

# **UK Shared Prosperity Fund in West Yorkshire Invitation to Bid**

## **Support for Local Business**

**17 April 2023**

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## 2. Summary

|                                  |   |
|----------------------------------|---|
| <b>Lead Authority</b>            | <b>West Yorkshire Combined Authority</b>  |
| <b>Fund</b>                      | <b>West Yorkshire UK Shared Prosperity Fund</b>   |
| <b>Invitation to bid Opens:</b>  | <b>17th April 2023</b>  |
| <b>Invitation to bid Closes:</b> | <b>12.00 noon, Friday 2<sup>nd</sup> June 2023</b>  |
| <b>Minimum application level</b> | <p>Applications are expected to demonstrate appropriate scale and impact.</p> <p>The minimum and maximum size bid for any single project should be no less than the following figures for each Call area as set out in the Annexes to this document.</p> <ol style="list-style-type: none"> <li>1. Interventions to encourage West Yorkshire Businesses to export. <ul style="list-style-type: none"> <li>• Minimum - £350,000</li> <li>• Maximum - £1,300,000</li> </ul> </li> <li>2. Innovation for Business Resilience and Growth <ul style="list-style-type: none"> <li>• Minimum £500,000</li> <li>• Maximum £10,025,000</li> </ul> </li> <li>3. Alternative Business Models pilot <ul style="list-style-type: none"> <li>• Minimum £250,000</li> <li>• Maximum £500,000</li> </ul> </li> </ol> <p>Applications requesting an amount below the 'Minimum Application Level' will be rejected.</p> |
| <b>Duration of project</b>       | <p>Projects are expected to start delivery from July/August 2023.</p> <p>Projects <b>must</b> be financially completed by no later than <b>31<sup>st</sup> March 2025</b>. Project costs cannot be incurred beyond this date.</p> <p>Unless you are able to commit to delivery in this timeframe please do not bid.</p>   |
| <b>Application Process:</b>      | <p>Applications for funding must be completed and submitted to West Yorkshire Combined Authority using this email address: <a href="mailto:ukspfwestyorkshire@westyorks-ca.gov.uk">ukspfwestyorkshire@westyorks-ca.gov.uk</a></p> <p>Applications late or submitted via any other method will not be accepted.</p>  |

### 3. Introduction

The United Kingdom Shared Prosperity Fund (UKSPF) will provide £2.6bn across the UK for local investment by March 2025. The UKSPF aims to build pride in place; support high quality skills training; support pay, employment and productivity growth; and increase life chances. The West Yorkshire Combined Authority (WYCA) has been designated a 'lead authority' by the government and will administer the programme in West Yorkshire.

West Yorkshire will receive £65m of Core UKSPF for delivery, of which approximately **£11.82m** is being made available for this Invitation to Bid across three Call areas.

As a Lead Authority, West Yorkshire Combined Authority is responsible for:

- issuing invitations to bid
- receiving bids
- entering into a funding agreement with the successful bidders
- undertaking monitoring, assurance and evaluation activity
- paying grants to successful projects and managing their performance.

Full details of the role of Lead Authorities can be found in the [UK Shared Prosperity Fund Prospectus](#).

The West Yorkshire [UKSPF Local Investment Plan](#) (LIP) was co-designed with the five West Yorkshire Local Authorities, based on shared priorities set out in the West Yorkshire , Investment Strategy and Strategic Economic Framework, established to achieve the vision for West Yorkshire to be recognised globally as a place with a strong, successful economy where everyone can build great businesses, careers and lives supported by a superb environment and world-class infrastructure.

### 4. UKSPF Investment Priorities

There are three UKSPF Pillars:

- Pillar 1 - Communities and Place
- Pillar 2 - Supporting Local Business
- Pillar 3 - People and Skills (which will be allocated in 2024-25 only).

This Call seeks applications under Pillar 2 Supporting Local Business.

The UKSPF Supporting Local Business Pillar is designed to create jobs and boost community cohesion, by supporting local businesses through networking, collaboration, and stimulating innovation and growth. The West Yorkshire Combined Authority, following stakeholder consultation, allocated over £25m of UKSPF of its funding to this priority.

This document launches West Yorkshire Combined Authority's Invitation to Bid for applications under the Supporting Local Business Pillar.

The **£11.82m** is available to support three call areas, which aim to deliver against a number of UKSPF government-prescribed interventions, detailed below.

- **E19:** Increasing investment in research and development at the local level. Investment to support the diffusion of innovation knowledge and activities. Support the commercialisation of ideas, encouraging collaboration and accelerating the path to market so that more ideas translate into industrial and commercial practices.
- **E22:** Investing in enterprise infrastructure and employment/innovation site development projects. This can help to unlock site development projects which will support growth in places.
- **E23:** Strengthening local entrepreneurial ecosystems and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks.
- **E24:** Funding for new and improvements to existing training hubs, business support offers, 'incubators' and 'accelerators' for local enterprise (including social enterprise) which can support entrepreneurs and start-ups through the early stages of development and growth by offering a combination of services including account management, advice, resources, training, coaching, mentorship and access to workspace.
- **E25:** Grants to help places bid for and host international business events and conferences that support wider local growth sectors.
- **E28:** Export Grants to support businesses to grow their overseas trading, supporting local employment.
- **E29:** Supporting decarbonisation and improving the natural environment whilst growing the local economy. Taking a whole systems approach to invest in infrastructure to deliver effective decarbonisation across energy, buildings and transport and beyond, in line with our legally binding climate target. Maximising existing or emerging local strengths in low carbon technologies, goods and services to take advantage of the growing global opportunity.

The three Call areas are as follows with indicative values;

- **Call Area 1 - Interventions to encourage West Yorkshire Businesses to export** – Est. £1,300,000 (All Revenue).
- **Call Area 2 – Interventions to create Alternative Business Models** - Est. £500,000 (All revenue).
- **Call Area 3 - Interventions to encourage West Yorkshire Businesses to grow and to be resilient** - Est. £10,00,000 (£3.6m Capital, £6.4m Revenue).

Applicants are invited to submit applications against one or more of these three Calls, each of which is designed to meet government's interventions. If submitting multi-programme applications, applicants should ensure that proposals are presented holistically.

Notional allocations, as detailed above, have been devised for each Call area, although the actual award may vary depending on the quality of applications received. Applicants are advised that the funding available is more limited by comparison with previous support

provided through the European Regional Development Fund programmes, so the demand for funds may be high; therefore, good quality bids which meet the local priorities for investment are sought.

West Yorkshire Combined Authority reserves the right to award more than **£11.82m** if funding becomes available.

## 5. Strategic Context

The Strategic Economic Framework (SEF) sets out how we will achieve our ambitions for West Yorkshire, through our key priorities and range of policies and strategies. It demonstrated that we have a bold strategy for transformation across all facets of the economy, whilst acknowledging that we now have a greater role in the decisions that affect us.

The SEF is currently being reviewed and updated, following the election of the first West Yorkshire Mayor and the changes to powers and funding presented by devolution. This includes developing a new vision for West Yorkshire with partners and considering our targets and ambitions across all our areas of responsibility and influence.

The SEF and our developing West Yorkshire Plan are based on a clear understanding of the key strengths and assets in the region, and a commitment to working in partnership to make full use of these assets, address long-term challenges, unlock opportunity and fulfil the region's exceptional potential.

The Combined Authority and Local Enterprise Partnership vision for West Yorkshire is that by 2030:

*“To be recognised globally as a place with a strong, successful economy where everyone can build great businesses, careers and lives supported by a superb environment and world-class infrastructure.”*

West Yorkshire is key to re-balancing the national economy and enabling the North of England to 'level up' and contribute fully to, and benefit from, national economic growth. Located at the heart of the Northern Powerhouse, with an economy larger than that of several European countries, all our cities and towns have distinctive strengths built from their communities, heritage, character, industries and cultural assets. The unique mix of places, people and businesses within the region, are vital to our long-term success.

The Combined Authority publishes an annual State of the Region report, which reviews the performance of West Yorkshire against key socio-economic and environmental indicators. The report is available [here](#). The report provides a stock take of where West Yorkshire currently stands, using a basket of headline indicators developed as part of the Combined Authority's Strategic Economic Framework. It highlights areas of strength and positive trends in the local economy but also flags key issues and challenges that are priorities for future action.

