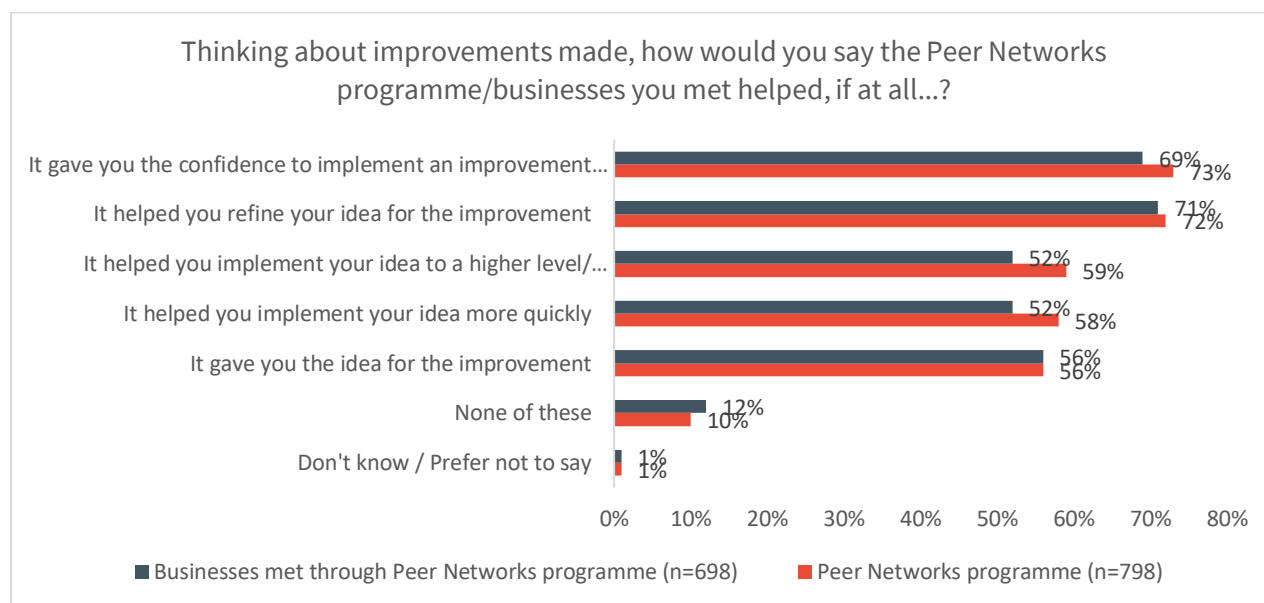
Of those interviewees who said that were unlikely to have made changes without Peer Networks, the most frequent areas in which changes were made are: finance such as seeking new funding opportunities, marketing and personnel changes. One interviewee elaborated to say a whole new operational plan had been put in place with the insight gained form participation.

Where changes have been made (89%; n=899):

- **84%** of businesses in the treatment group reported that they expected an increase in turnover.

- **69%** of businesses in the treatment group expected an increase in workforce numbers.

Within the treatment group those that had additional help and advice over the past year were significantly more likely to report that they expected an increase in both turnover and workforce (72% compared to 65% of those that had not had additional advice or help) and so this outcome is likely influenced by accessing additional advice or help.

Figure 5.6b Peer Networks help with improvements made to businesses

Thinking about improvements made, how would you say the Peer Networks programme/businesses you met helped, if at all…?

It gave you the confidence to implement an improvement…	69% / 73%
It helped you refine your idea for the improvement	71% / 72%
It helped you implement your idea to a higher level/…	52% / 59%
It helped you implement your idea more quickly	52% / 58%
It gave you the idea for the improvement	56% / 56%
None of these	12% / 10%
Don't know / Prefer not to say	1% / 1%

■ Businesses met through Peer Networks programme (n=698)   ■ Peer Networks programme (n=798)

Source: six month impact survey - prompted list; multiple response; Peer Networks treatment group; n=784.

> *I think the Peer Networks Programme helped …… as it gave me the confidence to get on with things, talking to business and seeing that we can implement our plans. This really helped us just get on with it!*
>
> *It was nice to talk to people from different sectors and businesses for their scope, and to see what changes they have made that we could use ourselves.*
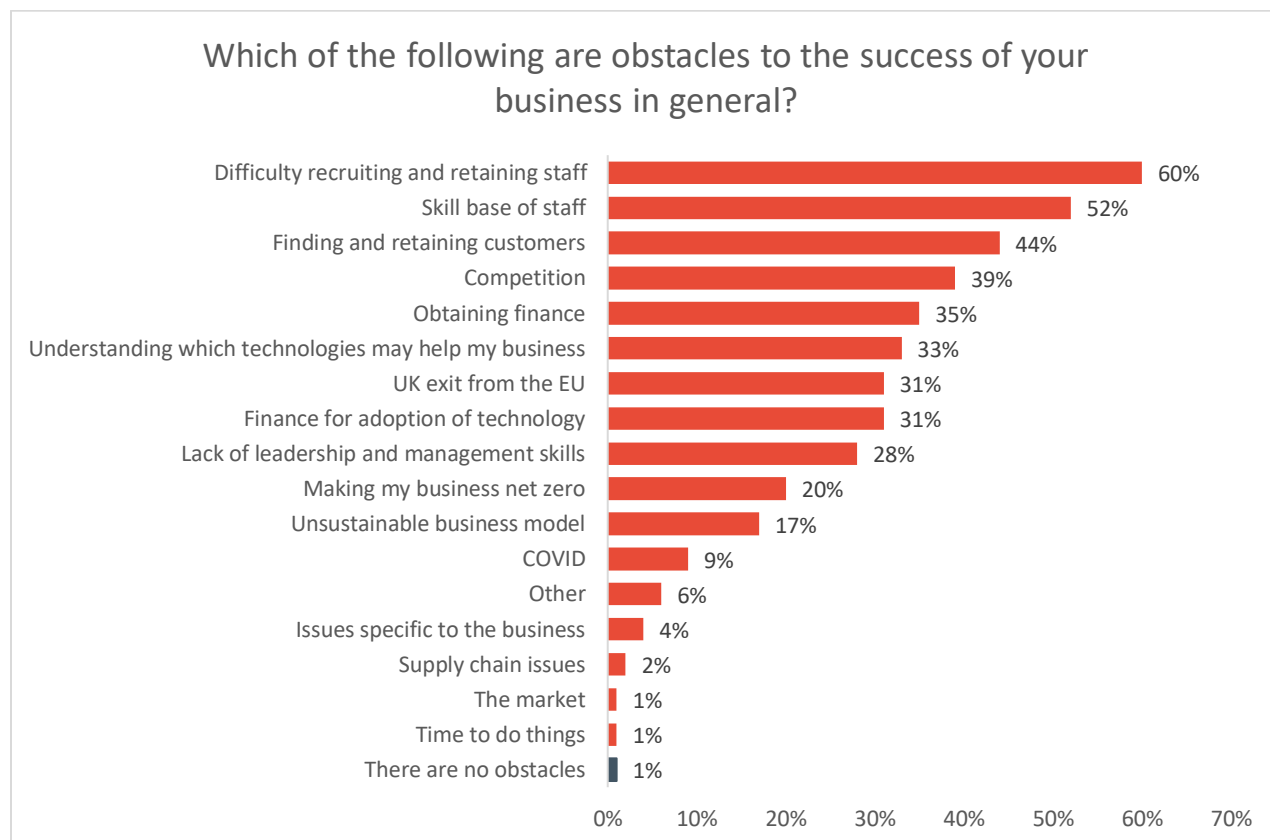
The vast majority of interviewees stated that they would recommend Peer Networks to others based on their experience. A theme amongst this group was a recognition that the value derived from participation can depend on the nature of the business and the effort they put into their participation.

