

## Decision Notice

**Item title:** Business innovation fund – Setsquared support

**Decision date:** 08 December 2023

**Decision Reference Number:** ESK\_2024\_0001

### Decision Taken

The Business and Skills directors of the West of England Combined Authority and West of England councils allocated £40,000 of the Business Innovation Fund budget towards a University of Bath led (on behalf of the Setsquared Partnership) project to amplify support for research and development (R&D) activity being undertaken by Small and Medium sized Enterprises (SMEs).

### Reasons for the Decision

The Business Innovation Fund is a West of England Combined Authority scheme to support SMEs to progress R&D projects. Delivered over four application rounds to date, 67 SMEs, predominantly those in the advanced engineering & aerospace and creative & digital sectors, have been awarded funding to conduct R&D that they intend will lead to the creation of novel/new products, processes and/or services. SMEs that are progressing R&D projects that in the long-run will contribute to reducing greenhouse gas emissions (GHGs) have also been encouraged to apply. Of the 67 projects awarded funding, 17 such green R&D projects have been awarded funding to date.

The first phase of the Business Innovation Fund, which was supported by the European Regional Development Fund (ERDF), completed in June 2023. Total project costs over this phase were £3,226,278, with 50 SMEs being supported with an average grant amount of ~£24,000. The evaluation of this phase of the project, currently in draft, estimates persisted gross value added (GVA) of £5.05m will be achieved by 2026 via the scheme, with £1.74m GVA to date. The second phase of the Business Innovation Fund is now underway, utilising the West of England Combined Authority's West of England Investment Fund to support SMEs to progress additional R&D activity.

Barclays Eagle Labs' Ecosystem Partnership Programme (EPP) seeks to amplify support for innovative tech and digital SMEs, including those that seek to tackle the climate emergency, in progressing their R&D ambitions. The EPP, which can be applied for via competitive bidding rounds, is ultimately funded by the Department for Business and Trade's Digital Growth Grant, which seeks to support start-up and scale up tech businesses across the UK.

Applicants to the EPP are encouraged to include match funding in their proposals, noting that those with match funding stand a higher likelihood of application success.

The University of Bath (acting as accountable body for the Setsquared Partnership (an enterprise collaboration between the Universities of Bath, Bristol, Cardiff, Exeter, Southampton and Surrey)) approached the West of England Combined Authority in summer 2023 as they developed an application to the EPP, seeking match funding of £40,000 to contribute to their £236,000 project which will deliver investment and project development workout support (such as 3-12 hour workshops delivered by university staff from the Setsquared Partnership cohort) to SMEs to help in their raising of investment and accessing funding to progress collaborative R&D activity. The project seeks to support at least 55 SMEs in this way which the Setsquared Partnership estimate could result in £3,825,000 in new investment and 19 new jobs created.

It was confirmed to the University of Bath in late August 2023 that their proposal had been successful and in late-October 2023 they entered into an agreement with Barclays Eagle Labs to deliver the £236,000 project. This decision agreed match funding of £40,000 would be allocated toward the University of Bath led project.

#### **Authority for the decision**

The Business Case (entitled Innovation for Renewal and Opportunity), including allocation of the Business Innovation Fund budget, was approved by the West of England Combined Authority Committee on 29/01/2021:

Included in the above named Business Case was a request for the West of England Combined Authority Chief Executive Officer (CEO), in consultation with the West of England Local Authority CEOs, to be given delegation to approve grant funding.

Further delegation was given by the West of England Combined Authority CEO to the West of England Combined Authority Business and Skills (now Economy and Skills) director, in consultation with the Business and Skills directors of the West of England councils, to approve grant funding.

#### **Decision-Taker**

**Full Name:** Stephen Bashford

**Position:** Strategic Director of Economy and Skills

**Date:** 24<sup>th</sup> January 2024

#### **In Consultation with: -**

The Business and Skills Directors of the West of England councils.