The report aims to provide a balanced and objective view of economic performance in the region and gives some insight into the difference being made through the combined action of all partners in West Yorkshire.

West Yorkshire Combined Authority will prioritise bids that have the greatest potential to deliver significant economic, environmental and social benefits through well targeted

investment, and help to deliver a net zero carbon, inclusive economy through which everyone in the region can have a great quality of life.

Specific to this Invitation to Bid, please see the Combined Authority's key strategies:

[Business Productivity and Resilience Plan](#)

[Innovation Framework](#)

[HealthTech Strategy](#)

[Digital Framework](#)

[Trade Strategy](#)

[Inclusive Growth Framework](#)

## **6. The place - West Yorkshire**

The work of the West Yorkshire Combined Authority covers the West Yorkshire authority areas of Bradford, Calderdale, Kirklees, Leeds and Wakefield.



The West Yorkshire Combined Authority was established in 2014 to bring together local councils and businesses to champion the region's interests nationally and internationally. This involved securing investment from Government and other sources to drive the economy forward, by carrying out economic regeneration and development functions, as well as acting as the local transport authority for West Yorkshire.

In March 2020, the West Yorkshire councils and the Combined Authority agreed a "minded to" devolution deal with Government. The deal detailed £1.8bn of Government investment (including £1.14bn over 30 years), to be subject to local influence and decision-making, enabling spend on local priorities, together with a range of new devolved functions. The election of the first West Yorkshire Mayor, Tracy Brabin, followed in May 2021.

## **7. West Yorkshire UKSPF Local Investment Plan**

The government invited the West Yorkshire Combined Authority to draft a Local Investment Plan (LIP) that set out how West Yorkshire's UKSPF allocation would be used, and what it

would achieve. It is against this plan that government will assess West Yorkshire's success in utilising UKSPF. Applications submitted under this Call will need to align strategically; and to deliver activity, outputs and outcomes that support the Local Investment Plan.

The programme of interventions for UKSPF under Supporting Local Business is strongly aligned with the Governments Levelling Up mission statements 1 and 2;

- **Mission 1.** By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing.
- **Mission 2.** By 2030, domestic public investment in Research & Development outside the Greater Southeast will increase by at least 40% and at least one third over the Spending Review period, with that additional government funding seeking to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.

## 8. Cross-cutting principles

There are three themes that cut across all UKSPF activity in West Yorkshire and should be reflected in applications. These are detailed below.

### **Tackling Inequalities and Supporting Diversity**

All UKSPF investments must be made in consideration of the Equality Act 2010 and Public Sector Equality Duty. It is mandatory for all applicants to assess and record the impact of their project between people who share a protected characteristic and those who do not.

West Yorkshire Combined Authority is committed to be a leader recognised nationally for a focus and commitment to equality, diversity and inclusion (EDI), by adopting an exemplary approach to EDI. This involves through evidence, shaping our services around the needs of diverse people including under-represented groups as a means of directly tackling social and economic disadvantage. It is also reflected in our commitment to undertake Equality Impact Assessments (EqIA) whenever the Combined Authority plans to introduce, change a new strategy, policy, project, service or intervention as well as before the Combined Authority approves any investments.

Proposals must demonstrate measures that set out how they will proactively engage with and deliver positive outcomes for West Yorkshire residents. This should include consideration of protected characteristics and how groups who are currently underrepresented will be supported, how projects and activities will be accessible to all and how outcomes will add value and enhance opportunities for the groups identified.

You will be required to complete a minimum of a Stage 1 Equality Impact Assessment. Successful applicants will be expected to complete a Stage 2 Equality Impact Assessment within the first two months of signing a funding agreement. As well as the evidence, the associated equality impact action plan which will demonstrate how interventions will be achieved and reduce any negative relevance, through mitigation will also be required.

### **Inclusive Growth**



Inclusive Growth involves enabling as many people as possible to contribute to, and benefit from, economic growth in our communities and towns.

Proposals should demonstrate measures that detail the needs of different communities have been considered in the design of your proposal and you will need to outline how you will proactively engage with diverse peoples including disadvantaged groups.

As part of the Combined Authority's commitment to economic growth that benefits everyone, successful organisations will be expected to take on measures that will maximise the positive impact on economic and social outcomes the region.

[The most recent Census data \(2021\) for West Yorkshire is available here](#)

## **Climate and Environment**

West Yorkshire Combined Authority has declared a Climate Emergency and set a target for the region to become a net zero carbon economy by 2038. The Combined Authority's Climate and Environment Plan sets out a route towards achieving net zero.

However, as a cross-cutting theme, all proposals must show how they will contribute to tackling the climate emergency and how they align to the regions [Climate and Environment Plan](#) and the [Carbon Reductions Pathway](#).

## **9. Local Calls for Projects**

The following section sets out the three Calls for projects.

Applicants can submit an application under one or more of the three programmes. Applicants can submit a separate application against each Call; or a multi-application, which covers a proposal which takes in to account the objectives of all three Calls. Applicants must clearly specify the activities to be delivered and illustrate how they directly contribute to the objectives and asks of each Call area.

There is a risk that applications which seek to deliver over all areas may submit a bid which is not as focussed or coherent, resulting in a broad and watered-down range of activities.

Applicants must therefore ensure that multi-strand applications are designed holistically and do not comprise separate activities artificially combined into one proposal. Multi-programme applications must be reflected in the logic model – please refer to the checklist of documents which need to be submitted with your application.

Applications will be scored based on how effective the combination of activities works together holistically. You must select the appropriate outputs and outcomes and state the amount of funding required for each of the Calls you are proposing to deliver under. You will also have to monitor and report outputs/outcomes by Call area and by intervention.

The information below sets out each of the three Calls. This includes the notional amount of funding available; the geographical area for project delivery; the policy context and the objectives. The tables list the indicative activities against which you can apply for UKSPF

funding and which we are looking to fund.

## Call Area 1

# Call Area 1 - Interventions to encourage West Yorkshire Businesses to export

|                               |  |                       |                         |
|-------------------------------|--|-----------------------|-------------------------|
| <b>Activity Name:</b>         | <b>Export</b>  |                       |                         |
| <b>Activity Description:</b>  | Interventions to encourage West Yorkshire businesses to export, aligned to the West Yorkshire Investment Strategy and Trade Strategy |                       |                         |
| <b>Geographical Coverage:</b> | West Yorkshire   |                       |                         |
| <b>Notional Allocation:</b>   | <b>£ 1.3M (Total)</b>  | <b>£ 0 (Capital)</b>  | <b>£ 1.3M (Revenue)</b> |
| <b>Minimum Award:</b>         | £ 350,000  | <b>Maximum Award:</b> | £ 1,300,000             |
| <b>Intervention Rate:</b>     | 90% (Maximum)  |                       |                         |

### Strategic and Policy Context

**Strategic and Policy Alignment:** Description of how proposals should meet strategic objectives, local need and the programme priorities. Expectations for coordination with other funding programmes.

### National context

The UKSPF has been launched by the UK Government as part of its wider commitment to level up all parts of the UK and on the key metrics identified in the [Levelling Up White Paper](#). West Yorkshire is one of the areas in the UK that is most in need of levelling-up.

In its Levelling Up White Paper, Government outlined that at national level the UKSPF will have a particular focus on the following objectives:

- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging.
- Spread opportunities and improve public services, especially in those places where they are weakest.
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost.
- Empower local leaders and communities, especially in those places lacking local agency.
- To increase levels of functional numeracy in the adult population.

**This invitation to bid is part of the Supporting Local Business investment priority which has the following objectives:**

- Creating jobs and boosting community cohesion building on existing industries and institutions, from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities.
- Bringing together businesses and partners within and across sectors to share knowledge, expertise and resources, and stimulate innovation and growth.

- Increasing private sector investment in growth - enhancing activities, through targeted support for small and medium sized businesses to undertake new-to-firm innovation, adopt productivity-enhancing, energy efficient and low carbon technologies and techniques, and start or grow their exports.

