

**Report title: Huddersfield Health Innovation Incubator Programme – West Yorkshire Investment Zone**

<b>Meeting</b>	<b>Cabinet</b>
<b>Date</b>	<b>2 December 2025</b>
<b>Cabinet Member</b> (if applicable)	<b>Cllr Graham Turner</b>
<b>Key Decision Eligible for Call In</b>	<b>Yes Yes</b>
<p><b>Purpose of Report</b>          West Yorkshire Combined Authority (WYCA) has agreed to provide the Council with revenue grant funding totalling £2,023,576.25 via the Government’s Investment Zone initiative to deliver the Huddersfield Health Innovation Incubator (HHII) programme, in partnership with the University of Huddersfield and Huddersfield Innovation and Enterprise Centre Ltd t/a the 3M Buckley Innovation Centre.</p> <p>The report seeks Cabinet approval to receive external funding from the Combined Authority, enter into related grant funding agreements with WYCA and the Council’s delivery partners and facilitate the commencement and award of any related procurement exercises.</p>	
<p><b>Recommendations</b></p> <p>It is recommended that Cabinet</p> <ul style="list-style-type: none"> <li>notes the content of this report and approves the delivery of the Huddersfield Health Innovation Incubator</li> <li>agrees to accept external revenue funding of £2,023,576.25 from the West Yorkshire Combined Authority to support delivery of the programme, and for the Council to act as Accountable Body for the grant</li> <li>delegates authority to the Executive Director for Place, in consultation with the Service Director Legal , Governance and Commissioning, to agree all necessary legal agreements with the West Yorkshire Combined Authority and the flow down grant agreements with the Council’s project delivery partners the University of Huddersfield and 3M Buckley Innovation Centre; for the Service Director Legal , Governance and Commissioning to enter into the aforementioned documentation on behalf of the Council and for the Executive Director for Place to put in place the necessary governance arrangements for the programme</li> <li>delegates authority for implementation of the programme to the Executive Director for Place including the commencement and award of any related procurement exercises in accordance with the contract procedure rules and finance procedure rules and for the Service Director Legal , Governance and Commissioning to enter into the associated legal formalities and documentation on behalf of the Council.</li> </ul>	

- delegates authority to the Executive Director for Place and the Service Director Finance to submit grant claims and to undertake related project monitoring and reporting in accordance with the contract procedure rules and finance procedure rules

**Reasons for Recommendations**

To enable the Council to receive external funding for the programme via the West Yorkshire Combined Authority, and to ensure rapid and efficient implementation of the programme in accord with the approved scheme of delegations.

**Resource Implications:** Responsibility for management of the programme, including ensuring compliance with the grant funding agreement and submission of claims will lie with the Council. Funding for a limited number of programme management and delivery roles is incorporated within the grant funding agreement. These roles are 100% externally funded and will be undertaken by existing Council staff, affording a modest saving against core staffing budgets.

<b>Date signed off by <u>Executive Director</u> &amp; name</b>	<b>David Shepherd 20 November 2025</b>
<b>Is it also signed off by the Service Director for Finance?</b>	<b>Kevin Mulvaney 20 November 2025</b>
<b>Is it also signed off by the Service Director for Legal Governance and Commissioning (Monitoring Officer)?</b>	<b>Samantha Lawton 20 November 2025</b>

**Electoral wards affected: All**

**Ward councillors consulted: N/a**

**Public or private: Public**

**Has GDPR been considered? Yes**

**1. Executive Summary**

West Yorkshire Combined Authority has agreed to provide the Council with grant funding totalling £2,023,576.25 via the Government’s Investment Zone initiative to deliver the Huddersfield Health Innovation Incubator programme, in partnership with the University of Huddersfield and the Huddersfield Enterprise and Innovation Centre Limited which trades as the 3M Buckley Innovation Centre.

The HHII programme will create wrap around support for businesses in the health, wellbeing and digital sectors that are seeking to start-up or scale up. It will deliver tailored start-up support, workspaces, events and networking activity and create a thriving community of businesses, academics, clinicians and other professionals focused on supporting and embedding innovation across our health and care systems.

