

Report to: Business Economy and Innovation Committee

Date: 29 March 2022

Subject: **Current Delivery, Business Support**

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this report

- 1.1 To provide an update on the delivery of Business Support services, particularly the Entrepreneurship Programme, the Business Accelerator Fund and new programmes in development.

2. Information

Enterprise Programme

- 2.1 In June 2021, the Combined Authority approved a new £6 million Enterprise Programme to be delivered as a major contribution to the West Yorkshire (WY) Economic Recovery Plan. The programme is focused on a 'ladder of enterprise support' across three inter-connected workstreams that help individuals in the region to explore, establish and grow new businesses. A primary focus of the programme is Equality, Diversity and Inclusion and clear 'minimum floor' targets have been set to ensure that the support available is taken up by females, people from BAME backgrounds and people with disabilities, as well as people from our more disadvantaged communities and localities.

- Workstream One - promoting enterprise as a career option (i.e. is enterprise / business start-up right for you?)
- Workstream Two – a universal business start-up support programme to help anyone who has made the decision to start a business. There is a primary focus on engaging people from equality groups and from the more disadvantaged communities of West Yorkshire.
- Workstream Three – support for innovative entrepreneurs by providing intensive and targeted support for those with the potential to become successful, innovative and investable entrepreneurs and businesses. Societal and environmental impact of the new-starts will be a primary consideration in the support made available, as will the diversity of the entrepreneurs participating to ensure that they reflect the West Yorkshire population.

2.2 The Exploring Enterprise workstream has launched a ‘people like me’ marketing campaign using local people from West Yorkshire as case studies to inspire others to start a business. These case studies have been presented in a range of formats, such as static adverts, full length videos and shorter videos. Case studies have been carefully selected to ensure representation of a diverse range of people-based scenarios, including:

- Mum of three who works in mental health and has a therapy business alongside her full-time work. Business was set up during the pandemic.
- Ethnic minority businessman who has set up an enterprise in Bradford during the pandemic selling household products in both retail and wholesale with scale-up plans to employ 30 people by end of 2024.
- Man with high performing autism who struggled with the interview process to secure employment and has successfully set up his own business.

2.3 Alongside the marketing campaign, the Exploring Enterprise course provides individuals access to five live webinars which include: basics of writing a business plan, how to overcome challenges and access support, how to identify and engage customers, and sessions on practical considerations, such as insurance and finance. To date, 57 individuals have been enrolled on the course. To improve accessibility for those people who require flexible learning, the course format has been adapted to include both live cohort delivery and an on-demand option for those requiring more flexible learning.

2.4 In terms of Equality, Diversity and Inclusion outcomes to date, 49% (27 people, with another seven ‘preferring not to say’ and one opting for ‘self-identify’) of participants are females (target 50%), 55% (25 people, with another seven ‘preferring not to say’) are from Ethnic Minorities (target 20%) and 9% (five people with two ‘preferring not to say’) are people self-identifying as Disabled (target 3%). Of the current individuals enrolled onto the course, 34% are currently unemployed.

2.5 Workstream Two’s Start-Up West Yorkshire programme is providing pre-start and start-up businesses (up to 12 months old) with a blended package of

support covering the key topics required to establish and develop a new enterprise. This includes: - business and financial planning; business structure and tax; sales and marketing (including social media); access to finance and recruiting staff. There are no sector or growth-related restrictions and there is a focus on the business-to-consumer sectors that have faced some restrictions on previous funding sources.

- 2.6 To date, Start-Up West Yorkshire has registered over 150 pre-start and start-up enterprises, 105 of which have received a diagnostic and commenced on the workshops and coaching. Over 20 workshops have been delivered to date and attendance is at 86%, which is particularly high from experience of delivery on previous programmes of this nature. Attendance on the workshop, 'Knowing Your Numbers' is currently at 100%. Outreach promotion and delivery of the support available is taking place, or has been planned, with several community-based organisations, including Airedale Enterprise Services, Barca Leeds, Inspiring Neighbourhoods, the Paddock Trust and Aspire i-Gen. In addition, partnership activity is planned with the business libraries across West Yorkshire, along with Housing Associations (via Great Places), Leeds Beckett University, Enterprise Nation and DWP / JobCentre Plus.
- 2.7 In terms of Equality, Diversity and Inclusion outcomes to date, 57% (58 people) of the onboarded clients are Female (target 50%), 32% (34 people) are from BAME groups (target 20%) and 13% (13 people) are people who self-identify as Disabled (target 3%). Work will continue to improve on achievement against these targets by engaging with local networks, organisations and key influencers with reach into, and established trust with, these groups and communities.
- 2.8 Furthermore, five Start-Up Managers (two currently in post) are being recruited by the West Yorkshire Local Authorities to work alongside the existing SME Growth Managers. These posts are coordinating enterprise support activity at the district level and delivering some direct one-to-one support to early-stage micro firms with growth potential. The resource is focussed on the business-to-consumer sectors where the impact of the pandemic has been most severe, and where there is a clear link to the High Street renewal agenda. The managers will also work with local community partners to deliver support in some of the most disadvantaged parts of their districts.
- 2.9 Workstream Three issued a tender in late 2021 for a programme of high intensity, tailored support for Innovative Entrepreneurs – in this context, the term refers to individuals or teams with potentially unique ideas that address a problem with a large market, and that has the potential to develop, scale-up and be financially sustainable. This strand also has stretching targets to engage equality groups in the provision, but with a higher one of 30% for people from BAME backgrounds, and to engage with people from more disadvantaged parts of the region who have not previously accessed support. It also focusses on new ventures that have clear potential to positively impact on societal and/or environmental challenges and opportunities. The decision

on the award of the tender was pending at the time of writing (mid-March 2022), and a verbal update will be provided at the meeting.