## **National Export Policy**

The UK Government published the new UK Export Strategy in November 2021. The overarching goal of this strategy is to reach £1 trillion in annual exports by 2030. This objective will be achieved by delivery of a new 12-point plan which will be “led by business and supported by government”. Some of those actions include expanding the Export Support Service, extending the reach and range of the pilot Export Academy, simplifying the exporting landscape and making it easier for businesses to trade and progress work on securing new trade deals.

The Combined Authority’s [West Yorkshire Trade Strategy](#) will set the framework for how we will engage with this 12-point plan and support businesses to access the available national support for exporters, and where we will look to add value beyond it.

The UK Export strategy gives recognition to the need to work with Mayoral Combined Authorities and Local Enterprise Partnerships. In particular, it is outlined that:

1. The Department for Business and Trade will work with MCAs and LEPs to “capitalise on their networks and regional insight”
2. The Export Strategy will align with the wider business support offer, including growth hubs, as part of the wider Enterprise Strategy expected in 2022
3. The Department for Business and Trade will engage businesses in trade policy and market access issues that reflect local priorities and the competitive advantage of sectors and specialisms around the UK
4. Local trade teams and LEPs will articulate and amplify the export offer.

## **Regional Export Policy**

International trade is a key enabler of many policy priorities for West Yorkshire. There is a strong link between international trade and business productivity, innovation and resilience. Businesses who trade internationally create higher quality direct and indirect jobs. Businesses who trade internationally are also important ambassadors for our region, often creating a better understanding of different cultures and building valuable partnerships and alliances.

The [West Yorkshire Business Productivity and Resilience Plan](#) recognises exporting as one of the key business behaviours positively influencing productivity. There is significant evidence, both internationally and from the UK, that firms which export have systematically higher levels of productivity than domestically oriented firms, on average by around a third (Haldane,2017). In Leeds City Region, despite relatively strong export performance in terms of numbers of

businesses exporting prior to leaving the EU, the volume and value of those exports were lower than in other areas of the UK. Although not the only factor influencing productivity performance, this room for growth suggests exporting could be one key tool to reduce the £8.5bn gap in productivity between the region and the UK average. Supporting more SMEs to consider international trade as a route to improved productivity is a priority for this call.

International Trade is also a key mechanism to unlock innovation in business, and numerous studies highlight the positive correlations between exporting and innovation, R&D and, in turn, higher productivity (see for example Ganotakis, 2011). The relationship with imports depends on different factors, including the geographical origin and the intensity of the product (van den Berg

& van Marrewijk, 2016), but importing of technology intensive components or products is likely to have positive results for businesses.

As a region we also see business resilience as a key objective, and international trade has a particularly important role to play. As we have seen during the COVID-19 pandemic, the ability to call upon diverse international supply chains has been vital to continue the flow of goods and services, but also that West Yorkshire firms have been able to access new opportunities by diversifying their outputs for both domestic and overseas markets. Those firms more exposed to international trade, have been found to be more resilient to the shocks of COVID-19 (Borino et al., 2021), and those economies that are integrated in trade face less volatility to shocks in any specific country or producer (Tenreyro, 2021).

All funding expended should contribute to the requirements outlined in the West Yorkshire UKSPF Local Investment Plan. Higher levels of funding distribution may be spent on projects, activity or initiatives that deliver the greatest contribution to these objectives, especially where they are located and/or target the areas and people of West Yorkshire most in need of levelling up.

### **Regional Context (West Yorkshire)**

The aim of this call for Export and Internationalisation support, is to support businesses in the region to explore international opportunities and realise the business benefits of those opportunities through improved productivity, resilience and innovation in a way that maximises the value for their business, the wider economy and ultimately the people living in this region. Whilst the changes to our international trading landscape arising from the UK's exit from the EU have created challenges for many, West Yorkshire has a lot to offer to inter-regional partners across the globe.

The nature of our polycentric economy means there is plentiful supply of international trade opportunities available to businesses in this region. We have a strong concentration of manufacturing businesses, more than anywhere else in the north, an unrivalled health ecosystem, the UK's fastest growing digital sector and the largest financial and professional services cluster outside of central London. Yet many of these opportunities are untapped or underutilised by our businesses. This call seeks to address this market failure.

Trade must also be a lever in realising our ambitions for a net zero, carbon neutral economy by 2038. This means working with importers and exporters to understand how to reduce emissions, as well as exploring the market opportunities for zero emission innovations and services developed in the region.

As a region, we also place strong emphasis on inclusive growth – ensuring everyone benefits from our economic performance – and we want trade to facilitate high quality and better paid jobs for our communities.

As has been highlighted by recent work from the Federation for Small Businesses (FSB, 2021), the majority of small business exporters are reactive exporters based on an approach from an overseas buyer, rather than proactive in finding opportunities.

### **Strengthening opportunities to trade with the European Union**

Whilst the UK's departure from the European Union adds additional barriers and expense to trade than as a member of the Single Market, the European Union will continue to be a critical market for West Yorkshire businesses – accounting currently for 58% of good exports and 65% of good imports to the region, and 43% of services exports and 47% of services imports. EU markets remain our closest and most easily accessible markets, particularly for those businesses in the early stages of developing their international business and are particularly

integrated into global value chains which then spread out to the rest of the world.

One objective of this call is to ensure that support for SMEs to navigate the technical, regulatory and logistical requirements of trading with markets, including the EU, is well communicated and easily accessible, particularly those less familiar with the business support environment.

### **Key Objectives**

- Build international regional economic relationships for trade.
- Help businesses across the region to understand free trade agreements and grasp opportunities.
- Inspire businesses in the region to think internationally as part of business planning.
- Deliver trade support to businesses.
- Promote the region and businesses based here on the international stage.

### **Description of what indicative activities the West Yorkshire Combined Authority is looking to fund:** Description of the activity and what is expected to be achieved

- Targeted international trade support for West Yorkshire SMEs: Programme of diagnostic and financial support for SMEs, to include grants to support businesses to exploit their export potential.
- A programme of support for West Yorkshire SMEs looking to export to target markets as identified in the West Yorkshire Trade Strategy.
- Must benefit a range of people with protected characteristics.
- Support for initiatives targeted on businesses in key sectors and/or key markets to provide an intensive and focused programme of activity.
- This could include:
  - Focused activity to curate evidence of cluster/sector specialisms.
  - The development of showcase documents and marketing materials and event management of a meet the buyer event or series of events which promotes the region's SMEs.
  - Organise in market visits.
  - Targeted activity with significantly internationally focused businesses in the region.
  - Management of the online trade portal including curation of content.

### **Specific Requirements:** Description of specific requirements

The Combined Authority is keen to explore equity and loan models in addition to grant funding. If your proposal seeks to use grant funding, you will need to set out and justify why this is the best option as opposed to offering other mechanisms of support.

Cross-sector proposals are welcomed.

### **Outputs and Outcomes**

For this Call the following outputs and outcomes are sought;

#### **Outputs**

- Number of enterprises receiving financial support other than grants
- Number of enterprises receiving grants
- Number of enterprises receiving non-financial support
- Number of events/participatory programmes

## **Outcomes**

- Number of enterprises engaged in new markets
- Enterprises adopting new or improved products or services
- Increased amount of investment
- Number of enterprises increasing their export capability.
- Number of organisations engaged in knowledge transfer activity following support

*Where relevant, please outline the specific minority groups your project will reach. For example, the number of enterprises your project will support with a female or ethnic minority founder. In addition, please also outline any targets relating to carbon savings or other criteria relating to tackling the climate emergency.*

## **Associated Intervention**

This Call area aligns with UKSPF Interventions E23, E25 and E28.

