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Review of Welsh Government Entrepreneurial Support Services Enterprise Hubs

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Glossary

CECAS	Centre of Excellence for Climate Action and Sustainability
CIC	Community Interest Company
DWP	Department for Work and Pensions
ERDF	European Regional Development Fund
EYST	Ethnic Youth Support Team
FEI	Further Education Institution
FSB	Federation of Small Businesses
GEM	Global Entrepreneurship Monitor
HEI	Higher Education Institution
ICE	Innovation Centre for Enterprise
KPI	Key Performance Indicators
MIT	Massachusetts Institute of Technology
SFBE	Superfast Broadband Exploitation
SME	Small and Medium Enterprises
TEA	Total Early-Stage Entrepreneurship
WEFO	Welsh European Funding Office

Executive Summary

Introduction

The Welsh Government funds five Business Wales Enterprise Hubs to deliver a programme of entrepreneurial support services to aspiring entrepreneurs and early-stage businesses on a regional basis. The first Enterprise Hub was established via the Business Wales service in Wrexham as a pilot in 2017 and the other four were established in September 2018 following a competitive tendering process. All five Enterprise Hubs are funded until September 2022. Three of the five Enterprise Hubs were awarded Welsh Government and European Regional Development Fund (ERDF) whilst two receive Welsh Government funds only. The five hubs are:

- Anglesey Enterprise Hub delivered by Menter Môn at M-Sparc, Gaerwen as well as six satellite locations and other pop-up locations across north Wales¹
- Carmarthen Enterprise Hub delivered by Business in Focus at Yr Egin, located on the outskirts of Carmarthen town² and more recently via two satellite locations at Shared Spaces located in Carmarthen and Haverfordwest town centres
- Newtown Enterprise Hub delivered by Business in Focus at the Pryce Jones building in Newtown³
- Caerphilly Enterprise Hub delivered by the Welsh Innovation Centre for Enterprise (ICE) at Britannia House on Caerphilly Business Park⁴
- Wrexham Enterprise Hub managed by Town Square Spaces on behalf of Business in Focus as part of their Business Wales contract in Wrexham city centre⁵.

Aims and objectives of review

OB3 Research, in collaboration with RC² (Robert Chapman & Company Ltd) were appointed by Welsh Government to undertake a review of the Business Wales Enterprise Hubs.

The aim of the review was to consider the role of the Enterprise Hubs in meeting the emerging needs of entrepreneurs and early-stage businesses to help inform future provision. It was expected that the review would:

- consider the impact of the Enterprise Hubs including identifying areas of strength and opportunities

¹ [Homepage — Enterprise Hub \(hwbmenter.cymru\)](http://hwbmenter.cymru)

² [Carmarthen Hub \(focusenterprisehubs.wales\)](http://focusenterprisehubs.wales)

³ [Newtown Hub \(focusenterprisehubs.wales\)](http://focusenterprisehubs.wales)

⁴ [Innovation Centre for Startups in South Wales | Welsh ICE](http://www.welshice.co.uk)

⁵ [Wrexham Enterprise Hub | Business Wales \(gov.wales\)](http://gov.wales)



- identify any impact on the confidence and wellbeing of entrepreneurs, by protected characteristics
- identify the emerging needs of entrepreneurs and early-stage businesses
- assess the impact of changing economic opportunities and digital developments on future entrepreneurs and early-stage businesses
- determine the ability of the Programme to support these emerging needs alongside private, third sector and other Government initiatives
- highlight those areas of emerging need not currently met by the Hubs model of delivery
- reassess the rationale for intervention and provide recommendations for how business support services could meet the priorities of the emerging economy and new Programme for Government 2021-2026.

Method

The review was undertaken between February and May 2022, and involved:

- an inception stage, which included an inception meeting with Welsh Government officials and refining the work programme
- a desk based review of recent policy and programme documents, as well as best practice and trends relating to enterprise hubs and shared workspaces
- drafting research instruments and a privacy notice
- distributing a web survey and receiving a total of 171 responses from Enterprise Hub users
- visiting each Enterprise Hub which involved interviewing five staff and 14 users on a face to face basis
- observing a range of virtual and in-person events
- interviewing 15 stakeholders and receiving written contributions from five organisations
- synthesising the findings of the fieldwork and desk-review and preparing a report.

Key findings

The review found that in terms of Enterprise Hubs delivery and impact:

Enterprise Hubs have worked well when all the identified key success factors are in place.

- The introduction of five Enterprise Hubs across Wales has been a useful exercise to identify what works well and under what circumstances.
- The key success factors associated with successful Enterprise Hubs are location, facilities, and the role of a community animateur. A notable strength of the service is the role, enthusiasm and quality of Enterprise Hub managers and their teams who animate their spaces and ensure that tailored, personal support is available to clients.
- Three of the five Enterprise Hubs have been established in the right locations and offer, to varied degrees, the appropriate facilities which users require. These three hubs are located in appropriate venues and provide a suitable environment for users to work.
- The suitability of two of the Enterprise Hub settings, in Carmarthen at Yr Egin and Newtown at the Pryce Jones building, is questionable given the lack of use being made of these spaces for co-working purposes and concerns about their facilities, their immediate location and the lack of appeal of the buildings.

Enterprise Hubs have played an important role in engaging entrepreneurs who would not necessarily have engaged with mainstream Business Wales provision and made a meaningful contribution to their business start-up journey.

- Enterprise Hubs have successfully engaged with a wider cohort of aspiring entrepreneurs and early-stage businesses who would not otherwise have engaged with mainstream Business Wales provision. Each setting has promoted its services and engaged with their target audience in a creative and tailored manner.
- The use of the Enterprise Hub brand per se has not added much value and the branding of the provider or venue is often better recognised.
- The shift to digital provision, driven in the main by the impact of the pandemic, has enabled Enterprise Hubs to reach a slightly wider geographical catchment area and the provision of digital pre-start up courses have been well received.
- Enterprise Hubs clients who use the facilities in person remain fairly local to each setting and this needs to be borne in mind when funding any similar future physical provision.
- Users value the tailored and high-quality support and recognise the value of the hub setting as a place to meet and network with other entrepreneurs.
- The physical spaces and the support provided by Enterprise Hubs are making a positive contribution to increasing the confidence of would-be entrepreneurs, improving their wellbeing, and increasing their ability to start-up in business. The support available via



Enterprise Hubs also makes a positive difference to the skills and knowledge of early entrepreneurs.

The extent to which Enterprise Hubs have achieved their funded objectives varies, with overall performance against funded KPIs lower than expected.

- Enterprise Hubs have successfully engaged with over 20,000 attendees. Performance against Welsh Government funded KPIs has been lower than expected and at the time of drafting this report, hubs have only achieved half of their new business start-up target to date. Performance against funded KPIs varies significantly across individual settings and has been impacted by the pandemic as well as other localised factors.
- Funded KPIs have not reflected the breadth of work undertaken by Enterprise Hubs and there is a case for adopting a wider and more appropriate set of indicators in the future.

Enterprise Hubs have added value to the business support ecosystem, but this has not necessarily converted into a greater flow of clients for mainstream providers.

- Enterprise Hubs have added value to mainstream Business Wales provision by undertaking outreach work and facilitating links with local business and community groups.
- Hub managers have acted as an important conduit between the business support community and their target audience.
- The intended flow and volume of clients from Enterprise Hubs to Business Wales has not materialised as expected largely because clients prefer to access business support via their Enterprise Hub.
- Enterprise Hubs have worked well with a wide range of partner organisations. Geographical proximity between the partner organisation and the hub itself is a key factor which influences engagement.
- Whilst Enterprise Hubs work closely with their local FEIs, collaboration with HEIs is confined to only a few examples.

The key findings of the review in terms of the future are:

Supply and demand across the wider landscape continues to evolve making it difficult to pinpoint areas of market failure.

- There has been a marked increase in the availability of shared workspaces and other incubation hubs across Wales of late.

- The Welsh Government should only be supporting and funding Enterprise Hubs in areas of market failure where the private sector or other players such as local authorities, higher education and the third sector are not active.
- The Welsh Government should use the funding which it has allocated for Enterprise Hubs in a more fluid way for the time being rather than commit it to any specific locations by supporting other shared workspaces and simulating collaboration between them and Business Wales. Future funding should be directed towards staff, rather than spaces.
- Supporting hubs in areas with too little demand for co-working spaces results in spaces which lack the 'buzz' required for supporting a community of entrepreneurs.
- There are still a lot of unknowns about how demand for co-working spaces will pan out over time and whether businesses will embrace a hybrid model in the long term, and therefore there is a need for ongoing research to map out areas which are not being catered for.

Resources need to be prioritised to services that provide the greatest value and return on investment.

- Reduced future funding levels means that resources should be prioritised towards support provision which adds most value to mainstream business support. Based on the feedback gathered via this study, this would be around staff resources to ensure that partner engagement, outreach activities, networking and pre-start up support can continue.

Enterprise Hubs have the potential to play an important role to help achieve and deliver Welsh Government priorities around remote working, town centre regeneration and retention of talented young people.

- Enterprise Hubs are well placed to contribute towards the implementation of the Welsh Government's remote working strategy as these settings provide specialist shared workspaces for a specific community of users. However, Enterprise Hubs should caution against becoming more general shared workspaces as their fundamental purpose could be compromised.
- Enterprise Hubs are also well placed to deliver on Programme of Government priorities such as around the carbon reduction agenda, by ensuring support for entrepreneurs to embrace this issue, and supporting town centres to become more agile. Future hubs could have an important role to play in utilising empty high street premises and we would



recommend that any new Enterprise Hubs which might be supported by the Welsh Government in the future be located within empty high street premises.

- Enterprise Hubs also have an important role to play in helping Wales become a more attractive place for young people to live and work, and the fact that several of the current hubs are considered to be appealing spaces for young people signifies that they have a role to play enhancing the ‘social and cultural offering of a place’ and reducing ‘brain drain’⁶.

There is scope for greater cohesion between any future provision and the wider business support ecosystem.

- Enterprise Hubs have established good linkages with the wider business support ecosystem but there is scope to improve these in the future to secure greater complementarity with mainstream provision.
- Some of the services made available via Enterprise Hubs, such as digital pre-start up courses, have been similar to what is available via Business Wales, albeit that it is packaged in a different way and promoted to a slightly different audience.
- There is a case for adopting a broader range of KPIs which better reflect the nature of the provision provided by Enterprise Hubs, particularly in terms of client and partner engagement, facilitation of business networks and pre-start up nature of support.

A hybrid model of provision which adopts both digital and in-person provision is required in the future.

- There is a need for both the physical elements of the Enterprise Hubs (i.e., access to co-working spaces, a place to network with other entrepreneurs) as well as the other services they provide (i.e., business support, pre-start up courses and networking events).
- These other services should be made available both in-person as well as virtually, as different users have different preferences over their method of engagement.

⁶ [IWA View: No Country for Young Folks: Looking for the Full Picture of the Welsh ‘Brain Drain’ - Institute of Welsh Affairs](#)

Recommendations

The report recommends that:

- i. the Welsh Government uses any future funding which it has allocated for Enterprise Hubs in a more fluid way rather than commit it to any specific locations. Future funding ought to be directed towards staff, rather than spaces, to ensure that it secures the greatest added value
- ii. future funding should be used to support provisions which are most valued by users, including community outreach and engagement, networking, and pre-start up support
- iii. future funding should be used to help achieve and deliver Welsh Government priorities around remote working, town centre regeneration and the retention of talented young people
- iv. the Welsh Government should only fund new Enterprise Hubs in areas of market failure. To achieve this, the Welsh Government should monitor both provision and demand to ensure that future funding and resources are being accurately targeted at areas of continued market failure
- v. any future provision is better incentivised, including via KPIs, to ensure a seamless transition of clients who wish to be referred onwards from the first stage of the journey to Business Wales provision
- vi. future KPIs should better reflect the nature of the provision currently provided by Enterprise Hubs, particularly in terms of client and partner engagement, facilitation of business networks and pre-start up nature of support
- vii. the Welsh Government encourages the co-location of any future funded provision and Business Wales provision, and makes increased use of incubation spaces and shared workspaces available pan-Wales
- viii. the Welsh Government encourages greater collaboration between incubator provision and HEIs in the future
- ix. any future digital pre-start up provision funded by the Welsh Government should be accessible on a pan-Wales basis



1. Introduction

- 1.1. OB3 Research, in collaboration with RC² (Robert Chapman & Company Ltd) were appointed by the Welsh Government to undertake a review of its entrepreneurial support services Enterprise Hubs. Operationally known as Business Wales Enterprise Hubs⁷, there are five in place located across Wales in Anglesey, Caerphilly, Carmarthen, Newtown, and Wrexham. The network has been in place since 2018.
- 1.2. The aim of the review was to consider the role of the Enterprise Hubs in meeting the emerging needs of entrepreneurs and early-stage businesses to help inform future provision. The review was expected to:
- consider the impact of the Enterprise Hubs including identifying areas of strength and opportunities
 - identify any impact on the confidence and wellbeing of entrepreneurs, by protected characteristics, when comparing the Hub model with other business support service
 - identify the emerging needs of entrepreneurs and early-stage businesses on a local and regional level across Wales
 - assess the impact of changing economic opportunities and digital developments on future entrepreneurs and early-stage businesses
 - determine the ability of the Programme to support these emerging needs alongside private, third sector and other Government initiatives
 - highlight those areas of emerging need not currently met by the Hubs model of delivery
 - reassess the rationale for intervention and provide recommendations for how business support services could meet the priorities of the emerging economy and new Programme for Government 2021-2026.
- 1.3. The evaluation objectives were grouped into three areas:

Impact & Delivery

- review the objectives set for Enterprise Hubs and consider if they remain relevant and if it is possible to improve future services and client journeys
- examine the indirect, added value provided by the Hub network delivered over and above original anticipated outcomes

⁷ Referred to throughout this report as 'Enterprise Hubs'

- examine the contribution of the Enterprise Hubs to the wider support ecosystem alongside other public and private sector offers (e.g., Business Wales, Local Authority Support, banks)
- review how effective the service has been in achieving inclusion key performance indicators noting any success in increasing participation from groups that are protected under the Equality Act (namely age, disability, sex / gender, and race).

Future Delivery Models

- consider how best to improve engagement with entrepreneurs and those seeking early-stage business support services regardless of circumstance
- identify the emerging needs of entrepreneurs and early-stage businesses on a local and regional level from across Wales
- consider how best to support those emerging needs
- undertake a rapid review of best practice in business support hubs / shared workspaces, and digital developments - noting evidence of any wider trends or patterns to propose a model(s) for future programme delivery.

Rationale for support/Role of Government

- consider how the Welsh Government could support entrepreneurs to develop enterprising skills and capabilities on a local and regional basis
- consider the benefit of the hub model within the context of current and future wider Welsh Government business support
- consider if there is a continued rationale to fund Enterprise Hubs.

Report structure

1.4. This report is structured as follows:

- Chapter 2 summarises the methodology adopted for this review
- Chapter 3 sets out an overview of the policy context within which Enterprise Hubs have operated
- Chapter 4 sets out best practice and considers some of the wider trends taking place across business support hubs and shared workspaces, including within Wales
- Chapter 5 provides an overview of the Enterprise Hubs and their development, and considers their performance against funded targets



- Chapter 6 considers the implementation of Enterprise Hubs, including how they have worked with different partner organisations
- Chapter 7 discusses the feedback on services made available by the Enterprise Hubs, including the difference made to users
- Chapter 8 presents our conclusions and thoughts for the future for the Welsh Government to consider.

2. Methodology

2.1. The review was undertaken between February and May 2022, and involved:

- attending an inception phase which included an initial inception meeting with the client and the preparation of an inception report detailing the work programme to be deployed
- undertaking a desk-based review of Welsh Government policy documents, relevant reports, and programme level documentation
- undertaking a rapid review of best practice and trends relating to enterprise hubs, shared workspaces, and digital developments
- developing research instruments, to include discussion guides and a bilingual web survey of Enterprise Hub users, and a privacy notice to inform the primary research phase of fieldwork
- distributing the user web survey via Enterprise Hubs' newsletters and direct emails and receiving a total of 171 responses
- visiting each of the five Enterprise Hubs to gain first-hand experience of their set-up and spaces; and interviewing five staff and 14 Hub users on a face-to-face basis
- observing a range of virtual and in-person events including a virtual 5-9 Club start up course⁸, a 'NetWalking' event⁹, guest presentations and general networking sessions
- interviewing a total of 15 stakeholders including two Welsh Government staff, three local authority representatives who have an Enterprise Hub within their area, three members of the Business Wales Board, two Business Wales providers, and representatives from other enterprise hubs across Wales
- receiving written contributions from five organisations, including four local authorities who don't have an Enterprise Hub within their area.

2.2. The profile of those who completed the Enterprise Hub user web survey was as follows:

- the majority completed the survey in English (165 or 96%) whilst six (4%) completed the survey in Welsh

⁸ The 5-9 Club is an online 8-9 week after hours course (held once a week), designed to help individuals through the early stages of enterprise.

