

## Scheme summaries

<p><b>Business West Yorkshire</b> West Yorkshire</p>	<p><b><u>Scheme description</u></b></p> <p>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. This Change Request seeks to increase the costs and scope of the existing programme to deliver increased Equality and Diversity impacts, expanding the range of SMEs that access the Service and receive Business Support.</p> <p><b><u>Impact</u></b></p> <p>The scheme is key to ensuring that we have the critical infrastructure in place to support the 80,500 SMEs in West Yorkshire. The scheme will support SMEs to improve productivity, increase resilience and achieve growth.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to the change request for the Business West Yorkshire programme to increase costs by £380,000 taking the Combined Authority contribution from £4,573,426 to £4,953,426. The total scheme cost is £5,708,683. This will enable the delivery of 8 EDI pilot programmes.</p> <p>Total value - £5,708,683</p> <p>Total value of Combined Authority funding - £4,953,426</p> <p>Funding recommendation sought - £380,000</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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## Projects in Stage 3: Delivery and Evaluation

<b>Project Title</b>	<b>Business West Yorkshire</b>
<b>Stage</b>	3 (delivery and evaluation)
<b>Decision Point</b>	Change request (activity 5)

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

### Background

- 1.1 The Business West Yorkshire Programme supports the delivery of the Strategic Economic Framework Investment Priority 1, boosting productivity by helping businesses to grow, and supporting the region's workforce, driving economic growth, increasing innovation, and helping to create new jobs.
- 1.2 The existing Programme was approved to move into delivery by the Combined Authority on 21st October 2022.
- 1.1 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.
- 1.2 The proposal will fund the team of Growth Managers who are embedded within the local authorities. It will fund the Gateway team and infrastructure (telephone, email and online channels), specialist support and advice, outreach events, marketing and annual impact evaluation.
- 1.3 In recent years the Growth Service has been able to quickly respond to challenges businesses have been faced with including Brexit, floods, COVID 19, rising energy costs and the rising costs of doing business. Specialist support and advice included within the proposal will enable continued flexibility to respond to economic challenges and to enhance the general Growth Manager offer with specialist consultancy.
- 1.4 There is a focus on addressing key themes of:
  - Access: The scheme provides a single access point so SMEs can easily access the support they need. The scheme reaches a more diverse range of businesses and communities across West Yorkshire.

- Reach and inclusion: The scheme expands the reach of the service to a wider and more diverse SME audience, with no sector restrictions (as has been the case with some EU funding), and across all communities in West Yorkshire.
  - Effective targeting: using data and innovative technology for communications and engagement.
  - Private sector engagement: a refreshed approach to engagement with the professional services sector expanding the reach of the service and partnership approach to filling gaps in service provision.
  - Flexibility and continuous improvement: there is a flexible delivery model enabling the service to respond effectively to new economic challenges and to potentially expand provision according to future demand and to address emerging priorities (e.g. alternative business ownership models and equality, diversity and inclusion initiatives based on data on the reach and take-up of services).
- 1.5 The service will act as the key infrastructure for Business Support programmes to be accessed by SMEs. Since this scheme was approved by the West Yorkshire Combined Authority for delivery it has, (up until the end of June 2023), engaged with 234 businesses; supported the creation of 14 new jobs; helped businesses access grants to the value of £117,000; supported the upskilling of 41 members of staff and supported businesses to make capital investments totalling £85,000.
- 1.6 Funding of £420,000 has since been received from the Department for Business and Trade (DBT) with £40,000 of this ringfenced for programme coordination. This was taken to the Combined Authority's Internal Leadership Board May 2023 for approval. The DBT funding was accepted with a request that a further report be delivered to detail how the equivalent Single Investment Fund (SIF) money that this would replace could be spent, and outline recommendations for this.
- 1.7 This Change Request seeks approval for how the £380,000 of SIF that is being released from the existing funding mix, enabling the Business West Yorkshire Programme, is to be spent.
- 1.8 The intention is for the £380,000 to be utilised increasing the Equality and Diversity Impacts of the programme through the delivery of 8 additional work packages within the overarching programme.
- 1.9 The additional work packages look to tackle issues surrounding equality, diversity and inclusion amongst business support across West Yorkshire. West Yorkshire is one of the most diverse regions in the country. Our diversity is a huge strength and opportunity for our region's economic growth.
- 1.10 Evidence through local, regional and national reports, shows there is a lack of engagement in mainstream business support from female, ethnic minority and disability led businesses. The additional work packages aim to bridge the gap by testing and evaluating the impact of these specific interventions, to help these businesses overcome barriers to accessing mainstream business support provision in order to build an inclusive economy that rebalances the

current underrepresentation. The tender will be a call for multiple suppliers to deliver various pilot business support packages, targeting one of the 3 demographics outlined above. Successful bidders will be required to capture key performance and EDI data and submit an evaluation report to measure the impact of the support provided on the chosen target demographic. The key objective is to obtain learnings which will inform the design of future business support provision.

