



<b>Report to:</b>	Business, Economy and Innovation Committee
<b>Date:</b>	9 November 2023
<b>Subject:</b>	<b>Development and Delivery</b>
<b>Director:</b>	Felix Kumi-Ampofo, Director Inclusive Economy, Skills & 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 checked="" type="checkbox"/> Yes <input 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 current support delivered and commissioned by the Combined Authority that contributes to outcomes in Investment Priority 1: *Good Jobs and Resilient Businesses* of the West Yorkshire Investment Strategy, and Mission One of the West Yorkshire Plan: *A prosperous West Yorkshire - an inclusive economy with well paid jobs* and alignment with State of the Region monitoring indicators.
- 1.2 Future reporting will include a dashboard of activity setting out the contribution of these programmes to wider regional priorities.

## 2. Information

### Growth Service: Equality, Diversity and Inclusion (EDI) pilots

- 2.1 The evolved Growth Service began delivery in April 2023 and provides a single point of contact for SMEs to access support based on their specific needs. The Services acts as a gateway to the wider business support offer across the region.
- 2.2 In May 2023 the Combined Authority received £420,000 from the Department for Business and Trade for core Growth Hub activity; £40,000 of this has been ringfenced for

cluster lead activity. This offers an opportunity to use £380,000 of the allocated Gainshare funding (that the DBT funding replaces) to develop innovative pilot projects to meet the needs of diverse business leaders and to support the Combined Authority's EDI Strategy.

- 2.3 In annual State of the Region reporting (2022), key challenges around a lack of diversity in business leadership and pay were identified in West Yorkshire. There is a distinct economic benefit to having funding for focussed activity for increased inclusivity within business support. The Time to Change Report identifies the potential contribution of ethnic minority businesses to the UK economy as £100bn GVA, compared to the current figure of £25bn.
- 2.4 Ethnic minority businesses are 6% more likely to introduce a process innovation than non-ethnic minority businesses, and 11% more likely to introduce a product innovation (source: Unlocking the Potential of Ethnic Minority Businesses report, Social Market Foundation 2021).
- 2.5 The Rose Review of Female Entrepreneurship identifies the potential added economic value of £250bn if women started and scaled new businesses at the same rate as men in the UK.
- 2.6 Unlocking this potential, through an enhanced business support offer that directly tackles the barriers faced by under-engaged groups, would have a significant economic benefit for the region.
- 2.7 It is proposed that delivery of new pilot projects will be procured to specialist organisations to develop and deliver innovative activities to support female-, ethnic minority- and disabled-led businesses, up until March 2026. This will result in maintaining the original scheme outputs and but with an additional output of eight EDI pilot programmes, to target support towards key demographics to overcome a particular barrier(s) to growing a business.
- 2.8 This committee is asked to approve the use of £380,000 Gainshare funding to focus on business support activity targeted at underrepresented groups.
- 2.9 Please see Appendix 1 – Project Change Request (Growth Service EDI pilots) which outlines the recommendations put forward.

#### Access to Finance

- 2.10 The State of the Region report highlights that West Yorkshire's position on productivity has not improved in recent years and that GVA per head has remained fairly consistent since 2013, at 18% lower than the national average. Business access to finance is identified as a key response to this and the Combined Authority is currently exploring the most impactful models to address this and the Combined Authority's role in this.

- 2.11 The West Yorkshire SME Investment Fund was launched in November 2022. The fund is managed by the Foresight Group on behalf of the Combined Authority.
- 2.12 The SME Investment Fund provides investments of up to £2m to SME businesses based in West Yorkshire to facilitate business scale up and growth. The fund is sector agnostic but focuses on the health science, advanced manufacturing, financial and professional services, and digital technology sectors. Foresight opened their Leeds office in September 2022 and recruited two Investment Managers to manage delivery of the fund.
- 2.13 During the first 12 months of the fund, 156 investment opportunities have been reviewed by the Foresight Investment Managers and the fund has invested approximately £4m into two businesses, based in Bradford and Calderdale. In addition, there are a further five businesses in the investment pipeline currently completing the due diligence process for investment.

#### Innovation

- 2.14 Innovation is key to the region's economic growth, recovery and resilience. By realising the potential of new ideas, introducing new products, processes and services, and adopting digital technologies, businesses can improve their productivity, commercial success, and in many cases have a positive societal impact. State of the Region reporting shows that businesses engaging in innovation activity fell in 2022 compared to previous years, with evidence suggesting a long-standing deficit in innovation activity amongst West Yorkshire firms.
- 2.15 The new innovation support service is funded from April 2023 to March 2026. Along with advisory support, innovation vouchers will be available to those SMEs who have not undertaken innovative activity before, with strategic grants available to SMEs to develop their innovations further.
- 2.16 Staff recruitment is ongoing, with a number of team members in place, ready for business engagement activity from the end of this year.
- 2.17 A key element of the new service is the West Yorkshire Innovation Festival. The Festival takes place from 13 to 17 November 2023. In its third year, the festival celebrates inclusive innovation across the region. The Innovate UK Local Day will take place during the festival on 16 November.
- 2.18 A Summative Assessment for the previous programme, Connecting Innovation, has been undertaken and learnings have informed development of the new Innovation Support Service.
- 2.19 The Assessment found that the Connecting Innovation programme faced challenges due to staffing resource; a slow mobilisation phase during the beginning of the pandemic; an ambitious and broad scope that did not necessarily align well with ERDF funding; and withdrawal of several successful grant applications. Despite these challenges, the

programme was able to successfully pivot its approach in response to the changing landscape and directly engaged with almost 400 businesses (against a target of 250).