## Call Area 2

# Call Area 2 – Interventions to create Alternative Business Models

|  |   |                       |          |
|--|---|-----------------------|----------|
| <b>Activity Name:</b>  | <b>Alternative Business Models pilot: Open Call for Projects</b>  |                       |          |
| <b>Activity Description:</b>   | Seeking projects that support businesses in one or multiple districts in West Yorkshire to increase their resilience and long-term sustainability through activity relating to Alternative Business Models. |                       |          |
| <b>Geographical Coverage:</b>  | One or multiple districts of Bradford, Calderdale, Kirklees, Leeds, Wakefield   |                       |          |
| <b>Notional Allocation:</b>  | £500,000 (Revenue) – NB No Capital.   |                       |          |
| <b>Minimum Award:</b>  | £250,000  | <b>Maximum Award:</b> | £500,000 |
| <b>Intervention Rate:</b>  | <b>100% (Maximum)</b>   |                       |          |
| <b>Strategic and Policy Context</b>  |   |                       |          |
| <b>Strategic and Policy Alignment:</b> Description of how proposals should meet strategic objectives, local need and the programme priorities. Expectations for coordination with other funding programmes.  |   |                       |          |
| <b>National Context</b>  |   |                       |          |
| <p>The UKSPF has been launched by the UK Government as part of its wider commitment to level up all parts of the UK and on the key metrics identified in the Levelling Up White Paper West Yorkshire is one of the areas in the UK that is most in need of levelling-up. In its Levelling Up White Paper Government outlined that at national level the UKSPF will have a particular focus on the following objectives:</p> <ul style="list-style-type: none"> <li>• Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging.</li> <li>• Spread opportunities and improve public services, especially in those places where they are weakest.</li> <li>• Restore a sense of community, local pride and belonging, especially in those places where they have been lost.</li> <li>• Empower local leaders and communities, especially in those places lacking local agency</li> <li>• To increase levels of functional numeracy in the adult population.</li> </ul> |   |                       |          |
| <b>This invitation to bid is part of the Supporting Local Business Investment priority which has the following objectives:</b>   |   |                       |          |
| <ul style="list-style-type: none"> <li>• Creating jobs and boosting community cohesion building on existing industries and institutions, from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities.</li> <li>• Bringing together businesses and partners within and across sectors to share knowledge, expertise and resources, and stimulate innovation and growth.</li> <li>• Increasing private sector investment in growth - enhancing activities, through targeted</li> </ul>   |   |                       |          |

support for small and medium-sized businesses to undertake new-to-firm innovation, adopt productivity-enhancing, energy efficient and low carbon technologies and techniques, and start or grow their exports.

## Regional Context (West Yorkshire)

The Combined Authority has been striving to achieve the objectives set in its Strategic Economic Framework, West Yorkshire Investment Strategy and Local Investment Plan (including the Business Productivity Programme) to support business resilience and growth. The Strategic Economic Framework includes the priorities of *Business Productivity and Resilience* and *Enabling Inclusive Growth*. Investment Priority 1 in the West Yorkshire Investment Strategy is *Good Jobs and Resilient Businesses*.

As of April 2022, there were 288 cooperatives in West Yorkshire, employing 4,900 people and bringing in a combined annual turnover of £2.6 billion with a pre-tax profit of £39 million. Suma, the UK's largest worker-controlled cooperative, and Arla, the UK's largest farmers' cooperative, are based in the region. Consumer-owned models make up almost half of West Yorkshire cooperatives, whilst one fifth are community-owned and another fifth are worker-controlled. The vast majority of West Yorkshire cooperatives exist in foundational economy sectors, such as leisure, retail, hospitality and food service.

The 2021 Coop Economy Report stated that in response to economic pressures brought about by COVID, cooperatives nationally were 4x less likely to cease trading than private sector businesses and between 2020-2021 almost 2x as many cooperatives were created than dissolved. As well as this increased level of resilience, cooperatives also displayed more ambition to grow. In 2021, 61% of small cooperatives shared this ambition compared to 53% of businesses operating with an alternative legal structure.

These businesses are now facing significant short-term challenges: having emerged from the pandemic and EU-exit issues they are now facing a potential recession, unprecedented energy cost and rising inflation. 70% of businesses are concerned about their survival over the next 12 months.

There is an opportunity to address some of these challenges, whilst aligning with existing strategic objectives, by exploring how alternative business models may benefit resilience and long-term sustainability in the regional economy. Alternative business models are non-traditional methods of structuring a business. In West Yorkshire and the UK, these alternative models usually take the form of cooperatives, of which there are five main types:

- **Worker-controlled:** The cooperative is run for the benefit of the workers, who influence the business' decision-making.
- **Producer-owned:** Producers or suppliers together to form a cooperative to get a better deal for their products.
- **Customer-owned:** Exists to serve the needs of their members, who buy goods/services from the business.
- **Community-owned:** Raises finance through community shares. One member, one vote, so everyone influences how the organisation is run for the benefit of the community.
- **Multi-stakeholder:** A combination of members own and control the cooperative business.

Cooperatives display this increased level of resiliency due to their focus on long-termism, which derives from a clear and open governance, ownership and purpose. Investment is usually carried out by patiently saving reserves to reinvest or through mutual equity, as opposed to incurring large amounts debt. Also, economic shocks can often affect cooperatives less than businesses with traditional legal structures, as rather than prioritising the protection of



short-term returns for investors, the collective long-term interest is put first.

Exploring a solution in this space would complement the Mayoral pledge to *support local businesses and champion the regional economy*, as it includes *supporting cooperative businesses, community wealth building, and exploring the opportunities available for alternative models of business*.

### Key Objectives

- To explore methods of supporting business resilience and sustainability through alternative business models.
- Support existing alternative businesses to increase their resilience and long-term sustainability.
- Explore how traditional businesses can adopt alternative business model principles, and which alternative legal structures may support their resilience and long-term sustainability.

### Description of what indicative activities which the West Yorkshire Combined Authority is looking to fund: Description of the activity and what is expected to be achieved

Open to bids from all sectors for any projects relating to one or more of the below:

- Promotion and support of cooperative entrepreneurship, and social enterprises.
- Support the conversion of private business into cooperatives or social enterprises as part of planned succession and community and worker-led rescues.
- Providing existing cooperatives and social enterprises in the region with access to business support that caters to their needs and ambitions: most common support needs are business strategy, organisational development and capital raising.
- Providing businesses that are considering adopting an alternative business model or legal structure with access to business support that caters to their development requirements.

### Specific Requirements: Description of specific requirements

Projects should be targeted at one or more of the West Yorkshire districts (for example, projects covering two local authority areas would be welcome).

The Combined Authority is keen to explore equity and loan models in addition to grant funding. If your proposal seeks to use grant funding, you will need to set out and justify why this is the best option as opposed to offering other mechanisms of support.

### Outputs and Outcomes

For this Call the following outputs and outcomes are sought;

#### Outputs:

- Number of enterprises receiving financial support other than grants
- Number of enterprises receiving non-financial support
- Number of enterprises receiving grants
- Number of potential entrepreneurs assisted to be enterprise ready
- Amount of rehabilitated land or premises
- Number and m2 of commercial buildings developed or improved
- Number of potential entrepreneurs provided assistance to be business ready

#### Outcomes:

- Jobs created
- Jobs safeguarded
- Number of new enterprises created as a result of support:

- Increased amounts of investment
- Number of enterprises adopting new to the firm technology or processes
- Number of early-stage enterprises which increase their revenue following support
- Number of enterprises engaged in new markets
- Number of businesses with improved productivity

*Where relevant, please outline the specific minority groups your project will reach. For example, the number of enterprises your project will support with a female or ethnic minority founder. In addition, please also outline any targets relating to carbon savings or other criteria relating to tackling the climate emergency.*

### **Associated Intervention**

This Call area aligns with UKSPF Intervention E19, E22, E23, E24, E29.

## Call Area 3

# Call Area 3 - Interventions to encourage West Yorkshire Businesses to grow and to be resilient

|                               |  |                                      |                                 |
|-------------------------------|--|--------------------------------------|---------------------------------|
| <b>Activity Name:</b>         | <i>Innovation for Business Resilience and Growth: Open Call for Projects</i>   |                                      |                                 |
| <b>Activity Description:</b>  | Seeking projects that support businesses across West Yorkshire to increase their resilience and/or growth potential. |                                      |                                 |
| <b>Geographical Coverage:</b> | West Yorkshire   |                                      |                                 |
| <b>Notional Allocation:</b>   | £ 10,000,000 Est.<br><b>(Total)</b>  | £ 3,600,000 Est.<br><b>(Capital)</b> | £ 6,400,000<br><b>(Revenue)</b> |
| <b>Minimum Award:</b>         | £500,000   | <b>Maximum Award:</b>                | £10,000,000                     |
| <b>Intervention Rate:</b>     | 90% (Maximum)  |                                      |                                 |

**Strategic and Policy Alignment:** Description of how proposals should meet strategic objectives, local need and the programme priorities. Expectations for coordination with other funding programmes.