Obstacles to success

Nearly all businesses in the treatment group (98%; n=899) reported that there were obstacles to success. As shown below the most common obstacles are in regard to staffing, in terms of recruitment, retention and the existing skills of staff.

Figure 5.11 Obstacles to success

Which of the following are obstacles to the success of your business in general?

Obstacle	%
Difficulty recruiting and retaining staff	60%
Skill base of staff	52%
Finding and retaining customers	44%
Competition	39%
Obtaining finance	35%
Understanding which technologies may help my business	33%
UK exit from the EU	31%
Finance for adoption of technology	31%
Lack of leadership and management skills	28%
Making my business net zero	20%
Unsustainable business model	17%
COVID	9%
Other	6%
Issues specific to the business	4%
Supply chain issues	2%
The market	1%
Time to do things	1%
There are no obstacles	1%

Source: six month impact survey - prompted list; multiple response; Peer Networks treatment group; n=899

A similarly high proportion within the comparison group reported there were obstacles to success (90%; n=679). Both the treatment and comparison group show a similar profile. Comparing the matched samples shows that those accessing Peer Networks have on average 0.4 more obstacles than the comparison group. This is statistically significant and suggests that accessing the programme does not reduce perception of obstacles.

Business performance

When compared to normal expectations for this time of year, over half of businesses participating in the Peer Networks programme (53%; n=853) suggested that their turnover had increased. By contrast, 25% said that their turnover was decreased.

Businesses in the comparison group were less likely to report an increased turnover; 37% (n=633) reported that their turnover had increased compared to normal

expectations for this time of year, whereas 33% said their turnover had decreased. The difference with the treatment group is statistically significant. Regression modelling of the matched samples confirms a significant difference between these two groups.

Figure 5.13 Turnover compared to normal expectations for this time of year
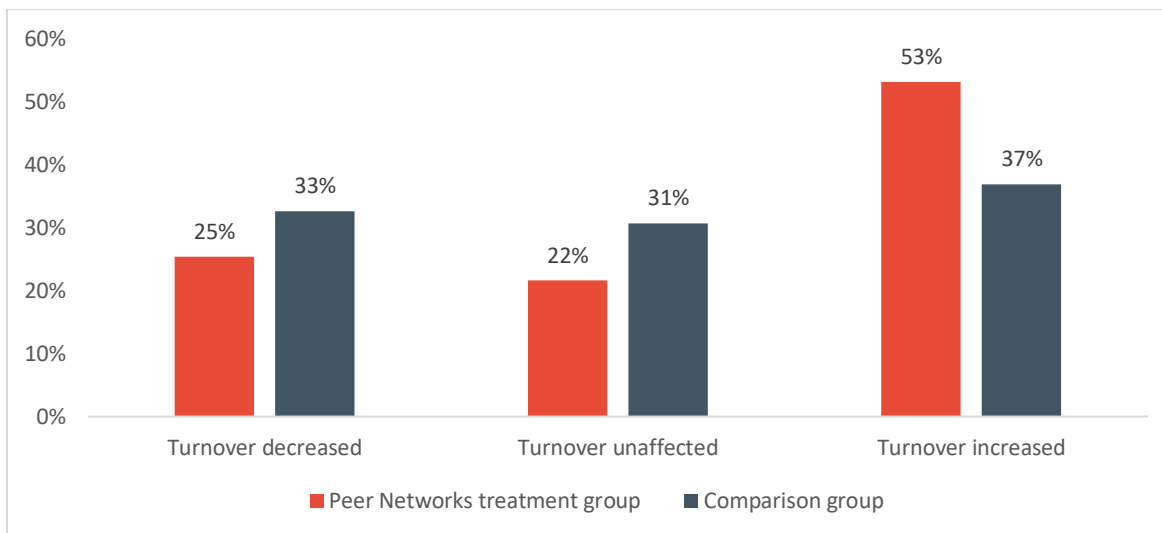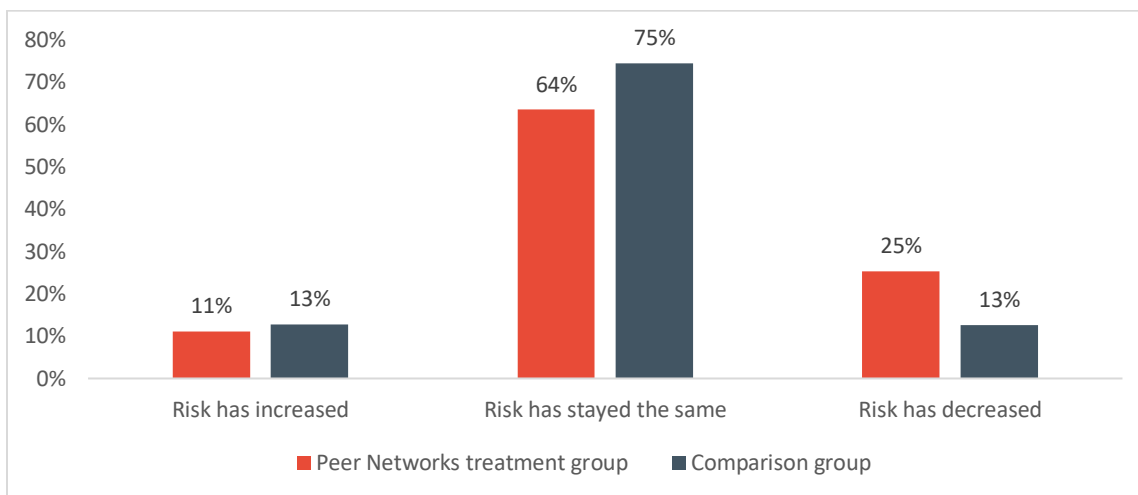

Source: six month impact survey – supported by Peer Networks treatment group; n=853, Comparison group; n=633.