The programme builds on previous, successful UKSPF-funded projects including the Council-led Thrive initiative for health and wellbeing start-ups and will complement and add value to the University’s groundbreaking National Health Innovation Campus and the wider regeneration of the Station to Stadium Enterprise Corridor.

The report seeks Cabinet approval to receive external funding from the Combined Authority, enter into related grant funding agreements with WYCA and the Council’s

delivery partners and facilitate the commencement and award of any related procurement exercises.

## 2. Information required to take a decision

*Context: West Yorkshire's health and life science sectors*

- 2.1 West Yorkshire is home to innovative and rapidly growing health and life science sectors, with future growth potential highlighted in both the Government's Life Sciences Sector Plan (part of the Industrial Strategy) and WYCA's HealthTech Cluster Plan. West Yorkshire's health innovation ecosystem is based on a unique concentration of NHS/clinical and research expertise and innovative SMEs alongside larger businesses, including one of the largest teaching hospitals in Europe.
- 2.2 West Yorkshire's acknowledged innovation clusters include digital health; medical devices; diagnostics and personalised healthcare; pharmaceuticals and drug discovery; medical services and hardware/consumables. Strengths in data science, software development and AI underpin these capabilities. In particular, West Yorkshire has been identified as a global leader in HealthTech, with over 300 firms specializing in digital health, medical devices, and diagnostics generating £3bn per annum in revenues and employing over 16,000 people.
- 2.3 The opportunities for significant growth of the health and life sciences sector are highlighted in the recently adopted Kirklees Inclusive Economy Strategy. Established manufacturing businesses including STADA Thornton and Ross (pharmaceuticals) and Syngenta (agribusiness/life sciences) sit alongside innovative, fast growing SMEs including Paxman Scalp Cooling and Orea Personal Care.

*Context: West Yorkshire Healthtech and Digital Tech Investment Zone*

- 2.4 The University of Huddersfield's National Health Innovation Campus (NHIC), sited in the heart of the Station to Stadium Corridor, is a key driver of the growth of the health and life sciences in Kirklees. The NHIC will create the largest and most dynamic centre for workforce transformation and health and social care innovation in the North of England, building on the University's world leading research and innovation expertise in areas including clinical diagnostics, skin integrity and infection prevention.
- 2.5 The first building on campus – the Daphne Steel building – opened in September 2024. A second phase (the Emily Siddon building, incorporating the first NHS Community Diagnostic Centre in a University setting) is scheduled for completion in early 2026 and plans are in development for a third building on campus, linked to the delivery of neighbourhood health services as set out in the Government's 10 Year Health Plan for England. The site has the capacity for up to 75,000 sq.m of floorspace across up to seven buildings.
- 2.6 The NHIC and wider Station to Stadium Enterprise Corridor form a key part of the West Yorkshire Healthtech and Digital Tech Investment Zone (IZ), launched in 2024. Investment Zones aim to accelerate investment in sectors that are vital to the national Industrial Strategy, creating highly skilled jobs, unlocking business growth and attracting private investment linked to regional research and innovation capabilities.
- 2.7 Each IZ will benefit from a package of £160m of both capital and revenue period over a ten year period commencing in 2024. Huddersfield is one of three locations (with Leeds and Bradford) which form the West Yorkshire IZ. In Huddersfield, the aim is to utilise IZ funding to curate a unique mix of research institutions, public health facilities and businesses seeking to co-locate alongside the NHIC to access its expertise and facilities.

The suite of Huddersfield IZ projects already approved by WYCA or at business case stage for includes:

- construction and fit out of an ‘innovation floor’ of the Emily Siddon Building at the NHIC, providing lab space/office space for innovative health sector businesses to be managed by the 3M Buckley Innovation Centre; as noted overleaf, the building will open in early 2026
- remediation and provision of site infrastructure for the now Council-owned site at Gasworks Street, adjoining the NHIC, to provide a focus for manufacturing and other innovative businesses seeking to co-locate alongside the campus; the project is at outline business case stage with WYCA approval anticipated in early 2026 and site works expected to commence by q3 2026
- investment to enhance the capacity of the local electricity supply network to de-risk future development within the Station to Stadium Corridor; this project is also at business case stage
- provision of a new footbridge over the Huddersfield Narrow Canal related footpath links to improve pedestrian connectivity between the NHIC and Gasworks Street sites; this project is at outline business case stage
- the Huddersfield Health Innovation Incubator, which aims to create a wrap-around package of support for innovative health, wellbeing and digital tech businesses seeking to start or scale up, that will complement and add value to the suite of capital projects proposed for the Investment Zone; the remainder of the report is focused on the HHII.