### National context

The UKSPF has been launched by the UK Government as part of its wider commitment to level up all parts of the UK and on the key metrics identified in the [Levelling Up White Paper](#). West Yorkshire is one of the areas in the UK that is most in need of levelling-up.

In its Levelling Up White Paper, Government outlined that at national level the UKSPF will have a particular focus on the following objectives:

- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging.
- Spread opportunities and improve public services, especially in those places where they are weakest.
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost.
- Empower local leaders and communities, especially in those places lacking local agency.
- To increase levels of functional numeracy in the adult population.

**This invitation to bid is part of the Supporting Local Business investment priority which has the following objectives:**

- Creating jobs and boosting community cohesion building on existing industries and institutions, from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities.
- Bringing together businesses and partners within and across sectors to share knowledge, expertise and resources, and stimulate innovation and growth.
- Increasing private sector investment in growth - enhancing activities, through targeted

support for small and medium –sized businesses to undertake new-to-firm innovation, adopt productivity- enhancing, energy efficient and low carbon technologies and techniques, and start or grow their exports.

## Regional Context (West Yorkshire)

West Yorkshire has a clear strategic vision for supporting innovation led business resilience and growth in the region, as set out in the [Innovation Framework](#), [HealthTech Strategy](#), [Business Productivity and Resilience Plan](#), and [Digital Framework](#). Recent activity in the region includes the launch of the [Innovate UK West Yorkshire Local Action Plan](#) and the [Mayor's Manufacturing Task Force Recommendations Report](#). [The West Yorkshire Investment Strategy \(WYIS\)](#) sets out the Investment Priorities to support the region's ambitions. These strategies all respond to the challenges - and opportunities - faced by the region. The UKSPF West Yorkshire Local Investment Plan has been designed to align closely with the priorities of the WYIS.

According to January 2023 ONS data, there are 80,580 PAYE or VAT-registered businesses registered in West Yorkshire, 99.6% of which are SMEs. (88% of those are micro [0-9 employees], 9% are small [10-49] and 2% are medium [50-249 employees]). The most prevalent industries in West Yorkshire are Professional, Scientific and Technical (13% of West Yorkshire businesses), Construction (13%) and Retail (10%).

### Challenges

These businesses are 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. 70% of businesses are concerned about their survival over the next 12 months.

The most recent West Yorkshire business survey identified that 17% of businesses expect that a decline in demand for products/services will provide a barrier to growth (followed closely by availability of skilled labour at 16%).

For micro businesses, a decline in demand for products/services was their biggest identified barrier to their growth.

In addition to these short-term challenges, the region faces significant long term structural issues, most notably around low rates of productivity. The West Yorkshire economy would be £8.5bn larger if job productivity levels equalled the UK average. Compared to UK productivity per head of £34 (GVA), Leeds' productivity is £32, Calderdale is £28, Wakefield is £27, Kirklees is £27 and Bradford is £26. Improved productivity is the key driver of economic growth and improved living standards.

The Office for National Statistics' analysis on Gross Domestic Expenditure on Research and Development (GERD), for example, shows the region had the lowest investment in Research and Development (R&D) per £1m of GVA of any English region outside London. The findings of the most recent UK Innovation Survey (2021) suggests that West Yorkshire is not only lagging nationally, but also lagging in comparison to South Yorkshire, Greater Manchester, and the West Midlands for 'innovation active' businesses.

17% of businesses report a skills gap in innovation/R&D in the next 12 months. This gap is most prevalent in the manufacturing sector (30%). Only 23% of businesses report participating in knowledge transfer activity. [Life expectancy](#) in West Yorkshire is lower than the England average and inequality in life expectancy between the most and least deprived neighbourhoods in Leeds

is greater than the national average. The most recent data shows a fall in life expectancy: the first drop in 20 years due to high mortality rates in 2020 linked to Covid-19.

Investment in the region is challenging. In 2022, more than 75% of UK VC funds continue to be allocated to London and South East businesses. However, [Northern Triangle tech startups raised £1.3bn funding over the last five years](#), demonstrating the growing willingness of investors to back companies based outside of London. [Praetura Ventures](#) estimates that the level of under investment in the North is around £10bn, which costs the UK economy £92bn of economic output per year.

Only 26% of firms in the region have sought independent business advice in the last 12 months, a reduction on the 30% who had done so in 2021. Finance/grants are the main source of support sought (42%), followed by marketing (28%), staffing issues (19%), recruitment/ job creation (16%), statutory legislation (13%) and general business planning (12%). Help with innovation or R&D was only sought by 6% of businesses, possibly highlighting a lack of understanding of innovation and how it can help business growth, resilience and productivity.

Experience from previous recessions shows the long-term impact these shocks can have to businesses capacity, appetite and ability to innovate. After the 2008 recession, the pre-recession proportion of innovation active firms was never fully regained and the proportion of firms doing product/service innovation and process innovation took more than six years to recover.

## **Opportunities**

Innovation is the critical driver of improved productivity – innovation through the creation of new products, processes and services and the adoption of new digital technologies. Improving innovation rates in the region, and the diversity of those engaged in innovation, will secure significant productivity gains and uplifts for the region. Innovation is critical to both longer term growth and tackling immediate challenges and the resilience of businesses. The region has some significant assets and strengths to drive forward improved innovation rates leading to increased productivity.

West Yorkshire has seven Higher Education Institutions, each with its own distinct area of specialism, from research intensive through to small and specialist. The business base, a microcosm of the national economy, provides resilience in times of challenge/economic shock, and also has areas of notable specialism, particularly around advanced manufacturing, digital and Healthtech.

Over 60% of businesses in the region already undertake some form of innovation (over the past three years). However, it is more likely to be medium/large sized businesses who undertake these activities and it is most likely to be manufacturing businesses who invest in this area. There is therefore the opportunity to engage and inspire the one third of predominantly smaller businesses who have not undertaken innovation in the past three years.

There is also the opportunity to utilise and drive improved health outcomes through a focus on health innovation.

## **Key Objectives**

Our key objective is to support more of our businesses to be innovation active, successfully exploiting and utilising innovative practices or developing new products/processes or services, to enable increased resilience and/or growth.

The region's ambitions are to build on its diversity and heritage as pioneers, inventors and

makers, capitalising on the strengths of the region as a place where innovation thrives, and not only that, but a place where everyone can benefit from innovation.

*'A place that is globally recognised for developing an open, inclusive, thriving and coherent innovation ecosystem, where SMEs, budding entrepreneurs and individuals are inspired to innovate, and can easily navigate the support landscape and connect and collaborate with others to create new and better solutions for business growth and societal good.'*

Our objective through this Call is to encourage innovation to support both resilience and growth. We want to drive:

- Pay, employment and productivity increases for the region; reduce the gap between the region and top performing areas nationally; and reduce gaps between top performing and other areas within West Yorkshire.
- Resilience through crisis and economic shocks.

**Description of what indicative activities the West Yorkshire Combined Authority is looking to fund:** Description of the activity and what is expected to be achieved

This Call seeks proposals to drive innovation in its broadest sense:

- To support businesses to adopt, utilise and exploit new technologies;
- To support businesses to adapt and diversify, creating new value from new products, services and processes.

It is essential that proposals offer activity/add value across the whole region of West

Yorkshire, demonstrating evidence of their strategic fit and link to local community, social or economic needs.

Applicants should demonstrate how they will complement and not duplicate existing provision. Proposals that are deemed to duplicate existing provision will not be considered.

Projects that support unrepresented/underrepresented or otherwise unsupported sectors/businesses would be welcomed (evidence will be required). As part of this open call, we have an interest in projects that support businesses in the following categories where support is currently limited /restricted (but not limited to): business-to-consumer (B2C), micro businesses, community interest companies (CICs), businesses within the Voluntary Community Social Enterprise (VCSE) sector.

All proposals must be evidence-led and demonstrate how they will be geared to the needs of the specific target audience.

On Healthtech-related proposals, these must include the following evidence: addressing unmet patient and clinical need; health and care system priorities; tackling health inequalities; and, as with the broader areas, must explain how they will integrate with existing provision both local/regional and national.

