

Institution: Lancaster University		
Unit of Assessment: 17, Business and Management Studies		
Title of case study: Designing and delivering Growth Hubs: supporting small businesses, creating and safeguarding jobs and driving economic growth across England.		
Period when the underpinning research was undertaken: 2005-2019		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s):	Role(s) (e.g. job title):	Period(s) employed by submitting HEI:
Ellie Hamilton	Professor	1997-present
Sarah Jack	Professor	2005-present
Jason Cope	Lecturer	2001-2008
Ian Gordon	Senior Teaching Fellow	2010-2017
Rhiannon Pugh	Research Associate	2014-2015
Olufunmilola (Lola) Dada	Senior Lecturer	2009-present
Magnus George	Professor	2002-present
Danny Soetanto	Senior Lecturer	2009-present
Period when the claimed impact occurred: 2014-2020		
Is this case study continued from a case study submitted in 2014? No		
1. Summary of the impact		
<p>The Wave 2 Growth Hub (W2GH) Programme provided a blueprint for the UK Government to establish 38 Growth Hubs, which have supported >4.7 million small businesses across England. Lancaster University Management School's (LUMS) strong record of research in entrepreneurship and small business growth led to a GBP32 million award from the UK Government's Regional Growth Fund (RGF) to create Growth Hubs in 15 UK city regions. Between September 2013 and March 2017, researchers in LUMS drew substantially on their body of research to inform the design and development of the W2GH Programme. The reach of this work extended to 5,790 businesses, creating 4,108 jobs and safeguarding a further 1,442 jobs; additionally, it secured matched investment of GBP75.3 million from the private sector.</p>		
2. Underpinning research		
Background		
<p>In its drive to re-balance a London-centric economy, the UK Government developed policy initiatives to support devolution of responsibility for local growth, job creation and infrastructure investment to the regions. In June 2013, the Cabinet Office approached research lead Hamilton to develop a GBP32 million bid to support this wider growth agenda in city regions across England. The W2GH Programme was designed and delivered, between September 2013 and March 2017, in collaboration with the Cabinet Office, the Department for Business, Innovation and Skills (BIS), British Chambers of Commerce, BIS Local and the Department for Communities and Local Government.</p>		
Leading Enterprise and Development (LEAD) Programme		
<p>In 2003, the Northwest Regional Development Agency, as part of its Alliance for Skills and Productivity, recognised a deficit in small business leadership and management skills and funded the internationally renowned research team at LUMS led by Hamilton, to design and pilot a programme to drive small business growth in the region. LEAD, first delivered in 2004, was a 10-month leadership and management programme for small business owner-managers. LEAD was informed by research insights related to the importance of reflective and experiential learning in developing owner managers' leadership skills [R1, R3] and the relevance of networks and social interaction for business development and growth [R2, R3] ([R2] utilised insights developed by Jack partly at the University of Aberdeen). LEAD evolved over a decade, shaped by the changing needs of business owners and reinforced by ongoing research developing theoretical insights about entrepreneurship and the regional economy [R4]. A dynamic iterative dialogue between researchers and small</p>		

business owners underpinned the sustained development of LEAD [R3] and subsequent programmes based on the insights gained because of this dialogue [R4].

Wave 2 Growth Hub (W2GH) Programme

W2GH drew on Cope's work on entrepreneurial learning [R1] and Jack's work highlighting the importance of identifying strong social network ties to support business development [R2]. It was also informed by understanding generated through LEAD that reflection is a vital component of entrepreneurial learning and that this dynamic process can be fostered by and supported in strong regional networks supporting regional growth [R1, R3, R4, R5]. Using insights from this body of work, the research team (Hamilton, Jack, Cope, Gordon, Dada, George and Soetanto) designed and delivered the W2GH Programme. In stepping into the sphere of regional economic governance, working with Government and developing complex regional networks to deliver a policy initiative that would significantly impact small business growth and economic development and show the central role of learning in developing entrepreneurial ecosystems [R6]. This initiative and work was unprecedented. Research insights showed how a university could instigate networks high in trust and that support learning through peer-to-peer activities driving small business growth and regional economic development [R3, R4, R6]. Meanwhile, these research insights informed and extended small business engagement led by George and Gordon within regional networks [R5], driving new research questions. The body of work built an understanding of how universities enhance regional and national economic growth [R4] and different models for how this might be achieved [R5, R6]. In their research on local entrepreneurial eco-system development, published in 2019, Pugh, Soetanto, Jack and Hamilton identified and developed an "integrated learning model" for delivering impactful programmes to small businesses [R6] at the regional and national levels [R4].

