

BUSINESS INNOVATION AND GROWTH PANEL

**MEETING TO BE HELD AT 2.00 PM ON WEDNESDAY, 7 MARCH 2018
IN COMMITTEE ROOM A, WELLINGTON HOUSE, 40-50 WELLINGTON
STREET, LEEDS**

A G E N D A

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. EXCLUSION OF THE PRESS AND PUBLIC**
- 4. MINUTES OF THE MEETING OF THE BUSINESS INNOVATION
AND GROWTH PANEL HELD ON 7 DECEMBER 2017**
Copy attached.
(Pages 1 - 4)
- 5. LOCAL INCLUSIVE INDUSTRIAL STRATEGY**
(Pages 5 - 10)
- 6. INCLUSIVE GROWTH OUTCOMES FROM THE BUSINESS
GROWTH PROGRAMME**
(Pages 11 - 16)
- 7. DIGITAL**
(Pages 17 - 20)
- 8. TRADE AND INVESTMENT PLAN 2018/19**
(Pages 21 - 26)
- 9. BUSINESS PLANNING AND BUDGET 2018/19**
(Pages 27 - 52)

10. BUSINESS SUPPORT UPDATE

(Pages 53 - 70)

11. DATE OF NEXT MEETING

Thursday 24 May 2018, 14:00 – 16:00, Wellington House, Leeds

Signed:

A handwritten signature in black ink, appearing to read 'A Taylor', enclosed within a rectangular box.

Director of Resources



**MINUTES OF THE MEETING OF THE
BUSINESS INNOVATION AND GROWTH PANEL
HELD ON THURSDAY, 7 DECEMBER 2017 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Andrew Wright (Chair)	Reliance Precision
Councillor Roy Miller	Barnsley Council
Councillor Shabir Pandor	Kirklees Council
Councillor Tim Swift	Calderdale Council
Phillip Wilson	Slipstream Design
Simon Wright	Yorkshire Bank
Professor Lisa Roberts (Advisory Representative)	University of Leeds
Ian Sharp (Advisory Representative)	Digital Health Enterprise Zone
Professor Liz Towns-Andrews (Advisory Representative)	University of Huddersfield

In attendance:

Kersten England	Bradford Council
Amir Hussain	Yeme Architects
Sue Cooke	WYCA
David Shepherd	WYCA
Henry Rigg	WYCA
Sarah Bowes	WYCA
Patrick Robertson	WYCA
Jonathan Skinner	WYCA
Chantelle Brandon Reeves	WYCA
Janette Woodcock	WYCA

1. Apologies for absence

Apologies for absence were received from Councillor Darren Byford, Councillor Richard Foster, Dean Cook, John Eaglesham, Sandy Needham, Dr Peter O'Brien, Mark Robson and Andy Welsh.

2. Declarations of disclosable pecuniary interests

There were no pecuniary interests declared.

3. Exempt information - Exclusion of the press and public

There were no items on the Agenda requiring exclusion of the press and public.

4. Minutes of the meeting of the Business Innovation and Growth Panel held on 7 September 2017

That the Minutes of the Business Innovation and Growth Panel held on 7 September 2017 be approved.

5. Access Innovation

The Panel was presented with an update on the Access Innovation Programme which provided a detailed presentation on the programme, including specific requests for advice and practical support with the following:

- How can the programme attract more interest from SMEs in Leeds City Region
- Which business networks and organisations should the programme connect with to increase interest and participation from SMEs and providers of innovation support
- Which larger businesses in the city region are strong exemplars of continuous business innovation, and could provide support to smaller firms via the programme
- What more could the programme do to incentivise R & D investment by SME's

The Panel provided some feedback on how the programme could be better promoted to the SME community in Leeds City Region, including the importance of engaging with the private sector intermediary network e.g. banks, accountants and legal practices. It was also noted that the programme is a good opportunity for the city region's universities to actively engage with a much higher number of SMEs and that although this has recently increased, the level of engagement to date in the programme by universities has been lower than expected.

The Panel also made other suggestions of organisations that could help increase engagement with the programme, including the Universities Knowledge Transfer Network and the Engineering Employers' Federation.

Resolved: That the update and feedback on the Access Innovation Programme be noted, and that the CA/LEP and the city region's universities will work together more closely to increase the volume and quality of SME projects supported.

