

Report to: Business, Economy and Innovation Committee

Date: 26 July 2023

Subject: **Development and Delivery**

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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 celebrate the significant successes and achievements across a range of policy interventions to support businesses, grow the economy and deliver on Mission 1 of the West Yorkshire Plan.

2. Information

In delivery

Evolution of the Growth Service

- 2.1. The evolved Growth Service is now in delivery with 15 Growth Managers across West Yorkshire supporting SMEs to access the business support they need, whether that is from the Combined Authority, its partners, national government, or the private sector. Work is ongoing to improve accessibility through the development of a new website and CRM system. See appendix 1.
- 2.2. Work continues to ensure the relationships, partnerships and processes are in place for successful delivery of the new service. Recent events to convene the ecosystem of support include the SME Network, West Yorkshire Innovation Network and refreshed Professional Services Network launch.

- 2.3. With new funding streams comes new freedoms and flexibilities. On 15 June 2023, a workshop of members of this committee and the Business Communications Group was held to discuss business support principles, Equality, Diversity and Inclusion implications and current gaps in provision. This insight will help to shape the direction of the new Growth Service and inform future areas for development.
- 2.4. Conversations are ongoing with members of the committee to ensure feedback is utilised effectively. Please see Appendix 1 of Item 8 for a full overview of the workshop feedback.

Helping businesses to start, develop and grow

- 2.5. The £6m Enterprise West Yorkshire programme, a key intervention post-Covid to support individuals displaced as a result of the pandemic, has been in delivery since late 2021 and provides a package of enterprise support made up of three workstreams:
- 2.6. **Workstream 1: Exploring Enterprise**
The project continues to exceed its EDI targets:
- Females: 70% (against a target of 50%)
 - Individuals from an ethnic minority: 33% (against a target of 30%)
 - Those who self-identify as having a disability: 11% (against a target of 10%).
- 2.7. In April 2023, following a successful 'Be the Boss' campaign, 184 individuals signed up to the programme. The campaign, which appeared on ad vans, bus stations and on social media, including Instagram, twitter and TikTok, reached over 186k people.
- 2.8. **Workstream 2: Start Up West Yorkshire**
Start Up West Yorkshire delivers business advisory and account management support to pre-starts and start-ups. Delivery partner People Plus supported 1,187 individuals to access between 3 and 12 hours' support. Business Start Up Managers, based across the region, have provided account management for 249 individuals.
- 2.9. A new Development Fund is due to begin this year to pilot bespoke projects aimed at removing specific barriers preventing underrepresented groups to start and maintain successful start-up businesses.
- 2.10. **Workstream 3: Innovative Entrepreneurs**
Expressions of interest for Innovative Entrepreneurs opened in June 2023 with the first cohort to begin in September 2023. The service provides intensive support to individuals who have an idea for a product or service that could tackle global issues. Through a 9-month programme of support, 75 individuals will be supported to gain the skills, knowledge and industry connections needed to bring their innovative idea to life.

- 2.11. Delivery of workstreams one and two are due to end in August 2024. Policy development to explore options around what comes next will take place over the coming months and will be discussed with and shaped by the committee.
- 2.12. The new, evolved AD:VENTURE programme, which received gainshare funding to deliver from April 2023, (and reaches a different audience than the pre-starts above, focusing on early trading businesses), has received 150 expressions of interest to date. Staff recruitment is ongoing for vacant posts and a launch date of 3 July is planned.
- 2.13 AD:VENTURE interlinks with Start Up West Yorkshire and provides a clear journey for entrepreneurs and young businesses to scale, develop and grow. See Appendix 2 for a business case study.

Helping businesses to access new finance

- 2.14. Work is ongoing to develop thinking around new Access to Finance models. The existing SME Investment Fund launched in November 2022 and has made investments totalling £3.9m into two businesses, based in Bradford and Calderdale. Both investments received additional match funding totalling £4.2m from the Foresight North West fund. A further 58 applications are being reviewed.
- 2.15. In March 2023, this committee was presented with a paper on innovation finance and an opportunity for the Combined Authority to invest in Northern Gritstone. The committee will recall that Northern Gritstone is a regional investment vehicle providing venture capital funding to innovative and high-growth companies and university spinouts across the North of England (namely spinouts from the Universities of Leeds, Manchester and Sheffield); particularly in sectors such as clean technology; software, digital and AI; electronics, materials and manufacturing; and life and biosciences.
- 2.16. The Combined Authority's investment of £1.5m into Northern Gritstone is expected to achieve several outputs:
 - Deploy £100 million into the West Yorkshire region (over a 5-year period).
 - Investment into 30 companies across West Yorkshire, of which 18 will be spinout companies from universities (over a 5-year period).
 - Create 450 additional jobs in the region (over a 5-year period).
 - Generate a 4x return on investment for shareholders (over a 10-year period).
- 2.17. The subscription agreement between the Combined Authority and Northern Gritstone was signed in May 2023. The first £300,000 payment was paid in June and the Combined Authority will pay £300,000 annually over a period of five years.