When asked what had driven turnover changes the most common response was the Covid-19 pandemic for both the treatment and comparison group. At this time point few cited the influence of Peer Networks in driving growth changes.

Over half of the treatment group (59%, n=882) said that they were running at least a low risk of insolvency compared to 53% (n=679) in the comparison group. One in four (25%; n=883) businesses in the treatment group stated that their risk of insolvency has decreased in the last three months, compared to 12% (n=679) of the comparison group.

Those in the treatment group with 10-49 employees were statistically significantly more likely to report an increased risk of insolvency than larger businesses, alongside businesses less than 10 years old.

Figure 5.14 Perceived risk of insolvency.

Future support

Just under three quarters of treatment businesses (71%) are likely or very likely to seek free business support over the next year and under half (42%) are likely or very likely to seek paid for help and advice. Within the comparison group, 32% are likely or very likely to seek free business support over the next year and 16% are likely or very likely to seek paid for help and advice. Comparing this within the matched samples shows that businesses in the Peer Networks Treatment group <u>are significantly more likely</u> to report they will access business support over the next year.

Nearly three quarters of the Peer Networks treatment group (72%; n=683) stated that the Peer Networks support influenced the prospect of pursuing further business support in the next year. This was in a variety of ways as shown in the graphic below[14].

Peer Networks increased awareness of the value of business support 49%	*"Due to the Peer Networks Programme I came to realise that there is a lot of support that I did not know was available to me. In addition, I learnt that as a leader there are other ways to solve problems faced in the business. The Peer Networks Programme exposed me to a wider view of experience and helped me to understand that I'm not alone, as other businesses also face issues and challenges."*
Value of networking 26%	*"Peer Networks was just a confirmation that networking had positive impacts. Interacting with other businesses from the same region or other parts of market and industry gives you better insights and potential." "It prompted me to take the initiative and set up my own like-minded law firm peer group circle that I had been planning."*

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[14] Summary on how Peer Networks influenced business decision to seek further advice and help is based on coding of open-end responses.

Increased awareness of other resources 12%	*"It's given me the confidence to reach out and put me in touch with a lot of different connections and we all help each other out; there's a lot of business support out there which I didn't know about, so I think it's just having the knowledge that that's there now."*	
Increased confidence to seek further support 7%	*"Whilst I enjoyed the programme and valued speaking to other business and found reassurance that other businesses were also facing problems, I think that we've already gained as much as we can from the programme. Now I feel as though it is more down to me to find more specific support. I have found that the Peer Networks Programme has made me more open to seeking more help."*	
Identified gaps in the business 3%	*"It has opened up new ideas for improvements in new areas of the business. To make these new ideas happen, I will need additional support over the next year."*	

6. Process Review

The process review of Peer Networks involved analysis of scheme design and consultation with core delivery partners (at BEIS and the Growth Company), as well as consultations with a cross-section of 20 LEP level delivery partners, 15 action learning set facilitators, and 15 business beneficiaries. Further details on the consultees are provided in Appendix G. Following completion of consultations, the key messages were synthesised through an internal research team workshop. These findings are summarised in the sections below.

Scheme Design and the Playbook

There was a strong consensus amongst consultees that the concept of a nationally designed scheme that was delivered locally was an effective model. Consultees described the programme design as well considered, 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.

There were mixed views among delivery partners around the flexibility afforded to local areas in delivery. A number of interviewees highlighted flexibilities that have enabled local areas to shape the composition of cohorts, along with the flexibility to explore issues that local businesses are facing. Others however, felt that some of the eligibility criteria were too rigid, including the requirement for firms to have at least five employees and the number of businesses required on each cohort.

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Relationship with Other Local Schemes

Delivery partners generally felt that the scheme did not overlap with other existing provision, and that it was a valuable addition to the local business support offer. In a minority of areas, partners felt there was duplication with existing programmes (e.g. the 1 to 1 support element) which risked displacing activity between programmes.

A number of areas praised the less structured nature of the Peer Networks approach which allowed providers to focus on helping businesses' real and pressing challenges and did not involve a prescriptive programme of content or target outputs.

Some respondents saw the scheme's scope to be a valuable tool that could help Growth Hubs draw out insights into the needs facing local businesses which supports their wider aspirations for better local intelligence.

Quality of the Playbook

Feedback on the Playbook was generally positive. Partners view it as comprehensive, clear and useful for delivery. Delivery partners followed it closely and generally sought to deviate only on minor aspects.

Partners often cited a frustration in not being able to clearly and quickly see changes when they were made to the Playbook. Other issues raised by some partners included:

- Some partners would have found it useful to have had the Playbook earlier.

- Some felt the playbook was over-engineered, too long and in some areas repetitive, which made it slightly less accessible.

- A number of consultees felt the programme reporting requirements could have been set out more clearly in the Playbook.

- A number of consultees felt that there could have been more guidance on marketing and engagement and how to sell the programme locally.

Marketing and Onboarding

National Brand and Marketing

There was a consistent view among delivery partners that the national branding of the scheme was very helpful in delivery, and lent credibility to the programme.

Beyond the brand, local delivery partners felt that more marketing materials would have been beneficial, for example videos and case studies. There was also a common view that the national marketing campaigns had added limited value in terms of generating

additional participants. It was also often suggested that weak messaging around eligibility criteria in national campaign materials had perhaps led to a larger number of unsuitable candidates coming forward through this route.