⁹ An informal walking event for those interested in getting to know other local entrepreneurs in the region



- users of the Caerphilly (79 or 46%), Newtown (56 or 33%) and Carmarthen (24 or 14%) Enterprise Hubs accounted for the vast majority of respondents. Very few survey respondents had been involved with either Anglesey (five or 3%) or Wrexham Enterprise Hubs (one user). A small number (6 or 3.5%) were not sure which Enterprise Hub had supported them.

Methodological considerations

- 2.3. To comply with data sharing legislation, the research team were dependent upon individual Enterprise Hubs to distribute the survey link on our behalf via email invitations and electronic newsletters. The survey findings are largely drawn from users of three Enterprise Hubs and as such care must be taken when interpreting these findings. The limited views gathered from surveyed users supported by either Anglesey or Wrexham Enterprise Hubs also makes it very difficult to offer specific observations and detailed suggestions for improvement to the facilities available at these sites. Nonetheless, qualitative views from a small number of users interviewed during our visits to both hubs have been considered as part of our wider conclusions and recommendations about the work of Enterprise Hubs at a broader level.

3. Policy review

- 3.1. This chapter sets out a review of Welsh Government policy documents which are relevant to the Enterprise Hubs, as well as other key developments.

Programme for Government

- 3.2. Taking Wales Forward, the Programme for Government during 2016-21 committed to promoting tech hubs in towns and cities where there are colleges and universities. It also committed to a pilot of the Better Jobs Closer to Home project designed to create employment and training hubs specifically in areas of high economic deprivation¹⁰.
- 3.3. The latest Programme for Government (2021-2026) and the Co-operation Agreement between Labour and Plaid Cymru sets out a series of commitments for the next five years. As part of its commitment to building an economy based on the principles of fair work, sustainability and the industries and services of the future, the Welsh Government intends to deliver a programme which will enable town centres to become more agile and help businesses to work co-operatively and increase their digital offer whilst also seeking a 30% target for working remotely¹¹.

Prosperity for All

- 3.4. In its economic action plan, Prosperity for All, published in 2017, Welsh Government committed to an Economic Contract and a regional model of economic development aimed at providing opportunities in every part of Wales to grow productive, competitive businesses¹². It also set out an aim of supporting people to develop the resilience, skills, and creativity to adapt to the changing world of work¹³. The plan sought to encourage and enable an entrepreneurial culture in Wales with a specific Call to Action ‘to deliver more start-ups and create a vibrant SME¹⁴ sector and innovation driven enterprises’¹⁵. It committed to providing ‘the right access to support entrepreneurs to start, grow and sustain their business ventures’ by improving business incubator and innovation centre support for new firms in Wales¹⁶.

¹⁰ Welsh Government (2016), Taking Wales Forward, p.5

¹¹ Welsh Government (2021), Programme for Government – Update, p.4

¹² Welsh Government (2017), Prosperity for All Economic Action Plan, p. 19

¹³ Ibid. p.34

¹⁴ Small and Medium Enterprises

¹⁵ Ibid. p.38

¹⁶ Ibid. p.38



Well-being of Future Generations (Wales) Act

- 3.5. The **Well-being of Future Generations (Wales) Act 2015**¹⁷ requires public bodies in Wales to think about the longer-term impact of their decisions to enable positive change for future generations. Each public body listed in the Act must work to improve the social, economic, environmental, and cultural well-being of Wales. The Act includes a legally-binding common purpose – the seven well-being goals, for national and local government and other specified public bodies.
- 3.6. There are seven well-being goals namely:
- a prosperous Wales
 - a resilient Wales
 - a healthier Wales
 - a more equal Wales
 - a globally responsible Wales
 - cohesive communities, and
 - a vibrant culture and thriving Welsh language.

Economic resilience and reconstruction mission

- 3.7. The Welsh Government set out its mission for a more prosperous, equal, and greener economy in 2021¹⁸ as part of its approach to help the economy recover from the damage of the COVID-19 pandemic. Using the principles of the Well-being of Future Generations Act, the document sets out a clear vision for a ‘well-being economy which drives prosperity, is environmentally sound, and helps everyone realise their potential.’¹⁹ Developing an entrepreneurial culture and creating more start-ups are underpinning objectives of the Welsh Government’s goal of creating a more prosperous economy. It is expected that activity will focus on five beacons:
- strengthen the foundational economy
 - a COVID commitment to protect and enable skills and employment
 - accelerate the adaptation for recovery and future prosperity

¹⁷ [42329 WBFG Essentials Guide \(gov.wales\)](#)

¹⁸ [Economic resilience and reconstruction mission | GOV.WALES](#)

¹⁹ Ibid. p.6

- magnetise investment in a green recovery
- fortify the pursuit of social value.

3.8. As part of its mission, the Welsh Government commits to developing regional co-working hubs in town centres, investing in the digital infrastructure to support multi-place working hubs, and explore opportunities to learn and work remotely therefore removing the need to live or travel to economic hubs.

Smarter working: a remote working strategy for Wales

3.9. The Welsh Government's recently published strategy sets out how remote working will be encouraged across Wales²⁰. The strategy sets out an ambition for 30% of the Welsh workforce to work at or near home on a regular basis over the current Senedd term. In order to achieve this ambition, the Welsh Government sets out to 'promote a hybrid workplace model of office, home, and local hubs to enable people to live and work in their local communities'. It anticipates that increased remote working will help achieve:

- environmental well-being such as reduced work-related travel and greater use of sustainable ways of travelling
- economic well-being such as more job opportunities in rural communities, increased productivity and more footfall to high streets and town centres
- cultural well-being by nurturing a vibrant culture and thriving Welsh language.

3.10. The strategy was informed by a public engagement survey²¹ conducted early 2021, which set out to assess the level of demand for local work hubs across Wales. The exercise allowed people to indicate, via an interactive map, where they would like a local hub which was then used to generate a heat map of areas of interest for local working. Whilst the research was informed by the views of large number of respondents, at 1,841, the findings are of relatively limited value for the work of Enterprise Hubs, given that only 2% of contributors were self-employed and the majority (62%) worked in the public sector. Nonetheless, the research found that respondents:

- viewed remote working hubs positively
- considered hybrid working patterns a popular and attractive option
- were unwilling to pay for using a remote working hub

²⁰ [Smarter working: a remote working strategy for Wales | GOV.WALES](#)

²¹ [Remote working public engagement exercise: local work hubs \[HTML\] | GOV.WALES](#)



- required practical facilities such as broadband, online booking system, hot-desks, meeting rooms, good coffee and shower facilities and being dog friendly.

- 3.11. As part of the strategy's implementation, the Welsh Government is supporting the introduction of local workspaces as pilot hubs to 'test the appetite for and feasibility of near-to home working'²². Two such pilot spaces have been funded to date at Costigan in Rhyl, Denbighshire, and at Shared Spaces in Haverfordwest, Pembrokeshire.
- 3.12. The Welsh Government also intends to develop a bespoke service which will allow users to book a local hub for hot-desking or meeting spaces as needed. Basic information (e.g., contact data) is already available for some 29 remote working hubs on the Welsh Government's website across 16 local authority areas. These include venues which host three of the main Business Wales Enterprise Hubs (Anglesey, Caerphilly, and Newtown) as well as some of their satellite venues.

Development Bank of Wales Economic Intelligence Wales Reports²³

- 3.13. Data suggests that the number of new business start-ups in Wales is on the increase. The third and latest Economic Intelligence Wales annual report for 2020/21²⁴ found that the number of new business start-ups in Wales outperformed all other areas of the UK between the first quarter of 2020 and the first quarter of 2021. During this one-year period, business start-ups in Wales increased by 31 per cent from 3,500 in Q1 2020 to 4,560 in Q1 2021. This compared to a 14 per cent increase across the UK.

Global Entrepreneurship Monitor (GEM UK) Wales²⁵

- 3.14. The latest published Global Entrepreneurship Monitor (GEM) data suggests that the rate of total early-stage entrepreneurship (TEA) in Wales in 2020 was 6.5 per cent, which was similar to the 2019 rate but slightly lower than the 7.5 per cent average for the whole of the UK. Wales's entrepreneurs were most strongly motivated to start up due to the scarcity of jobs. The TEA for women stood at 5.6 per cent compared to the male rate of 7.5 per cent, which were found to be similar to UK rates. The female TEA rate in Wales dropped from a record high of 7 per cent in 2019 but is still above the 3 per cent rate reported by GEM during its first year in 2002. The level of youth entrepreneurship in

²² [Smarter working: a remote working strategy for Wales | GOV.WALES p.15](#)

²³ [Economic Intelligence Wales | Development Bank of Wales](#)

²⁴ [ENG EIW Annual report 20_21.pdf \(developmentbank.wales\)](#)

²⁵ [Global Entrepreneurship Monitor \(GEM UK\) Wales reports | GOV.WALES](#)

Wales has seen a dramatic increase over time since the GEM research first began and currently stands at 10.1 per cent in 2020 (compared to just 2 per cent in 2002).

Supporting Entrepreneurial Women in Wales – An Approach for Wales²⁶

3.15. A review by an independent panel on behalf of the Welsh Government into how to provide more gender-focussed support to entrepreneurial women in Wales resulted in the publication of a series of recommendations for the business support community in Wales to take forward. The review found that whilst there was good practice across Wales further steps could be taken to tailor support to better meet the needs of women. Its recommendations included:

- improving engagement with potential women entrepreneurs to better understand their individual barriers
- tailoring business support services to meet the specific needs of women entrepreneurs
- increasing the availability of women business advisers and mentors
- improving access to business support information sources
- providing networking opportunities between women entrepreneurs and the wider business community
- developing a good practice guide for business support organisations.

Supporting Entrepreneurial Women in Wales – A Good Practice Guide for incubator spaces and co-working hubs²⁷

3.16. The adoption of one recommendation offered by ‘Supporting Entrepreneurial Women in Wales’ resulted in the preparation of a good practice guide, published by Business Wales with input from Enterprise Hubs, to provide practical guidance and tips to business support organisations on how best to engage with women setting up and running their own business. The guide set out advice and practical suggestions for how support organisations could adopt a more gender focused approach to the management of incubator spaces and co-working hubs, as well as delivery of networking, mentoring and business advice. The guide states that new and growing businesses within an enterprise hub were found to have a 16 per cent higher survival rate over three years, compared to average and thus it is important to ensure that these hubs are equipped to support the

²⁶ [supporting-entrepreneurial-women-in-wales-an-approach-for-wales PDF_0.pdf \(gov.wales\)](#)

²⁷ [WGSEW Good Practice Guide 24pp ENG_V5.pdf \(gov.wales\)](#)



growth of both female and male founded businesses²⁸. Women often require quieter spaces to work, and flexibility and physical location (with a need for good public transport and ability to park around school drop off times and being close to amenities) also cited as important considerations. The guide also acknowledges that women view business success through a broader range of measures than only business turnover, and place focus on other measures such as creating employment and product quality. Women also benefit from networking opportunities, with women-only networks often found to provide a safe environment, particularly for early-stage entrepreneurs, to develop confidence in their business ideas.

Mid-term evaluation of business support services in Wales

3.17. A mid-term evaluation of the Business Wales and Superfast Broadband Exploitation (SFBE) programmes published in 2018²⁹ offered two recommendations which are of relevance to the Enterprise Hubs, and which possibly justify their introduction. The evaluation recommended that:

- there was a need to increase Business Wales brand awareness amongst start-ups to improve engagement
- greater one-to-one support was required for Level 2 businesses, as these were considered to have a more stable financial base to grow

3.18. However, the evaluation does not specifically identify the need for enterprise hubs to be introduced across the Business Wales provision.

Future business support needs in Wales

3.19. Research undertaken by the Federation of Small Businesses (FSB) suggests that the top three areas of business support which small businesses will find beneficial in the future are access to skills, COVID-19 recovery and help to grow. Their report Building Businesses³⁰ offers several recommendations of relevance to this review of Enterprise Hubs:

²⁸ Business Wales (2020), p.8

²⁹ [Mid-term Evaluation of Business Support Services in Wales \(gov.wales\)](#)

³⁰ <https://www.fsb.org.uk/resource-report/building-business.html>

- Value for money should move beyond simple job creation targets towards a broader economic conversation including decarbonisation targets and productivity gains
- Core business support infrastructure should be protected and placed on a statutory footing with core multi-year funding
- Business Wales should continue to be the key entry point and one-stop-shop for business owners
- Any new system should make good use of expertise and local knowledge embedded in institutions.

UK Shared Prosperity Fund

3.20. The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK government's Levelling Up agenda which will provide financial support at a local level across Wales to replace existing EU funding. The UKSPF is intended to achieve four key objectives:

- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging
- Spread opportunities and improve public services, especially in those places where they are weakest
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost
- Empower local leaders and communities, especially in those places lacking local agency.

3.21. Under the supporting local business priority, the fund is expected to be used to support start-up businesses as well as promote networking and collaboration opportunities, which may well include plans for establishing and supporting incubation hubs and shared workspaces. Local authorities are expected to submit their investment plans by August 2022 and so at the time of drafting, there is a lack of detail about the nature of business support provision which the UKSPF will fund.



4. A review of other enterprise hubs and shared workspaces

- 4.1. This chapter sets out some of the wider trends taking place across enterprise hubs, accelerator incubators and shared workspaces, including within Wales. It also considers some of the evidence available about the impact of both enterprise hubs and shared workspaces on users.
- 4.2. Before turning to consider these findings, it is useful to set out an overview and a definition of these different models:

Enterprise Hubs: also referred to as incubators, typically offer on-site facilities to early and new start-up businesses. Users usually access provision on a non-competitive basis and benefit from a range of ad-hoc services including access to working spaces and business support from hub staff.

Accelerators: these are a more recent phenomenon than enterprise hubs and usually involve the selection of a specific cohort of early-stage entrepreneurs, on a competitive, cyclical basis, to engage in an intensive programme of support. Users typically engage with accelerators for a specific short-term period.

Co-working or shared workspaces: these are usually membership-based workspaces in which diverse groups of entrepreneurs and other non-traditional workers work together in a shared, communal space. Despite being relatively new the number of co-working spaces available worldwide has increased dramatically over the last decade from 160 in 2008 to over 13,800 coworking spaces by 2017³¹ and is expected to grow further to over 40,000 by 2024³².

- 4.3. The evidence suggests young people, particularly those who work full-time on their venture, are the biggest user of these spaces and stand to benefit the most from engaging with them.

The evidence on enterprise hubs effectiveness

³¹ Kean Institute of Private Enterprise (March 2019) Coworking spaces: working alone, together [Coworking_04042019.pdf \(unc.edu\)](#)

³² [Number Of Coworking Spaces Worldwide To Double Within The Next 4 Years - Allwork.Space](#)

4.4. A macro level review undertaken by the What Works Centre³³ found that incubator support for new start-up businesses:

- can increase participating business' employment and sales
- help businesses to establish more quickly, gauge the quality of their business idea and encourage them to drop bad ideas quickly, rather than continue with them until the idea fails 'naturally'
- the length of time spent in an incubator had no significant bearing on business survival
- the evidence on the impact of different incubator business models is inconclusive
- university and academic involvement may help improve business outcomes
- the type of incubator and support may impact business survival, although the evidence is limited. Sector specific incubators were found to generate better business survival rates.

4.5. Drawing on the evidence, the report sets out several considerations. Of relevance to this review are the following issues:

- incubator models should be developed to suit local economies and in particular the competitive nature of the environment within which they are operating
- there is limited evidence about the impact that different types of support (e.g., networking events and training) can have
- there is no strong evidence either way that incubators should be left to the private sector, and public sector intervention should be geared towards areas of substantive market failure
- affiliation and using university research as part of incubator support appears to be more helpful than involving individual academics.

The evidence on shared workspaces effectiveness

4.6. Research undertaken by the Kean Institute of Private Enterprise³⁴ found that the advantages of coworking spaces relate to:

³³ [Business Advice Toolkit: Incubators | What Works Centre for Local Economic Growth \(whatworksgrowth.org\)](https://www.whatworksgrowth.org/)

³⁴ Kean Institute of Private Enterprise (March 2019) Coworking spaces: working alone, together [Coworking_04042019.pdf \(unc.edu\)](https://www.unc.edu/~kean/Coworking_04042019.pdf)



- efficiency: whilst cost for the space is higher than a traditional office space, users are buying more than space and the convenience of these additional services are valued
- flexibility: coworking spaces provide flexible leases and flexible working arrangements
- legitimacy: coworking spaces help new ventures appear bigger or more legitimate than they really are, compared to working from home.

4.7. The benefits of the coworking community were found to be important. Indeed, the research found that ‘the primary reason people choose to work in a coworking space is not for the space itself, but rather for the community within the space’ and include:

- connections: coworking spaces offer opportunity to network and the interactions often lead to new clients, employees, investors etc
- solutions: many entrepreneurs rely on help from other members of the community to solve problems and answer questions
- energy and motivation: being surrounded by other entrepreneurs is energising and motivating, and the ‘vibe’ that exists in a space is important
- social support: entrepreneurial work can be isolating and lonely and the friendships developed are important in making work more enjoyable.