- 1.11 It is suggested that there is a distinct economic benefit to having funding specifically focussed on activity for increased inclusivity within business support. For instance, the Time to Change Report, commissioned by NatWest, identifies the potential contribution of ethnic minority businesses to the UK economy as £100 billion, compared to the current figure of £25 billion.

### **Tackling the Climate Emergency Implications**

- 1.12 The Business West Yorkshire Programme is the entry point into all business support for SMEs provided by the Combined Authority. SMEs are supported to access programmes and funding opportunities, including those that support energy efficiency.
- 1.13 The programme acts as a gateway to programmes such as the Carbon Net Zero Business Support Programme currently going through the Assurance Framework.
- 1.14 A Stage 1 Carbon Impact Assessment has been completed for the scheme and signed off for the Programme. The Assessment emphasises how environmental impact are considered as part of any grant funding applications from SMEs. The Programme supports SMEs to incorporate energy saving measures as part of wider plans to grow or become more productive.

### **Outputs**

- 1.15 Existing Programme outputs and benefits include:
- To support 9,000 SMEs to access the business support they need.
  - To support 4,500 SMEs to access intensive support (either financial or non-financial).
  - To directly support 2,000 SMEs with at least 3 hours of Growth Manager support, including a detailed diagnostic/action plan.
  - To increase the number of BAME, disabled and female led businesses utilising Business West Yorkshire services.
- 1.16 This Change Request will increase outputs and benefits:
- Delivering 8 Equality Diversity and Inclusion work packages as part of the wider Business West Yorkshire Programme, specifically targeting barriers for minority businesses.
- 1.17 Specific outputs associated with each of the 8 individual EDI programmes will be developed through collaboration with the successful provider(s) of the programmes.

## **Inclusive Growth Implications**

1.18 The scheme inclusive growth implications include:

- To increasing SME take-up of Business Support Services to support economic growth, productivity, and resilience.
- The Programme is the entry point for businesses into grant funding from the Combined Authority and all businesses that receive grant funding are asked to make inclusive growth commitments.
- EDI data for minority businesses accessing the Programme is collated by the Combined Authority to identify barriers to accessing Business Support. The Programme adapts to challenges using targeted marketing and by developing specific programmes to address barriers.
- This Change Request seeks to develop 8 further programmes to be delivered by Business West Yorkshire that will focus on addressing barriers that minority businesses are facing.

## **Equality and Diversity Implications**

1.19 An Equality Impact Assessment (EqIA) Stage 2 was submitted at the approval of Decision Points 2-4 for the existing programme, and equality and diversity impacts taken account of.

1.20 This Change Request aims to diversify the SMEs that are able to access Business Support services, and to tackle barriers for minority businesses. This is through the delivery of 8 EDI focussed work packages.

1.21 A key objective of the overarching Business West Yorkshire Programme is to increase the number of BAME, disabled, and female led businesses utilising the Service.

## **Risks**

1.22 The scheme risks include:

- A lack of clear single identity/branding to underpin the expanded reach of the Programme. This risk is being mitigated by close working with the Combined Authority's Communications Team and the ongoing wider Combined Authority brand review.
- Demand for support exceeding capacity of the Programme/Service. This risk is being mitigated through the existing Programme as more capacity was worked into the Service in years 2 and 3 of delivery. The Programme may also expand further with additional future funding if this becomes available.
- The Programme not meeting EDI targets. This is being mitigated by ongoing Programme monitoring, to ensure that as far as is possible the Programme remains on track to meet targets. Any potential barriers to meeting targets will be analysed and remedial action taken. Closer working relationships with partners and networks who work with minority

groups and businesses being targeted through the 8 additional programmes, this will also mitigate this risk.

### **Consultation and Engagement**

- 1.23 At the point of the initial approval for the scheme to move into delivery engagement had taken place with politicians through the Business, Economy and Innovation Committee, the Federation of Small Business, and the regions two Chambers of Commerce. An Equality Action Group has also been established to ensure EDI is effectively embedded in the programme.
- 1.24 Further engagement has continued throughout the delivery of the scheme to ensure any improvements to delivery can be realised.
- 1.25 Due to the low cost, complexity and contentiousness of the scheme public consultation did not take place.

