

Title: Delivery of the North East Growth Hub
Portfolio: Home to a Growing and Vibrant Economy
Responsible Director: Phil Witcherley, Director of Economic Growth & Innovation
Report Author: Helen Lee, Growth Hub Programme Manager

A. Summary of Investment

On its creation in 2024, the North East Combined Authority (North East CA) took over the responsibility from the North East Local Enterprise Partnership to manage the North East Growth Hub, including taking on the team responsible for its delivery. Until this year, the NE Growth Hub has been funded through a Department for Business and Trade (DBT) grant offer. Following our transition to the Integrated Settlement, the grant funding will now be transferred to the North East CA's Integrated Settlement.

The NE Growth Hub allocation identified within the Economic Development and Regeneration pillar of the North East Combined Authority's integrated settlement as a separate line, with an allocation of £371,981 per year, for three years, total allocation £1,115,943. The programme will be delivered by the existing Growth Hub team, as such, their salaries have been included within the Combined Authority's structure, and the associated cost has been agreed as part of the Cabinet-approved budget. A recharge of 4.5% overhead contribution has been included £50,220.

This paper is seeking approval of £100,141 of non-staffing investment in marketing & communications to support raising the profile of the NE Growth Hub as a resource for the business community, software licencing fees, conference and event participation costs. The remaining Growth Hub expenditure relates to the costs of North East CA staff, which have already been approved via approval of the North East CA budget for 2026/27.

The NE Growth Hub provides a coordinated, impartial gateway to business support, finance and funding, helping small and medium sized enterprises (SMEs) access the right support at the right time to start, grow and scale. The service addresses market failures caused by fragmented provision and low awareness, offering triage, one-to-one advice, specialist signposting and digital resources.

The proposal will contribute to integrated settlement delivery of non-financial assists, forecasting 1,350 one-to-one adviser interventions over three years. As part of the national Growth Hub Network coordinated by DBT, the service remains aligned with national priorities, including the Business Growth Service, while responding to regional needs.

Over the last three years, the NE Growth Hub has engaged more than 37,000 businesses and supported 1,500 through one-to-one discussions, achieving average client satisfaction of 96%.

The approval sought in this report will secure ongoing delivery and ensure the region benefits from a consistent, high-quality business support offer that enhances productivity, drives good employment, and contributes to long-term economic resilience.

Recommendation

Of the overall investment of £1,115,943, £1,015,802 relates to North East CA salaries and was approved by Cabinet in the North East CA Budget and Medium Term Financial Plan report on 3 February 2026.

Therefore, the Chief Executive is recommended to:

Approve an investment of £100,141 Integrated Settlement funding (Economic Development and Regeneration pillar) for marketing including website maintenance, software licencing and event/conference participation costs to raise awareness and engagement with the NE Growth Hub and the North East CA.

Executive Summary/Background

There is a clear and evidenced need for coordinated business support in the North East. Nationally, SMEs continue to report difficulty navigating a fragmented support landscape, accessing trusted advice, and identifying opportunities for innovation, skills development, and investment. This proposal responds directly to those needs by sustaining the NE Growth Hub as the single, impartial local front door to business support.

Cabinet has previously endorsed the principle of coordinated, region-wide support for business growth through the Local Growth Plan and Corporate Plan missions, particularly Home to a Growing and Vibrant Economy for All and Home of Real Opportunity. This proposal supports implementation of these strategic commitments, ensuring continuity of service to support aspiring business owners and SMEs.

Nationally, Growth Hubs are endorsed as the local partners for business support and sets out that the Business Growth Service will “partner with the network of Growth Hubs in England,” recognising their vital role in providing free, impartial, locally led advice and connecting businesses to relevant support.

A. Context

1. The Investment Proposal

The proposal represents a continuation of the NE Growth Hub service, it is designed to benefit SMEs of all sizes and sectors across the region, including start-ups, scale-ups, innovators, exporters and businesses progressing digitalisation or low-carbon transition. Success will be measured through increased business engagement, greater uptake of support programmes and client satisfaction. Accessing business support, finance and funding will encourage higher levels of innovation and investment, improved productivity and strengthened skills pathways. These outcomes will contribute to a more resilient, sustainable and growth-ready business base, directly addressing long-standing barriers such as fragmented support, low awareness of opportunities and challenges accessing skills, finance and innovation support.

A business case was initially prepared this was appraised internally on 16/3/26 reference NE0080.