Business Accelerator Fund (BAF)

- 2.10 The £20m debt, equity and mezzanine fund will commence investments in early 2022/23 and will be officially launched by the Mayor of West Yorkshire, Tracy Brabin, on 9 June 2022. The aim is to achieve an evergreen fund which will increase in value over the next ten years, enabling the Combined Authority to assist more SMEs in West Yorkshire to realise their high growth ambitions through access to equity and loan finance from £50k up to £2m.

Other Business Support Programme

- 2.11 Delivery of the core Growth Service continues with over 3,300 different SMEs supported in the current financial year, over 1250 of which have had intensive support from the team of 20 SME Growth Managers and from the range of schemes focussed on resource efficiency, active and sustainable travel, strategic business growth and the development of new products and processes. The majority of these are available via EU funding through to the end of March 2023, and work to design and develop successor programmes is now underway in partnership with the Local Authorities and other key stakeholders. The Committee will be kept abreast of this work over the coming weeks and months, and given the opportunity to shape and inform future delivery via consultation workshops.
- 2.12 In addition, and subject to funding approval from the CA, the new Business Productivity Programme will commence in early 2022/23. It will provide SMEs with an integrated package of advice and grant investment to embed and monitor productivity improvements at the firm level. The grant element will be determined by a detailed diagnosis and will only be available to SMEs that engage with the advisory element of the programme. It is also anticipated that the Government will fund a three-year Made Smarter Yorkshire programme from April 2022, following on from the success of the current pilot programme. This will support SME manufacturers across the wider region to adopt Industry 4.0 digital technologies into their production and business operations, and also benefit from bespoke leadership and management training and investment grants.

Case Studies

- 2.13 Several case studies of SMEs supported through advice and/or funding are available via the following link: - [Case Studies - LEP | Business support and finance \(the-lep.com\)](https://the-lep.com/case-studies-lep-business-support-and-finance)
- 2.14 More recent examples of SMEs supported include: - an Asian-led manufacturing business in Kirklees supported with advice and funding to

invest in a new wood waste heater and variable speed drive compressor to reduce energy use and carbon emissions, and a female-led health technology firm in Leeds supported with advice and funding to progress the development of its digital platform. This enables children aged between 3 and 12, and their guardians / carers, to gain improved patient outcomes and experiences during medical treatment.

3. Tackling the Climate Emergency Implications

- 3.1 All of the new-start and micro businesses on the Enterprise Programme and other CA/LEP business support programmes, are being made aware of, and where relevant referred into, the full range of advice, guidance and funding available in the region on Net Zero-related support. As and when workshops and events can be delivered safely in-person, these will take place in venues that are well-served via public transport links.
- 3.2 Work is underway on the design and development of a new programme to be delivered from April 2023 that will provide a more integrated and universal support offer to SMEs on Net Zero. It is envisaged at this stage that the new programme will build on the best and most impactful elements of REBiz (the CA's current resource efficiency programme that runs until end of March 2023 and supports SMEs to reduce energy and water use, and to increase recycling and reuse of waste), building them into a broader offer that includes a diagnostic/canvas covering aspects of business sustainability, circular economy, active and sustainable transport, climate readiness, skills and training, and deeper-level consultancy support to embed learning and action. Crucially, this would be available to all sectors, including those currently unable to access some EU-funded schemes, and will broker into other support that is available locally, regionally and nationally.

4. Inclusive Growth Implications

- 4.1 As referenced throughout the report, the above programmes are being proactively promoted through a range of existing networks, organisations and key influencers, including those that support business and enterprise support activity within certain equality groups and within certain more disadvantaged areas. This will continue to be a key focus of all programmes over the coming months, and all businesses, including new ones, will be supported to make Inclusive Growth contributions. For example, recruiting someone who has been out of the employment market for a long period, upskilling their lowest paid staff, working with a local school or becoming a Real Living Wage employer. It is envisaged that the enterprises supported on Workstream Three of the Enterprise Programme will be particularly well-placed to make more substantial contributions to the Inclusive Growth agenda due to the focus on positive economic, societal and environmental outcomes.

5. Equality and Diversity Implications

- 5.1 The Enterprise Programme has specific targets to engage with females (50% of participants), people from ethnic minority backgrounds (20%) and people

with disabilities (3%). Furthermore, and to highlight the target demographic of Workstream Three being those individuals who, due to certain societal / situational barriers would not be able to progress without the support of the programme, stretch targets have been applied specific to this workstream. These include:- entrepreneurs from an ethnic minority background (30%) and entrepreneurs self-identifying as disabled (5%). In addition, the CA / LEP is working with the BAME Committee of the West & North Yorkshire Chamber of Commerce to raise awareness of all publically-funded business support available in West Yorkshire amongst BAME businesspeople and entrepreneurs. This will also include the co-design of new programmes and of the access routes for them.

6. Financial Implications

6.1 There are no financial implications directly arising from this report.

7. Legal Implications

7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

8.1 There are no staffing implications directly arising from this report.

9. External Consultees

9.1 None on this report, but the design, development and ongoing improvement of current and new programmes has been informed by consultation and engagement with a wide range of key stakeholders in the businesses and enterprise support eco-system.

10. Recommendations

10.1 To note progress on the development and delivery of Business Support programmes and services.

11. Background Documents

None.

12. Appendices

None