Helping businesses to invest in digital technologies

- 2.18. Investment in digital tech for non-digital businesses is a key driver of improved productivity. UK SPF funding has been secured for an evolved Digital Enterprise offer, which will begin delivery in July 2023. To date, over 1,500

SMEs have received grant support from the current Digital Enterprise offer, totalling more than £7m and matched by £7m in private sector funding.

- 2.19. In total, over 1,000 businesses engaged with the Digital Knowledge Exchange, of which almost 300 benefitted from 12 hours or more support. More than 400 have taken advantage of Connectivity funding to upgrade their business broadband speed or install leased line circuits.
- 2.20. The new programme will offer advisory support and two levels of funding to enable innovative and transformational digital projects:
 - digital accelerator grants for projects worth between £2k-25k offering up to 50% of project value (450 businesses)
 - digital impact grants for projects worth £25k-£200k offering 50% of project value (30 businesses).
- 2.21. Made Smarter is delivered across Yorkshire and Humber, led by South Yorkshire Mayoral Combined Authority, with grants administered by West Yorkshire Combined Authority. The programme is an integrated package of advisory support targeting manufacturers, helping them digitise processes with new technologies to improve productivity. Grants of up to £20,000 are available for projects in emerging technologies termed Industry 4.0.
- 2.22. The programme ran as a pilot in 2021/22, during which 16 businesses were supported with grant funding of £135,368. Since mid-2022, when the programme relaunched, 20 applications have been approved, totalling £279,361.

Helping businesses to develop their people and improve workplace culture

- 2.23. Skills issues are frequently reported as the biggest challenge for businesses and business growth. On 22 June 2023, the Combined Authority approved to proceed with the Digital Skills, Green Skills and Skills Support for Employers programme.
- 2.24. The Workforce Development and Growth element of the package includes a programme of skills support for employers, specifically:
 - Digital and green skills offers for businesses - including support for job creation, aligned to the mayoral pledge to create 1,000 green jobs for young people
 - Mayor's SME graduate pilot programme, designed to increase the uptake of graduate employment within SMEs in West Yorkshire
 - Regional skills support for employers to link businesses with skills offers across the region, including a skills grant funding offer.
- 2.25. The programme will support businesses to upskill, retain and attract talent as well as embed positive work cultures and increase diversity, with a key focus on supporting businesses to develop the skills they need to digitise and reach net zero.

Helping businesses to be more productive

- 2.26. The Business Productivity Programme has been in delivery since May 2022 and provides advisory support and capital grants to businesses to increase and improve their productivity. As of June 2023, 131 enquiries have been received. 65 businesses are receiving advisory support from delivery partner Exemphas and subsequently 17 referrals for grant support have been received.
- 2.27. The UK SPF Rural Fund (£2,567,501) began delivery in West Yorkshire in April 2023. The Fund has three themes: business development, food processing and tourism/visitor economy. To date, one funding approval of £50,000 has been made to a Wakefield-based business under the business development theme.

Helping businesses to develop new products or processes

- 2.28. Innovation is a key driver of improved productivity. Delivery of the ERDF funded Connecting Innovation is now complete. A new innovation package of support, funded via gainshare, is in the early stages of development with a launch of two new grant schemes anticipated in the autumn.
- 2.29. The final event for the Mayor's Innovation Prize pilot took place on 20 June 2023, at which the prize winners met the Mayor and Indro Mukerjee, CEO of Innovate UK. The winners, aged between 16 and 26, shared their experience of their innovation journey and next steps to develop their ideas to tackle the climate emergency.
- 2.30. The larger Mayor's Innovation Challenge, which builds on the Mayor's Innovation Prize pilot scheme, is in development and is planned to be formally launched at the West Yorkshire Innovation Festival. This is a radical shift away from traditional innovation support. As plans progress, officers will consult this committee to feed into the development and direction of this scheme.
- 2.31. The West Yorkshire Innovation Festival takes place this year w/c 13 November. The week-long event will focus on the priorities of the West Yorkshire Innovation Framework and will again include an Innovate UK West Yorkshire Local event. The festival aims to bring together businesses, entrepreneurs of all ages and backgrounds, and experts to share resources and support, to showcase the innovation happening across the region, making innovation inclusive and accessible to all. The website is www.wyinnovationfestival.com
- 2.32. The Innovate UK Local Action Plan was launched last year, a commitment between the Combined Authority and Innovate UK to work collaboratively to bring more innovation opportunities into the region. Work is ongoing to create a delivery plan for the West Yorkshire Action Plan. A first draft will be presented to this committee at the next meeting to gather feedback.