Local Marketing, What Worked and Barriers

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 fell to a combination of the two. The most effective route appears to have been direct contact through existing networks of businesses. Although the programme was intended to engage businesses who were new to business support, this aspiration was not prioritised in most cases. The tight delivery timescales necessitated a focus on businesses which could be engaged more quickly and easily.

Eligibility criteria was another key barrier over and above marketing and onboarding businesses. Many areas found strong demand among smaller micro businesses (with fewer than five employees) which fell below the original size threshold, and low levels of interest in certain sectors most affected by COVID.

Programme Appeal to SMEs

When promoting the scheme to target businesses, the key benefits that gained greatest traction with SMEs were felt to be:

- the potential to learn from other business leaders

- the ability to address the loneliness of the business owner role

- the networking and business opportunities that could arise

- and/or the fact that the scheme was free and delivered in their local area.

Eligibility Criteria

The Playbook set out a number of core eligibility criteria for the programme, as well as certain desirable characteristics for businesses engaged with the scheme, certain LEP areas included additional local criteria in seeking to recruit to the programme.

All areas reported that the core criteria had been followed, although several places had pushed for flexibility on this. BEIS agreed that a fixed proportion could be businesses with fewer than five employees.

The approach to using the desirable criteria however was more mixed. A small number of areas followed these criteria closely and gathered metrics from business applicants. Other areas took the decision that some of these criteria were less relevant in their area, while others concluded that there was insufficient time to recruit businesses based on the full set of desirable characteristics, if they were to meet their recruitment targets.

In some cases, additional criteria were used, such as focusing on businesses within the priority sectors defined in local economic strategies, however this approach was rare.

Quality of Delivery

Overall Scheme and Focus

Feedback was almost universally positive among consultees, with particular appreciation for the focus on solving the specific and tangible problems experienced by businesses. Many also remarked on the low unit cost per business supported. Consultees largely felt that the issues raised in the action learning sets contained a mix of both short term COVID issues and longer-term business challenges, and indeed that in many cases the two were often inextricably linked.

Action Learning Set Effectiveness

There was a strong consensus that attendees at the action learning sets brought forward real, tangible issues facing their businesses. Issues raised and discussed were felt to be broad enough in scope to allow all participants to contribute to the discussions. The consultations helped draw out a range of cases where businesses were at the early stages of making changes in their businesses.

Action Learning Set Facilitators

The quality of facilitation was commonly recognised as being a core factor in the effectiveness of the action learning sets. Across the delivery partner and SME consultees, the feedback on facilitators was almost unanimously positive.

Delivery partners reported few significant challenges in recruiting facilitators. Some Growth Hubs had started the tendering process for facilitators before the Playbook had been issued, and so were not able to draw on the guidance when selecting their contractor. However, delivery partners typically reported that they felt could appoint good quality suppliers.

Consultees identified the following as key qualities of a facilitator:

- having suitable business experience
- being organised, good at time management and keeping to topics
- the ability to ask open questions and to be an active listener
- bringing a calming, impartial and empathic approach
- effectively steering the conversation and bringing people into this

- using clear language and drawing similarities between different businesses.

To effectively manage and build trust within cohorts, several consultees highlighted the importance of the ground rules set out by facilitators such as mutual respect to allow for trusting relationships to be built, and effective support to be provided.

Composition of Cohorts

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. This appears to have been carefully considered in all areas and as a result rarely arose as an issue.

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. Each approach was seen as having benefits, with some consultees citing that having businesses facing very similar challenges was useful for the discussions, while others noted that having a diversity of viewpoints was very helpful to gain different perspectives, and that businesses from a single sector could be less likely to generate new ideas. Positive feedback across the range of cohorts suggests there is no single most effective way to compose cohorts. Facilitators consulted did not note any significant differences between those who were new to business support, or those that had previously received it.

Regarding size of cohorts, most respondents felt that 11 businesses was too many for a cohort, at least when delivered online, with the larger number of participants giving each individual less time to input and to have their own issues discussed. Typically, consultees suggested between six and nine participants was optimal.

Length and Frequency of Action Learning Set Sessions

The original expectation of the programme was that it would run over at least a three-month period for each cohort, including sessions of two to three hours each, typically spaced two weeks apart. In practice, due to tight delivery timescales, some cohorts had to meet more frequently than this, while others managed to keep to this timescale.

Feedback from both facilitator and SME consultees indicates that they felt a two-week gap between sessions should be considered a minimum and some felt that extending this to three- or four-week gaps could be even more valuable, as it would allow more time for actions to be taken before the next session.

With respect to length of session, most felt that two to three hours was about right. Some noted that after three hours, some participants were notably tiring, which was felt to be exacerbated by the virtual format, while others felt that two hours might not be long enough to gain the depth of discussion that yielded greatest value. Some noted that were sessions to be delivered in person, a longer session would be necessary to justify the travel time involved.

One to One Support

Although sitting slightly apart from the main action learning set delivery, the one-to-one support for businesses (of at least 3.5 hours) was intended to be an integral part of the overall support package, complementing the action learning set sessions by providing additional time with a business support advisor to help businesses to implement and manage change. This support was typically offered in one of two ways, either on an ongoing basis, held between action learning set sessions, or following completion of all action learning set sessions.

Where it worked best, participants reported the one-to-one support allowed them a space to have a deeper discussion about their particular business challenges and in some cases discuss issues that they may not have felt fully comfortable sharing in the full group. In many cases this was undertaken with the session facilitator, enabling a smooth continuation from the group discussion.

The one-to-one sessions typically worked less well where they were left until after the action learning set sessions, and/or undertaken by somebody without knowledge of the discussions in the action learning set.

Effect of Online Delivery

Ongoing COVID restrictions led to a programme delivered entirely online. One of the key concerns with the transition to online delivery was the extent to which virtual delivery would enable the same degree of trust and relationship building between participants. Some participants noted it was harder to read the room when they were speaking; others noted that the nature of online delivery meant less time for informal networking before and after the sessions.

However, the overriding message from consultees was that the virtual setting had not inhibited people from sharing challenges and indeed a number of consultees suggested some participants had felt more comfortable sharing. Furthermore, relationships had been built between participants with many arranging follow up bilateral chats with one another, connecting via LinkedIn, setting up groups through platforms such as WhatsApp, and some cohorts making arrangements to continue to meet.

Online delivery removed the geographic dimension in other ways: some consultees noted that if the programme was being delivered face-to-face, it is likely that proximity to one another would have been a much bigger factor in constructing cohorts, which might have limited exposure to a broader mix of businesses; it similarly opened up the field for facilitators from across the country.

