

Project Overview

Project Title	Business West Yorkshire
Main funding programme	Gainshare Investment Priority 1 - Good Jobs and Resilient Businesses
Current Forecast Project cost	£5,298,920
Funding Applied for from the Combined Authority	£4,573,426
Other public sector funding amounts and sources	£725,494 total contributions from West Yorkshire Local Authorities towards Growth Manager salaries

The scheme will support 9,000 Small and Medium Sized Enterprises (SMEs) across West Yorkshire over three years to improve productivity, increase resilience and achieve growth.

The scheme is requesting £4,573,426 of gainshare funding for Investment Priority 1 - Good Jobs and Resilient Businesses to provide a comprehensive account management, brokerage, and specialist advice service to SMEs across West Yorkshire. The new service will be an evolution of the existing Business Growth Service which has facilitated support to over 20,000 SMEs since April 2015.

Business Case Summary

Strategic Case

The West Yorkshire Combined Authority's Strategic Economic Framework Investment Priority 1 is supported by the scheme which is designed to boost productivity by helping businesses grow and invest in the region and their workforce, driving economic growth, increasing innovation, and creating jobs.

The scheme will help to achieve the Mayoral Pledge to "support local businesses and be a champion for our regional economy".

The programme is a central component of delivering Investment Priority 1 of the West Yorkshire Investment Strategy in relation to Good Jobs and Resilient Businesses and will add value to the delivery of economic recovery in West Yorkshire by supporting businesses to:

- Create new jobs
- Invest in growth and innovation through the adoption of new and proven technology
- Promote good work as a positive way to improve productivity
- Increase resilience
- Make supply chains more resilient
- Increase digital and innovation driven entrepreneurialism

The Government recognises that local economies are reliant on strong businesses to provide sustainable private sector-led growth and job creation. The role of Growth Hubs is to provide and deliver locally, free access to national and local advice and support.

Economic Case

The Business West Yorkshire proposal has been developed to support economic growth, productivity, and resilience through the provision of a comprehensive account management and brokerage service to Small and Medium Enterprises (SMEs) across West Yorkshire. The proposal has been developed within the context of the successful direct delivery of the Growth Service since

2015. Business West Yorkshire proposes an evolution of the service which provides continuity for SMEs at a time of significant economic challenges and uncertainty.

The Growth Service has been subject to an independent evaluation each year since 2015. Business satisfaction rates continue to rise, and independent evaluation activity shows strong links to economic growth, productivity, and resilience. The economic impact evaluation carried out in 2021 found that the service had created £89.7 million GVA (Gross Value Added), equating to £21.57 for every pound of expenditure.

In the short list of options developed for the scheme there is a 'do nothing' option alongside two core options that have been considered - one with limited changes to the current model, and one which builds extra flexibility and capacity into the service and links closely to wider Combined Authority activities which support increased reach and awareness through branding, systems, and online channels.

A cost per output has been calculated for both the preferred option and option 2 (business-as-usual). The preferred option's cost per output is £151 per SME signposted to support, and £2,045 for those receiving at least 3 hours of support from a Growth Manager. This is compared to option 2 which presents a cost per output of £180 per SME signposted to support, and £2,134 for those receiving at least 3 hours of Growth Management support. Moreover, the preferred option offers greater value for money in terms of economies of scale.

Commercial Case

This is a Combined Authority programme, and the key elements of the service will be delivered by the Combined Authority and Local Authority partners. The consultancy elements of the programme will be externally contracted, following the Combined Authority's procurement processes ensuring good value is achieved.

The following elements will be procured:

- Specialist support
- Independent interim and final evaluation of the service
- Additional programmes to fill gaps in business support provision

There is a developed market of specialist consultants within West Yorkshire. The previous two programmes have been evaluated and there are strong providers of evaluation services of this nature within West Yorkshire.

Inclusive growth and supply chain benefits will be realised through the Combined Authority's standard procurement processes which require social value to be a core, quality criteria in tender evaluation.

Consideration to minimise risk and increase flexibility will be given to the length of the specialist support contract. It is envisaged that the specialist support will be tendered annually to reflect the current economic climate and business demand.

Financial Case

The proposal is for the Combined Authority to assume financial responsibility for the provision of business services within the region in conjunction with our Local Authority partners. This model moves away from a reliance on uncertain central government funding which has been significantly cut in recent years. The intention is to apply for further, ongoing funding to enable the continuity of this core business support infrastructure over the long term, with the intention of retaining core delivery staff.

Gainshare is a 3-year fund, so in the first instance the scheme seeks to secure funding for the next three years. The service will be subject to continuous review and evaluation and will seek the earliest opportunity and funding stream to secure a longer term future for the service.

Finances are based on the current, successful delivery model, including the financial contribution from the Local Authorities. The small increase in costs in the 'Preferred Way Forward' is to provide

the flexibility to ensure the programme can respond to future economic challenges and shocks and to fill gaps in support.

Local Authorities will contribute 25% of the salaries of the Growth Managers in their districts (with 75% provided by the Combined Authority).

The total scheme cost is £5,298,920

The contribution being sought from the Combined Authority Gainshare Funding is £4,573,426.

The remainder £725,494 will be funded by West Yorkshire Local Authorities.

Management Case

The Combined Authority has a track record of successfully delivering the Growth Service and is considered an exemplar Growth Hub by the Department for Business, Energy, and Industrial Strategy.

Other delivery partners involved are the West Yorkshire Local Authorities which will directly employ the Growth Managers and will contribute 25% of the salaries of the Growth Managers in their districts. Service Level Agreements will be renewed with each district setting out the role of the Growth Managers, the expectation of them, and their targets for the year.

The Programme Management Team is led by the Programme Lead (Business Productivity) who reports into the Head of Business Support. The Senior Service Manager reports into the Programme Lead and is responsible for the overall management of the service. Between the Programme Lead and Senior Service Manager it will be ensured that the service continually meets the needs of West Yorkshire.

Business West Yorkshire will report to the Combined Authority's Business, Economy and Innovation Committee each quarter to update on performance, intelligence and to seek input into the development of new initiatives; progress will be reviewed by the quarterly Economic Services Programme Performance Group; Key Performance Indicators (KPIs) for the scheme will be part of the overall KPI monitoring process.

The current Growth Service Steering Group, comprised of Local Authority representatives, will be refreshed for Business West Yorkshire to provide senior level overview of performance.

A Risk Register details the owners of any risks associated with the scheme and will be managed by the Programme Lead and Senior Service Manager; key risks from the register will be included in the Economic Services risk register and reviewed by the Programme Performance Group.