6. Flexing Economic Services to Deliver Inclusive Growth Outcomes

The Panel was presented with a report which set out the CA's new proposed approach to inclusive growth, particularly to target Strategic target inclusive growth outcomes by adding stretching and proportionate criteria to the grants

awarded to business. The report also described the ongoing testing and consultation with private sector partners, including previous grant-recipients to ensure desired impacts were achieved. Views were sought from the Panel on the proposed new approach and criteria.

Resolved: That the feedback and views of the panel were noted. And that a further report will, following a wider consultation exercise, be brought to the next meeting in advance of any of the proposed changes being finalised.

7. Trade and Investment:

(a) Inward Investment

The Panel was provided with an update on inward investment which included seven new investments since the last panel report in September creating 158 new jobs.

Resolved: That the update on inward investment activity and feedback be noted.

(b) International Trade

The Panel was provided with an update on key activities within the International Trade Plan and an overview of the current trade performance figures which included:

- Trade Performance and Outlook
- Trade Plan Activities
- Department for International Trade
- Exporting for Growth (EIG)

Resolved: That the update and feedback on International Trade Activity be noted.

8. Local Inclusive Industrial Strategy

The Panel was informed of the move towards a local industrial strategy, putting the region's tech strengths to the fore of creating a growing and more inclusive economy and was asked to provide views on the direction of the city region approach including:

- The emerging work on local industrial strategy, putting tech at the fore to drive inclusive growth outcomes.
- National and local activity on the recommendations of both the reviews and suggest ways to take forward this agenda to Leeds City Region.

Resolved: That the views of the Panel on the emerging work on Local Inclusive industry strategy be noted and incorporated into the work programme.

9. LCR Science and Innovation Audit

The Panel was provided with an update on the Leeds City Region Science and Innovation Audit process to date and were asked to note the progress made to develop the Science and Innovation Audit and emerging propositions.

The Leeds City Region Science and Innovation Audit, led by the University of Leeds has now been officially published. A launch event in Leeds in November celebrated the completion of the audit and invited stakeholders to engage in the development of the emerging propositions.

Resolved: That the progress made to date be noted.

10. Business Support Update Report

The Panel was provided with an update on business support activity being undertaken including the LEP Growth Service, the LEP Capital Grants Programme, the Resource Efficiency Fund (REF), Strategic Business Growth, the Travel Plan Network and the Northern Powerhouse Investment Fund which included:

- LEP Growth Service
- Progress to date
- Service Developments
- Marketing and Communication
- Events
- Current Programme
- Business Floods Recovery Fund
- Resource Efficiency Fund
- Strategic Business Growth – support for SME's with high growth potential
- Travel Plan Network
- Northern Powerhouse Investment Fund

Resolved: That the progress made on delivery of the business support projects, programmes and services be noted.

11. Any Other Business

12. Date of next meeting

Wednesday 7 March 2018 14:00 PM – Committee Room A, Wellington House, Leeds

Report to: Business Innovation and Growth Panel

Date: 7 March 2018

Subject: **Local Inclusive Industrial Strategy**

Director(s): Liz Hunter, Interim Director of Policy and Strategy

Author(s): Marc Eatough and Jo Barham

1 Purpose of this report

- 1.1 The purpose of this report is to update the Business Innovation and Growth Panel on progress towards the development of a local inclusive industrial strategy which will sit at the centre of a new agile policy framework for the West Yorkshire Combined Authority.

2 Information

Local Inclusive Industrial Strategy

Overview of Local Inclusive Industrial Strategy Proposals

- 2.1 The Government's national Industrial Strategy White Paper published in November 2017 sets out five foundations of productivity which will deliver a transformed economy: ideas, people, infrastructure, business environment and place. As part of the place foundation, the government will agree local industrial strategies with Local Enterprise Partnerships (LEPs), approving the first wave in March 2019. Local industrial strategies will help identify priorities to improve skills, increase innovation and enhance infrastructure and business growth, including guiding the use of local funding streams and spending from national schemes.
- 2.2 At the Leeds City Region Enterprise Partnership (LEP) Board on 29 November 2017, plans to begin the development of a local inclusive industrial strategy were agreed. This decision was endorsed by West Yorkshire Combined Authority on 14 December 2017. Progress reports on the development of a local inclusive industrial strategy have been discussed at the most recent meetings of the LEP Board and West Yorkshire Combined Authority.
- 2.3 There is an ambition to deliver the local inclusive industrial strategy at pace with the intention to present a compelling plan that further transforms the City

Region and builds on current activities and best practice. The aim is for the City Region to form part of the first wave of local industrial strategies agreed by government in March 2019.