### **Costs**

- 1.26 At Decision Point 2 to 4 (Business Justification) the Business West Yorkshire Programme total scheme costs were approved by the Combined Authority, 21st October 2022, and totalled £5,298,920.
- 1.27 The Combined Authority contribution to this amount is currently approved at £4,573,426. The remaining funding is being achieved through Local Authority contributions.
- 1.28 Total scheme costs have since increased; however this has had no impact on the Combined Authority contribution to the scheme. Increased costs were supported by Local Authority funding contributions and were in response to staffing inflation costs.
- 1.29 This Change Request is requesting that the Business West Yorkshire Programme's scheme costs increase by £380,000 to enable the delivery of 8 additional EDI pilot programmes as part of the wider Programme.
- 1.30 This increases the total forecast cost of the scheme to £5,708,683.
- 1.31 The total contribution from the Combined Authority will increase by £380,000, to a total Combined Authority funding contribution of £4,953,426.
- 1.32 The approval to replace £380,000 of existing Gainshare with DBT funding was undertaken at by Chief Executive. This approval looks to retain the £380,000 of Gainshare funding which has been replaced by DBT funding.

### **Assurance Pathway and Approval Route**

Assurance pathway	Approval route	Forecast approval date
Change Request	Recommendation: Combined Authority's Programme Appraisal Team	01/11/2023

	Decision: Combined Authority's Chief Operating Officer (COO)	
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Chief Operating Officer (COO)	31/03/2026

### Other Key Timescales

- Delivery of the Business West Yorkshire programme commenced April 2023.
- A mid-point Evaluation will be conducted between July and September 2024.
- A final Evaluation will be conducted between January and March 2026.
- Programme closure will be achieved by 31<sup>st</sup> March 2026.

### Assurance Tolerances

Assurance tolerances
Combined Authority costs remain within +10% of those outlined in this report. Delivery (DP5) timescales remain within 6 months of those outlined in this report. Outputs remain within -10% of those outlined in this report

	Baseline Tolerance approved by the TC at DP2-4	Baseline Approval by the TC at DP3	(Requested) Approval at Change Request	Within tolerance?
<b>Date</b>	21/10/2022		12/10/2023	
<b>Total Cost</b>	£5,298,920		£5,708,683	
<b>CA Funding</b>	+%10	4,573,426	£4,953,426	Y
<b>Completion Date (DP5)</b>	3 months	01/06/2026	01/06/2026	Y
<b>Outputs &amp; Benefits</b>	-10%	N/A	N/A	Y

## **Appraisal Summary**

- 1.33 It has been agreed at the Combined Authority's Internal Leadership Board that the £380,000 of DBT Funding replace £380,000 of Gainshare Funding allocated to the delivery of the existing Business West Yorkshire Programme, that is already in the Delivery Phase. This Change Request seeks approval that the £380,000 Gainshare funding being released by this decision remains within the Programme to enable the delivery of additional Equality and Diversity (EDI) outputs, through the delivery of 8 additional EDI-focussed programmes.
- 1.34 The Combined Authority is currently developing an EDI Strategy for Business Support. The approval to use Gainshare Funding to deliver increased EDI outputs for the Business West Yorkshire Programme will support the delivery of the wider EDI Strategy and some of its key outcomes.
- 1.35 The Change Request presents a strong Strategic Case for diversity being a strength and opportunity for West Yorkshire's economic growth potential, suggesting there is a distinct economic benefit to focussing funding on activity that increases the inclusivity within business support offers.
- 1.36 Delivery of the 8 additional EDI programmes will be achieved through the procurement of external provider(s). The Combined Authority's Programme Team are experienced in procuring external providers to deliver Business Support programmes and achieve aligned outcomes. Contracts with providers will be managed by the Combined Authority's Service Manager within the existing Business Support Team.

## **Recommendations**

- 1.37 The West Yorkshire Combined Authority approves that:
- (i) The change request to the Business West Yorkshire scheme to increase total scheme costs by £380,000 and deliver an additional 8 EDI pilot programmes, to a total scheme cost of £5,708,683, is approved.
  - (ii) The Combined Authority agrees to increase their contribution to the total scheme costs by £380,000, taking the Combined Authority contribution from £4,573,426 to £4,953,426.
  - (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.