Proposals in the following areas are particularly sought:

- Support for local business across West Yorkshire to develop new technologies or innovations. Proposals may include innovation projects to support start-ups, scale ups, university spin-outs, angel investment networks, venture capital, accelerators, and/or research and development activity.

- Projects that increase Knowledge Transfer Partnerships and related knowledge exchange activity for SMEs in West Yorkshire, particularly to support businesses who have not undertaken this type of activity before.
- Proposals which support growth in key sectors, including manufacturing, digital and Healthtech, linked to the Combined Authority's strategies and frameworks.
- Projects that work to tackle the climate emergency, enable the climate tech ecosystem, and support the mayor's pledge to be a net zero region by 2038.
- Projects that strengthen our innovation, digital and Healthtech infrastructure and provision, including support for capital projects that will provide a platform for future growth.
- Projects that create more diverse, inclusive and open innovation and tech ecosystems and strengthen the connectivity across these including cluster-based activity.
- Proposals that support the adoption and exploitation of new technology and innovative practices in SMEs and micro businesses, including in the VCSE sector, to become more productive.
- Projects which target specific underrepresented groups, for example, women, people from ethnic minority backgrounds and people who identify as having a disability.

### **Specific Requirements:** Description of specific requirements

The Combined Authority is keen to explore equity and loan models in addition to grant funding. If your proposal seeks to use grant funding, you will need to set out and justify why this is the best option as opposed to offering other mechanisms of support.

### **Outputs and Outcomes**

For this Call the following outputs and outcomes are sought;

#### **Outputs:**

- Number of enterprises receiving financial support other than grants
- Number of enterprises receiving non-financial support
- Number of enterprises receiving grants
- Number of potential entrepreneurs assisted to be enterprise ready
- Number of decarbonisation plans developed

#### **Outcomes:**

- Jobs created
- Jobs safeguarded
- Number of new enterprises created as a result of support
- Increased amounts of investment
- enterprises adopting new or improved products or services
- Number of organisations engaged in knowledge transfer activity following support
- Number of enterprises adopting new to the firm technologies or processes
- Number of enterprises engaged in new markets
- Number of early-stage enterprises which increase their revenue following support

*Where relevant, please outline the specific minority groups your project will reach. For example, the number of enterprises your project will support with a female or ethnic minority founder. In addition, please also outline any targets relating to carbon savings or other criteria relating to tackling the climate emergency.*

### **Associated Intervention**

This Call area aligns with UKSPF Interventions E19, E23, E24 and E29.

## 10. Prioritisation - Additional Considerations

Bids will be prioritised where they;

- are developed in partnership with others - applications are encouraged from consortia or other similar types of partnership arrangements. In each such case the application must be completed and submitted by the lead organisation on behalf of the partnership/ consortia. The lead applicant must have the financial capacity to meet the required Due Diligence criteria and, if funding is awarded, this organisation will then become the lead Grant Recipient, accountable for delivery of the overall Project.
- lever in additional match funding – maximum intervention rates are as set out in the Call Specifications above. Applicants are encouraged to maximise the leverage of other funding. However, we recognise not all projects or applicants will be able to secure match funding. Applicants should note value for money will be a selection consideration as it has a number of benefits, including enhanced alignment with other provision and efficient delivery which increases value for money. Therefore, the overall funding package for each project, including any match funding, will be taken into account.
- demonstrate how they complement, and, fundamentally, that they do not duplicate or displace existing activity. Successful bidders are expected to engage with West Yorkshire Combined Authority's Business Growth Hub and align with plans to simplify the business support offer and how it is communicated to SMEs.
- demonstrate an innovative approach.
- clearly outline how they will address equality, diversity and inclusion within their given sector including any relevant targets.
- clearly outline how they will support the Combined Authority's priority to tackle the climate emergency and include any relevant targets.
- clearly demonstrate how the activity proposed will become integrated, and/or be adopted longer term, and/or be sustainable after this funding ceases.
- projects will be expected to coordinate evaluation activity within the Combined Authority's evaluation frameworks and to share data as required.

## 11. Applicants

Applicants must be legally constituted at the point of applying for the funding and be able to enter into a legally binding Funding Agreement. The Applicant will be the organisation that, if the application is successful, enters into a funding agreement with the Combined Authority, as the Lead Authority for the UK Shared Prosperity Fund and therefore carries the liability for ensuring that the terms of the UKSPF Funding Agreement are met by them and to all delivery partners where applicable.

Potential applicant organisations include, but are not limited to:



- Local Authorities
- Statutory and non-statutory public funded organisations/bodies
- Higher and Further Education Institutions
- Voluntary/community organisations
- Private sector companies
- Registered charities
- Not for Profit organisations

## **12. Due Diligence – non-public sector Applicants**

Non-public sector Applicants will be subject to financial due diligence checks. Applicants are required to submit accounts, and to clarify financial or other organisational information as required as part of the appraisal process.

Organisations are required to provide the following information at the time of bidding and in line with the closing date:

- Financial accounts for the most recent 3 years;
- Proof of existence - Certificate of Incorporation, Charities Registration, VAT Registration Certificate or alternate form of incorporation documentation;
- Proof of trading - Financial Accounts/Statements for the most recent two years of trading including, as a minimum, Profit and Loss Account and Balance Sheets;
- Most recent Management Board reports or financial report of the Organisation's Finance Director.

## **13. Deliverables - Outputs and outcomes**

Applicants must explain in detail in their application how they have estimated each of the outputs and outcomes for their project, demonstrating clearly how each of the proposed outputs and outcomes directly link to their specific project activities and objectives. Applicants must also explain their approach for forecasting each.

UK Shared Prosperity Fund Outputs and Outcomes Indicator Definitions Guidance and Evidence requirements is available [here](#). For direct reference to the technical note provided by Government please refer to GOV.UK [here](#).

Applicants will need to ensure robust systems are in place, and be able to describe them, to capture and record the targets and to report quantitative and qualitative performance. All operations will be required to collect data and report progress against the deliverables with each claim. There must be a fully evidenced audit trail for all contracted deliverables. The claim form which will be used and which sets out the type of data to be reported on quarterly can be found [here](#).

Further detail on how monitoring will be undertaken (*quarterly*) and how payments will be made to successful bidders, will be made available once funding has been agreed.

## 14. Selection Process

As the Lead Authority, West Yorkshire Combined Authority officers will assess all bids submitted. Clear ethical walls are in place to prevent any undue influence being exerted that distorts the bidding process in favour of any applicant or in a way that prejudices any applicant taking account of any conflicts of interests. Bids will be assessed against:

- the gateway and core assessment criteria set out below – bids that fail to meet these criteria are ineligible for support and will be rejected.
- the extent to which bids support the delivery of the local priorities as set out in **Section 9** of this Invitation to Bid.
- the extent to which they meet the objectives of the UK Shared Prosperity Fund.

The appraisal and any prioritisation will be undertaken using only the information supplied as part of the application process. West Yorkshire Combined Authority, as the Lead Authority, cannot accept further detail outside of this process.

Applicants should fully complete all documents as set out in the **checklist at Annex 1 – Application Submission**. Please use this to ensure all documents are submitted. Applications which do not contain all of the additional completed documents will not be assessed and will be rejected.

**The application assessment process has several stages as set out below.**

### **Stage 1 - Gateway assessment**

Projects must pass **all** gateway criteria to be considered for selection. Applications that fail to meet any aspect of the Gateway Criteria will be rejected and will not be considered and assessed.

| <b>GATEWAY QUESTIONS</b> |   |
|--------------------------|---|
| <b>1.</b>                | Is the applicant eligible to receive UKSPF?   |
| <b>2.</b>                | Does the application deliver against one or more of the three Call areas set out in <b>Section 9</b> of this Invitation to Bid?   |
| <b>3.</b>                | Does the application demonstrate a proactive approach to engaging diverse businesses to enable inclusive economic growth ?  |
| <b>4.</b>                | Has the applicant(s) discussed their proposal with the Combined Authority’s business support service to ensure strategic fit and that there is no duplication of existing services? |
| <b>5.</b>                | Will all outputs and outcomes be delivered by <b>31st March 2025</b> ?  |
| <b>6.</b>                | Does the application deliver the outputs and outcomes relevant to the Call Area(s) selected, as set out in the Call description in this document <b>Section 9</b> ?                 |

|    |  |
|----|--|
| 7. | For the Export Call and the Alternative Business Models Call - has the applicant included only revenue funding? Applications which include any capital expenditure will not be considered for funding and will not pass the gateway stage. |
| 8. | For the Export Call and the Innovation Call - has the applicant included a minimum of match funding of 10%? Applications which do not include a minimum 10% will not be considered for funding and will not pass the gateway stage.        |
| 9. | Have the mandatory Gateway documents been submitted alongside the application? Failure to submit Annexes <b>A to E</b> will result in the application being rejected.  |

## **Stage 2 - Core assessment**

Applications which pass the Gateway assessment will then be scored against the core assessment criteria set out in **Annex 2: Stage 2 - Core assessment** of this Invitation to Bid document.