#### *Huddersfield Health Innovation Incubator*

- 2.8 WYCA has agreed to provide Investment Zone funding for three ‘place-based’ incubators (in Bradford, Leeds and Huddersfield) to provide intensive support and advice for businesses in the health, life sciences and digital tech sectors. The three place based incubators will complement and add value to the various capital projects proposed across the three IZ sites, generating a ready-made pipeline of businesses to occupy the new developments proposed in each location.
- 2.9 The proposed Huddersfield Health Innovation Incubator (HHII) has been developed in partnership by the Council, University of Huddersfield and its subsidiary the 3M Buckley Innovation Centre (3M BIC). Funding for the HHII programme has been secured for a four year period, ending on 31 March 2029. The business case for the programme was formally approved by WYCA in February 2025.
- 2.10 The HHII programme aims to create wrap around support for businesses in the health, wellbeing and digital sectors that are seeking to start-up or scale up. It will deliver tailored start-up support, workspaces, events and networking activity and create a thriving community of businesses, academics, clinicians and other professionals focused on supporting and embedding innovation across our health and care systems. The programme builds on and integrates previous, successful UKSPF-funded projects including the Council-led Thrive initiative for health and wellbeing start-ups and the Huddersfield Health Innovation Partnership, led by the University.

## 2.11 The key components of the HHII programme include:

- *support for pre-start and start-up businesses in the health, wellbeing, life sciences and digital tech sectors*; retaining the successful Thrive branding, this strand of the programme will offer workshops, peer support, access to expert mentoring, expert-led clinics, workspace, networking, and knowledge exchange opportunities to provide holistic support for entrepreneurs in the critical first twelve months of their business lifecycle; Thrive will be delivered through a series of bi-annual cohorts with businesses applying to access the scheme
- *access to workspace*; establishing a physical presence and focus for the incubator will be critical in creating a tangible sense of community for the programme; the incubator will have a dual focus, with the Glass Box business centre providing access to high quality, managed office space and co-working space and the Health Business Innovation Centre (HBIC) - occupying one floor of the emerging Emily Siddon building - including high quality lab space, office and co-working provision; businesses can also access space at the existing 3M Buckley Innovation Centre; in some circumstances access will be fully funded through the HHII programme (e.g. for businesses accessing Thrive) or otherwise on commercial terms
- *Health Innovation Maker Space*; the new Health Business Innovation Centre within the Emily Siddon Building will incorporate one of the only health innovation-focused maker spaces in the UK, providing entrepreneurs with access to specialist equipment and advice to develop, test and validate new products; the maker space will also facilitate access to academic/NHS expertise and deliver workshops and consultancy advice to HHII members;
- *SME support*; HHII will provide access to tailored support from the University, 3M BIC or Business Kirklees for more established, growth-oriented businesses seeking advice and support to unlock barriers to growth; this will include access to specialist academic and clinical advice and expertise and facilitating business access to the specialist facilities/equipment within the NHIC
- *Events and networking*; HHII will deliver an extensive programme of thematic events, workshops, seminars and networking opportunities bringing together a wide range of stakeholders, with the aim of generating and sustaining a thriving community of businesses, academics, clinicians and other professionals focused on supporting and embedding innovation across our health and care systems; the events programme will incorporate University-led hackathons and sandpits that bring to bear a wide range of expertise to address key challenges and opportunities across the health and social care systems.

2.12 The Council will focus on delivery of the Thrive element of the programme, workspace provision at the Glass Box and programme management. The 3M BIC will deliver the HBIC workspace/maker space, be responsible for the events programme and support the development of member services. The University will be responsible for the mentoring programme and facilitating wider access to University expertise and facilities.