Management, Monitoring and Reporting

National Level Management and Governance

Initial scheme development was led by BEIS, with the detailed programme design, led by the Growth Company. Operationally the programme was developed and managed by a combination of BEIS and the national delivery partner Growth Company.

National-Local Management and Communication

An approach to monthly briefing and feedback sessions between the Growth Company / BEIS and each of the ten clusters of Growth Hubs was felt to have improved miscommunication amongst the 38 LEPs, although some consultees felt it an unnecessary layer in the management structure.

Later, the Growth Company delivered a number of whole network briefing sessions, inviting representatives from all growth hubs, which allowed a direct communication channel. This was well received and would have helped if implemented sooner.

Several consultees also raised a desire to have more opportunities for sharing knowledge and good practice between LEP areas, and several flagged they would be keen to see a forum or other mechanism established to enable this.

Local Level Management

The choice of delivery approach was left down to each LEP area, with a small number opting to deliver the programme in-house, and others split between commissioning out all aspects of delivery or just commissioning out the action learning set facilitation. Consultees highlighted close communication through team meetings and regular feedback from facilitators was key to successful delivery.

Some local partners cited cashflow challenges for local contractors appointed by the scheme, as the LEP / Growth Hub was only paid on completion of cohorts.

Many consultees felt that monitoring and reporting requirements were provided too late and were not sufficiently clear, and were too onerous.

7. Conclusions and Lessons Learnt

The final evaluation provides conclusions in relation to the five high level evaluation questions, as well as the lessons which have been learn for future business support aimed at improving SME resilience and productivity.

This section is therefore broken down under the five high level question (HLQ) headings, with lessons integrated within the relevant sections.

HLQ 1: How effective is the Networks Programme in recruiting businesses and ensuring they complete the programme?
Marketing

The window for marketing and recruitment of participants was narrow from the outset. The programme fell short of its target to recruit 6,000 businesses; however, with a lower than expected drop-out rate, the 3,769 businesses completing the programme represents 88% of the original completions target of 4,200 businesses.

In most areas, local marketing was the most effective channel for recruiting participants. Over half of Peer Networks businesses signed up following a direct invitation from their local Growth Hub or LEP. National promotional activity was not a major source of participants for the programme. However national marketing was well-received by stakeholder who believed his aspect added a cohesive branding to the programme.

Less progress than expected may have been made in reaching out to first time users of business support. The heavy reliance on registering businesses through direct LEP and Growth Hub contacts has meant that more participating businesses than originally anticipated had previously received business support before joining Peer Networks.

> **Lesson Learnt**
>
> 1) Comprehensive and well thought through marketing plans are important for local areas promoting programmes like Peer Networks to their business base, especially in terms of encouraging take-up by more businesses that have not previously used business support and to under-represented demographic groups.
>
> 2) Case studies, testimonials and videos should be developed nationally to help local areas widen the reach of programme marketing.

Views on the Programme and Brand

The national branding was well received by local stakeholders and most local areas used it to enhance their local marketing of the Peer Networks.

Delivery partners and facilitators mostly felt that the programme offer was distinctive. That said, the one-to-one support element does overlap with other services already offered by many Growth Hubs, however this was not seen as a concern where it was integrated within the overall Peer Networks programme.

Delivery partners particularly welcomed the more free-form nature of the programme. The absence of prescriptive content and outcome targets made the scheme more attractive to delivery partners and enabled the programme to focus very directly on the immediate needs of participating businesses. Peer Networks is particularly attractive to SMEs for the opportunities it presented to learn from other business leaders. Participation was also partly driven by the opportunity to combat the loneliness of being a business owner and to share challenges with others in a similar position.

Eligibility and On-Boarding

The core eligibility criteria set out in the Playbook were closely followed by local areas, and where these were disputed, 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. In practice, the monitoring data suggests that only around 18% of supported businesses had fewer than five employees.

> **Lesson Learnt**
>
> 3) Where using eligibility criteria to help select participants, it is important to be clear about the underpinning rationale for these (including as part of the theory of change) and how these 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.

Completions and Drop-outs

The drop-out rate from the Peer Networks was approximately 16%. This is lower than the 30% rate originally built into programme design. Dropouts were primarily related to businesses not having fully understood the programme or the urgent need to respond to

business or personal matters (often COVID-related). The online delivery of the networks has improved accessibility of the programme and probably helped reduce the drop-out rate.

Although the drop-out rate (i.e., where participants chose to end their participation in the programme part way through delivery) was lower than expected, a large number of businesses did not attend all sessions or meet their minimum 18 hours of engagement. Although measures were put in place to make up for the missed hours, these businesses did not receive an equivalent level of action learning engagement. The tight delivery timescales may have contributed to non-attendance, but it is likely with a longer delivery period many businesses would have struggled to attend every session.

Lesson Learnt

4) 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. This could include the over programming of sessions for example, enabling the businesses to make up any missed sessions

HLQ 2: Is the Networks programme successfully delivering high quality business support?
Programme Design

Peer Networks is an evidence-based business support programme designed at a national level, but with local delivery that can be tailored to local business needs. This approach is very well supported by national and local delivery partners. This programme has struck a good balance between national design criteria, marketing and co-ordination on the one hand and local recruitment and delivery by Growth Hubs on the other.

The nationally developed Playbook, produced by the Growth Company in collaboration with BEIS and with input from Growth Hub cluster leads, has been a success. Nevertheless, some delivery partners said they would welcome more detail on certain aspects and others would appreciate content being streamlined.

Lesson Learnt

5) Feedback 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 and having a maximum duration of 2.5 hours for online sessions.

6) The ideal size for ALS held online appears to be around 8, although this may be slightly larger for face to face sessions. There may also be merit in experimenting with smaller cohort sizes for specialist sector/ themes.

Quality of Delivery

Participant satisfaction has been extremely high; post-session surveys secured an average rating of 4.5 out of 5 for overall satisfaction.

Similarly, in all LEP areas the quality of input from other businesses averaged 4.5 out of 5 on average, quality of facilitation was rated as 4.6 out of 5, and the relevance of sessions was rated as 4.3 out of 5. Furthermore, overall satisfaction grew session by session over the first four ALS sessions (data on subsequent sessions was not available at the time of the interim evaluation). Participants particularly valued the opportunity to share and discuss real issues and draw on advice and different perspectives to help respond to their business challenges.