Helping businesses to become more sustainable

- 2.33. The sustainability of the business base is a priority for the Combined Authority and a key contributor to reaching net zero targets. Delivery of the ERDF funded REBiz programme is now complete, and successfully overachieved on all the project outputs.
- 253 businesses (against a target of 237) accessed the support via either a grant, stage 3 circular economy advice, or 12 hours of advisory and consultancy support.
 - The project has exceeded its target for reducing carbon emissions, achieving 3,455 tonnes of CO2.
- 2.34. In December 2022, in response to the energy crisis, the Combined Authority launched a £1m Energy Price Emergency Grant to support businesses to implement energy efficiency projects. Grants of between £500 and £5,000 are available to businesses who employ fewer than 50 staff. The fund is open to businesses in any sector, meaning grant funding has been available to businesses who have traditionally been ineligible, for example, hospitality, beauty services and consumer goods. 163 grants in total have been offered, totalling £553,800. The Energy Price Emergency Grant scheme will end at the end of June 2023.
- 2.35. The new business sustainability package of support, funded via gainshare, will begin delivery in July 2023 and will build on the success of the previous ERDF funded programmes. Businesses will be supported to:
- Identify and measure environmental impacts, challenges and opportunities
 - Prioritise and plan what actions to take to address these
 - Act on plans through a range of advice and financial options.

In development

UK Shared Prosperity Fund Pillar 2: Supporting Local Business: Open Call for Projects

- 2.36. A significant opportunity exists via UK SPF to address gaps in the current business support landscape and ensure businesses have access to the right support. The UK SPF Open Call for Projects application window closed on Friday 2 June. Officers and Local Authority representatives are now appraising the bids, with delivery of successful projects anticipated to start in September 2023.
- 2.37. As expected, the call is oversubscribed, with a number of bids received under each call area which will support businesses to export (business support theme: **Helping businesses to trade overseas**), grow, and to be resilient, and a call to consider alternative business models. Advice will be sought from the UKSPF Local Partnership Group and the Business, Economy and Innovation Committee on the recommended list of projects prior to formal approval by the Combined Authority in September 2023.

- 2.38. Further information will be provided to this committee once applications have been appraised.

Creative Industries business and skills support

- 2.39. Support for the creative industries is a key priority for the Mayor; to help realise these ambitions, a new, integrated package of support for West Yorkshire's Creative Industries (provisionally titled You Can Make It in West Yorkshire) will be presented to the Combined Authority in July 2023. The total scheme cost is £1,734,750.
- 2.40. The scheme has been developed in consultation with Local Authorities and Creative Industries sector representatives, and seeks to deliver the following key outcomes:
- Increasing the resilience and growth of Creative Industries (CI) freelancers and micro-businesses
 - Upskilling CI graduates to meet the skills shortage of the sector
 - Increasing diversity (including socio-economic mobility) across the CI sector
 - Facilitating Peer Learning and career progression for people working on Year of Culture programmes
 - Increasing the resilience and growth of CI businesses, and of Heritage and Sport asset-owning non-profit organisations
 - Increasing accessibility of cultural events to disabled audiences and artists. This package of support will form part of the wider business support offer.
- 2.41. Please see Appendix 3 for a full overview of the creative industries support offer.

3. Tackling the Climate Emergency Implications

- 3.1. This is a cross cutting theme running through all programmes.

4. Inclusive Growth Implications

- 4.1. This is a cross cutting theme running through all programmes.

5. Equality and Diversity Implications

- 5.1. This is a cross cutting theme running through all programmes.

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. No external consultations have been undertaken.

10. Recommendations

10.1. That the committee notes the progress of services in delivery and development.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1 – Business support offer overview

Appendix 2 – SUWY/AD:VENTURE case study

Appendix 3 - Creative industries business support package