



<b>Report to:</b>	Business, Economy and Innovation Committee
<b>Date:</b>	9 November 2023
<b>Subject:</b>	<b>UKSPF Pillar 2 update</b>
<b>Director:</b>	Felix Kumi-Ampofo, Director Inclusive Economy, Skills and Culture
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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 report on the successful progress of the UK Shared Prosperity Fund (UKSPF) Pillar 2 “Supporting Local Business” Open Call for Projects and the selected projects, due to begin delivery in Autumn 2023.

## 2. Information

### UKSPF Pillar 2 in West Yorkshire

- 2.1 On 7 September 2023, the Combined Authority approved eight projects to be funded through the UKSPF Pillar 2: Supporting Local Business, totalling £11,416,316.
- 2.2 The projects were chosen as a result of the Pillar 2 Open Call under three areas: 1) Exporting; 2) Alternative Business Models; 3) Innovation.

### Export

- 2.3 As a region, business resilience and productivity are key objectives. International trade has a particularly important role to play in maximising value for businesses, the wider economy and ultimately the people living in this region.
- 2.4 By investing in export and internationalisation support, businesses in the region will be supported to explore international opportunities and realise business benefits through improved productivity, resilience and innovation.

### **Funded projects**

- 2.5 One project is being funded to deliver support for SMEs new to export and those who want to expand their market reach to new geographies or sectors. A range of financial and advisory support will be available with a focus on engaging underrepresented groups in export activity.

### Alternative Business Models

- 2.6 Small businesses are still facing significant short-term challenges; having emerged from the pandemic and EU-exit issues, they are now facing a potential recession, unprecedented energy costs and rising inflation, with many concerned about their survival over the next 12 months.
- 2.7 There is an opportunity to explore new solutions around social enterprise, B Corporations, community interest companies (CICs), community benefit societies (CBSs) and cooperatives, community wealth building, and how these alternative models benefit resilience and long-term sustainability in the regional economy.

### **Funded projects**

- 2.8 A pilot project, to work across West Yorkshire to make it easier for alternative businesses to be set up, increasing skills, understanding of business structures, sustainability issues and overcoming barriers, while engaging underrepresented groups in the region, will be funded. There will be support available for both start-ups and scale ups.

### Innovation for Business Resilience and Growth

- 2.9 Innovation is a critical driver of improved productivity and West Yorkshire has a clear strategic vision for supporting innovation-led business resilience and growth in the region.
- 2.10 Investment from the UKSPF will support innovation through the creation of new products, processes and services and the adoption of new digital technologies, along with increased knowledge transfer. Improving innovation rates, and the diversity of those engaged in innovation, will secure significant productivity gains and uplifts for the region.

## **Funded projects**

- 2.11 Six projects will be funded under the third Call under various themes:
- Supporting SMEs to grow sustainably, addressing low productivity, quality of work and deficit in innovation.
  - Steering the growth of a community of installers and suppliers to meet the high demands within the green economy.
  - Support for SMEs to strengthen their position in supply chains, raising confidence to diversify and grow, and accessing high value opportunities through links with large enterprises.
  - Increasing access to Research and Development opportunities and low-risk, cost-effective methods and facilities for SMEs across West Yorkshire.
  - Health and wellbeing focused access to equipment and facilities, and support to entrepreneurs, additional events and business support initiatives.
  - A stronger relationship between Higher Education and SMEs, with a focus on engaging underrepresented groups to grow innovation activity in their business.
- 2.12 Work is ongoing to ensure Grant Funding Agreements are in place as soon as possible to ensure delivery can begin at pace.
- 2.13 All projects will become a key addition to West Yorkshire's Business Support ecosystem. Each will work closely with officers at the Combined Authority to ensure a complementary offer that meets the needs of SMEs in the region, connecting in with wider provision across West Yorkshire.
- ### **3. Tackling the Climate Emergency Implications**
- 3.1. Tackling the Climate Emergency was a cross cutting theme in the UKSPF Pillar 2 Open Call for Projects and applicants were scored according to their projects' impact.
- ### **4. Inclusive Growth Implications**
- 4.1. A strong focus was placed on Inclusive Growth when appraising the applications, ensuring delivery models demonstrated a commitment to reaching our most underrepresented communities.
- ### **5. Equality and Diversity Implications**
- 5.1. Equality and Diversity were crucial components of the Open Calls and applicants were encouraged to outline who their project would engage and how they would ensure this was successful.



## **6. Financial Implications**

- 6.1. Grant Agreements between the Combined Authority and each successful bidder are being finalised, with delivery due to begin in Autumn 2023.

## **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. Various external consultations have taken place throughout the course of the Pillar 2 process.

## **10. Recommendations**

- 10.1. That the committee notes the projects chosen (see Appendix 1), subject to contract, ready for delivery to begin at pace.

## **11. Background Documents**

- 11.1. There are no background documents referenced in this report.

## **12. Appendices**

- 12.1. Appendix 1 – UKSPF recommended projects.