

Audit Finance and Governance meeting
Tuesday 27th June 2023
Paper D – Made Smarter Programme
Jon Brunton, Growth Hub Manager

1 Summary

- 1.1. This paper summarises the Made Smarter Yorkshire & Humber Programme and the HEY Growth Hub's involvement in programme delivery.
- 1.2. This paper provides an overview of the project and the associated resourcing and key outcome indicators.

2 Recommendations

- 2.1 That the board notes this report.

3 Report

3.1 Background

- 3.1.1 Made Smarter is a government funded initiative that supports manufacturing SMEs to explore, adopt and implement industrial digital technology in order to aid productivity gain and boost competitiveness.
- 3.1.2 Made Smarter was created following an industry-led review of how UK manufacturing industries can prosper via digital tools and innovation. The review was commissioned by the UK Government and was led by Professor Jurgen Maier. The review made four key recommendations upon publication of a report in 2017, namely leadership for digitalisation; adoption of technology amongst SME manufacturers; innovation and creation of new tech; and upskilling workforces to make the most of digital tools.
- 3.1.3 A successful pilot programme was delivered in the North West of England between 2019 and 2021, which enabled the development of a preferred delivery model for roll-out in other English regions by the Department for Business, Energy & Industrial Strategy (BEIS).
- 3.1.4 The Yorkshire & Humber cluster of LEPs and their Growth Hubs were offered funding by BEIS in summer 2021 to deliver a pilot programme in 2021/22. It was agreed that the South Yorkshire Mayoral Combined Authority (on behalf of the Sheffield City Region LEP) would act as accountable body on behalf of the four Yorkshire LEPs to deliver this pilot programme.
- 3.1.5 The Yorkshire & Humber pilot was a success, including 130 businesses assisted with a digital diagnostic (against a target of 50) and 66 businesses offered intensive technical support (against at target of 40). As a result, BEIS then awarded a three-year £3.8 million funding deal for the delivery of Made

Smarter in Yorkshire & Humber for the period April 2022 to March 2025, with SYMCA continuing to act as accountable body on behalf of the LEP cluster.

- 3.1.6 The HEY LEP's Economic Growth and Workforce Wellbeing Strategy 2021-26 recognises Engineering, Manufacturing & Assembly as a key sector given its high productivity and absolute advantage in the region. It is seen as vital that manufacturing firms in HEY are given support to continue to improve productivity and competitiveness. The Made Smarter Programme can directly support regional firms with this.

3.2 Aims of the programme

3.2.1 The Made Smarter Yorkshire & Humber Programme aims to:

- Facilitate increased uptake of industrial digital technology amongst SME manufacturers
- Improve the productivity and competitiveness of SME manufacturers via adoption of industrial digital technology
- Develop leadership skills amongst manufacturing business owners and leaders to help lead digital adoption activity
- Improve the digital skills levels amongst the SME manufacturing workforce

3.2.2 It is the government's ambition that the national roll-out of the Made Smarter initiative will in some way help to tackle the UK's "productivity puzzle". By encouraging and facilitating wider take-up of industrial digital technology, it is hoped that manufacturing SMEs will become more productive and competitive – especially when compared to equivalent firms in Europe.

3.2.3 In the context of the HEY region, it is also hoped that Made Smarter can support the work of the Local Digital Skills Partnership (LDSP) by aiding the development of advanced digital skills within the manufacturing workforce in the region. The Growth Hub Manager is a member of the LDSP and provides Made Smarter updates at meetings of the LDSP as appropriate.

3.3 Programme Delivery Model & Offer

3.3.1. The programme offers a package of business support interventions to businesses that are engaged in manufacturing activity, that meet the definition of a Small or Medium sized business (SME) and that have a trading address in the Yorkshire & Humber region.

3.3.2. Businesses first engage with the programme via a number of routes, including:

- Organic enquiries (via the national Made Smarter website)
- National marketing campaign
- Regional marketing campaign
- Targeted activity (via "invite only" business briefing events and mailshot activity)