### Sustainability

- 2.20 Business sustainability is a key priority for West Yorkshire, with the mayor's ambition for the region to be net-zero carbon by 2038, with significant progress by 2030 underpinned by State of the Region reporting on greenhouse gas emissions and emissions intensity. The new Business Sustainability Service, funded from April 2023, was set up in response to this ambition and will deliver a Measure, Plan, Act system of support for businesses to enable them to understand their carbon footprint and identify solutions to reduce its impact.

### Enterprise and Entrepreneurship

- 2.21 Exploring Enterprise and Start Up West Yorkshire (workstreams one and two of a £6m package of entrepreneurship support, known as Enterprise West Yorkshire) began delivery in September 2021. The package of support was set up in response to the Economic Recovery Plan and will support State of the Region reporting on the number of new private sector businesses. It supports individuals to consider starting a business and to help new businesses to grow. They are both currently funded to September 2024.
- 2.22 Officers at the Combined Authority have started reviewing the economic and social landscape to determine what enterprise support is needed in the region post-Enterprise West Yorkshire. Members of this committee will be invited to take part in focus groups over the next few months to input into this development work.

### Productivity

- 2.23 Improving productivity is a key driver economic growth and improved living standards, with State of the Region indicators setting out the scale of the challenge.
- 2.24 The Business Productivity Service has been fully operational for just over seven months. Due to the demand for the advisory side of the service an extension to the contract is proposed contract to allow for a greater number of businesses to receive support.
- 2.25 The demand for the grant element of the programme is also very high. In order to have the biggest impact possible, the maximum grant will be reduced from £50,000 to £25,000 and focused on those businesses who have not previously received a BGP or BPP grant.

### Green Jobs Taskforce

- 2.26 In August 2021, Mayor Tracy Brabin set up the UK's first Green Jobs Taskforce to support the region's ambition to be net zero by 2038, with significant progress by 2030 linked to State of the Region indicators on emissions and percentage of employees in quality work.

2.27 The final Green Jobs Taskforce report (see Appendix 2) created a set of ambitious recommendations and identifies policy interventions for action to support individuals, education and training providers and businesses to maximise opportunities and minimise identified challenges of our future green economy.

2.28 As an early result of the Taskforce's work, the Employment and Skills Committee in July announced the Digital Skills, Green Skills and Skills Support for Business Programme. This programme will support:

- Individuals - to access green careers advice and training options and job information and opportunities.
- Educators - support for the Further Education sector to build capacity and respond to the green skills demand.
- Businesses - support for businesses to decarbonise via upskilling and reskilling.

2.29 To celebrate the success of the Taskforce, the Mayor and Baroness Blake hosted a Green Skills Revolution Dinner (sponsored by SSE) at the House of Lords. Attendees included representatives from the voluntary and community sector, education, and private sector. The final report will be launched at a celebratory event alongside partners with a date to be confirmed.

2.30 Members of the Committee are asked to note the update and presentation of the final report of the Green Jobs Taskforce.

### **3. Tackling the Climate Emergency Implications**

3.1 The Green Jobs Taskforce report outlines proposed interventions that will develop the skills and employment needs of individuals and businesses in West Yorkshire to tackle the climate emergency. Recommendations will also support the mayoral pledge to create 1,000 well paid, green jobs in West Yorkshire that will support the ambition to achieve net zero by 2030.

### **4. Inclusive Growth Implications**

4.1 The work of the Green Jobs Taskforce and the recommendations are directly linked to inclusive growth in that they contribute to readying West Yorkshire's business base and workforce for a transition towards a net zero economy and delivering on the Mayor's pledge to create 1,000 good, green jobs. The Taskforce engaged with over 300 young people to develop the recommendations.

### **5. Equality and Diversity Implications**

5.1 The final report by the Green Jobs Task Force has a recommendation and actions addressing specific challenges around EDI.

5.2 The proposed Growth Service EDI pilots will offer further, specialist support to businesses.

## **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. Small, medium and large businesses, Local Authority senior officers, independent training providers, colleges, universities, and young people were involved in the development of the Green Jobs Taskforce report.

## **10. Recommendations**

10.1. That the committee approves the use of £380,000 of Gainshare funding - as outlined in Appendix 1 - to deliver eight pilot programmes that will support the Combined Authority's Equality, Diversity and Inclusion Strategy.

10.2. That the committee notes progress of business support services and the Green Jobs Taskforce.

## **11. Background Documents**

There are no background documents referenced in this report.

## **12. Appendices**

Appendix 1 – Growth Service EDI pilots Project Change Request

Appendix 2 – Green Jobs Taskforce Report