

Hull and East Yorkshire LEP Board  
Growth Hub Report (including funding and Made Smarter updates)  
Report by Jon Brunton, Growth Hub Manager  
Thursday 25<sup>th</sup> May 2023  
Paper B

## **1. Summary**

- 1.1. The HEY Growth Hub continues to deliver a suite of business support services in the region. This paper provides an operational update on the Growth Hub including a summary of Growth Hub performance in the 2022/23 year.
- 1.2. This paper also summarises the current funding position of the Growth Hub, and provides an update on the Made Smarter Programme.

## **2. Recommendations**

- 2.1. That the Board notes this report.

## **3. Operational Update**

### **3.1. Core Growth Hub service**

- 3.1.1. On 29 March 2023 the Department for Business & Trade (DBT) confirmed Growth Hub funding allocations for the 2023/24 year. HEY Growth Hub has been allocated £261,000, which is an uplift of 21% (£45,625) on the 2022/23 allocation.
- 3.1.2. The uplift to core funding is welcomed and will allow the Growth Hub to have a modest budget for business events and workshops, as well as marketing and website development. This is noteworthy as the ERDF schemes delivered by the Growth Hub, which end on 30 June, have been the source of the majority of Growth Hub events and marketing over recent years.
- 3.1.3. DBT schedule documents that will enable the issue of a funding offer letter are still awaited as of 17 May. It has been advised that these schedule templates will be provided before the end of May, with a 2-3 week deadline for completion and return. The funding offer letter will then follow, likely by the end of June.
- 3.1.4. The delivery model for the Growth Hub in 2023/24 will be similar to that used in 2022/23, with the caveat that the Growth Hub's ERDF schemes will end on 30 June. Growth Hub delivery will focus on the provision of business diagnostic, information, triage and signposting to SMEs across the region, with workforce development support and specialist support for manufacturers (Made Smarter) also available.

3.1.5. All other specialist business support in-region will sit with the two HEY local authorities via their UK Shared Prosperity Fund (UKSPF) programmes. The Growth Hub Manager met with colleagues from Hull City Council and East Riding of Yorkshire Council on 19 May to discuss the new business support interventions delivered via UKSPF and to identify how referral pathways would be best managed.

3.1.6. The current proposed delivery model for the core Growth Hub service in 2023/24 consists of the following job posts and activity:

- 1 FTE Growth Hub Manager
- 1 FTE Growth Hub Programme Officer
- 1 FTE Growth Hub Business Advisor (Hull City Council)
- 1 FTE Growth Hub Business Advisor (East Riding of Yorkshire Council)
- 0.4 FTE Workforce Development Business Advisor
- Events & Workshop delivery
- Enhanced marketing and communications activity
- Website development

3.1.7. The annual report that accounts for Growth Hub service delivery in 2022/23 is due for submission to DBT by 31 May and this will include a detailed set of performance KPI metrics for the full year. Whilst these metrics are currently undergoing final validation checks, the provisional KPI metrics are as follows:

KPI	2022/23 Target	Actual	Variance
1. Number of business that have received 'light touch' support	665	585	-80
2. Number of businesses receiving medium intensity intervention	330	399	+69
3. Number of businesses receiving intensive support	81	143	+62
4. Number of 'Scale up' businesses engaged	40	485	+445
5. Number of individuals (pre-starts) receiving light-touch support	125	281	+156

3.1.8. Client impact, satisfaction and feedback data is currently being gathered by an online survey that closes on 30 May, ready for inclusion in the annual report to DBT.

### 3.2. #GrowMySME Programme (ERDF funded)

3.2.1. The Growth Hub’s ERDF-funded #GrowMySME Programme continues to deliver specialist support to SME across the region. The three strands of programme activity are:

- Business Growth Scheme – support to help businesses overcome barriers to growth.
- Finance for Growth Scheme – support to help businesses understand the range of finance options available and to make them ‘investment ready’.
- ICT for Growth Scheme – support to help businesses explore, adopt, and implement digital technology and solutions.

3.2.2. Due to the end of the ERDF programme in England in 2023, all three #GrowMySME Schemes will conclude on 30 June 2023. The current focus of the programme team is ensuring that all budgeted spend is committed, and that all programme output targets are achieved prior to programme closedown. Good progress is being made in this regard and indeed many of the output targets have already been achieved including jobs created and the number of businesses receiving diagnostic, information, and brokerage.

3.2.3. The Business Growth Scheme is currently on target to achieve all contracted output indicators. The output position at the end of April was as follows:

All Partners Total Contract Lifetime	Target all years	All Partners Actual to date	Variance
C1 (Business Supported)	565	578	+13
C2 (Grants Awarded)	178	222	+44
C4 (12 hours of support)	450	420	-30
C5 (Business under 1 year old supported)	75	127	+52
C6 (SME matched funding secured)	£898,863.00	£1,056,619.22	+ £157,756.22
C8 (Jobs Created)	140	183	+43
P13 (Businesses supported via Diagnostic & Brokerage)	190	272	+82

### **3.3. Made Smarter Programme (DBT funded)**

- 3.3.1.** Made Smarter provides wrap around support to manufacturing SMEs to aid their exploration, adoption, and implementation of digital technology, with a view to improving business productivity and competitiveness. This will help UK manufacturers move towards ‘industry 4.0’. This is a three year programme, running from April 2022 to March 2025.
- 3.3.2.** The Yorkshire & Humber Programme lead, South Yorkshire Mayoral Combined Authority (SYMCA), have procured a services contract for the delivery of “digital roadmaps”, intensive technical support, and a leadership and management programme. This contract was awarded to Oxford Innovation in February 2023, with full-service delivery commencing in March.
- 3.3.3.** As previously reported and using programme funding, HEY LEP has recruited a Made Smarter – Digital Transformation Specialist. Les Selby started in post on 6<sup>th</sup> March and will be responsible for raising awareness of Made Smarter in Hull & East Yorkshire, generating client enquiries from eligible businesses, and managing a caseload of manufacturing SMEs by providing account managed support.
- 3.3.4.** Since coming into post on 6<sup>th</sup> March, Les has enrolled 18 manufacturing firms onto the programme, with a pipeline of further firms developing. Les has also organised the delivery of three Made Smarter launch events to take place in June & July at Hull, Bridlington, and Goole, which will showcase the Made Smarter offer to manufacturing firms.
- 3.3.5.** The programme is also sponsoring the LEP’s attendance at The Business Day at Bridlington Spa on Friday 9<sup>th</sup> June. The exhibition stand will feature Made Smarter and the associated break-out session on the day will focus on HEY LEP support for manufacturers.

## **4. Financial and resource implications**

- 5.1** All Growth Hub delivery is externally funded under various contracts of funding. The core Growth Hub service is funded by DBT, with other projects and support strands funded via ERDF and DBT.
- 5.2** The HEY LEP’s primary sponsorship (inclusive of an exhibitor stand) of The Business Day on 9<sup>th</sup> June is being funded by the Made Smarter Yorkshire & Humber programme.