4.8. A similar set of benefits associated with accessing shared workspaces were identified by recent research undertaken by The Melting Pot³⁵. The research highlighted six areas of benefits that users of shared workspaces experienced:

- an improvement in wellbeing
- reduced isolation
- opportunities for collaboration
- access to a wide network
- professional development and learning opportunities
- informal interactions and social opportunities.

The impact of the COVID-19 pandemic on the future of work and the office

4.9. Various studies have considered the impact of the pandemic upon the future of work and use of physical workspaces, and it is important to consider the impact of these trends upon the demand and use of enterprise hubs across Wales. It is estimated that some 20

³⁵ [The-Future-of-the-Office-Report-by-The-Melting-Pot.pdf \(themeltingpotedinburgh.org.uk\)](#)

to 25 per cent of workers in advanced economies could work remotely for three or more days a week on a long-term basis in the future although the extent to which remote working 'will stick is uncertain'³⁶. Whilst claims of 'death of the office' scenarios articulated early in the pandemic are now believed to have been overstated, there is likely to be a 'significant permanent shift to hybrid working arrangements'³⁷. This shift is likely to result in the development of more localised coworking arrangements, with homeworkers looking for means to overcome the social isolation associated with working from home, as well as a shift in the demand for travel, leisure, hospitality, and retail spending.

4.10. One study³⁸ sets out the main implications from a permanent shift towards remote working following the COVID-19 as being:

- most people seek a localised workspace solution as they are less willing to commute long distances, and informal coworking arrangements often fill this gap. To date, coworking spaces have yet to be introduced to more suburban areas
- users find informal shared workspaces more beneficial than formal spaces, which will have bearing upon policy making and future investments
- digital tools play a supporting rather than fundamental role in coworking, although freelancers and entrepreneurs are more likely to be enthusiastic adopters of digital tools that facilitate social and community-aspects of coworking
- the attitudes and behaviours of the user community are perhaps more important than the facilities available at shared workspaces, although spaces require the basic amenities of kitchens, dining areas and good quality office accommodation
- non-urban centre locations which have an over-supply of less prestigious but functional space might present an opportunity for new models of coworking spaces in the future.

4.11. Some of the key considerations for enterprise hubs include:

- remote work and virtual meetings are likely to continue, and this will have an impact upon urban centres and business accommodation needs. Demand for space in larger urban centres may drop in favour of localised spaces in suburbs and smaller centres

³⁶ [The future of work after COVID-19 | McKinsey](#) p.5

³⁷ <https://www.emerald.com/insight/1463-578X.htm>

³⁸ <https://www.emerald.com/insight/1463-578X.htm>



- businesses may respond by reimagining where and how work is done and find new ways to employ workers by tasks rather than for whole jobs
- demand for high-wage occupations are likely to increase whilst low-wage occupations are likely to decline resulting in more workers needing to switch occupations to meet demand
- policy makers could focus on expanding digital infrastructure and support workers who are in transition.³⁹

4.12. Research undertaken by the Melting Pot, which provides coworking space in Scotland, explores how COVID-19 has changed the way people use workspaces and considers its impact upon the social innovation sector in Scotland. Many of its findings are relevant to the issues facing Enterprise Hubs in Wales:

- the pandemic has joined technology as one of the great disruptors of office space usage
- remote working has led to more dispersed teams, the prioritisation of remote working as a long-term measure and moving out of or downsizing office space
- future trends are likely to be that most people only want to return to the office part time, firms are planning to cut office space and organisations are supporting a permanent transition to more flexible working
- flexible workspaces will be in greater demand as the economy recovers from the pandemic and demand is likely to come from larger organisations and enterprises as they look to decentralise and shift to remote teams
- future office space will be more focused on space for community, collaboration and innovation and there will be a shift away from presenteeism towards outcomes achieved
- research points to people wanting greater autonomy over when and where they work, and that flexible working helps to increase productivity, well-being, and work satisfaction
- workspaces away from home need different types of space from private rooms for video calls to shared spaces for collaboration and innovation

³⁹ [The future of work after COVID-19 | McKinsey](#) p.5

- ‘people no longer want to come to an office to sit at the same desk every day, they want multi-functional workspaces and a sense of community’.

4.13. There is also evidence that employers are repurposing their office accommodation to better meet the needs of hybrid working patterns:

‘Gone are the days of rigid social and physical structures that many companies believed were essential to a productive work environment. What’s in, instead, are more adaptable designs, and communal areas meant to foster teamwork, creativity and a sense of connection lost during the pandemic’⁴⁰.

4.14. As a result, it is likely that working environments will evolve so that they focus upon:

- more social and collaborative spaces and fewer desks to allow people to meet with colleagues on a periodical basis whilst retaining work-from-home flexibility
- purposeful tasks such as collaborative work, meetings and brainstorming sessions as opposed to working on alone at a desk
- multipurpose furniture that can be moved to accommodate collaborative working as well as to create quieter task-specific zones
- the health and wellbeing of the user by creating a positive and restorative setting to work, with an emphasis upon exercise and access to nature⁴¹.

Other shared workspaces and business support hubs: good practice

4.15. A desk-based review of shared workspaces and business support hubs located across the UK and Ireland suggests that in terms of common and good practice, hubs generally offer:

- varied membership deals: these include annual or monthly membership or day passes. Several hubs offer initial free day passes or regular free day passes e.g., free Friday sessions, whilst one hub offered a lounge membership deal where members can access a relaxed working environment rather than a desk/office space
- access to different types of working spaces arrangements be that dedicated office space, hot desking spaces, private working spaces, and communal working spaces. In some cases, hubs offer members access to a shared office space where they might alternate the use of a dedicated space with another member. In

⁴⁰ [Hybrid work: What the office could look like now - BBC Worklife](#)

⁴¹ [Hybrid work: What the office could look like now - BBC Worklife](#)



other cases, e.g., Mindspace⁴², hybrid arrangements are adopted which enable businesses to pay for the office space they need allowing them to alternate employee's office attendance as required

- flexible arrangements for members, with easy in and easy out access to facilities
- all-inclusive arrangements: whereby the monthly fixed fee paid covers all services including limited use of meeting rooms
- on-site café and (occasionally) bar area
- access to informal and formal meeting spaces/rooms as well as event spaces suitable for networking or launches
- a wide range of membership benefits: including weekly breakfast clubs, social events, networking opportunities, gym and fitness class passes. Some also offer ad-hoc perks such as free weekly cake, coffee, or beer
- creative, well-designed, and inspiring environments to work within
- wrap around support for new start-ups and entrepreneurs: including talks by guest speakers, and access to business support and advice
- virtual office support: including post handling, mail forwarding, registered address for Companies House, local and location neutral phone numbers⁴³.

4.16. The desk review also found some examples of enterprise co-working hubs which offered more unique services and provision. These included:

- makerspace: for instance, the DoES co-working hub at Liverpool⁴⁴ has a workshop with 3D printers, laser cutters, sublimation printer, heat press, vinyl cutters, electronics bench, sewing and knitting machines
- child friendly co-working arrangements: this has recently been introduced at DoES Liverpool. It does not operate on a fee-paying basis like a crèche but rather a pilot is being introduced whereby parents can bring their children to the hub and a more collective responsibility is adopted to look after them
- a novel three-storey helter-skelter at the Electric Works enterprise hub in Sheffield⁴⁵ which claims to be the largest slide in any UK office building!

Case studies of other enterprise hubs and shared workspaces

⁴² [Home - Mindspace](#)

⁴³ For example, as available at Avenue HQ: [Virtual Business Services - Avenue HQ \(avenue-hq.com\)](#)

⁴⁴ [DoES Liverpool - Coworking, Events and Makerspace](#)

⁴⁵ [helter skelter | electric works \(electric-works.net\)](#)

4.17. The following examples are presented as individual case studies as they serve to illustrate specific themes or points.

Examples of sector based co-working enterprise hubs

4.18. The desk review suggests that enterprise hubs which have a sectoral focus tend to support ventures which operate across the creative, digital, technology and media sectors e.g., the techcube in Edinburgh⁴⁶ has a focus on technology and arts. Our research also found one example of a recently established environmental focused enterprise hub.

Baltic Creative, Liverpool⁴⁷

This is a commercial space for **creative and digital industries** which supports start-ups, micro businesses, SMEs, freelancers and entrepreneurs. It is run by a Community Interest Company (CIC) that secured ERDF and NWDA grant funding to refurbish 18 warehouses in a semi-derelict area of Liverpool called the Baltic triangle. Its Annual Report for 2019⁴⁸, in which it celebrated 10 years of trading, reported that the 118,000 sq ft of space available supported over 180 companies employing more than 600 staff. Spaces across various building include studios for artists and makers, on-site café and bars, meeting and networking spaces. The success of the CIC has resulted in it expanding to other areas across Liverpool City Region to provide spaces for the creative and digital industry. The 2019 Annual Report set out an ambition to double its footprint to 250,000 sq ft by 2024. Critical success factors for the Baltic Creative are identified as being:

- the creative and digital sector collectively owning the property
- strong demand from both existing tenants wishing to grow and occupy larger spaces and new tenants wishing to take up space
- continued reinvestment into the existing footprint, including increased broadband bandwidth and refurbishment
- high retention rates amongst tenants (some 10 per cent of tenants leave per year)
- provision of a health and wellbeing programme such as free cycle hire, access to a running club and social events

⁴⁶ [Techcube](#)

⁴⁷ [Baltic Creative CIC - Creative And Digital Spaces In Liverpool \(baltic-creative.com\)](#)

⁴⁸ [BALTIC-CREATIVE-Master-version-for-web-compressed-2-10-year-Report-210-x-210-1.pdf](#)



- provision of business support programmes in partnership with other organisations.

The Centre of Excellence for Climate Action and Sustainability (CECAS) Enterprise Hub

The CECAS is located in West Cork, Ireland and has been established relatively recently to address the climate emergency and biodiversity crises. It intends to attract and showcase academic and commercial organisations to help address the climate and biodiversity crises and enhance the circular economy. It plans on developing various hubs of activity. One of these hubs will be an **environmental and biodiversity enterprise hub** and it is intended that CECAS will engage with businesses, industry and environmental entrepreneurs and arrange events, exhibitions, and lectures.

An example of a university led co-working enterprise hubs

The Engine Shed, Bristol⁴⁹

The Engine Shed is a hub led by the University of Bristol in collaboration with Bristol City Council and the West of England Local Enterprise Partnership located in the Temple Quarter Enterprise Zone for businesses, entrepreneurs, academics, and social innovators. It offers meeting spaces for events and offices and desks to work from. Event spaces can accommodate private meetings, networking events and product launches. A lounge area offers a mix of booths, tables, sofas, and pods to work from. Access is available on an annual membership basis or as a pay-as-you-go basis (£20 per day). The Engine Shed utilises the surplus which it generates from the building to deliver projects which relate to growth, inclusion, and innovation. These include technology festivals, work with schools, and support for innovation-led meet ups.

⁴⁹ [Homepage - Engine Shed \(engine-shed.co.uk\)](http://engine-shed.co.uk)

The Boxworks, which forms part of the Engine Shed and is hosted by Forward Space⁵⁰, is made up of twenty shipping containers which provide spaces for technology, media, and creative businesses. These are suitable for up to six people and are leased on a monthly basis for £1,000 per month.

An example of a co-working enterprise hub which is embracing sustainability

Runway East

Operating across six locations in London and Bristol, this is one enterprise hub which places a focus on environmental sustainability. It is currently developing a full strategy which will be accompanied by an annual impact report. In the meantime, it has recently introduced key changes including:

- energy and waste: use of smart thermostats and occupancy sensors to reduce energy usage, composting food waste and using renewable energy for its spaces
- new buildings: during fit out, all construction waste materials recycled if possible, recycled materials preferred in fit-outs and hazardous waste materials disposed of responsibly
- site services: non-toxic cleaning products used, bike storage increased to encourage cycling and use of single use plastic decreased on site

It also sets out the measures it has taken to support society. These include:

- supporting local: by giving preference to local and minority owned suppliers, all profits from on-site food and beverage sales donated to local charities and free event and meeting space given to local charities and community groups
- inclusion: gender-neutral toilets, blind-hiring process to reduce bias in recruitment and dedicated free, reservable space for prayer and maternity needs
- good employers: a range of employee benefits, mental health days and support, payment of a living wage and paid time off for volunteering for employees.

⁵⁰ [Home - Forward Space](#). They also provide other co-working spaces across Bristol, Somerset, and Exeter



An example of a women's co-working enterprise hub

The Tribe female workspace, Devon⁵¹

The Tribe is the only dedicated coworking space for female entrepreneurs which was identified by our research. It is a small community space located in Totnes, Devon. It was established by an interior designer, Stacey Sheppard, who recognised the importance of an inspiring and comfortable workplace in order to maximise productivity and happiness at work. As well as the typical co-working facilities it also offer a school run tariff at a reduced rate for those wishing to work at the space between 9.30am and 3pm.

During the pandemic, the hub established The Tribe Online. This is a private paid for group allowing members to interact and support one another virtually, via Facebook and Zoom. Regular group zoom calls were established to share achievements, discuss challenges, and brainstorm ideas. Guest speakers were invited to share their knowledge and experience. Virtual coworking sessions were also held where women joined for a 90-minute work session to share what they're working on, go away and do it, and update on progress at the end. An online book club was introduced during the pandemic to help address issues of isolation.

The Tribe also offers paid for business support sessions which can cover aspects such as starting a business, growing a business, marketing, PR etc.

A co-working enterprise hub with a focus on work-life balance

Colony, Manchester⁵²

Colony is a network of flexible workspaces in Manchester for creatives, entrepreneurs, freelancers, start-ups, and established companies. Clients can access private office workspace, coworking spaces on a day pass or membership basis and meeting rooms which can be hired. Clients can access a dedicated desk, a floating desk with the option to use any of the three Colony locations or a day pass for different fee rates. Users have access to the workspace on a 24-7

⁵¹ [Our Space - The Tribe \(thetribecoworking.co.uk\)](http://thetribecoworking.co.uk)

⁵² [Colony – Central Manchester coworking desk space & offices \(colonyco.work\)](http://colonyco.work)

basis and also benefit from a serviced reception area, mail handling facilities, seminars and events.

Work-life balance plays a major role at Colony and members can access yoga and meditation classes, gin tasting sessions or events with local food vendors exhibitions.

A co-working enterprise hub for social enterprises

The Melting Pot, Edinburgh⁵³

This is a centre for social innovation and claims to be one of the oldest coworking communities in the world. It offers freelancers, remote workers, small businesses, and large organisations operating in the third sector flexible and creative solutions. It provides flexible co-working and hot desking facilities as well as fixed desk hire arrangements. It also arranges events and networking opportunities and members can hire the event space for their own group events, such as launches. It arranges events such as members' lunch, Friday drinks and member 'show and tell' sessions. In addition to its paid for services it also offers free coworking open day opportunities.

Its virtual office services includes:

- scan to email service for any mail received
- a postal address with personal mailbox
- a secure and central delivery and collection point for post
- a landline with call forwarding and personalised messaging services.

Examples of rural co-working enterprise hubs

The Ludgate Hub in West Cork, Ireland⁵⁴

The Ludgate Hub in West Cork supports businesses, start-ups, entrepreneurs, creatives, and artists. It operates on a membership basis and provides co-working

⁵³ [Coworking, Venue Hire, Virtual Offices in Edinburgh | The Melting Pot \(themeltingpotedinburgh.org.uk\)](https://www.themeltingpotedinburgh.org.uk)

⁵⁴ <https://www.ludgate.ie/>



spaces, private office rooms, hot desking facilities, as well as meeting and networking spaces.

It describes itself as a 'start up ecosystem' and works in partnership with other organisations to deliver a comprehensive start up programme which includes advice, training, and free access to space. Some of the more innovative aspect of the model include:

- a shared intern model: this is a pilot project which allows businesses based at the hub to access a shared intern student, thereby providing a wider range of experience to the postholder, and allowing the business to scale up at a gradual pace. The postholder is also supported by the hub co-ordinator
- a mentor hour: the hub co-ordinates a programme of mentorship for new start-ups and early-stage businesses
- a propeller series: which runs once every six weeks and involves events delivered by guest speakers on themes such as digitising your business and marketing. These presentations have been recorded and are available to access from the hub's website.

The Ludgate Hub has also positioned itself as a source of information to people considering relocating to the rural area in south west coast of Ireland and provides detailed information on living in west cork (e.g., house, and rental prices, education, culture, the arts, and activities/interests). It works with Grow Remote, a non-profit community group which promotes remote working in Ireland and promotes job opportunities available in the area on its website.

The Clay Factory, Devon⁵⁵

The Clay Factory is run by a charity RedPod Enterprises who have transformed a china clay works into a multi-use space which offers ad hoc desk hire, self-contained offices, meeting rooms, small to large industrial units and training areas. Their work hub provides flexible and ethical workspaces with easy in / easy out

terms. They also offer a monthly package for people who want to use the facilities on an occasional basis. Describing their offer as ‘a funky alternative for those looking to escape home working’ the Clay Factory has recently introduced beach huts as spaces for people wishing to hot desk, as they provide a more private environment for participation in Teams/Zoom calls.