2. Outputs and Outcomes

The NE Growth Hub model delivers strong value for money by reaching large numbers of businesses at a low cost per user, achieved through coordinated delivery, simplified customer journeys, and seamless integration with national services. This investment will demonstrate value for money through proportionate delivery costs and expected increased economic activity and measurable improvements in business performance resulting from effective signposting to timely and relevant support, finance, and funding opportunities.

The NE Growth Hub will support businesses across the region, including those in key North East growth sectors such as offshore wind and the energy transition, advanced manufacturing, creative industries, life sciences and process industries, tech, digital and AI, defence, security and space, and the foundational economy, by helping them access the business support, finance and funding needed to enhance performance. By increasing awareness of available support and connecting businesses

to the services most relevant to their needs, we will enable firms to enter new markets, adopt new technologies and processes, scale more effectively, and bring new products and services to market. The Growth Hub will also contribute to Integrated Settlement non-financial assists by providing structured advice, guidance, introductions and access to expertise, with one-to-one adviser support of one hour or more forecast at 450 assists per year—totalling 1,350 over the three-year programme.

3. Timetable for Implementation

Milestone	Forecast Date
Delegated decision	March 2026
Project start	1 April 2026
Year 1 delivery review and recommendations	April – May 2027
Year 2 delivery review and recommendations	April – May 2028
Year 3 delivery review and recommendations	March/September 2029

B. Impact on North East Combined Authority Objectives

The NE Growth Hub strongly aligns with the North East CA's strategic priorities by providing tools, guidance, and adviser-led support that empower the region's business population to start, grow, innovate, and contribute to a vibrant economy. Its services directly reinforce the [Corporate Plan's](#) mission to boost productivity, create good-quality jobs, and foster innovation-led growth across key sectors. The NE Growth Hub strengthens this business population by helping firms access finance, specialist guidance, and sector-specific resources, enabling them to drive productivity, innovation, and inclusive growth.

This approach advances the [Local Growth Plan](#), which aims to empower businesses, grow jobs, and improve competitiveness, including strengthening export capability and supporting firms in priority sectors. It also aligns with [Mayoral Manifesto](#) commitments to future-proof regional industries, support the green economy, and deliver climate solutions beyond net zero.

C. Key risks

Risk	Mitigating activity
Funding decision delayed resulting in gap in delivery	Aligning timescales to enable project start from April 2026.
Low take up of service by SMEs	Delivery based on previously successful delivery of the programme over 8 years, a strong platform to build upon. Use proven, best practice techniques to leverage existing client relationships, engage with new clients, networks and market engagement activities.
Low stakeholder engagement.	Wide promotion using appropriate networks and sector-based contacts. Utilise and leverage existing relationships, networks and participate in stakeholder market engagement activities
Low awareness of the service	Work with North East CA comms team to ensure the delivery of effective comms and website development including the development of new content. Sharing case studies, success stories and information in response to emerging economic priorities to raise awareness and encourage engagement.

D. Corporate Implications

D1. Financial Implications

The financial profile for the project/programme is included below.

Funding source	2026/27	2027/28	2028/29	Total
Integrated Settlement	£392,251	£361,846	£361,846	£1,115,943
Total	£392,251	£361,846	£361,846	£1,115,943

There is no match funding.

Funding availability

NE Growth Hub funding allocation from DBT received as part of integrated settlement, previously funds were received by way of a grant offer.

The programme will be delivered by the existing NE Growth Hub team. The part of the investment that relates to their salaries (£1,015,802) is included as part of the Cabinet-approved budget. Therefore, this report seeks approval of the remaining £100,141.

D2. Legal implications

The Monitoring Officer has been consulted. The amount of support each individual business will receive is considered not to raise any issues of subsidy control.

D3. Equalities implications

The North East CA follows the [Public Sector Equality duty](#) and this report has due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. In June 2024 the North East CA adopted equality objectives to reflect the different roles of the Combined Authority as an employer, a commissioner and deliverer of services, and a civic leader.

D4. Consultation and engagement

The NE Growth Hub has been delivered continuously since 2016 as an integral part of the regional business support ecosystem, working alongside local authorities, local and national providers and a range of partners and we continue to engage with these partners. The NE Growth Hub has helped simplify the business support landscape by bringing together advice, finance, funding and specialist services into a single digital platform, enabling SMEs to access and navigate support more easily. We continue to engage through the provider network with providers, partners and local authority colleagues. At a national level we engage through the Growth Hub network operated by DBT.

E. Appendices

None

F. Background papers

DBT Growth Hub Core Funding Allocations Confirmation Letter.



DBT Growth Hub
Core Funding Allocati

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H. Glossary

DBT – Department for Business and Trade

North East CA – North East Combined Authority

SME - small and medium sized enterprise