3. References to the research

- [R1] **Cope, J.** (2005). Toward a dynamic learning perspective of entrepreneurship. *Entrepreneurship Theory and Practice*, 29(4), 373-397 <https://doi.org/10.1111/j.1540-6520.2005.00090.x> (1,450 citations Google Scholar)
- [R2] **Jack, S. L.** (2005). The role, use and activation of strong and weak network ties: A qualitative analysis. *Journal of Management Studies*, 42(6), 1233-1259 <https://doi.org/10.1111/j.1467-6486.2005.00540.x> (874 citations Google Scholar)
- [R3] **Gordon, I., Hamilton, E., & Jack, S.** (2012). A study of a university-led entrepreneurship education programme for small business owner/managers. *Entrepreneurship & Regional Development*, 24(9-10), 767-805 <https://doi.org/10.1080/08985626.2011.566377> (94 citations Google Scholar)
- [R4] Pugh, R., Lamine, W., **Jack, S., & Hamilton, E.** (2018). The entrepreneurial university and the region: what role for entrepreneurship departments? *European Planning Studies*, 26(9), 1835-1855 <https://doi.org/10.1080/09654313.2018.1447551> (35 citations Google Scholar)
- [R5] **Dada, O., Jack, S., & George, M.** (2016). University–business engagement franchising and geographic distance: A case study of a business leadership programme. *Regional Studies*, 50(7), 1217-1231 <https://doi.org/10.1080/00343404.2014.995614>
- [R6] Pugh, R., **Soetanto, D., Jack, S. L., & Hamilton, E.** (2019). Developing local entrepreneurial ecosystems through integrated learning initiatives: the Lancaster case. *Small Business Economics*, 1-15 <https://doi.org/10.1007/s11187-019-00271-5>. (Altmetric score: 13)

4. Details of the Impact

W2GH impact on regional and local economic development

In March 2019, figures audited for the Department for Business, Energy and Industrial Strategy [S1] confirmed that:

- 4,108 private sector jobs had been created;
- 1,442 jobs had been safeguarded;
- 5,790 businesses had been supported;

- >67,000 SMEs had engaged with local Growth Hubs;
- GBP75.3 million of investment from the private sector had been secured, surpassing the mandated target of GBP2 million private-to-public-sector investment.

The Head of National Programmes for the Regional Growth Directorate acknowledged this outstanding achievement, stating that Lancaster not only achieved its challenging objectives but also exceeded the brief, delivering an exceptional programme *“that sets the standards for others to attain and furthermore delivers a knowledge base that will support and inform for years to come”* [S2]. Growth Hubs now operate across England, and the processes, tools and knowledge exchange established in the W2GH Programme continue to support economic growth [S3].

The research team’s findings showed university engagement instigates networks high in trust, which support reflective learning [R3]. Informed by these insights, the W2GH Programme brought together local partners through workshops, showcase events and knowledge-sharing initiatives, ultimately driving small business growth and regional economic development [S4].

The impact of the Growth Hubs from the point of view of regional small business was unambiguously beneficial. Feedback from small business owners included; the Managing Director of Kamm Design, who said that support received from the Growth Hub, *“will now enable us to further develop a ground breaking product and put the area on the map as a provider of excellence in this sector”* [S4(a)], and the Director of Gilca Ltd, who said that the support from their local Growth Hub allowed them to *“access new markets, consolidate the markets we’ve got, and take on new employees”* [S4(b)].

The research-informed [R1, R2, R3] design and management of the programme also enhanced the effectiveness of the Growth Hub network, as stated by the Programme Manager of the Dorset Growth Hub who said, *“The most important thing about working with Lancaster is the network. It helps us to benchmark where we are in terms of the setup and delivery, and it helps us to share best practice”* [S4(b)]. The way the theory-driven programme design [R4, R5] shaped the success of the Growth Hubs was exemplified by the Chief Executive of the Wessex Chambers of Commerce who said, *“we’ve now got one place where businesses can access all the support they need, which should make a big difference towards helping our business community”* [S4(a)].

Impact on government policy and expansion of the Growth Hub model

In November 2014, the House of Commons Select Committee invited the research team to give evidence to inform policy on government support for business. The submission proposed, *“there should be limited change in the infrastructure for business support in the next five years”* and argued such infrastructure should be *“based on an efficient and effective network of Growth Hubs across England”* [S5].