Mapping other enterprise hubs and shared workspaces across Wales

- 4.19. In addition to the five hubs which are part of this evaluation, our review identified several other business hubs and shared workspaces across Wales, some of which also offer support similar to that available via Business Wales Enterprise Hubs. The list at Table 4.1 draws on information set out within the Welsh Government website on co-working spaces as well as information gathered via our review. The list is helpful to identify areas which are possibly already being serviced by physical spaces (be that from the private or public sector) as well as geographical areas of market failure. It is important to note however that the list is not exhaustive and does not reflect any new spaces which may have been established since May 2022.
- 4.20. The table shows that four key private sector players (notably Town Square Spaces, Indycube, Business in Focus and Tramshed Tech) provide a ‘network’ of co-working spaces across Wales. Other providers tend to be more localised, in that they are focused on a single co-working site and or/are associated with a HE or financial institution.

Table 4.1: Other co-working and enterprise hubs in Wales

Name and location	Brief summary
<p>Town Square Spaces</p> <ul style="list-style-type: none"> • Cwrt, Llanishen, Cardiff • Costigan, Rhyl, Denbighshire • Swansea Bay (being planned) 	<p>Cwrt⁵⁶ is a Llanishen based enterprise hub launched in March 2022 and provides offices, coworking spaces, business support and a community for entrepreneurs, freelancers, and start-ups. Costigan⁵⁷, Rhyl provides similar coworking spaces, business support and a community network for entrepreneurs, freelancers, start-ups and growing businesses. They are both managed by a dedicated</p>

⁵⁶ [Coworking Space In Cardiff | Office & Hot Desking | Cwrt Coworking](#)

⁵⁷ [Home | Costigan's Coworking Space | Rhyl \(costigansrhyl.co.uk\)](#)



<ul style="list-style-type: none"> • [Wrexham Enterprise Hub] 	<p>Community Manager. A range of membership options are available from a day pass (£20/day) to a dedicated desk (£249/month). A weekly Start up club programme is also delivered and accessible in-person and online.</p> <p>Individuals who are eligible for a Welsh Government bursary can use the Costigan’s space free of charge for a period of three months. Costigan has received Welsh Government funding via its Remote Working Strategy implementation fund.</p> <p>Each of the Town Square Spaces venues are funded via different models: Cwrt is privately funded whilst Costigan receives Welsh Government support.</p> <p>Town Square Spaces also manage coworking spaces across England at Bicester, Bognor Regis, Chester, and Barnstable. They are also contracted by Business in Focus to manage the Enterprise Hub at Wrexham.</p>
<p>Indycube</p> <ul style="list-style-type: none"> • Swansea • Cardiff • Newport • Pembroke Dock (Pembrokeshire) 	<p>Launched in 2017, Indycube is a co-operative which operates across the UK. It currently has three flexible workspaces at Cardiff, Swansea and Newport and is about to open a fourth in Pembroke Dock in Wales⁵⁸. Three different membership packages are available namely a part-time membership (which allows users to access five desk days per month); a 10 desk days per month package and a full-time package (allowing unlimited desk days per month). Indycube also provides on-demand desk space through a pay as you go arrangement. Indycube describes itself as a ‘fast-growing network for freelancers and the self-employed’ which ‘aims to make remote work better’ by ‘building community workspaces’. It works with partners to provide</p>

⁵⁸ [Home \(indycube.community\)](https://www.indycube.community)

	financial investment, training, mentoring and informal knowledge transfer.
Hub Cymru <ul style="list-style-type: none"> • 15 spaces across five local authority areas 	<p>Hub Cymru⁵⁹ is a pilot project supported by Indycube and part funded by the Welsh Government to develop remote working spaces suitable for private and public sector employees, freelancers and self-employed remote workers. The pilot was initially delivered across the rural wards of Swansea and involved the repurposing of underused commercial and community spaces for remote working. The project has since expanded geographically and in total supports remote working spaces at six community centres across the counties of Swansea, Neath Port Talbot, Rhondda Cynon Taf and Monmouthshire⁶⁰ as well as nine library settings in Bridgend.</p>
Shared Spaces <ul style="list-style-type: none"> • Carmarthen • Haverfordwest • Newtown⁶¹ 	<p>Business in Focus host these three Shared Spaces⁶² across mid and west Wales. They provide co-working spaces, test trading spaces, meeting spaces, a virtual office and start up support. The spaces can be used by pre-start-ups, start-ups and established organisations. Both shared spaces can be accessed for a fee of £12/day whilst the Haverfordwest space can also be accessed for a half day pass at £8/day. Access to meeting rooms is at an additional cost.</p>
The NatWest Accelerator programme hub, Cardiff	<p>The Natwest Entrepreneur Accelerator is a fully funded six-month⁶³ programme for entrepreneurs who want to grow and scale up their business. Entrepreneurs must apply to the programme through a competitive application process. Entrepreneurs must fit one of five eligibility criteria to apply:</p> <ul style="list-style-type: none"> • high growth – at least £8k monthly turnover or £50k investment secured

⁵⁹ [HUB.CYMRU - Locations](#)

⁶⁰ The space in Abergavenny, Monmouthshire Like Work But Different, only provides meeting and conference space

⁶¹ The Newtown Shared Space is the same space as Newtown Enterprise Hub and Shared Spaces Carmarthen and Haverfordwest are used as satellite offices for the Carmarthen Enterprise Hub

⁶² [Shared Spaces - Business In Focus](#)

⁶³ Open to all



	<ul style="list-style-type: none"> • climate focused business • purpose-led – those businesses with a focus on more than a profit e.g., focused on community impact, social responsibility, sustainability • a business in the Fintech sector • a business in the food and/or drinks sector. <p>Entrepreneurs can also spend up to 18 months⁶⁴ at the Accelerator hub based in Cardiff which is a vibrant, collaborative environment that provides desk-spaces, access to the local ecosystem of expertise (such as finance or sector specialists) and access to a number of events, expert-led workshops and networking opportunities. The hub also allows access to other entrepreneurs for support and one-to-one coaching.</p>
<p>Tramshed Tech</p> <ul style="list-style-type: none"> • Cardiff • Newport • Barry • Swansea 	<p>Tramshed Tech⁶⁵ was founded in 2016 and provides collaborative spaces for businesses to meet and work. It currently has two locations in Grangetown, Cardiff and Newport Market and plans to open a further four locations in Cardiff, Newport, Barry and Swansea. It offers a range of membership packages including day, part-time and full time passes for different fees. Members benefit from access to desk spaces, social events, bike shed, coffee shop, printing facilities and community meet ups. Support is provided to start-up businesses, including a 12 week start-up academy programme, as well as support to scale up and grow businesses.</p>
<p>Barclays Eagle Labs, Cardiff</p>	<p>A Barclays Eagle Labs team operates at Tramshed Tech, Cardiff⁶⁶ to support local entrepreneurs and businesses to establish and grow. The support available via the Eagle</p>

⁶⁴ NatWest customers only

⁶⁵ [Tramshed Tech | The Home of Startups in Wales](#)

⁶⁶ [Cardiff Eagle Lab | Barclays Eagle Labs \(uk.barclays\)](#)

	Labs programme includes incubator and working spaces, access to mentors and coaches, events and a range of programmes for women, veterans, LGBT+ and ethnically diverse business leaders.
The Sustainable Studio , Cardiff	Founded in 2016, the Sustainable Studio ⁶⁷ is a collective of makers, artists and creative start-ups housed within an industrial warehouse on Curran Road (which used to be a munitions factory) which has been repurposed to provide space for performance, exhibitions, and video shoots. It accommodates over 20 affordable studios, a community swap shop, refill station and communal space. All studios have been constructed from reclaimed materials and all furniture and fittings have had a previous use.
Wellbeing Work Hubs , across south Wales Valleys region	Funded via the Welsh Government and European Social Fund the Valleys Regional Park is supporting the establishment of wellbeing work-hubs ⁶⁸ across some of its Discovery Gateways sites. One such hub which is up and running is at Llyn Llech Owain Country Park in Carmarthenshire.
The Alacrity Foundation	The Alacrity Foundation ⁶⁹ delivers a 15-month entrepreneurship course for graduate entrepreneurs which equips them with practical business training and skills to start up in business. Entrepreneurs are also matched with mentors and get to experience tech bootcamps to create the next generation of technology companies. The programme is part funded by the Welsh Government and supported by universities.
The Start-up Studio , University of South Wales	University of South Wales provides start-up studio spaces ⁷⁰ , including at Pontypridd and Cardiff. University of South Wales graduates access free membership for up to three

⁶⁷ [HOME | coworking \(thesustainablestudio.com\)](https://thesustainablestudio.com)

⁶⁸ [Valleys Regional Park](#)

⁶⁹ [Entrepreneurship Course - Startup Education from Alacrity UK \(alacrityfoundation.co.uk\)](https://alacrityfoundation.co.uk)

⁷⁰ [USW Startup \(entrepreneurship.wales\)](https://entrepreneurship.wales)



	years after graduating and can access co-working spaces on a full time or drop-in basis. Non graduates are able to use the same facilities on a fee-paying basis of £10 per day.
Hwb Aber Hub Aberystwyth	There is no information available in the public domain about this business hub, other than information that it plans to open soon ⁷¹ . Error! Hyperlink reference not valid.
Trading Spaces / Desk spaces Ceredigion	Antur Cymru plan on running a one-year pilot of these facilities at Lampeter and Aberystwyth.

4.21. The key points made by contributors to this review about these other spaces available in Wales were:

- there has been a recent growth in the availability of both private and public sector enterprise hubs across Wales of late which will have bearing on how Welsh Government funding ought to be used in the future
- whilst the evidence suggests that potential users welcome the concept of having access to a shared space, this has not necessarily transpired into real demand. Private sector providers are finding it a challenge to fill existing spaces and there is a danger that the Welsh Government might be funding some provision which is in direct competition to new developments.

⁷¹ <https://hwbaber.com/?msclkid=90298a8bb9b711ec94112cade63758a7>

5. The Business Wales Enterprise Hubs

- 5.1. This chapter sets out the findings of the review in terms of the development of the Business Wales Enterprise Hubs (Enterprise Hubs), what they set out to achieve and their performance against funded targets. It draws upon programme level documentation and fieldwork with Enterprise Hub staff and other stakeholders.

Background

- 5.2. The Welsh Government funds a range of business support services to inspire and support entrepreneurs to start and grow their own businesses, under the Business Wales banner. Enterprise Hubs form one important cornerstone of the Business Wales service which is intended to provide businesses and entrepreneurs across Wales with a single point of contact for business information, advice, and support.
- 5.3. Five Enterprise Hubs have been funded via the Business Wales service and were expected to deliver a programme of entrepreneurial support services to aspiring entrepreneurs and early-stage businesses on a regional basis. Four of the five Enterprise Hubs were awarded Welsh Government and European Regional Development Fund (ERDF) funding whilst one (the Enterprise Hubs based in Newtown) received Welsh Government funds only.
- 5.4. The concept of an Enterprise Hub was first proposed in 2017, when the Welsh Government funded a pilot project in Wrexham to establish a hub providing space and support to new entrepreneurs across north east Wales. This pilot project was funded via an existing Business Wales delivery contract, with Business in Focus as a Business Wales provider sub-contracting to Town Square Spaces to establish the Wrexham Enterprise Hub as an incubator space for entrepreneurs and new businesses.
- 5.5. Building upon this pilot, the Welsh Government then invited potential providers to tender for the delivery for another four regional hubs across north west Wales, mid Wales, south west Wales and south east Wales. It was expected that these Enterprise Hubs would fill a gap in business support provision not met by other providers at the time. It was expected that the Enterprise Hubs would deliver innovative entrepreneurial support services for pre-start and early-stage businesses as well as provide creative, collaborative space for entrepreneurs to share, develop and realise their ideas. The Welsh Government expected providers to deliver the programme from either a single physical location, a combination of a key site and satellite locations, or from a key site



with a programme of virtual services. The Welsh Government also expected providers to deliver a range of support services such as mentoring, business angels, after-work classes, business surgeries, hackathons, networking, pitching events, conferences, workshops, and other innovative solutions.

5.6. Following a competitive tendering process funding was awarded to four Enterprise Hubs. These were:

- Anglesey Enterprise Hub delivered by Menter Môn at M-Sparc, Gaerwen as well as eight satellite locations and other pop-up locations across north Wales⁷²
- Carmarthen Enterprise Hub delivered by Business in Focus at Yr Egin, located on the outskirts of Carmarthen town⁷³ and more recently via two satellite locations at Shared Spaces located in Carmarthen and Haverfordwest town centres
- Newtown Enterprise Hub delivered by Business in Focus at the Pryce Jones building in Newtown⁷⁴
- Caerphilly Enterprise Hub delivered by the Welsh Innovation Centre for Enterprise (ICE) at Britannia House on Caerphilly Business Park⁷⁵.

5.7. In addition, the existing arrangement which was in place via the Business Wales service for the Enterprise Hub in Wrexham was extended⁷⁶. Town Square Spaces continued to deliver the provision on behalf of Business in Focus in Wrexham city centre⁷⁷.

5.8. Given that providers had some degree of flexibility on how they would deliver services, some, such as the Anglesey Enterprise Hub, proposed a greater focus on delivery through satellite offices whilst others, such as the Caerphilly Enterprise Hub, had a greater focus on a single location.

Aims and objectives

5.9. Enterprise Hubs were expected to achieve a series of core objectives:

- provide support to aspiring entrepreneurs and early-stage businesses on a local and regional basis

⁷² [Homepage — Enterprise Hub \(hwbmenter.cymru\)](http://hwbmenter.cymru)

⁷³ [Carmarthen Hub \(focusenterprisehubs.wales\)](http://focusenterprisehubs.wales)

⁷⁴ [Newtown Hub \(focusenterprisehubs.wales\)](http://focusenterprisehubs.wales)

⁷⁵ [Innovation Centre for Startups in South Wales | Welsh ICE](http://www.welshice.co.uk)

⁷⁶ [Enterprise Hubs | Business Wales \(gov.wales\)](http://gov.wales)

⁷⁷ [Wrexham Enterprise Hub | Business Wales \(gov.wales\)](http://gov.wales)

- maximise the reach and accessibility of the programme of entrepreneurial support services from either a single physical location or from a combination of a key site with satellite location and virtual services
- develop and deliver entrepreneurial support services outside of standard working hours
- deliver entrepreneurial support services to part and/or full-time occupants and consider whether the hub can be used as a drop-in resource
- ensure entrepreneurial support services complement, align with, and add value to current support being offered rather than displacing or replicating it
- provide proactive information and signposting services to entrepreneurs based at the hub and to individuals and businesses ineligible for or unsuccessful in receiving entrepreneurial support services
- source alternative or follow-on space for the next stage of an entrepreneur's business journey when the programme of entrepreneurial support services come to an end
- engage with appropriate emerging priorities associated with the new Welsh Government Economic Action Plan (now Programme For Government).

5.10. The Enterprise Hubs were also expected to play a key role in promoting the Be The Spark movement and work with the Be The Spark Community Interest Company to drive engagement.

5.11. There was widespread support amongst contributors of this review to the introduction of the Enterprise Hubs concept and it was thought that there had been a definite need for the provision. Contributors thought that overall, the Welsh Government had supported the introduction of Enterprise Hubs in areas of market failure although it was noted that the resources available meant it was not possible to provide comprehensive coverage of all areas where there was a market failure. For instance, it was commonly observed that there had been no Enterprise Hub established in Valleys towns to address the deficit here. Contributors also thought that locating two Enterprise Hubs at M-Sparc and Welsh ICE had allowed the Welsh Government to secure added value from the funding, given that these were already in existence and were able to hit the ground running at pace.

5.12. Contributors understood that Enterprise Hubs expected to serve two key functions. In the first instance, it was expected that the hubs would make available appropriate environments for co-working, networking, and serendipitous conversations. This was



often described as facilitating ‘communities of entrepreneurs.’

Second, it was expected that the hubs would provide individual and tailored support for people wishing to start and run their own business. This was referred to by some contributors as the provision of a ‘wrap around ecosystem for the individual’.

- 5.13. Delivery staff in particular emphasised that the remit of the Enterprise Hubs was much broader than that of co-working spaces, in that they had an important remit to create the right environment for new start-ups and bring people together to share opportunities and network. Co-working venues were often described as ‘spaces’ whilst Enterprise Hubs were more of an ‘eco-system’ or ‘community’.

Performance against funded targets

- 5.14. Each Enterprise Hub was required to deliver against nine Key Performance Indicators (KPIs) which were set out by the Welsh Government as part of the tendering process, as outlined at Table 5.1.