## **Stage 3 - Moderation**

After the scoring is completed, West Yorkshire Combined Authority will moderate the scores. Moderation will be influenced by the quantity and quality of applications received. This may result in awarding more or less than the published notional funding allocation.

Moderation will consider if the spread of applications meets the requirements of this Invitation to Bid. For example, if the top scoring application(s) all fall under one Call area, the Combined Authority may consider allocating more funds to that Call area.

In some cases, for private, voluntary sector and charitable applicant organisations, financial due diligence checks will be conducted as part of this stage.

## **Stage 4 - External consideration**

West Yorkshire Combined Authority as Lead Authority will consult the West Yorkshire UKSPF Local Partnership Group (the Governance Group for the Funding in this region) on the strategic fit and deliverability of applications. This will include sharing feedback from the moderation process with the external representatives. The Local Partnership Group is constituted from Local Authority members and external stakeholders – membership is available [here](#).

## **Stage 5 - The Combined Authority's decision**

After the Local Partnership Group has been consulted, the Combined Authority will take a decision on which applications should proceed and which should be rejected. The Combined Authority will undertake financial due diligence checks on successful applications (see application form guidance for details).

All applicants will be notified of the outcome in writing. The Combined Authority will provide high level written feedback to all applicants. For the successful applications this will include any revisions or updates required, including potential grant funding agreement conditions.

## **Appeals**

The Combined Authority's decision on each application is final. There is no appeals process. Applicants submit applications to the Combined Authority with this knowledge. Following assessment, West Yorkshire Combined Authority will enter into a funding agreement with successful bidders.

## **15. Funding Agreement**

Funding Agreements will be non-negotiable and legally binding document. The draft Funding Agreement Template can be found [here](#). Applicants are strongly advised to read these terms and conditions to ensure that they can enter into such an agreement prior to responding to the Call.

Due to the short timescale available for UKSPF delivery, the Combined Authority will not enter into protracted grant negotiations with Applicants. Any successful Applicant will be subject to the terms and conditions contained within the agreement. Applicants are strongly advised to seek their own advice to ensure that they would be able to enter and abide by the terms of the Funding Agreement.

Failure to meet any of the conditions of the agreement or the commitments within the application may result in claw back of funding.

### **Is the UKSPF a grant or repayable loan?**

UKSPF funding will be awarded to successful Applicants as a grant, paid quarterly in arrears. Expenditure must be defrayed prior to the submission of any grant claims to the UK Shared Prosperity Fund – Supporting Local Business West Yorkshire Invitation to Bid. Applicants may be asked to demonstrate how they are able to cash flow the operation.

## **16. Evaluation**

The government will undertake an evaluation of UKPSF to which West Yorkshire Combined Authority will contribute. The Combined Authority is also expected to undertake its own evaluation, into which projects will contribute. This is in addition to monitoring spend, outputs and outcomes.

The Government has published its [evaluation guidance here](#). Applicants are likely to be required to produce a comprehensive 'process' evaluation. A process evaluation will examine the process through which the applicant managed UKSPF to deliver the outputs and generate outcomes. This will provide learning on what worked, and did not work, in delivery. There may also be a requirement to commission a qualitative impact evaluation which will include measuring outputs, contribution analysis, developing case studies, and conducting surveys and interviews with stakeholders and beneficiaries. Further guidance will be provided, and precise requirements are expected to be agreed at the time of contracting. At the application stage, applicants are required to provide a logic model to demonstrate the rationale and the links to outputs, outcomes and impact. In addition,

applicants should explain their monitoring and evaluation structures, evaluation design, data collection and analysis.

## 17. Successful applicants will normally be expected to:

- Sign the funding agreement within 30 days of issue by the Combined Authority.
- To avoid slippage, be ready to start the delivery immediately after signing the funding agreement.
- Attend a Combined Authority-led contract briefing via teams within 30 days of the funding agreement being signed.
- Ensure there is a sound governance structure in place for monitoring performance.
- Provide detailed information on expenditure, outputs and outcomes, including equalities and diversity data, to the Combined Authority on a quarterly basis.
- Adhere to branding and communication requirements and guidelines.

## 18. Timescales

|  |  |
|--|--|
| Invitation to Bid launched in West Yorkshire   | 17 April 2023                                      |
| Stakeholder 'bidding' briefing   | 19 April 2023                                      |
| <b>Closing date for applications</b>   | <b>12.00 noon, Friday 2<sup>nd</sup> June 2023</b> |
| Combined Authority, as Lead Authority, appraises bids  | Mid-June to end of July 2023                       |
| Combined Authority informs applicants of a successful full application and contracts with applicants   | By end of August 2023                              |
| Delivery commences   | August/Sept 2023                                   |
| All delivery to be completed and the Fund closes.<br><i>Applicants will be required to <b>commence delivery/activity within one month</b> of receipt and signing of the Funding Agreement with the Combined Authority as Lead Authority.</i> | <b>31<sup>st</sup> March 2025</b>                  |

## 19. Submitting a Bid

Bids must be submitted using the West Yorkshire UKSPF Application Form and must be accompanied by all the required documentation – please refer to the checklist in **Annex 1 – Application Submission**. Bids submitted in any other format will not be accepted.

Bids must be submitted to West Yorkshire Combined Authority using this email address: [ukspfwestyorkshire@westyorks-ca.gov.uk](mailto:ukspfwestyorkshire@westyorks-ca.gov.uk) . Applications submitted via any other method will not be accepted.

Word or Excel documents are invited. **Please do not submit PDF documents.** Applicants are recommended to copy (cc) themselves into the submission email as evidence that all documents have been submitted to the Combined Authority. Please note that the maximum file size permitted in a single email is **10MB**.

Bids must be submitted by **12.00 noon, Friday 2<sup>nd</sup> June 2023**. Any bids received after this time will not be accepted and will be deemed ineligible. It is therefore important you leave sufficient time to send and upload the application.

The Combined Authority will acknowledge receipt of your application by email.

If at the assessment stage there is a need to clarify an issue which prevents the assessment of the application being completed, the Combined Authority reserves the right to contact the applicant. This will be exception only.

## 20. Support

This call is expected to be over-subscribed and competitive as there is limited funding available. The Combined Authority is not able to advise on the likely success or otherwise of proposals ahead of submission or able to review draft applications. However, any questions on the call, the application process, and technical questions will be answered and shared with all partners if beneficial to all bidders.

An online support ‘workshop’ for prospective Applicants will be held on **Wednesday, 19<sup>th</sup> April 2023, 3.00pm to 4.30pm**, where Combined Authority Officers will go through the Calls and application process and will seek to answer questions in person.

**It is your responsibility to submit your application in good time to allow time to meet the closing deadline of 12.00 noon, Friday 2<sup>nd</sup> June 2023.**

**Except in the unlikely event that there is a general failure of the Combined Authority’s IT system in the final hours, we will not extend the deadline for any other reason.**

**Should you have any queries in respect of this Invitation to Bid please direct all enquiries via the following mailbox [ukspfwestyorkshire@westyorks-ca.gov.uk](mailto:ukspfwestyorkshire@westyorks-ca.gov.uk) .**

## 21. Key Reference Documents

When developing your Full Application, it is recommended that you refer to the following documents as a minimum:

[UKSPF West Yorkshire Application Form Guidance](#)

[UKSPF West Yorkshire Output and Outcome Definitions and Evidence Requirements](#)

UKSPF West Yorkshire Selection Process and Criteria – **Section 14 above**.