- Referrals (via Growth Hub and other delivery partners & stakeholders)
- 3.3.3. Upon enquiry, businesses are asked to register to the programme, and are then offered a pre-diagnostic to assess their suitability for the programme. Businesses that are deemed as not suitable for the programme are passed back to their local Growth Hub for alternate support.
- 3.3.4. Once deemed as suitable for the programme, businesses are invited to take part in a “digital roadmap” session with a Manufacturing Growth Manager. This digital roadmap process consists of a detailed business diagnostic to assess the current digital technology used by a firm and to identify where within the business would benefit from digital technology adoption.
- 3.3.5. Subject to the outcome of the digital roadmap process, an action plan is developed with the client business, which is then offered some or all of the following interventions:
- **Intensive Technical Support** – matched-funded access to specialists to help implement a new digital technology or process within the business
 - **Leadership & Management Training** – fully-funded bespoke L&M training, delivered to cohort groups of manufacturing business owners and leaders. Participants will be given the tools needed to lead their business on a digital transformation journey.
 - **Capital Grant Funding** – matched-funded grants to support with the cost of new specialist equipment, hardware and associated software that directly contributes towards adoption of industrial digital technology.
- 3.3.3 The pre-diagnostic, digital roadmaps, intensive technical support and Leadership & Management training is provided by a consortium led by Oxford Innovation, a contractor procured by SYMCA via an open tender exercise in the winter of 2022/23.
- 3.3.4 The capital grant funding is administered by the West Yorkshire Combined Authority on behalf of the programme, and all applications are subject to rigorous assessment by the programme grants assessment panel.
- 3.3.5 The Made Smarter – Digital Transformation Specialists are tasked with driving business engagement with the programme, managing a caseload of client businesses, and supporting firms that are not suitable for the Made Smarter programme at the point of initial enquiry and/or firms that do not access the intensive technical support strand for whatever reason.
- 3.3.6 It is envisaged that the programme will cover the follow industrial digital technology in scope:
- Big data

- Augmented reality
- Additive manufacturing
- Cloud computing
- Cybersecurity
- Autonomous robots
- AI
- Systems integration
- Internet of things

3.4 Programme Outputs

3.4.1 SYMCA agreed a set of key programme output indicators with DBT as part of the initial funding agreement process. These project lifetime targets (to 31/03/2025) are summarised as follows.

Output	Global Project Target	HEY LEP Target	Performance Actual at 16.06.23
Business Registrations	900	180	20
Digital roadmaps completed	524	105	10
SMEs receiving intensive technical support	310	62	1
Participants on Leadership & Management Training	110	22	0

3.4.2 In regard to the above targets and actual performance, it must be emphasised that the HEY LEP Made Smarter – Digital Transformation Specialist only came into post on 6th March 2023 due to various delays relating to funding agreements and the recruitment process. Prior to this the HEY LEP and Growth Hub did not have a dedicated resource to deliver against these targets. We have therefore seen a notable and rapid increase to target attainment since this colleague came into post.

3.4.3 Please also note that the Leadership & Management strand will commence in September 2023 and is therefore not currently available to access.

3.5 Project Management & Governance Arrangements

- 3.5.1 The Made Smarter Yorkshire & Humber Programme is managed by a dedicated programme team at SYMCA, including a full-time Project Manager. They are responsible for the overall delivery of the programme, including financial claims and progress reporting to DBT, partner, stakeholder and contract management, monitoring and compliance.
- 3.5.2 The HEY Growth Hub Manager is responsible for the management of all HEY LEP obligations in relation to the programme, as well as the line management of the Made Smarter – Digital Transformation Specialist.
- 3.5.3 A management team meeting takes place fortnightly on Wednesday afternoons. This consists of the SYMCA programme team, and the Growth Hub Managers from each of the Yorkshire LEPs. These meetings provide a forum to share programme updates and to discuss matters arising.
- 3.5.4 An advisory board has been formed for the Yorkshire & Humber programme. The board meets quarterly and is comprised of programme management personnel, DBT representatives, LEP representatives, and industry representatives. The board works to an established terms of reference and SYMCA provide the secretariat function to the board. The HEY LEP's representative from industry is Jason Speedy of Group Atlantic, who is a member of the LEP's Business Support Board.

3.6 Funding

- 3.6.1 Funding for the Made Smarter Programme is provided by DBT for a period of three years to March 2025. The Programme's global funding agreement with DBT is managed by South Yorkshire Mayoral Combined Authority on behalf of the Yorkshire cluster of Growth Hubs.
- 3.6.2 A funding agreement is in place between SYMCA and Hull City Council (on behalf of the HEY LEP) to account for the 1 FTE Made Smarter – Digital Transformation Specialist. This funding agreement covers the full salary and on costs of this job post, associated equipment and mileage costs arising, as well as 15% flat rate overhead fee to account for management time and other overheads. The funding agreement is in force until 31st March 2025. Financial claims are made quarterly in arrears with SYMCA against evidence of spend.
- 3.6.3 A funding agreement was also in place between SYMCA and Hull City Council to account for marketing and communications activity during the 2022/23 year. Totalling £41,295, this accounted for such activity as Made Smarter business briefing events, sponsorship of the HEY LEP's stand at The Business Day, procurement of marketing collateral, and a 12-month user licence for the Beauhurst business database tool. A new funding



agreement to account for marketing and comms activity in 2023/24 is due to be agreed with SYMCA imminently.