Table 5.1: Enterprise Hubs KPIs

	KPIs	Enterprise Hub targets
1	Individuals receiving support (assists)	225
2	Number of new enterprises supported	150
3	Employment increase in supported enterprise	225
4	Employment increase for jobs earning above the average salary for Wales	25%
5	Individuals participating in local community engagement events annually	500+ per annum
6	Investments in enterprises	£1,000,000
7	Enterprises demonstrating innovative ways of working	50%
8	Enterprises trading outside Wales	25%
9	Number of individual and business case studies	25 per annum, increasing by 50% year on year

5.15. The first three of these KPIs are ERDF indicators and defined by Welsh European Funding Office (WEFO) guidance⁷⁸. Enterprise Hubs were also required to record the gender, ethnicity and disability of individuals receiving support and to evidence a new job via a contract of employment. Hubs were expected to record the gender of the holder of the job created and the salary band within which it fell under.

5.16. A review of outputs achieved by the Enterprise Hubs against five of their core KPIs⁷⁹ is set out at Table 5.2. It shows good performance against the assisted individuals target but weaker performance against other funded targets.

Table 5.2: Enterprise Hub achievements as at end of March 2022

KPI		Carmarthen	Newtown	Caerphilly	Anglesey	Wrexham
1	Individuals receiving support	140	167	258	224	191
2	New enterprises supported	55	63	50	128	94
3	Employment increase ⁸⁰	179 ⁸¹	79	106	162	132
5	Investments in enterprises	£105,165	£165,850	£571,188	£1,729,279	£2,364,230
6	Jobs above Welsh average ⁸²	160	11	21	25	n/a ⁸³

KPI		Combined overall target	Combined achieved to date	Achieved to date as % of overall target
1	Individuals receiving support	1125	980	87%
2	New enterprises supported	750	390	52%
3	Employment increase ⁸⁴	1125	658	58%
5	Investments in enterprises	£5,000,000	£4,935,712	99%
6	Jobs above Welsh average ⁸⁵	25%	217	36%

⁷⁸ <http://gov.wales/docs/wefo/publications/1604040-indicators-priority2.pdf>

⁷⁹ The data is captured by the Welsh Government from its BAS client management system. Data for the remaining core KPIs are taken from Enterprise Hub monthly progress reports and is considered later.

⁸⁰ Rounded to the nearest whole number

⁸¹ The high figures for employment increase and jobs above Welsh average at Carmarthen Enterprise Hub is accounted for by the work of the Hub at a jobs fair

⁸² Rounded to nearest whole number

⁸³ This was not a KPI for Wrexham Enterprise Hub

⁸⁴ Rounded to the nearest whole number

⁸⁵ Rounded to nearest whole number



Source: Welsh Government (April 2022)

- 5.17. The five Enterprise Hubs have supported 980 individuals⁸⁶ over a period of 42 months between September 2018 and March 2022 and achieved 87% of their overall target to date. On a collective basis they need to support a further 145 individuals over a six-month period. This is likely to be achievable although it is unlikely that two hubs, Carmarthen, and Newtown, will achieve their individual engagement targets. Two Enterprise Hubs (Caerphilly and Anglesey Enterprise Hubs) have supported a greater number of individuals than the other three. This can be explained in part by the fact that facilities at these locations were already in place and so they could hit the ground running at a quicker pace than the other three, who required a mobilisation phase.
- 5.18. Collectively, 390 new enterprises have been created with support from the Enterprise Hubs over the same period of time, with Anglesey Enterprise Hub outperforming the other four by some margin. Given that on a collective basis, the hubs are only halfway to achieving this target it is unlikely that this KPI will be achieved by September 2022.
- 5.19. In total, 658 new jobs have been supported by the Enterprise Hubs, with Carmarthen and Anglesey Enterprise Hubs accounting for over half of these achievements. Enterprise Hubs also report on the number of jobs created which earn above the average salary for Wales and other than at the Carmarthen Enterprise Hub⁸⁷ these numbers are fairly low for other hubs who report outputs well below the 25 per cent target set by the Welsh Government.
- 5.20. Since the onset of the COVID-19 pandemic, Enterprise Hubs also report on the number of people who have attended their virtual sessions. A review of webinar attendees across the five Enterprise Hubs between April 2020 and December 2021 shows that a total of 20,150 attendees participated across events held by four of the Enterprise Hubs. Table 5.3 sets out attendance numbers by each hub. On average, some 960 attendees have participated each month in webinars held across the four hubs which suggests extensive reach into their communities.

Table 5.3: Enterprise Hubs webinar attendees (April 2020 – December 2021)⁸⁸

⁸⁶ Defined as having received at least six hours of support.

⁸⁷ Which was achieved as a result of a jobs fayre arranged by the Enterprise Hub for one business

⁸⁸ Wrexham Enterprise Hub does not report webinar attendee data

Enterprise Hub	Webinar attendees
Anglesey	3,172
Newtown	2,361
Caerphilly	2,459
Carmarthen	1,865
Total	20,150

Source: Welsh Government (February 2022)

- 5.21. In terms of performance against their funded KPIs, it was broadly accepted that several Enterprise Hubs had struggled to meet their targets during the initial phase of their funded contract, with new hubs in particular finding it a challenge to establish themselves and stimulate interest amongst potential users. The onset of the COVID-19 pandemic some 18 months into their funding period had a significant impact upon the Enterprise Hubs' ability to achieve their funded targets, not least as their core raison d'être was to provide physical co-working and networking spaces for entrepreneurs.
- 5.22. Feedback gathered over the course of the study suggests that the KPIs adopted don't reflect the breadth of provision made available by the hubs, particularly their work around supporting a community of entrepreneurs and networking. Whilst contractors agreed to deliver against the funded KPIs as part of the tendering process a call was made for any future KPIs to also include targets which better reflect their 'softer' remit, notably around their outreach activities, pre-start up provision, and supporting a network of entrepreneurs. It was also suggested that a future KPI could be introduced around number of referrals into Business Wales, to encourage this to happen and to achieve greater synergy with mainstream provision.
- 5.23. The evidence required to support the achievement of KPIs were also considered complex, particularly for those providers not previously engaged in the delivery of any Business Wales and ERDF provision. It initially proved a challenge for less experienced contractors to understand what was required of them in terms of gathering and reporting evidence to demonstrate that outputs were being achieved. Contractors had underestimated the resource and knowledge required for this task and it took time for some to improve the quality of evidence captured to claim their funding outputs. To address this and ensure that appropriate evidence was being provided as part of their claims, the



Welsh Government provided training and support to contractors. It was also the case that funded providers believed that the monitoring requirements placed on them had been very onerous.

Achievements by demographic profile

5.24. Table 5.4 shows the demographic profile of people supported by Enterprise Hubs to date.

Table 5.4: Demographic profile of Enterprise Hub users (across four settings, excluding Wrexham Enterprise Hub)

	Individuals registrations ⁸⁹		Existing businesses supported with at least one owner who is:		Enterprises created with at least one owner who is:	
	Total to date	As % of total to date	Total to date	As % of total to date	Total to date	As % of total to date
Male	535	36%	90	40%	156	43%
Female	848	57%	126	57%	202	55%
Black, Asian & Minority Ethnic	65	4%	2	1%	16	4%
Disabled	77	5%	9	4%	11	3%
Welsh speaker	291	19%	40	18%	114	31%
Young people under 25	109	7%	14	6%	43	12%
Total to date	1,496	100%	223	100%	364	100%

Source: Welsh Government (May 2022)

5.25. It is possible to make the following observations on the demographic data reported by the hubs:

- over half of Enterprise Hub registrations are women and over half of the businesses supported and created have a female owner, suggesting that

⁸⁹ The 'individual registrations' data is based on the number of individual users who complete Enterprise Hub registration forms. The numbers recorded for each group signifies the number of registered businesses or registered individuals inspiring to create an enterprise with owners in each respective category. One business could have a male owner and a female owner, in addition to being in either of the other categories. Therefore the categories will never add up to match the total of registrations. Also note that some businesses have chosen not to disclose demographic information by selecting 'Prefer not to say'.

Enterprise Hubs are making an important contribution to female entrepreneurial activity

- the proportion of Black, Asian, and Minority Ethnic individuals who have registered with Enterprise Hubs, at 4 per cent, is broadly in keeping with the 4.9 per cent⁹⁰ of people in Wales who identify as such
- the proportion of disabled people who have registered with Enterprise Hubs, at 5 per cent, is significantly below the 22 per cent⁹¹ of people in Wales who identify as such
- the proportion of Welsh speakers who have registered with Enterprise Hubs, at 19 per cent, is lower than the proportion of the working age population, at 27 per cent, who speak Welsh⁹² although a notably higher proportion of new enterprises created (31 per cent) have at least one Welsh speaking owner, suggesting a strong conversion rate amongst this particular cohort
- the proportion of young people aged under 25 who have registered with Enterprise Hubs, at 7 per cent, form a very small proportion of all registrations made, although a slightly higher proportion of enterprises created, at 12 per cent, have at least one owner who is aged under 25. This is perhaps in contrast to the wider evidence set out at Chapter 4 which suggests that young people stand to benefit the most from using incubation spaces.

Achievements by geographical profile

5.26. Data provided by the Welsh Government shows that over half of all individuals supported by the five Enterprise Hubs are from the local authority where the hub itself is located whilst most of the remaining individuals are drawn from a neighbouring county. The proportion is higher for those Enterprise Hubs based at Newtown , Carmarthen and Wrexham whilst most individuals supported by the Anglesey Enterprise Hub are drawn from two local authority areas (Gwynedd and Anglesey itself). Most of the individuals supported at Caerphilly Enterprise Hub (are from the four counties of Rhondda Cynon Taf, Caerphilly, Cardiff and Blaenau Gwent.

⁹⁰ [Ethnicity by area and ethnic group \(gov.wales\)](#)

⁹¹ [Disability Status by Region \(gov.wales\)](#)

⁹² [Welsh language data from the Annual Population Survey: 2021 | GOV.WALES](#) which shows that 514,400 of 1,898,000 from the working age population speak Welsh



5.27. A similar, even more concentrated pattern emerges when considering the geographical data for new enterprises created. In all, 64% of all new enterprises created⁹³ are based within the local authority where the hub itself is located.

Use of resources

5.28. Table 5.5 shows that the Welsh Government allocated a total of £7.468m funding across the five Enterprise Hubs for delivery between September 2018 and September 2022⁹⁴. Enterprise Hubs utilised 83% of their initial allocated funding up until September 2021 (£4.906m of £5.937m) but are on course to spend their allocated funding for the final one year period between September 2021 and September 2022. It is expected that £6.4m will have been spent on their provisions over a four-year period (five in the case of the Wrexham Enterprise Hub) by September 2022.

Table 5.5: Enterprise Hubs spend to date against budget (September 2018 – September 2022)

£000s	Budget (Sept 18 – Sept 21)	Actual Spend (Sept 18- Sept 21)	Budget (Sept 21 – Sept 22)	Spend to date (Sept 21 – Mar 22)
Anglesey	£1,000	£971	£312	£173
Newtown	£1,000	£792	£259	£144
Caerphilly	£1,000	£1,054	£281	£192
Carmarthen	£1,000	£735	£338	£148
Wrexham	£1,937 ⁹⁵	£1,354	£341	£200
Total	£5,937	£4,906	£1,531	£857

Source: Welsh Government (May 2022)

5.29. The funding has been typically utilised by each Enterprise Hub to employ three people:

- an Enterprise Hub Manager with responsibility for day-to-day operations, strategy development, stakeholder management and business support

⁹³ 232 of 365 new enterprises created

⁹⁴ Other than in the case of Wrexham Enterprise Hub where the funding covered a four year period from September 2017 onwards.

⁹⁵ This budget was for a four year period from September 2017 to September 2021.

- an Enterprise Hub Coordinator with responsibility for promotion, marketing, and hub events
- an Enterprise Hub Administrator with responsibility for monitoring and reporting, event coordination and co-working administration.

- 5.30. Each Enterprise Hub has also been able to claim funding for additional activities such as those incurred in hosting events, marketing, staff training, and overhead costs. Each Enterprise Hub could claim a management fee which was calculated on a cost recovery basis and capped at a maximum of 10 per cent of actual spend. The funding arrangements for the Wrexham Enterprise Hub have been slightly different in that this hub could also claim funding to cover the rental costs of the building.
- 5.31. Calculating the cost per funded output achieved by Enterprise Hubs offers a very crude analysis of the return on investment made and it would be inappropriate to compare the data with the return achieved from other business support interventions given that much of the Enterprise Hubs' resources has been allocated to other non-output related tasks (e.g., outreach, collaboration, and networking). A simple calculation based on spend and outputs achieved to date suggests that the cost per individual receiving support equates to £5,881 and the cost per new enterprise supported equates to £14,777⁹⁶.
- 5.32. Feedback gathered over the course of the review suggests that Enterprise Hubs were generously funded and resourced, with under-spending at two settings suggesting that the costs associated with running a hub had been somewhat over-estimated. For the sake of comparison, feedback from Welsh Government officials suggests that the funding contribution made available by the Welsh Government to support the development of new co-working spaces has been significantly less at circa £25k per location. This resource has been used to help cover refurbishment costs and some administrative resource.

⁹⁶ Both calculated using expenditure and outputs achieved by March 2022. Total expenditure at March 2022 on Enterprise Hubs was £5.763m. The total number of individuals supported at March 2022 was 980 and new enterprises supported was 390.



6. Implementation and delivery

6.1. This chapter sets out the services made available by the hubs and considers the findings of the fieldwork in terms of their implementation models, including how they have worked with others.

Marketing and engagement

6.2. Each Enterprise Hub was required to develop a marketing plan and were expected to engage with local communities across their region to promote their services and raise awareness of entrepreneurship.

6.3. Most Enterprise Hubs have arranged specific target groups events to better reach specific audiences. These target groups have included:

- young people: a young people network at Carmarthen Enterprise Hub and a Future Founders programme at Newtown Enterprise Hub have been run in collaboration with partners such as Big Ideas Wales and Youth Services
- women: women only networks have been facilitated at Carmarthen and Newtown Enterprise Hubs
- ethnic communities: a project working with the Syrian Refugee Resettlement Programme at Anglesey Enterprise Hub and a project working with the Portuguese community at Wrexham Enterprise Hub have been delivered
- a project working with disabled people: such as working through community groups like Celf Able Group
- sector-based enterprises: Anglesey Enterprise Hub have tailored their 'Miwini' start up course for different audiences such as a Community Miwtini for businesses which intend to have a positive impact on the community and a Food and Drink Miwtini for businesses in this sector.

6.4. A key strength of the hubs' approach was considered to be their work on establishing and maintaining a dynamic social media presence. Contributors also thought that, overall, hubs had been able to engage effectively with clients who have protected characteristics and several examples were highlighted over the course of the fieldwork including those set out above. Enterprise Hubs have focused on particular groups within their area where there has been an opportunity to outreach and collaborate with an intermediary group or organisation.

6.5. It was commonly thought that Enterprise Hubs had been able to reach a new and different audience to mainstream Business Wales, not least because of their local identity but also because of the way in which they promoted their provision in a tailored and flexible manner. Enterprise Hub providers argued that hubs have been less intimidating for pre-start up clients who would not have been ready and prepared to contact Business Wales on their national 0300 telephone number. Adopting a separate identity to Business Wales has allowed the hubs to portray an ‘engaging and friendly’ service which has attracted new clients who possibly lacked the confidence to contact Business Wales. It was observed that the hubs:

- were ‘more approachable for first time entrepreneurs [than Business Wales] because they are localised’
- had ‘created a localised outreach provision that is ... accessible to local people’
- were relatable: ‘I can see people switching off and thinking ‘it’s not for me’ with Business Wales. The hubs are more local and more personal and can be the way in for those put off by the organisation of Business Wales.’

6.6. It was also suggested that Enterprise Hubs have adopted a creative marketing and recruitment strategy which has often involved market segmentation to target key audiences such as young people, women and ethnic minority groups. It was also reported that hubs have attempted to ensure that they are accessible to new users, by encouraging (where possible) walk-ins and ‘drop ins’ for a chat. However as is evidenced via the geographical data set out at Chapter 5, it was also acknowledged that the client reach for physical hubs would always be fairly local and small scale as a result.

6.7. Several contributors, whilst recognising the advantages associated with the Enterprise Hubs brand, did raise issues around the implications of this. For those providers who were already in place prior to the delivery of the Enterprise Hub i.e. Caerphilly ICE and M-Sparc, their identity was thought to be stronger than that of the Enterprise Hub brand. In other cases, the identity of satellite sites e.g., Shared Spaces, was thought to be more prominent on the high street than the Enterprise Hub brand.

Services made available by Enterprise Hubs

6.8. All five Enterprise Hubs have made access to fully funded co-working spaces available for prospective and new entrepreneurs. This has included access to hot-desking spaces, meeting areas, high speed internet access, mail, and call handling facilities, and, in some



cases, access to paid for additional services such as administration support. All Enterprise Hubs have provided basic facilities for users including access to a kitchen and/or café area. Some hubs (Wrexham and Caerphilly) are also pet friendly offices.