[UKSPF West Yorkshire Draft Grant Agreement Template](#)

[UKSPF West Yorkshire quarterly Claim Form](#)

Application Submission – Document Checklist Annex 1 – Application Submission below

[West Yorkshire Investment Strategy](#)

All other UKSPF Government guidance is available on the [gov.uk website here](#).

**To submit an application you are required to complete the following documents which are available here:**

- [Application form](#)
- Application Annexes:
  - [Annex A – Budget and Deliverables](#) Excel Spreadsheet (Gateway criteria)
  - [Annex B – Logic Model](#) (Gateway criteria)
  - [Annex C – Equality Impact Assessment](#) (Gateway criteria)
  - [Annex D – Partner Supporting the Project Form](#) (Gateway criteria)
  - [Annex E – Match Funding Form](#) (Gateway Criteria)

All annexes must be submitted with your application; **Annexes A and E are Gateway assessment criteria** and failure to submit one or both will result in your application being rejected.

## Annex 1 – Application Submission

### CHECKLIST PRIOR TO SUBMISSION

| Documents to submit  | Attached |
|--|----------|
| Completed and <b>signed</b> Full Application   |          |
| Annex A – Budget and Deliverables Excel Spreadsheet (Gateway criteria)   |          |
| Annex B – Logic Model (Gateway criteria)   |          |
| Annex C – Equality Impact Assessment (Gateway criteria)  |          |
| Annex D – Partner Support Form (Gateway criteria)  |          |
| Annex E – Match Funding Form (Gateway Criteria)  |          |
| Subsidy Control legal opinion  |          |
| Planning Permission – <b>NB only applicable for capital build projects.</b>  |          |
| For non public sector applicants (Private, voluntary sector and charitable applicant organisations) the documents as listed at <b>Section 12</b> are submitted with the application. |          |



## Annex 2 : Stage 2 - Core assessment

Applications which pass the Gateway assessment will be scored against the core assessment criteria. In Summary this is;

### Appraisal Criteria in line with the West Yorkshire Investment Strategy

| Strategic Alignment | Economic efficiency and benefits | Deliverability | Climate Emergency | Inclusive Growth and Tackling Inequalities and Supporting Diversity |
|---------------------|----------------------------------|----------------|-------------------|---|
| 20                  | 25                               | 20             | 10                | 25  |

### Explanation for criteria weighting

The total prioritisation score for the project is the sum of the weighted scores of the different **criteria out of 100**. The higher the prioritisation score, the higher priority the project is for investment.

In summary, schemes will score more highly if they:

- Demonstrate a higher level of strategic fit to the Call Investment Priorities and demonstrate a strong and timely impact in terms of the outputs and outcomes specified.
- Contribute to the key cross-cutting themes of inclusive growth, tackling the climate emergency and supporting equality and diversity.
- Demonstrate strong deliverability and lower levels of project risk at the initial stage.

| Criteria   | Weight | Question (s) in Application form score relates to | Assessment method  | Evidence requirement   |
|--|--------|---|--|--|
| <p><b>Strategic fit</b> – how the project addresses the objectives of the Call Specification (<b>Section 9</b>) and contributes to delivery of the outputs and outcomes.</p> | 20     | <b>Section 4</b>                                  | <p>Project scored in terms of its impact / contribution to the Call priorities.</p> <p>4 – very high impact<br/>3 –<br/>2 –<br/>1 – very low impact</p> <p>This is a qualitative assessment.</p> | <ul style="list-style-type: none"> <li>• Determining strategic fit is about the extent to which the interventions address the policy and objectives of the Call areas set out in this Invitation to Bid. The application must indicate which Call Area(s) it will contribute to and how it will contribute to them.</li> <li>• A <b>logic model</b> showing how the project inputs, activities and outputs contribute to the objectives and outcomes of the UKSPF Call is required.</li> <li>• <i>Projects which do not credibly demonstrate that they will address one or more of the Call Areas and associated objectives and outcomes will be rejected.</i></li> <li>• Rigour of the logic model and its underlying assumptions should be demonstrated with reference to evaluation / success of past projects. It should be as specific as possible and cite facts rather than rely on generalities.</li> <li>• The application must also demonstrate how it will align with and complement existing interventions.</li> </ul> |
| <p><b>Economic efficiency and benefits</b> - prioritisation of projects that deliver at scale practical outputs and benefits linked to key outcomes set out in the Call.</p> | 25     | <b>Section 5 and 7</b>                            | <p>Assessed on a four-point scale relative to an agreed benchmark:</p> <p>4 – Strong and compelling evidence of scheme benefits<br/>3 –<br/>2 –<br/>1 – No evidence of scheme benefits.</p>      | <ul style="list-style-type: none"> <li>• Summary of the type and quantity of short, medium, and long-term outputs and outcomes that the project will deliver based on the project's logic model.</li> <li>• Calculation method / basis for the outputs and outcomes to demonstrate that they are achievable.</li> <li>• Estimated total project cost, funding requested and sources / value of any additional funding.</li> <li>• Budget and Deliverables Excel Spreadsheet.</li> <li>• Assessment of the likely range of unit costs associated with the anticipated outputs.</li> <li>• As part of the submission, the applicant will describe the amount of leverage – schemes which achieve greater leverage, and so amplify the impact of the Combined Authority's UKSPF investment will be prioritised.</li> </ul>  |

| Criteria  | Weight | Question (s) in Application form score relates to | Assessment method   | Evidence requirement  |
|---|--------|---|---|---|
| <b>Deliverability / risk</b> – prioritise projects that demonstrate that they are deliverable, are lower risk and have mitigation in place. | 20     | <b>Section 3, 5, 7, 8, 9</b>                      | <p>Assessed on a four-point scale reflecting degree of risk associated with the project:</p> <p>4 – very low risk<br/>3 –<br/>2 –<br/>1 – high risk</p> <p>This is a qualitative assessment.</p>  | <ul style="list-style-type: none"> <li>Proposed delivery model; risk register; resources available.</li> <li>Assessment will be undertaken to assess whether a project is realistically deliverable within the proposed timeframe. Track record and past experience may form part of the evidence checks.</li> <li>The assessment includes checking that there is a clear assessment of risks, mitigating steps are planned and set out where identified. This is particularly important in relation to the proposed project management / delivery team and to check it is adequately resourced.</li> <li>Consideration should be given to how deliverability failure could manifest itself and what would the implications be? (in terms of time and cost).</li> </ul> |
| <b>Climate emergency</b> – how well does the proposal contribute to net zero objectives.  | 10     | <b>Section 4</b> with a focus on Question 4.11.   | <p>The Proposal clearly sets out how it contributes to Tackling the Climate Emergency - Assessed on a four-point scale reflecting degree of contribution:</p> <p>4 – Strong net contribution to tackling the climate emergency<br/>3 – Moderate net contribution<br/>2 – Neutral impact<br/>1 – Negative net contribution.</p> <p>This is a qualitative assessment.</p> |   |

| Criteria   | Weight     | Question (s) in Application form score relates to                                   | Assessment method   | Evidence requirement   |
|--|------------|---|---|--|
| <p><b>Inclusive Growth and Tackling Inequalities and Supporting Diversity –</b><br/>demonstrates that a proactive approach to inclusion and addressing the needs of under-represented groups is integral to scheme design.</p> | 25         | <b>Completed Equality Impact Assessment – together with Questions in Section 4.</b> | <p>Impact of proposal on fostering inclusive growth, tackling inequalities and supporting diversity:<br/>4 – very high impact<br/>3 –<br/>2 –<br/>1 – very low impact</p> <p>This is a structured qualitative assessment.</p> | <p>Inclusive growth and Tackling Inequalities and Supporting Diversity element cannot be a bolt-on. The applicant must demonstrate a proactive and targeted approach to engaging with and bringing benefit to disadvantaged groups through the project's delivery model as proposed (outreach, targeted approach, tailored support etc).</p> <p>Wherever possible schemes should be shaped around the needs of under-represented groups as a means of directly tackling social and economic disadvantage.</p> <p>The application must demonstrate that the impact of any proposal has been considered in relation to groups of people with Protected Characteristics.</p> <p><b>Applicants are required to complete a Stage 1 Equality Impact Assessment with their application.</b></p> |
| <b>Total</b>   | <b>100</b> |   |   |  |