2.13 Access to the HHII programme will operate on a membership basis with prospective members invited to apply to join the programme. Businesses in eligible sectors across West Yorkshire will be able to join the HHII network. Membership of the network will be free for an initial two year period.

- 2.14 HHII members will access core services/support including events, networking and SME support; other elements of the programme (e.g. Thrive) will be by application. Members will have access to fully funded support for a period of up to two years.
- 2.15 The Council will act as Accountable Body for the programme and will have ultimate responsibility for the achievement of the outputs and outcomes that are a contractual requirement of the funding. These include:
- supporting 50 pre-start or start-up businesses through the programme
  - delivering 100 workshops/seminars/networking opportunities
  - facilitating 20 new collaborations between academic, NHS and business partners
  - developing of 10 innovative new products or services through the programme
  - supporting the creation of 26 new FTE jobs in assisted businesses.

#### *Governance*

- 2.16 In line with the requirements of the grant funding agreement and the Council's project management principles, the HHII programme will be overseen by a dedicated Programme Board with membership drawn from senior officers from the Council, University and 3M BIC.
- 2.17 In addition to the Programme Board, a separate advisory board will be established to provide strategic direction/challenge for the initiative with members including senior academic, clinical and business stakeholders.

#### *Regional Health Accelerator*

- 2.18 The place based incubators will form part of a wider health innovation ecosystem that includes the Regional Accelerator programme. Funded through the Investment Zone and delivered by Health Innovation Yorkshire and Humber (HIYN), the Regional Accelerator will provide specialist start-up/scale-up support to those businesses with the highest growth potential through a cohort-based approach. Health Innovation Yorkshire and Humber – one of fifteen health innovation networks established by the NHS – also delivers the Propel programme which supports entrepreneurs seeking to sell innovative products and services to the NHS. Appropriate signposting and referral mechanisms will be established to ensure that businesses access the most appropriate support for their needs.

### **3. Implications for the Council**

#### **3.1 Council Plan**

The Huddersfield Health Innovation Incubator has the potential to make a significant contribution to the achievement of a number of cross-Council priorities and wider shared outcomes, as set out in the Council Plan 2025/26. The programme is focused on the development and diffusion of innovative solutions to some of West Yorkshire's most significant and deep seated health and social care challenges and to the improvement of health outcomes whilst supporting local economic growth.

As a result, HHII is strongly aligned with the achievement of the following Council priorities:

- Local economic growth, working with regional and national partners
- Thriving people and communities
- Protecting the vulnerable and achieving inclusion

and also to the achievement of the following shared outcomes:

- Sustainable economy
- Well
- Aspire and achieve.

### **3.2 Financial Implications**

West Yorkshire Combined Authority has agreed to provide the Council with revenue grant funding for the HHII programme totalling £2,023,576.25, via the Government's Investment Zone initiative. The funding is available over the four year period ending in March 2029. The funding profile for the scheme is relatively flat, with funding increasing from just over £563,000 in 2025/26 to £586,000 in the final year of the initiative (2028/29), allowing for inflation and other cost increases.

In line with the delivery responsibilities outlined overleaf, part of the grant will be allocated to the Council's delivery partners as follows:

- Huddersfield Enterprise and Innovation Centre Ltd (t/a 3M BIC) – up to £934,052.85
- University of Huddersfield – up to £293.872.50.

### **3.3 Legal Implications**

The Council will enter into a grant agreement with WYCA in relation to the HHII programme that will provide the framework for management of the initiative and the achievement of contracted outputs, outcomes and spend profiles. The Council will also enter into grant agreements with its delivery partners which reflect their contribution to achievement of contracted outputs and outcomes.

The Council will comply with its Financial Procedure Rules and Contract Procedure Rules when exercising its delegations and when awarding all grants and Contract Procedure Rules and the Procurement Act 2023 when awarding contracts to third parties. The Council must also comply with its public sector equality duty under section 149 of the Equality Act 2010 in relation to the management and delivery of the HHII programme.