6.9. In addition to the co-working facilities made available by every hub, a review of recent monthly progress reports suggests that all Enterprise Hubs:

- hold regular networking workshops such as breakfast networking events or lunch and learn sessions
- arrange one-off business advisory events and surgeries covering topics such as getting business ready, ideas generation, funding, exporting, social media, and marketing. Many sessions focus on getting started with social media platforms and how to generate traffic, engage clients and create content. Many of these are delivered in partnership with other organisations and attended by guest speakers. Some sessions have a specific focus on sustainability and how to run greener businesses
- arrange a series of business start-up courses covering the fundamental aspects of starting in business, including business planning bootcamps. Some of these are held on a weekly basis over a six- or eight-week period whilst others are delivered in a more intensive manner e.g., over a three-day start-up academy. Some have clear branding e.g., the 'Start Up Club' at Wrexham Enterprise Hub, the '5 to 9 Club' at Caerphilly Enterprise Hub and 'Miwini' at the Anglesey Enterprise Hub
- arrange drop-in support sessions for clients
- arrange community events for their members such as a community quiz
- arrange pop up trading opportunities, particularly in the run up to Christmas. Several Enterprise Hubs arranged Christmas markets and pop-up shops suitable for test trading.

6.10. Unlike the other hubs, the Anglesey Enterprise Hub has also offered clients access to a maker space (branded 'Ffiws') which provides equipment such as 3D printers, mug press and t-shirt press for clients to use to develop prototypes.

6.11. Other than this example, the range of provision offered to individual users has been consistent from one hub to another and tailored to meet the specific needs of local clients. One Enterprise Hub noted that as people needed advice at a much faster pace than was previously the case due to them losing their employment unexpectedly as a

result of the pandemic, they were able to respond quickly and introduce a one day 'business basics' session.

- 6.12. It was noted that a key strength of the approach taken has been the flexibility afforded to each hub to meet the needs of individual users and providers welcomed the fact that they don't feel restricted by any cap on the time they can spend with each client. One partner organisation observed that hubs can accommodate differences in client needs effectively: 'I found that the clientele at Carmarthen were generally more advanced in their business idea whereas Newtown attendees were 'greener' about their idea and preferred a chalk and talk delivery style.'

Collaboration between Enterprise Hubs

- 6.13. Enterprise Hub managers meet on a regular basis as a group, facilitated by Welsh Government, and there was a view that relationships between different hubs have strengthened over time. The shift to digital provision which has taken place during the pandemic period has resulted in increased collaboration between hubs, and it has removed some of the competition previously thought to be in place.
- 6.14. Enterprise Hubs have collaborated on several pan-Wales projects including projects which focus on carbon reduction and equality and diversity. Hub managers also attended an overseas visit to the Massachusetts Institute of Technology (MIT) in Boston, contributed jointly to a virtual presence at Wales Tech Week and arranged a series of equality and diversity celebratory events during 2021.

Collaboration with other partners

- 6.15. Each Enterprise Hub was required to work with Business Wales, Social Business Wales and Big Ideas Wales as well as other key partners such as from the third and public sector and report monthly referral data to the Welsh Government. Feedback from Enterprise Hubs suggests that they work with a wide range of partner organisations and a review of progress reports shows that they meet on a regular basis with a wide cross-section of organisations including local authorities, colleges, universities, third sector and private sector representative bodies. The nature of these collaborations are four-fold and are those which are focused on:
- client referrals (e.g., Department for Work and Pensions (DWP) Job Centre teams, Communities for Work/Communities for Work + and other employability support



initiatives and Enterprise Hub staff will meet with these representatives on a regular basis to discuss client referrals and progress)

- specific collaborative projects or events
- helping facilitate the Hub's outreach into communities e.g., the Newtown Enterprise Hub works with PAVO's Community Connectors programme⁹⁷
- supporting specific groups e.g., Stonewall, Prime Cymru, EYST and Chwarae Teg.

Engaging with local authorities

6.16. Of the seven local authorities who contributed to the review, two had a close collaborative relationship with the Enterprise Hub based within their county. Both of these were kept abreast of developments, adding 'we just make sure that they're aware of what we're doing within economic development and vice versa'. One local authority had collaborated with the Enterprise Hub to deliver hackathons and officers regularly attended in-person and online networking events. They regularly referred out of work clients to the service for support and the Enterprise Hub was very much considered 'our go-to place for entrepreneurs ... because everything is under one roof ... [which] means that people can get the support that they need on a day-to-day basis'. The second local authority had collaborated with the Enterprise Hub to establish pop-up trading opportunities for local businesses in the run up to Christmas during 2020, and in this case the hub had provided advice and support to those traders who were selling their wares.

6.17. The remaining five (including one which had an Enterprise Hub within their area) reported to have had very little engagement with the hubs e.g., one had been involved with an outreach virtual business club and another had collaborated 'on a couple of events' whilst the remaining two had not been involved at all. In those cases where there had been little or no engagement it was noted that the Enterprise Hub was quite far in terms of distance, making it inappropriate to refer clients to them and vice versa. Other comments were made about the lack of engagement including:

- 'I have no knowledge. I'm quite surprised that I haven't had anything'
- 'we have not received any direct contact from them inviting us to participate, or promoting their services'

⁹⁷ [Community Connectors \(pavo.org.uk\)](http://pavo.org.uk)

- 'ideally, we needed a presence within the county to maximise this'.

Engaging with Higher Education Institutions (HEIs) and Further Education Institutions (FEIs)

- 6.18. Feedback from Enterprise Hubs suggest that their engagement with FEIs and HEIs resolves around enterprise competitions, delivering enterprise sessions to college and university students, and arranging events such as hackathons. Enterprise Hubs also liaise regularly with enterprise and employability leads at their local colleges. In one case, a Young Enterprise Support Organisations Group has been established by the Enterprise Hub aimed at organisations who support young people into entrepreneurship to share knowledge and encourage collaboration. The group is attended by Big Ideas Wales, Bangor University, Careers Wales, Grŵp Llandrillo Menai, local authorities and the Welsh Government's Youth Entrepreneurship service.
- 6.19. Meaningful collaboration was found to be in place between two of the hubs and HEIs, notably Anglesey Enterprise Hub with Bangor University (perhaps not surprising given that M-Sparc is a Bangor University subsidiary) and between Wrexham Enterprise Hub and Glyndŵr University. In the case of the Anglesey Enterprise Hub, joint events are held with the B-Enterprising team at Bangor University and staff from the hub support their clients with advice and co-working space. The collaboration extends to other university departments including the business school and product design course. In the case of Wrexham Enterprise Hub and Glyndŵr University, bespoke start up clubs and accelerator programmes have been held for university students and several hackathons and lock-ins have been held for students e.g., one challenge was for students to identify an entrepreneurial solution to encourage people back to the high street.
- 6.20. There was some suggestion that there had been a lack of clarity about how Enterprise Hubs and universities were expected to work together, and it was suggested that funding agreements could have specified more clearly what should have been expected of each partner.
- 6.21. Feedback from FEIs and HEIs⁹⁸ reinforced these findings about the extent of collaboration between Enterprise Hubs and the sector:

⁹⁸ Gathered via research undertaken by Arad Research as part of the youth entrepreneurship review, being undertaken concurrently.



- there is strong collaboration between some Enterprise Hubs and some universities, with one such collaboration stemming from the fact that one hub is housed within a university owned building
- a few noted that they had some form of relationship with their closest hub but that it wasn't a particularly meaningful one and FEIs tend to turn to Big Ideas Wales for support rather than the hubs
- some had referred students to events held by hubs
- feedback from those less involved with Enterprise Hubs tends to suggest that geographical distance is the main factor which hinders more collaboration e.g., 'the nearest Hub to us is 40 miles way ... the Hub is too far away from us to actively engage [and] use the physical space they have there.'

Adding value to the business support ecosystem

- 6.22. Collaboration between Enterprise Hubs and Business Wales takes place in all settings, and this is aided by the fact that both the hub and Business Wales can claim the same enterprise start and job outcome when reporting to the Welsh Government. Being able to do so removes any element of competition between providers. Business Wales advisors also frequently deliver courses and business surgeries for Enterprise Hub clients.
- 6.23. Partner organisations took the view that the dedicated resource which Enterprise Hubs have at their disposal to engage with stakeholder organisations and to undertake outreach work into communities is valuable. This resource was considered to add value to the business support ecosystem as it is not a function funded elsewhere such as via mainstream Business Wales provision. Contributors frequently commented that Enterprise Hubs have been able to establish and maintain links with their local business community as well as local community groups. There was a strong view that the outreach and stakeholder engagement work undertaken by the hubs should be retained in the future, although some suggested that this role could possibly be incorporated into mainstream Business Wales provision:
- 'should Business Wales have a dedicated role for stakeholder engagement ... it's worked really well for the hubs.'
- 6.24. Contributors did not think that hubs' engagement work had necessarily resulted in a notable increase in client referrals to Business Wales mainstream provision. Some contributors had expected hubs to have played a greater role in sourcing new clients for

Business Wales, but this had not materialised to the extent expected. Many factors were suggested for this, including Enterprise Hubs clients not wanting to be referred on to Business Wales mainstream provision as well as the lower-than-expected number of new start-ups supported across the Enterprise Hubs. One Business Wales representative observed:

‘The Hubs do refer clients to us, but the transfer of clients [i.e. number of clients] is not as great as we expected.’

The impact of the pandemic

- 6.25. Enterprise Hubs had to amend their delivery models significantly in response to the COVID-19 pandemic. All hubs shifted to digital modes of delivery and were able to do so swiftly because of the flexibility afforded to them via their Welsh Government funding arrangements and their ‘fleet of foot’ approach. The hubs observed very good attendance at their digital events over the initial 18 months following the outbreak of the pandemic, although levels of attendance was reported to have waned thereafter due to digital fatigue on the part of clients. Hubs also adopted digital administration processes during the pandemic period, and the move to using a digital ‘DocuSign’ platform which allows clients to complete the necessary paperwork digitally was broadly welcomed by those contributing to the review.
- 6.26. Many contributors observed that the number of users engaging on a digital basis with the Hubs was much higher than had previously been the case with face-to-face provision as hubs were able to reach clients from a wider geographical area:
- ‘when covid hit and the sessions were delivered remotely, this made the provision more accessible to the wider region.’
- 6.27. The use of physical co-working spaces came to a halt during periods of government restrictions when hub users were required to work from home. Hubs were forced to shut and client access to buildings was restricted for a considerable length of time. In the case of the Carmarthen Enterprise Hub, the facility was closed for use by the host university for a period of eight months.
- 6.28. Enterprise Hubs reported that the pandemic also impacted upon their provision in other ways. It was commonly noted that the pandemic stifled their plans and performance against funded targets. For instance, plans to re-commence face to face activities in January 2022 were postponed by one Hub due to concerns about increasing COVID-19



cases across Wales. Other Hubs reported high rates of no-shows for in-person events and meetings when they were finally re-introduced.

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7. Feedback on Enterprise Hubs' services

7.1. This chapter considers the appropriateness and quality of provision made available via Enterprise Hubs; the value of support to service users and the difference which accessing support has made. The chapter draws upon the findings of the user web survey, interviews with service users as well as feedback from other contributors.

Views on quality and appropriateness of provision

7.2. Stakeholders and partner organisations who had been involved with Enterprise Hubs believed that they provided a quality service and were well managed. Partner organisations recognised the value of the pre-start provision, adding that the availability of out of hours support such as the 5-9 initiative was welcomed by the business community with whom they worked. Partner organisations also valued the mix of social and formal business support provided by hubs.

7.3. Partner organisations highlighted the key strengths of Enterprise Hubs as being:

- the role and quality of Hub managers. Some suggested that the hubs' success has in part been down to the 'personalities and energy' of managers who have brought 'positive vibes' to individual settings. These roles were considered key in making spaces work and were often described as 'animators' for the hubs. The role of the Hub manager was also considered to be very different to the role played by business advisors, who work with businesses on a one-to-one basis. Hub managers on the other hand often work on a one-to-many basis and adopt a broader role to engage, facilitate collaboration, build confidence, and demonstrate empathy
- their flexible approach which might not have been possible had they been required to deliver high volume KPIs required of mainstream Business Wales provision
- the availability of physical space. It was noted that the physical hubs have provided entrepreneurs with a 'visible business space to engage with specialist business advisers and network with like-minded entrepreneurs.'

7.4. Enterprise Hubs were considered by partner organisations to be important players within the overall business support eco-system, but many cautioned that the market (as has already been discussed at Chapter 4 of this report) was becoming increasingly 'saturated' given the increasing number of private sector players becoming involved in the provision of co-working spaces.



- 7.5. Several partner organisations also cautioned that some of the services which hubs make available duplicate others which are funded by the Welsh Government via Business Wales, and that this makes it confusing for businesses and other intermediaries who make referrals for support. Business start-up courses was cited as a specific area of duplication given that both Enterprise Hubs and Business Wales offer some form of start-up workshops, including those available digitally.
- 7.6. It was suggested that Hubs have possibly stepped into mainstream business support because users prefer to access it in this way, although others cautioned that clients might be missing out as a result:
- ‘people like the gateway [Enterprise Hubs] and don’t want the formal stuff ... I don’t think there’s any blocking by the Hubs’
- ‘If you’re in the Business Wales and Welsh Government family, it all looks beautiful. It all does line up. I’d argue there are lots of people doing the same things with a different badge on it.’
- ‘[clients] don’t get the depth because they’re not being referred to Business Wales’.
- 7.7. This duplication in provision was not recognised by those delivering services however, and overall Enterprise Hubs took the view that they make a positive additional contribution to the business support ecosystem as they deliver things differently to Business Wales.
- 7.8. Two main concerns were expressed by contributors about the work and approach of the Enterprise Hubs. It was suggested that:
- the hubs have not always been successful in securing a wide geographical presence and reach. Some hubs have attempted to secure a greater regional presence than others, notably the Anglesey Enterprise Hub who has operated via a network of satellite offices across north west Wales. Others are attempting to extend their geographical reach e.g., at the time of undertaking our fieldwork the Newtown Enterprise Hub was delivering a roadshow to visit Aberystwyth, Brecon, and Ystalyfera and Carmarthenshire Enterprise Hub was also operating from a satellite office in Haverfordwest
 - satellite hubs are not perceived as being as successful in developing co-working communities as the main hubs, as they are not staffed by full time staff. One local

authority cautioned that ‘unmanned spaces do not appear to have the same benefits ... of a stronger business community’.

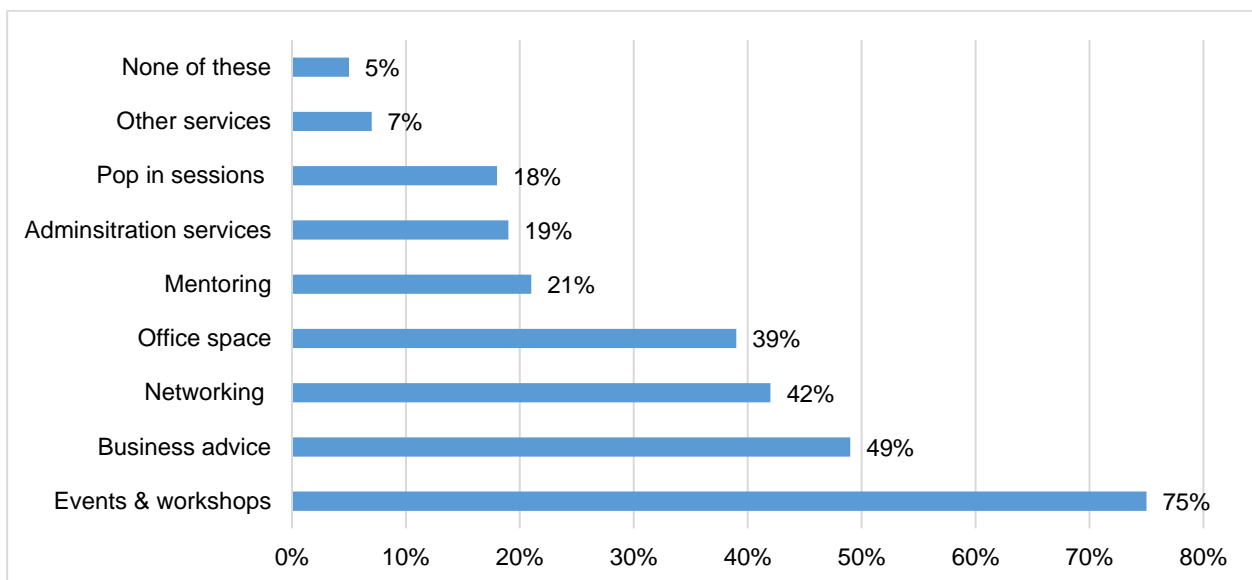
Meeting the needs of entrepreneurs and early-stage businesses

7.9. This section draws upon the findings of a survey of 171 hub users and the views of 14 users who were interviewed on a face-to-face basis.