There was significant variation among appointed facilitators in their prior experience of delivering online action learning. However, the high levels of satisfaction on facilitator performance across LEP areas suggests this has not led to lower quality provision.

The quality of one-to-one sessions was very positive with over 90% of participants stating they were satisfied with the content, length and usefulness of the sessions. However, some survey evidence suggests the sessions could have been more effective. In many cases, the one-to-one support had been left until after the ALS sessions were completed, but where it had been delivered as shorter sessions between ALS meetings, the one-to-one support appears to have provided a better opportunity for reflection and further focus on business challenges. The tight timescales for delivery made it more difficult to integrate these into the schedule between ALS sessions. 16% of respondents also indicated they had not undertaken the one-to-one support, and the post-completion survey also found that over a quarter of participants used the one-to-one support to explore topics that were not included in the ALS sessions, rather than take the opportunity to build on learning from the sessions.

Impact of Online Delivery on Effectiveness

In response to the COVID-19 lockdowns across England, the entire Year 1 programme for Peer Networks was delivered online. Across all stakeholder groups, the message has been fairly common; the virtual format has worked well in delivery terms, and although it has some downsides, it also has significant benefits too.

The most significant issue has been the impact on relationship building; 20% of respondents to the post-completion survey felt online delivery had negatively affected their ability to build relationships with other attendees, and when asked for

recommendations about how to improve the programme, around 13% suggested more face-to-face interaction would improve the experience.

Online delivery appears to have helped make the programme more accessible; 84% of post-completion survey respondents indicated that online delivery had impacted positively on their ability to attend sessions. Delivery partners and facilitators consulted also believed that online delivery had enabled the programme to engage a more geographically dispersed set of businesses.

Lesson Learnt

7) Although online delivery does not suit all businesses and there are clearly some downsides to this approach, it has also provided some significant advantages for businesses. 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.

8) Whilst facilitators lacked experience of virtual delivery of action learning activities, they responded well to the challenge of this change. There is merit in building these techniques into the training of future facilitators and considering ways of making the most of the functionality offered by the online technologies.

9) Although well received and highly rated by participants in the Peer Networks programme, the one-to-one support in some cases 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 are being used alongside ALS, it is 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. For Growth Hubs which already have a similar one-to-one offer, there may be merit in making this an optional element of the programme for first time users of business support, on condition that they then sign up to a further package of Growth Hub assistance.

Management and Governance

Governance of the programme at a national level involved a Programme Board, meeting monthly and including senior staff from BEIS and the Growth Company. Alongside this, day to day operational management has been driven by BEIS and Growth Company officers. Although not a key focus for the evaluation, these structures appear to have operated effectively.

Communication between national delivery partners and LEP/Growth Hubs has been a key element in this delivery model. There have been a number of iterations to communications, from cascading information through Growth Hub Cluster Leads, then moving to monthly meetings with each Growth Hub cluster group, to more recently implementing all-area briefing sessions. The initial approach appears to have led to some miscommunication or information being lost, but the latter two iterations have now become the settled approach and partners appear to find them effective.

Different local delivery models can be effective. A small number of LEP areas delivered their Peer Networks fully in-house, with some outsourcing all aspects of delivery, and others outsourcing just part of delivery. There is no clear correlation between these different delivery approaches and average satisfaction levels. Although the 'pay only on completion' approach created cashflow challenges for some appointed contractors.

The ease and speed of the onboarding process has been very positive, with over 90% of participants reporting positively on both aspects.

Monitoring has been a common concern. Many delivery partners felt that the guidance came too late, that the approach involved levels of duplication (between completion of the dashboard, weekly updates and the data template for the evaluators), and that the need for weekly reporting of key indicators was too onerous.

Lesson Learnt

10) In planning future programmes with localised delivery, it is important to establish a clear approach for communication and governance at the outset.

11) Likewise, in designing monitoring and reporting processes, BEIS should ensure systems and procedures do not create unnecessary burden on local partners and contractors.

12) Whilst some support for ongoing cluster engagement and sharing between local delivery partners was built into programme, need to ensure there is sufficient direction / resource to make this effective.

HLQ 3: How effective is the Peer Networks Programme at encouraging SMEs to consider new practices?
Topics Explored

The original Peer Networks design had intended to focus on longer-term growth and productivity goals for businesses and address the challenges constraining them, however COVID-19 led to the programme being refocused as a recovery response programme and an acceptance that the focus would shift to shorter-term challenges.

In practice, it appears that the action learning sessions and one-to-one support have in practice covered both shorter-term COVID-related challenges and longer-term growth and productivity questions. The most commonly covered topics were sales and marketing, leadership and management, business model innovation, HR, change management and finance.

Impact of Design on Effectiveness

The most important factor to get right in assembling cohorts appears to be the need to avoid placing direct competitors in the same ALS group. Thereafter, care should be taken to ensure a range of perspectives, but with enough common ground (in terms of markets/sector and stage of business) to enable mutually beneficial knowledge sharing.

The length and frequency of ALS sessions could impact on effectiveness of the scheme. When asked for recommendations to improve the programme, the most common response from businesses was shorter and less frequent sessions, delivered over a longer time period. The programme needs to ensure sufficient time between sessions to allow participants to absorb the insights from the ALS cohorts and consider how they could apply that learning within their own businesses.

HLQ 4 and 5: What early changes are businesses making after participating in the programme and what factors have influenced this?

Legacy of Network Relationships

The programme appears to have helped businesses to establish trusting relationships between cohort members that will help business leaders. When asked if they have kept in touch with businesses they met through the programme, 63% say that they have. There was a statistically significant difference between businesses having received support in addition to Peer Networks in the last year (66%) and businesses having not received any other support (58%).

The participating businesses have also been active in networking with businesses outside the programme, with 73% saying that they have done so in the six-month survey. Businesses in professional services were more likely to do so (83%) whereas businesses in trade, transport & hospitality were less likely (62%). The difference was statistically significant. However, of those networking with businesses outside the programme, only slightly more than a fifth (22%) suggested that they would not have done so if they hadn't participated in the Peer Networks programme.

Lesson Learnt

13) There may be merit in providing further support for ongoing ALS cohort engagement for those businesses that wish to continue meeting after the funded support through, for example, an online forum, 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 for Peer Networks, given its local approach to delivery.