One month later, in reference to the enduring impact of the research-led design and delivery of the W2GH Programme as a model for delivery of economic policy outlined in the 2013 Budget, a former Deputy Prime Minister said, *“The Local Enterprise Partnerships are designed to bring back some of the local entrepreneurial wealth creating preoccupation...I would put my money on the men and women who actually spend their lives and are wholly committed to the success of that local economy... what this university is helping the government to do, which is the creation of growth hubs”* [S6].

In the Autumn Statement 2015, the Department for Business, Energy & Industrial Strategy (BEIS, formerly BIS) secured a further GBP24 million to build Growth Hubs in every Local Enterprise Partnership (LEP) area. BEIS committed a further GBP14 million of funding to LEPs through Growth Deals between 2015 and 2016 to establish Growth Hubs throughout England [S7]. The W2GH Programme was included in the 2015 BIS Best Practice Policy Case Studies in the Open Policy Making category [S8].

In May 2016, the Minister of State for Small Business, Industry and Enterprise announced that the planned Growth Hub network was complete, with 39 Growth Hubs operating across England and supporting 4.7 million businesses. She stated, “*Growth Hubs have already helped thousands of businesses and, with the full network up and running, every registered business in England can access the expertise they need to succeed. They will help entrepreneurs boost their business and create more jobs for people in the local area*” [S9]. In the 2017 Industrial Strategy, the government announced its intention to ensure all businesses in every region would continue to have access to a Growth Hub as part of its approach to increase the diffusion of best practices [S10]. Connecting this policy with LUMS research, the Assistant Director of the Growth Hub Division of BEIS confirmed that the W2GH Programme provided the model for building locally embedded business support in every region of England [S3].

Since 2018, following the expansion of the network (and the merger of 2 LEPs in 2017, creating a single Growth Hub for that area), the now 38 Growth Hubs engaged with 2.55 million businesses; delivered >226,154 business interventions; attracted >1.95 million visitors to websites; supported 11,245 individuals in starting a business. It also brokered 6,494 businesses into mentoring programmes, 13,764 businesses towards sources of funding, 11,293 businesses into skills/management programmes, and 3,621 businesses into innovation/R&D programmes [S3]. This expansion was directly informed by original research in entrepreneurial eco-system development by Pugh, Soetanto, Jack and Hamilton [R6], which developed an ‘integrated learning model’ for delivering impactful programmes to small businesses. This research built an understanding of how universities enhance regional and national economic growth, and that understanding was translated into the latest phase of the Growth Hub rollout. With W2GH and the subsequent expansion, the legacy of the impact of this research is embedded in each interaction that a local business in England has had with a Growth Hub since September 2013.

W2GH Programme International Awards for Impact

2015 Academy of Management Practice Research Centre award, runner-up for outstanding impact of the programme on society and the economy.

2016 Association to Advance Collegiate Schools of Business (AACSB), selected in the Innovations That Inspire initiative.

2018 European Foundation for Management Development (EFMD) Excellence in Practice Silver Award in the special category “Ecosystem Development”.

5. Sources to corroborate the impact

[S1] [Interim](#) (2016) and final (2019) reports on W2GH programme.

[S2] Testimonial from Head of National Programmes for the Regional Growth Directorate, 2015.

[S3] Testimonial from Assistant Director of Business Readiness and Growth Hubs, Department for Business, Energy and Industrial Strategy, 2019 and 2020.

[S4] Showcase and knowledge-sharing initiatives: a) [Wave 2 Showcase Brochure](#), 2015, p.31, 32, b) YouTube clips from showcase and knowledge exchange sessions, 2014: [Black Country and Coventry & Warwickshire Growth Hubs](#) (3:31) and [Dorset Growth Hub](#) (5:14).

[S5] [Evidence](#) provided to the [BIS Commons Select Committee](#) by Strategic Director, W2GH Programme, 2014.

[S6] Keynote by the former Deputy Prime Minister, 2014.

[S7] [Presentation](#) by a Senior Policy Manager from the UK Government’s Cities and Local Growth Unit, 2017.

[S8] BIS Best Practice Policy Case Studies, Department for Business, Innovation and Skills, 2015.

[S9] [Government Announcement](#) made by the Minister of State for Small Business, Industry and Enterprise, 2016

[S10] Government Endorsement of Growth Hubs in the [Industrial Strategy](#), 2017, p. 182.