Use of Enterprise Hubs

7.10. As shown at Figure 7.1 findings from the user survey suggests that Enterprise Hubs have primarily been used for events and workshops, with three-quarters of surveyed users (129 or 75%) using the hubs for this purpose. Just under half of those surveyed reported that they had accessed business advice via the hubs. It is notable that just under two in ten of survey respondents had used the office spaces provided by the hubs, which is perhaps not unexpected given the impact of the pandemic, but strongly suggests that this has not been the main motivation for most users to engage with their local hub. Users were more likely to use the office space at Caerphilly Enterprise Hub (at 52%) than at the others.

Figure 7.1: Nature of Enterprise Hubs’ services accessed



Source: OB3 survey of 171 Enterprise Hubs users

7.11. Just under three-quarters of surveyed users had accessed Enterprise Hub services on a virtual basis (126 or 74% of respondents). Half of those surveyed (89 or 52%) had accessed services at the main Enterprise Hub whilst a small proportion (9% or 15 users) had accessed support at another venue in the region. A small proportion (13 or 7%) had



not used any of the Enterprise Hub services. Users of the Newtown and Carmarthen Enterprise Hubs were more likely than others to have used the services on a virtual basis, whilst users of the Caerphilly Enterprise Hub were most likely to have used the services at the main Hub. Users of the Anglesey Enterprise Hub were the most likely to have accessed support at other venues in the region.

7.12. As might be expected, interviewed users were more likely to have used Enterprise Hubs in person and cited a range of reasons for why they had accessed the service. The venue and community which it hosted appealed to some whilst others were drawn to provision which Enterprise Hubs make available:

- 'my motivation – a sense of community'
- 'all in one place'
- 'courses online during the pandemic were really helpful'.

7.13. Some interviewed users had come into contact with the service by chance, others by referral and others following hearing about the opportunity via social media posts. For instance:

'I saw the 12-week course advertised on Facebook. I thought it would be a good place to start'.

7.14. The small number of surveyed users (13) who had not accessed any of the Enterprise Hub services identified a range of different factors for why they had not done so, and comments included:

- '[I] don't know about them. I only use M-Sparc for working when I want a change of scene from home'
- 'I have no idea what services they offer and what is available'
- 'Never had the time'
- 'Postponed business set up'
- 'I am profoundly deaf ... none of the services are accessible to me'.

Location and facilities

7.15. Most surveyed users considered the location of their Enterprise Hub to be either very good (95 or 56%) or good (38 or 22%) although it is worth noting that a minority (30 or

18%) did not know as they had either accessed support on a virtual basis or were not in a position to comment.

7.16. Likewise, most surveyed users considered the facilities available at their Enterprise Hub to be either very good (98 or 58%) or good (31 or 18%) although again a minority (35 or 21%) could not comment on these facilities.

7.17. The main themes raised by surveyed users in relation to the location and facilities available at three of the Enterprise Hubs⁹⁹ are set out at Table 7.1.

Table 7.1: Surveyed users’ feedback on location and facilities available at three hubs

Caerphilly	<ul style="list-style-type: none"> • A ‘friendly’, ‘welcoming’ place which is ‘spacious’ and ‘super inviting’ and which is well suited to networking. Some suggested that it was more suitable for young people in that it is ‘more geared up to provide a social network to young freelancers’ • A ‘very inclusive’ and ‘supportive’ environment with a ‘helpful and friendly’ team and members who are happy to support others • Good location in terms of links with the train station but car parking has become an issue of late due to the use of a parking management company: ‘parking is now atrocious after the new restrictions’ and ‘parking is awful’ • Good on-site café but toilets in need of refurbishment • Facilities could be improved via sound-proofed booths for virtual online conversations and meetings and introduction of different zones for ‘working’ and ‘chatting’
Carmarthen	<ul style="list-style-type: none"> • A much stronger preference for the town centre site as opposed to Yr Egin site ‘town centre [is] much better’ and ‘[town centre is] much more convenient for keeping in touch with the business community in Carmarthen’ • A friendly and supportive team described as ‘phenomenal’ and ‘dynamic’

⁹⁹ The lack of responses from users who had accessed office spaces at Wrexham and Anglesey does not make it possible to provide a similar breakdown.



	<ul style="list-style-type: none"> Facilities could be improved by introducing 'private rooms'
Newtown	<ul style="list-style-type: none"> A very welcoming place with 'friendly staff' who are enthusiastic and professional A 'fantastic' workspace with a 'spacious and comfortable' environment which can accommodate 'several things' at the same time Good car parking facilities and reasonable distance from town centre in that it is 'on the edge of the town centre' The facilities could be improved if quiet or private spaces or rooms could be introduced and if the venue could be warmer: a few noted that 'the space as a whole is far too cold' and therefore not usable over winter months

Enterprise Hubs' suitability and facilities

7.18. Most contributors offered a view on the suitability and facilities available across the five Enterprise Hubs. Broadly, it was felt that the spaces had the right essential facilities including access to broadband, were modern and professionally run. It was widely acknowledged that the spaces were very different to each other, and each had its own 'vibe'. Amongst the comments offered by contributors were:

- all five venues are very appropriate for hosting events and networking sessions although their suitability for co-working was thought to vary. Whilst the spaces work well as meeting places, they don't always work as effectively as a working space. By way of example, it was observed that the Caerphilly Enterprise Hub has a mix of open and more quiet spaces, whereas others such as Carmarthen and Newtown only offer open plan spaces. It was suggested that they could benefit from further investment to carve the space up and some could also benefit from growing-on spaces
- the building architecture and image can impact upon its appeal and use. For instance, Yr Egin building housing Carmarthen Enterprise Hub was described as 'too slick [an] environment' and 'intimidating'. One contributor observed 'people

saw it as a corporate building ... the big reception put people off'. The M-Sparc building was considered 'a special building' given how imposing it was

- the sense of 'buzz' from one setting to the next differs and broadly contributors thought it important that 'when you visit a hub, you kind of want to see people and feel a bit of buzz'. Some, such as Caerphilly and Wrexham Enterprise Hubs were observed as being full, emanating positive energy, whereas others (notably the Carmarthen and Newtown Enterprise Hubs) were usually emptier and lacked the same sense of energy
- the 'vibe' and profile of users at each setting is different. For instance, both Wrexham and Caerphilly Enterprise Hubs were noted for being places which appealed to young people. Wrexham Enterprise Hub was described as a 'sixth form common room ... a bit rowdy, and casual. You've got people with their socks off and feet on the table'.

Views about other services accessed

7.19. Interviewed users recalled having accessed a wide range of services from their Enterprise Hub, including group-based activities such as workshops, courses, seminars, and networking opportunities as well as individual services such as support to prepare business plans, securing grant funding, marketing advice and the occasional use of co-working spaces. These users made similar suggestions for improving the spaces themselves, with comments falling into three main themes:

- more private spaces and quieter, individual working areas e.g., 'pods for video-conferencing'
- the need to improve facilities such as kitchen, a café, better heating, and a shower
- the need to create a more 'dynamic environment' which has a greater 'buzz'.

7.20. The feedback gathered on the quality and utility of the services provided from both interviewed and surveyed users was very good. Most surveyed users regarded the services provided by Enterprise Hubs to be either very good or good, as shown at Figure 7.2.

Figure 7.2: Views on quality and utility of Enterprise Hubs services



Source: OB3 survey of 171 Enterprise Hubs users

7.21. When commenting on the services accessed the main positive themes raised by both surveyed and interviewed users related to:

- the helpfulness of staff with comments including: ‘amazing people’; ‘excellent advice’; ‘I was given such a warm welcome by Angharad and the team’, ‘the one-to-one advice has also been great, providing me with action plans and on-going support as and when needed’ and ‘Hub manager is so well connected’
- the quality of provision. Comments included ‘excellent courses’; ‘well organised, very professional’; ‘really good courses and events’; ‘access to video library was really good’ and ‘overall this programme overall was far more relevant and helpful than Business Wales’
- the benefits of meeting other entrepreneurs. Comments included: ‘amazing community of entrepreneurs’; ‘being able to help connect with other businesses for ideas, advice and support has been invaluable in helping our business grow’; and ‘the networking monthly meeting, usually with a talk or similar, are also very useful and a chance to get to know other women in business. One of them is coming to do the photoshoot for my business now, which wouldn't have happened if I had not joined the Hub’
- the proactive nature of the support and the variety of the provision made available. Comments included ‘the Hub is always looking for ways to support’; ‘Welsh Ice is

always asking what workshops we want and is happy to try less expected workshops too' and 'great diversity of events'

7.22. A small number of surveyed and interviewed users raised issues with the services which they had accessed, and these related to:

- the Hub being more suitable to young people (specifically the Caerphilly Enterprise Hub). Comments included: 'I've been to one event, and I was at least 20 years too old for it' and 'unless you are between 18-25 ... not welcoming'
- the need for more high-level support from 'experts' rather than from those just starting out themselves, to meet the needs of more specialist businesses
- the Hub not being welcoming or accommodating of their needs. One such survey respondent commented that 'I enjoyed the 5-9 club and starting up my business, However; beyond those initial sessions Welsh ICE soon became an unwelcoming, cliquy, narrow-minded, biased, and discriminatory organisation that I felt both excluded from and that I didn't want to be associated with them any longer'.

7.23. Several of the suggestions for improving Enterprise Hubs' provision suggested by users covered similar themes. The most cited related to:

- achieving a balance between virtual and in person provision, with different needs suggesting that a hybrid approach would be welcome in the future: whilst some users wanted to be able to access more in person support, calling for 'more face-to-face events', others wanted to see 'remote courses' continue due to difficulties getting to the venue. One commented 'I attended the 5-9 club and found it was difficult to get to the location and return due to public transport issues'
- improving promotion of the facilities and provision, including better signage on buildings to 'explain what the space is for'; to raise greater awareness: 'more is needed to build awareness'; and to share success stories: 'I would like their hard work to be publicised more'
- providing more appropriate support at 'the high level' for 'growing businesses' which some thought would require hubs drawing upon 'a wider range of skills' amongst delivery team members
- clarifying the purpose of Enterprise Hubs given the issues experienced by some users at one Enterprise Hub: 'It depends [on] what the vision for ICE is. Is it a community offer for young freelancers? If so, it's doing a great job and doesn't



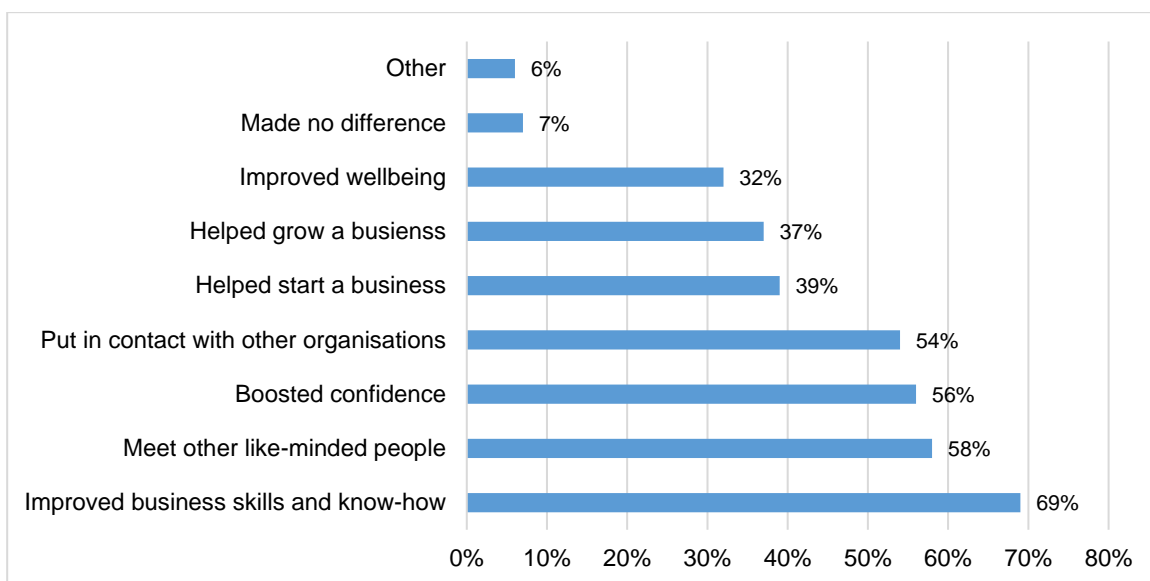
need to change. Is it to help start businesses that will grow and employ people? If that's the case, then it probably needs a bit of a rethink'

- reducing the paperwork required of users
- making services more accessible and inclusive, particularly to disabled people with specific impairments.

Difference made to users

7.24. Enterprise Hubs have made a positive difference to surveyed users' business skills and know-how, as well as allowing them to meet other like-minded people and boost their confidence, as shown at Figure 7.3. The data also suggests that Enterprise Hubs have supported 39 per cent of surveyed users to start and 37 per cent to grow their business.

Figure 7.3: Difference made by Enterprise Hubs



Source: OB3 survey of 171 Enterprise Hubs users

7.25. A small proportion of those surveyed (6 per cent) stated that the hub helped them in other ways, and some of the comments offered included:

- 'it gives me a quiet undisturbed space to do my financial paperwork, make phone calls, catch up on other 'office' tasks
- 'it helped me get myself focused again after Covid'
- 'it's provided a low-cost, conveniently-located space for my small team to meet occasionally now that we've transitioned to remote working'.

- 7.26. Interviewed users stressed the value of the support to them and stressed the confidence that they had gained from being able to access support in a safe space knowing that ‘no question was stupid at the hubs ... it was a safe space to discuss concerns.’ By comparison to other support accessed, provision via the Enterprise Hubs was considered to be more ‘friendly’ and inclusive, and some stressed the important role played by the enterprise community itself, not just staff, in helping to provide answers to their issues.
- 7.27. Several of those interviewed perceived that they would not be where they were without the support. Amongst the comments made were:
- ‘we wouldn’t have started without the hub’
 - ‘I would be back in employment if it were not for the hub’
 - ‘I would not have been as motivated’
 - ‘I would not have got the business off the ground’
 - ‘This project would not have happened’
 - ‘I’m more productive, my wellbeing is good. It’s made a big difference being here’.
- 7.28. Other contributors highlighted the value of a local presence offered by the Hubs as being critical to service users. In the absence of the hubs, providers thought that the entrepreneurial landscape would struggle as it would take away a community of entrepreneurs.

Difference made to reviving town centres

- 7.29. One of the hubs, Wrexham Enterprise Hub, was considered to have helped revive the high street, given its location and its success in integrating itself within the local community. Whilst the Newtown Enterprise Hub is located within close proximity to the town centre it does not have a high street presence or high volume of users (footfall) to generate a similar impact. Contributors were more optimistic that the satellite Carmarthen Enterprise Hub located on the high street in the town would make a greater contribution to reviving the town centre compared with the main hub at the out-of-town location and had recently demonstrated the value of a high street presence during a test trading event.
- 7.30. Whilst not directly located on high streets, other Enterprise Hubs were thought to have contributed in different ways to reviving town centres. For instance, the Newtown Enterprise Hub had provided trading opportunities for local retailers at its hub whilst Anglesey Enterprise Hub had been involved with the Smart Towns initiative.



A mini impact report¹⁰⁰ was prepared by Town Square Spaces on the first two years of Wrexham Enterprise Hub services since it opened in May 2018. Whilst the findings of the study have not been validated by the research team, it reported that:

- the Hub had 130 members
- feedback from supported businesses was positive, particularly in terms of how the Hub had helped businesses to grow and increased confidence amongst entrepreneurs
- the Hub had helped to change peoples' relationship with their hometown, with more seeing Wrexham as a more diverse, dynamic, and culturally interesting place
- members placed a value to the sense of community they felt at the Hub, and that the Hub had helped to increase community cohesion, particularly between Wrexham's Welsh and Polish communities.

¹⁰⁰ [Wrexham Impact Report | TownSq \(thetownsquare.co.uk\)](https://thetownsquare.co.uk)

8. Conclusions and thoughts for the future

- 8.1. This chapter sets out our conclusions around the work and impact of the Enterprise Hubs and are grouped into four key themes. Drawing on the feedback gathered over the course of the fieldwork and the desk-based analysis of relevant policy and best practice, this chapter also sets out our thoughts on possible future delivery models and the role that the Welsh Government should play to support entrepreneurs in the future. To aid this, we have structured our ideas around key future principles.

Key conclusions around the impact of the Enterprise Hubs

Theme 1: Enterprise Hubs have worked well when all the identified key success factors are in place.