Changes in Attitudes and Aspirations

Through comparing the attitudes of Peer Networks participants across three time-points, evidence of positive attitudinal change was found. At both baseline and the six month survey, the vast majority (97%) of participants expected to grow their turnover. This compares to a slightly lower level of aspiration among businesses in the comparison group (83%; n=679). The difference is statistically significant. This finding does imply that businesses in the comparison group may not be as motivated to grow as those in the treatment group, but given this has only been captured for one timepoint it is not possible to know if the participants' maintained aspirations are related to their participation in the Peer Networks programme and would otherwise have declined.

The proportion of respondents rating their ability to grow their business as strong or very strong, rose to 80% at the end of the Post Completion survey, from a baseline figure of 61%. respondents. The difference is statistically significant.

The caveat to this finding is the change in attitudes has also coincided with external factors such as EU exit and the Covid-19 pandemic which may have influenced attitudes and confidence. At baseline, attitudes were captured as part of onboarding between September 2020 and March 2021 and may therefore have been provided during a period of uncertainty about restrictions and future recovery.

Businesses have also become increasingly positive about their abilities over the course of the Peer Networks experience. When asked about their skills to manage employees, to lead their business, to overcome obstacles to growth and/or ability to adapt to change, there was a statistically significant increase in how participants rated themselves between the onboarding process, the post-completion survey and the six-month survey.

When examining responses for the sub-sample of businesses that provided a response both at baseline and in the six month impact survey, an attitudinal shift can also be observed within responses from individual businesses, with the net effect showing a larger proportion moving towards the agreement category for all statements, indicating a greater confidence.

Extent to Which Businesses Made Planned Changes

A high proportion of participants responding to the six month impact survey had made changes to their business in the past six-months (89%). The most common areas where businesses made changes were HR, recruitment and retention of staff, sales and marketing and leadership and management

A significantly higher proportion of businesses in the primary, manufacturing, construction, and utility industries had made changes to their approaches in response to net zero targets and to their approaches in response to EU exit. This reflects expectations that businesses from these sectors are more heavily impacted by these agendas. Those that had also accessed additional forms of help or advice over the past year were significantly more likely to report changes in all areas except for EU exit transition and approaches to net zero.

The businesses in the comparison group were slightly less likely to have made changes in the past six-months (79%). The analysis of the matched samples suggests that on average, those who attended Peer Networks made one more change than those who did not attend the programme. This finding is statistically significant, but an influence was also found for other forms of advice and support accessed. Both the Peer Network and comparison group businesses that had accessed additional help or advice over the past year, had on average made one more change compared to those who hadn't.

Extent to Which Changes Have and are Expected to Impact on Business Performance

When compared to normal expectations for this time of year, over half of participants in the Peer Networks programme (53%) suggested that their turnover had increased, compared to a little over a third (37%) in the comparison group. Similarly, those supported through Peer Networks were less likely to report a decrease in turnover (25% compared to 33% in the comparison group). The difference with the treatment group is statistically significant. Regression modelling carried out for the matched samples confirms the significance of the difference between these two groups.

When asked unprompted what drove turnover changes, most cited the pandemic, with few in the treatment group citing the influence of support at this time. When asked prompted a majority of these businesses recognised that the pandemic had impacted their turnover (88% for the treatment group and 93% for the comparison group. There was no trend with respect to size, sector, business age or additional support received.

Turnover in 2019, 2020 and 2021 were captured for the Peer Networks treatment group and the comparison group and explored. Data showed a number of fluctuations, in part due to the Covid-19 pandemic, whereby some businesses saw a high level of growth or decline.

The survey also asked about changes in the resilience of businesses. More than half of Peer Network participants that responded to the six-month survey (59%) said that they were running at least a low risk of insolvency. A slightly smaller proportion of business in the comparison group (53%) recognised at least a low risk of insolvency. Younger businesses tended to face higher levels of insolvency (a finding which was statistically significant).

A quarter of businesses (25%) indicated that their risk of insolvency has decreased in the last three months, which compares to just 12% of businesses in the comparison group. The regression modelling controlling for other factors suggests that this difference is not statistically significant.

Likelihood of Seeking Further Support

The Peer Network participants are likely to continue to seek and access business support. Just under three quarters of treatment businesses (71%) are likely or very likely to seek free business support over the next year and under half (42%) are likely or very likely to seek paid for help and advice. Of these, the vast majority (72%) stated that the Peer Networks support influenced their likelihood of pursuing further business support in the next year. The main factors which have influenced these businesses is an increased awareness of the value of business support (49%) and a greater appreciation of the value of networking (26%).

Based on earlier reported findings, accessing additional advice and help does influence businesses propensity to plan and make changes both immediately and in the future. Furthermore, the Post Completion survey identifies that only 8% of beneficiaries would have sought paid support had it not been for Peer Networks.

Lesson Learnt

14) Peer Networks encouraged businesses to seek future support beyond what they may have done otherwise. Providing signposting towards the end of planned support can help these businesses to search for and secure this additional assistance more effectively.

Other Evaluation Considerations

Some of the specific evaluation questions under HLQ 4 and 5 are challenging to answer at this stage due to the timing of this evaluation in relation to the time elapsed post completion, or limitations of the available data. The key points are summarised below:

- **Extent to which the support has contributed to the survival of the participants' SMEs at the six month stage?** The analysis above indicates the extent to which participants have become more or less resilient and the

contribution of Peer Networks participation to this. Less is known about the role of participation in improving survival as it is not picked up in programme monitoring data and it is too soon to pick this up through administrative datasets. However, the six-month survey did ask if businesses were planning on closing in the future. The incidence rate was only 0.4% amongst the participants and 2% amongst the comparison group. The qualitative research indicates that the reason for closure is the owners age/wanting to retire.

- **What can we learn at this stage about GVA impacts, the costs and benefits associated with the programme and the value for money?** Given the caveats related to the business turnover and productivity impact evidence and the attribution to programme participation, it is too early to assess the likely value for money of the programme at this stage. Consequently, the business benefits of these changes amongst the participants will not materialise until some point in the future. In addition, the disruptive economic climate means that there is a lot of noise in turnover data – the survey evidence suggest the pandemic appears to be responsible for both increases and decreases compared to similar time periods in previous years.