As the Council has received funding from another public body the provisions of the Subsidy Control Act 2022 and statutory guidance for UK Subsidy Control Regime are relevant. A subsidy occurs where a public authority provides support to an enterprise that gives them an economic advantage, meaning equivalent support could not have been obtained on commercial terms.

In line with the provisions of the 2022 Act the Council has assessed whether the grant for the HHII programme should be considered a subsidy. The statutory guidance is clear that where the financial assistance has been designed in order that the recipient passes an economic advantage on to an identifiable third party that is an enterprise, the third party should be regarded as the beneficiary enterprise for the purposes of the subsidy control rules, in addition to or instead of the initial recipient. In this context the University and Huddersfield Enterprise and Innovation Centre Limited do not receive any financial advantage themselves (other than reasonable administration costs) and there is therefore no subsidy to these organisations.

Whilst the HHI programme does not include provision of grants to individual businesses, the benefit in kind to the ultimate beneficiaries (the start-ups etc) may be considered financial assistance, however it is so low that it is not anticipated to have any distortive effect on competition or investment within the UK, or trade or investment between the UK and another country or territory.

However, the Council has undertaken a Subsidy Control Assessment in this respect and will monitor the assistance given and in the event that support to individual enterprises is considered a subsidy under the terms of the 2022 Act, this will be provided for either under the Minimal Financial Assistance exemption or through publication on the transparency database under a subsidy scheme. The Government has also established the English Investment Zones subsidy scheme for this purpose to support subsidy control compliance for IZs including provision for “*grant funding for local infrastructure, research and innovation, skills, and business support.*”

#### **3.4 Climate Change and Air Quality**

There are no climate change or air quality implications.

#### **3.5 Other (e.g. Risk, Integrated Impact Assessment or Human Resources)**

An IIA and Equalities Impact Assessment have been completed in draft in respect of the programme.

There are several potential risks associated with the scheme, including:

- the wider economic climate could impact on the ability to achieve some of the output/results targets, with the potential risk of clawback of funding; this risk is mitigated by the strong performance of the earlier, similar projects delivered separately by the Council, University and 3M BIC and the continued focus of the Government and Combined Authority on supporting the delivery of the Investment Zone programme
- in acting as Accountable Body to WYCA for the grant, the Council will be required to ensure compliance with relevant eligibility, Subsidy Control, procurement and branding/publicity requirements, including by delivery partners, again with the potential risk of clawback in the event of non-compliance; this is mitigated by the Council’s extensive experience (and that of its delivery partners) in delivering similar business support initiatives including previous European Union and UK Shared Prosperity Fund programmes which required a rigorous and ongoing focus on compliance.

#### **4 Consultation**

A wide range of public and private sector stakeholders have been consulted in developing the programme.

#### **5 Engagement**

The Council will continue to engage with participating businesses to ensure that ongoing delivery is informed by robust feedback.

## **6 Options**

### **6.1 Options Considered**

The Council could choose not to accept Investment Zone funding for the delivery of the HHII programme. This would significantly limit the opportunities to provide support for start-up/scale-up businesses in the health, wellbeing and life science sectors and impact on the delivery of other elements of the IZ programme, including the proposed capital projects. It would also generate reputational risks for the Council in respect of its relationship with the University of Huddersfield and 3M BIC.

### **6.2 Reasons for recommended Option**

Accepting external funding and approving delivery of the programme will optimise the benefits of the HHII programme for businesses and residents.

## **7 Next steps and timelines**

Next steps will include:

- entering into grant funding agreements with WYCA and the Council's delivery partners
- commencing delivery of key strands of the programme including Thrive start-up support and events/networking activity.

## **8 Contact officer**

Chris Duffill, Head of Business and Skills [chris.duffill@kirklees.gov.uk](mailto:chris.duffill@kirklees.gov.uk)

## **9 Background Papers and History of Decisions**

[S2SEC Cabinet V6 - LMT.pdf](#)

[Cabinet Report - GR Project Delivery Funding - FINAL.pdf](#)

## **10 Appendices**

N/a

## **11 Service Director responsible**

David Wildman, Service Director Skills & Regeneration