- 8.2. The introduction of five Enterprise Hubs across Wales has been a useful exercise to identify what works well and under what circumstances. The rationale for introducing Enterprise Hubs was that the needs of aspiring entrepreneurs and early-stage businesses were not being met via existing provision at the time. It was anticipated that establishing incubation spaces (spaces for 'budding entrepreneurs') with appropriate shared workspaces and wrap-around support would create a thriving ecosystem around the entrepreneur. Enterprise Hubs were intended to be located in the right places for people, be well connected and animated by Hub managers who would act as a connector between the enterprising community and other key agents and support providers.
- 8.3. The key success factors associated with successful Enterprise Hubs are location, facilities, and the role of a community animateur. In our view, all five Enterprise Hubs have been able to demonstrate the latter of these attributes. A notable strength of the service is the role, enthusiasm and quality of Enterprise Hub managers and their teams who animate their spaces and ensure that tailored, personal support is available to clients. Three of the five Enterprise Hubs have been established in the right locations and offer, to varied degrees, the appropriate facilities which users require. These three hubs are located in appropriate venues and provide a suitable environment for users to work.
- 8.4. The evidence gathered via this review raises fundamental questions about the suitability of two of the Enterprise Hub settings, in Carmarthen at Yr Egin and Newtown at the Pryce Jones building. Having taken into consideration the lack of use being made of these two spaces for co-working purposes, coupled with the concerns raised about their facilities, their immediate location, and the lack of appeal of the buildings it would not be



appropriate for these venues to continue as Enterprise Hubs post 2022. The ultimate test for a successful Enterprise Hub should be that they are well-used and appealing physical spaces and due to a range of factors, it does not seem to be the case that these two settings have achieved that.

- 8.5. In terms of enhancing the spaces available at Enterprise Hubs more generally, the key messages raised during this review is that spaces need to be flexible so as to accommodate the needs of people looking for space to collaborate and innovate as well as quiet, confidential spaces to engage in focused tasks and virtual conversations. Spaces must also get the fundamental basics right, be that in terms of café facilities, transport connections, car parking facilities, and office environment so that settings provide a conducive, positive environment for work. The Welsh Government should encourage Enterprise Hubs to offer and adopt these facilities where it is practical to do so.

Theme 2: Enterprise Hubs have played an important role in engaging entrepreneurs who would not necessarily have engaged with mainstream Business Wales provision and made a meaningful contribution to their business start-up journey.

- 8.6. Enterprise Hubs have successfully engaged with a wider cohort of aspiring entrepreneurs and early-stage businesses who would not otherwise have engaged with mainstream Business Wales provision. A key factor for this has been the way individual settings have promoted and engaged their target audience in a creative and tailored manner, including via their own social media accounts. The evidence however does not suggest that the use of the Enterprise Hub brand per se has added much value, as it is not particularly well recognised by clients. In the case of three settings, the branding of the provider or venue i.e., M-Sparc, Welsh-ICE, Town Square Space is better known, reinforcing the importance of a local identity when engaging with and recruiting early-stage entrepreneurs.
- 8.7. By and large, Enterprise Hubs have successfully engaged aspiring entrepreneurs from within the immediate geographical catchment area of their setting, although there is evidence that satellite settings, where they have been adopted, have had some degree of success in attracting clients from their immediate catchment area as well. The shift to digital provision, driven in the main by the impact of the pandemic, has enabled Enterprise Hubs to reach a slightly wider geographical catchment area in that they have

supported clients from across more than one local authority. The delivery of virtual pre-start up courses for clients, including sessions for clients from specific local authority areas, have been well-received. Enterprise Hubs have not been able to secure comprehensive regional coverage and there was no expectation that they should do so given that an Enterprise Hub branded as ‘Carmarthen’ or ‘Newtown’ would never resonate with prospective clients as far as Swansea or Aberystwyth. Broadly, Enterprise Hubs clients who use the facilities in person remain fairly local to each setting and this needs to be borne in mind when funding any similar future physical provision.

- 8.8. Enterprise Hubs have successfully made available entrepreneurial support services to users outside of standard working hours. Hubs have made an important contribution to facilitate events and workshops, with users making good use of the hubs for this purpose. Users consistently value the tailored and high-quality support received and recognise the value of the hub settings as a place to meet and network with other entrepreneurs.
- 8.9. There is evidence that the physical spaces as well as the support provided by Enterprise Hubs are making a positive contribution to increasing the confidence of would-be entrepreneurs, improving their wellbeing, and increasing their ability to start-up in business. The evidence also suggests that the support available via the hubs make a positive difference to the skills and knowledge of early entrepreneurs.

Theme 3: The extent to which Enterprise Hubs have achieved their funded objectives varies, with overall performance against funded KPIs lower than expected.

- 8.10. Enterprise Hubs have successfully engaged with a large cohort of users, with over 20,000 attendees recorded at virtual sessions. Performance against their Welsh Government funded KPIs has been weaker and across the five settings at the time of drafting this report, hubs had only achieved half of their new business start-up target to date. Performance against funded KPIs varies significantly across individual settings. Whilst the impact of the pandemic accounts for some of the weaker than expected performance, the difference in performance from one setting to another suggests that other factors, such as the scale of potential demand, have also been important. Venues which were already in place prior to them taking on the delivery of Enterprise Hubs provision, which benefit from having tested demand for provision previously and are better known locally, have performed better over the contract period against their funded KPIs than newer ones. This suggests that the return on public sector investment is better



across settings which have been supported to extend their provision as opposed to those which have introduced new pilot models. It is accepted of course that it takes time to establish new locations, as well as the support 'offer' and client demand.

- 8.11. It is important to stress however that the funded KPIs set for Enterprise Hubs have not reflected the breadth of work undertaken by each setting and there is a strong argument, should the Welsh Government continue to fund them in the future, to adopt a wider set of indicators which better reflect their remit around facilitating outreach activities, delivering pre-start up events and workshops, making referrals to mainstream provision, supporting a network of entrepreneurs and supporting young people aged under 18. Another important KPI would be around the length of time a business should be hosted at an Enterprise Hub to ensure that settings do not encourage dependency but rather encourage businesses to move to grow on spaces when it is right to do so though recognising that such spaces might be lacking in their locality.

Theme 4: Enterprise Hubs have added value to the business support ecosystem, but this has not necessarily converted into a greater flow of clients for mainstream providers.

- 8.12. Enterprise Hubs have added value to mainstream Business Wales provision by undertaking outreach work and facilitating links with local business and community groups - functions that are not directly funded via mainstream Business Wales provision. There are consistently strong messages about the role undertaken by Hub managers in strengthening social interactions and acting as a conduit between the business support community and target audience. However, whilst adding value and extending the overall business support ecosystem across Wales, the intended flow and volume of clients from Enterprise Hubs to Business Wales has not materialised as expected largely because clients prefer to access business support via their Enterprise Hub.
- 8.13. There is good evidence that Enterprise Hubs work with a wide range of partner organisations. Geographical proximity between the partner organisation and the hub itself is a key factor which influences engagement. Whilst Enterprise Hubs broadly work closely with their local FEIs, collaboration with HEIs is confined to only a few examples. There would be value in strengthening the collaboration between incubator provision and HEIs in the future, as evidence from elsewhere suggests that this helps to improve business performance and outcomes.

The future of Enterprise Hubs

- 8.14. This section has been structured around five strategic principles for the Welsh Government to consider.

Strategic principle 1: Supply and demand across the wider landscape continues to evolve making it difficult to pinpoint areas of market failure.

Supply issues

- 8.15. There has been a marked increase in the availability of shared workspaces and other incubation hubs across Wales of late. Most of these workspaces are concentrated within the south east although a small number are distributed more widely across the rest of Wales. It would be feasible to expect local authorities to support more shared workspaces or incubation hubs given that the UK Shared Prosperity Fund can be used to support local businesses, which would include support for individuals starting businesses and opportunities to promote networking and collaboration.
- 8.16. The Welsh Government should only be supporting and funding Enterprise Hubs in areas of market failure where the private sector or other players such as local authorities, higher education and the third sector are not active. Given that the supply landscape will continue to evolve over the coming few months and will only become clearer once decisions about how the UKSPF will be used by local authorities, it is not possible to offer any clear recommendations on areas of market failure at this point in time. We recommend that the Welsh Government engages with local authorities to map out where any UKSPF funded shared workplaces and incubators might be introduced, which will shed light on any remaining areas of market failure.
- 8.17. Given this, we recommend that the Welsh Government uses the funding which it has allocated for Enterprise Hubs in a more fluid way for the time being rather than commit it to any specific locations. There is scope for the Welsh Government to use its funding in a more effective way in the future by supporting other shared workspaces and simulating collaboration between them and Business Wales. This could involve, for instance, the deployment of Enterprise Hub staff at non-Welsh Government funded shared workspaces. In this case, future funding would be directed towards staff, rather than spaces.

Demand issues



8.18. Successful Enterprise Hubs need to have an adequate level of client demand. The experience of the funded Enterprise Hubs has shown that supporting hubs in areas with too little demand for co-working spaces results in spaces which lack the ‘buzz’ required for supporting a community of entrepreneurs. Whilst research suggests that remote working will continue and demand for ‘localised’ shared workspaces is likely to increase, there are still a lot of unknowns about how demand will pan out over time and whether businesses will embrace a hybrid model in the long term. Whilst latent demand for enterprise hubs can only be accurately assessed via pilot provision, we nonetheless recommend that the Welsh Government undertakes ongoing research to map out areas which are not being catered for. This might involve ongoing monitoring of provision and demand for services to ensure that future funding and resources are being accurately targeted at areas of continued market failure.

Strategic principle 2: Resources need to be prioritised to services that provide the greatest value and return on investment.

8.19. The level of investment made within Enterprise Hubs has been significant, and it is expected that £6.4m will have been spent on their provisions over a four-year period (five in the case of the Wrexham Enterprise Hub) by September 2022. This compares to a much lower level of financial contribution made by the Welsh Government into shared workspaces (at circa £25k per setting), although the services provided via the Enterprise Hubs are significantly broader. Given that the Welsh Government will have less funding at its disposal to support the work of Enterprise Hubs post EU funding support, we would recommend that resources be used to support provision which adds most value to mainstream business support. Based on the feedback gathered via this study, this would be around staff resources to ensure that partner engagement, outreach activities, networking and pre-start up support can continue.

8.20. A key test when determining how future funding should be prioritised would be to consider what would happen to the five Enterprise Hubs should Welsh Government funding be withdrawn. In terms of physical spaces, two of the Enterprise Hubs (Anglesey and Caerphilly) would still exist and an alternative space to Yr Egin at Shared Spaces in Carmarthen would be likely to continue. The Newtown Enterprise Hub would probably close (unless there was a suitable opportunity on the high street), and much uncertainty would arise in the case of the Wrexham Enterprise Hub. This hub forms an important part

of Town Square Spaces' strategy for the future so would stand a strong chance of survival if it were able to secure funding from another source. It follows that the hubs that are most likely to continue without any Welsh Government funding are those which are most used as shared workspaces i.e., those with a strong community of entrepreneurs and which have the greatest 'buzz'. Welsh Government should prioritise its resources to add value to such settings by supporting the functions of partner engagement, outreach activities, networking, and pre-start-up support provision.

Strategic principle 3: Enterprise Hubs have the potential to play an important role to help achieve and deliver Welsh Government priorities around remote working, town centre regeneration and retention of talented young people.

- 8.21. There is a clear drive to increase the availability of shared workspaces across Wales to support the Welsh Government's remote working strategy and this is already being evidenced on the ground in terms of increasing provision. Enterprise Hubs are well placed to contribute towards the implementation of this strategy as these settings provide specialist shared workspaces for a specific community of users. It was suggested by contributors of this study that Enterprise Hubs could further enhance their contribution towards this strategy by attracting a wider audience i.e., not just start-up entrepreneurs but established businesses and freelancers. It was suggested that the hubs could 'have more flex' and be used for a wider purpose and by a wider cohort of people who want to use it for co-working purposes. Whilst this might be feasible, it is important to highlight that whilst the facilities required by users of both shared workspaces and enterprise hubs might be similar, the additional wrap around provision provided by enterprise hubs (in terms of facilitating a community of entrepreneurs) differentiate them from other general shared workspaces. Enterprise Hubs should caution against becoming more general shared workspaces as their fundamental purpose could be compromised.
- 8.22. One key strength of the Enterprise Hubs identified via this review is around their ability to respond quickly to specific Welsh Government priorities and demands on a collaborative basis. There would be value in retaining this model for the future and therefore any future contractual arrangements should ensure continued collaboration between different contractors. Enterprise Hubs are well placed to deliver on Programme of Government priorities such as around the carbon reduction agenda by ensuring support for entrepreneurs embraces this issue.



- 8.23. Enterprise Hubs are also well placed to deliver upon the Programme of Government priority of supporting town centres to become more agile. To date, only one hub has a high street presence although satellite operations are increasingly operating in such locations. The feedback suggests that these high street models work well as they have passing footfall and are viewed as approachable settings for new clients. Future hubs could have an important role to play in utilising empty high street premises and we would recommend that any new Enterprise Hubs which might be supported by the Welsh Government in the future be located within empty high street premises. There is scope to collaborate with partners such as local authorities who could identify and supply these types of premises and for the Welsh Government to invest in the staffing resources required to establish and animate the spaces.
- 8.24. Given the challenges associated with the outmigration of young people, the Welsh Government has committed to creating the conditions where more young people feel confident about planning their future in Wales. Enterprise Hubs have an important role to play in helping Wales become a more attractive place for young people to live and work, and the fact that several of the current hubs are considered to be appealing spaces for young people signifies that they have a role to play enhancing the 'social and cultural offering of a place' and reducing 'brain drain'¹⁰¹. We would therefore recommend that there should be greater acceptance of the fact that some Enterprise Hub models are particularly attractive to young people and that they play to this strength in future as the demand has shown that this is the natural audience for some of the Enterprise Hubs.

Strategic principle 4: There is scope for greater cohesion between any future provision and the wider business support ecosystem.

- 8.25. Enterprise Hubs have established good linkages with the wider business support ecosystem but there is scope to improve these in the future and reduce areas of duplication. Some of the services made available via Enterprise Hubs, such as digital pre-start up courses have been similar to what is available via Business Wales, albeit that it is packaged in a different way and promoted to a slightly different audience in order to complement mainstream provision. We would recommend that any future provision is better incentivised to ensure a seamless transition of clients from the first stage of the journey to more mainstream business support provision such as that provided by

¹⁰¹ [IWA View: No Country for Young Folks: Looking for the Full Picture of the Welsh 'Brain Drain' - Institute of Welsh Affairs](#)

Business Wales and that more formal KPIs around client referrals be adopted. We would also recommend that the Welsh Government encourages the co-location of any future funded provision and Business Wales provision, making use of the increased incubation spaces and shared workspaces available pan-Wales. There is also a strong case for adopting more KPIs which better reflect the nature of the provision provided by Enterprise Hubs, particularly in terms of client and partner engagement, facilitation of business networks and pre-start up nature of support.

- 8.26. The fieldwork revealed no consensus as to whether any future Enterprise Hub provision should be incorporated into Business Wales or not, as there are both advantages and disadvantages of doing so. The advantages were cited as increased synergy and greater client referrals whilst the disadvantages were noted as reduced flexibility and less creative recruitment approaches. On that basis, we are not convinced that incorporating future Enterprise Hub provision into Business Wales would bring about any significant gains to justify such a change.

Strategic principle 5: A hybrid model of provision which adopts both digital and in-person provision is required in the future.

- 8.27. The feedback gathered from users and other contributors suggests that there is a need for both the physical elements of the Enterprise Hubs (i.e., access to co-working spaces, a place to network with other entrepreneurs) as well as the other services they provide (i.e., business support, pre-start up courses and networking events). The feedback suggests that these other services should be made available both in-person as well as virtually, as different users have different preferences over their method of engagement. At the time of undertaking fieldwork, there was strong evidence of digital fatigue amongst Enterprise Hub users, but nonetheless other contributors called for continued investment in digital business support provision as this would ensure that entrepreneurs from across Wales would have equal access to the pre-start up provision made available via Enterprise Hubs. We would therefore recommend that any future digital pre-start up provision funded by the Welsh Government should be accessible on a pan-Wales basis. Channelling this provision through Enterprise Hubs risks restricting it to users from areas which are served by the hubs but not others and so we recommend that the Welsh Government considers alternative ways of delivering this on a pan-Wales basis.



Summary of recommendations

We recommend that:

- i. the Welsh Government uses any future funding which it has allocated for Enterprise Hubs in a more fluid way rather than commit it to any specific locations. Future funding ought to be directed towards staff, rather than spaces, to ensure that it secures the greatest added value
- ii. future funding should be used to support provisions which are most valued by users, including community outreach and engagement, networking, and pre-start up support
- iii. future funding should be used to help achieve and deliver Welsh Government priorities around remote working, town centre regeneration, and the retention of talented young people
- iv. the Welsh Government should only fund new Enterprise Hubs in areas of market failure. To achieve this, the Welsh Government should monitor both provision and demand to ensure that future funding and resources are being accurately targeted at areas of continued market failure
- v. any future provision is better incentivised, including via KPIs, to ensure a seamless transition of clients who wish to be referred onwards from the first stage of the journey to Business Wales provision
- vi. future KPIs should better reflect the nature of the provision currently provided by Enterprise Hubs, particularly in terms of client and partner engagement, facilitation of business networks and pre-start up nature of support
- vii. the Welsh Government encourages the co-location of any future funded provision and Business Wales provision, and makes increased use of incubation spaces and shared workspaces available pan-Wales
- viii. the Welsh Government encourages greater collaboration between incubator provision and HEIs in the future
- ix. any future digital pre-start up provision funded by the Welsh Government should be accessible on a pan-Wales basis