Conclusion

The evaluation evidence suggests that the Peer Network participants have made comparatively more business changes or plan to, are a little more resilient and better performing in terms of measures of growth, and appear to be slightly better orientated to future growth. **Whilst both counterfactual and self-reported perceptions from the surveys suggest that participation in the programme has played some part in this, it appears to be a relatively small part. This positive outcome is also influenced by the extent to which these participants accessed other forms of businesses support, with this particular sub-set of businesses relatively more orientated to growth than the average.**

It would be ideal to undertake further counterfactual impact analysis using administrative data over a longer time period post support in due course. This should be able to provide a clearer picture of the longer-term impacts of the programme in terms of business level survival, productivity and GVA. A key consideration here is that the six-month survey suggests a key difference between the treatment and comparison groups is the greater extent to which participants are planning further business (rather than changes made to date. Further, where changes have been implemented within the last six-month, they may not yet have reached a level of maturity for businesses to have realised the associated impact.

Appendix A – Evaluation Questions

A.1   The evaluation questions for this work are set out below, comprising five high level questions (HLQs), with a series of sub-questions included below each.

HLQ 1: How effective is the Networks Programme in recruiting businesses and ensuring they complete the programme?

- How successful has the programme been in recruiting the target number of businesses? Has this varied by LEP area, and if so, why?

- What are the most effective ways to drive awareness of the scheme and recruit participants? And does this differ by size, sector, region etc?

- Has the scheme effectively ensured a consistent marketing approach nationally, and has this helped to establish a Peer Networks brand?

- Do SMEs find the branding and marketing strategy relevant, clear and relatable (e.g. not using the word productivity)? If yes/no, why?

- Do participants see the programme as a unique offer (e.g. they aren't part of or aware of a network that provides the same offer/benefits?

- Do SMEs in the target group have an equal chance of applying for the support (e.g. are there any unique barriers to particular sectors/sizes of businesses applying?)

- Did the project engage with and select the target beneficiaries? Were the right procedures and criteria in place to ensure effective targeting?

- Are LEPs recruiting a mixture of known and unknown SMEs? If yes/no, how?

- Are the same participants attending all sessions? If not, why not?

- Are businesses completing the programme? If not, why not?

- Is there an impact of COVID-19 on recruitment and compliance with the intervention?

- Are there any other factors which predict non-attendance / non-compliance?

- Does the online nature of the programme affect compliance / attendance / participation / engagement with the programme?

HLQ 2: Is the Networks programme successfully delivering high quality business support?

- Was the programme well managed? Were the right governance and management structures in place and did they operate in the way they were expected to?

- Is virtual delivery perceived to be an effective method of delivering this support?

- What are the different impacts of different modes of delivery (face-to-face / virtual)?

- Do businesses have the right technology to take part?

- Has the programme delivered its intended activities to a high standard?

- How are project activities perceived by stakeholders and beneficiaries? What are their perceptions of the quality of activities / delivery?

- How does the programme vary across cohorts / delivery / personnel / regions? What are the driving factors behind differences? What can we learn from the variation in what is delivered?

- Is regional delivery through LEPs an effective way of delivering this support?

- Has the programme been sufficient in building up trust to initiate intensive knowledge transfer?

- What are the most important / effective behaviours of the Action Learning Set (ALS) facilitator?

- Are the facilitators able to manage the ALS effectively? (e.g. time, topic, coaching)

- Could the delivery of the programme have been improved in any way?

HLQ 3: How effective is the Networks Programme at encouraging SMEs to adopt new practices?
Is the curriculum flexible and relevant for all cohorts?

- Do SMEs think the ALS sessions are being delivered effectively? If yes/no, why? (e.g. is it the facilitators, lack of trust?)

- Do SME's think that the intensity of support received (ie 18 hours of network sessions plus a minimum of 3.5 hours one-to-one support) is sufficient to enable them to gain sufficient learning that they can apply to improve their business?

- What type of issues are SMEs bringing to the ALS sessions? And do these differ e.g. by location/type of business/size etc?

- Do SMEs think the 1:1 support is delivered effectively? If yes/no, why?

- Is the 1:1 support building on and complementing the ALS sessions? If yes, how, and if no, why not?

- Are SME managers bringing relevant and real issues to the ALS? If not, what are the issues they are raising?

- What aspects of the programme are viewed as being most effective by LEPs, participants and facilitators? (e.g. networks, coaching, ALS sessions)

- Do all aspects of the programme suit being delivered remotely? If not, why not?

- Is the make-up of the cohorts effective? If yes, what makes it effective or not (e.g. mixture of experience, non-competitors)?

HLQ 4: What early changes are businesses making after participating in the programme?

- What are the changes in behaviours, skills, confidence levels and actions of SME manager participants following completion of the programme?

- Are SMEs making changes in their business after the ALS? If yes, what types of changes and how long after the support are these changes being initiated?

- At a six month stage after completion of support, do the participants' SME's exhibit enhanced resilience or changes to their business approaches around leadership and management, staff recruitment and retention, finance or technology adoption? If not, what changes are they making?

- To what extent has the support contributed to the survival of the participants' SMEs at the six month stage after completion of support?

- What can we learn at this stage about the costs and benefits associated with the course and the value for money (VFM), on the basis of testing economic assumptions set out in the programme business case?

- How confident can we be that the programme will lead to GVA improvements?7

- Do networks continue after the programme ends (i.e. are they self-sustaining)? If yes/no, why and how?

- Were there any negative and/or unintended consequences of the programme?

HLQ 5: What factors influence how and what changes businesses are making after the complete the programme?

- To what extent are the main motivations for businesses entering the programme driven by short term COVID response business needs, vs longer term growth / productivity aspirations?

- What is the optimal frequency of the sessions?

- Do participants who have taken up business support previously behave differently compared to those who haven't?

- Do participants stay in the business for a long enough time to have the desired changes?

- Are participants taking up any other business support schemes (e.g. European Regional Development Fund (ERDF) schemes)? If yes, how does this influence the impact evaluation?

- What share of participants would have gone to other business management development but chose this one because it's free?

- To what extent do wider contextual factors e.g. COVID-19 or other economic conditions affect what changes businesses are making after they complete the programme?

Appendix B – List of separate technical appendices

A.2   Appendix C - Baseline survey Approach & Analysis

A.3   Appendix D - Satisfaction surveys – Approach and Analysis

A.4   Appendix E - Post-completion and six month survey Approach and Analysis

A.5   Appendix F - Drop-out survey Methodology

A.6   Appendix G - Qualitative Consultation Approach

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