- 2.4 The diagram included as **Appendix 1** of this report presents the proposed 'new' strategic framework for the City Region which was considered and welcomed by the LEP Board on 16 January 2018, and by the West Yorkshire Combined Authority on 1 February 2018.
- 2.5 The new policy framework will be structured to support delivery aimed at tackling four challenges:
- the productivity gap is widening
 - research & development and innovation levels are too low
 - living standards and earnings have stalled
 - stubborn deprivation persists.
- 2.6 The intention is to adopt an open and inclusive approach to the development of the local inclusive industrial strategy, working closely with the LEP Board, West Yorkshire Combined Authority and relevant advisory committees (including the Business Innovation and Growth Panel). Engagement will be sought with:
- Districts: building on the excellent work done and ongoing to develop their local inclusive growth / economic / industrial strategies
 - Universities: making the most of their research assets and role as local anchor institutions
 - Business representative groups: as key actors representing the views of the private sector and deep knowledge of the barriers to improving productivity and boosting earning power.
- 2.7 This engagement will support further development of the framework, including establishing a clear set of ambitions and associated outcome measures and targets. Informal contacts with Government suggest that there is an opportunity in the period before more guidance is provided to develop a local approach that is truly ambitious and addresses local challenges.

Emerging priorities for the Local Inclusive Industrial Strategy

- 2.8 Further guidance is awaited from government on the approach and process that will be adopted to develop local industrial strategies. Work has commenced to identify a number of priorities and 'big ideas' that could form the core building blocks and focus of the local industrial strategy.
- 2.9 A summary of these emerging proposals and ideas is provided below:

(1) Transformative private sector leadership in the Leeds City Region to tackle the growing productivity gap.

The productivity gap is growing between the Leeds City Region, UK and other advanced economies which limits residents' living standards. This is most likely a result of a long tail of unproductive firms, below average private sector investment in innovation and lower levels of skills.

As the largest city region outside London, addressing the Leeds City Region's relatively poor productivity is a major part of the UK answering its productivity puzzle. Widespread progress for firms with less-than-average productivity could potentially unlock the majority of a £10 billion productivity dividend and see firms generating the returns that make paying a real living wage sustainable.

To address these challenges, a private sector led 'productivity revolution' is required so that businesses collaborate to compete better. This needs to be spearheaded by private sector champions, harness the collective power of business groups and intermediaries, including banks and accountants and be linked effectively with public business support provision.

Coordinated activity might cover:

- **Business Leadership:** supporting a more joined-up approach to business support which includes a 'No Wrong Door' agreement on business support across public and private intermediaries, better analysis of firms' productivity and widespread understanding of the importance of the role improved productivity on helping enhancing living standards.
- **Good work:** more inclusive labour markets with better progression and flexibility – linked to government's 'good work' response to the Taylor Review of modern employment practices, helping businesses access best welfare advice and other inclusive practice.
- **Innovation:** a Digital Framework for the city region and best practice in supply chains digitisation; and
- **Investment:** testing new ways for public funded support to help businesses increase their investment in technology, innovation and R&D to help improve productivity and attract and develop inward investment.

(2) The Leeds City Region Transformed by Digital Technology

Digital technology is transforming the world – and the City Region has significant private and public sector assets on which to transform the regional economy. Currently businesses invest relatively little in Research, Innovation and Development (RID) and there are opportunities to test how to stimulate investment in digital technology and RID to transform the economic base.

A strategic priority is to demonstrate how digital can transform the medical technology sector in the Leeds City Region and beyond. This requires the delivery of the Leeds City Region Med-Tech Science and Innovation Audit as a 'proof of concept' for other areas of tech (e.g. Fintech, Clean Tech,

Agri-tech, etc.) to learn how orchestrated academic, public and private action can unlock R&D, driving investment, productivity and growth.

A report on the Leeds City Region's digital framework is included as agenda item 7.

(3) Maximising the impact of HS2 and Northern Powerhouse Rail through the development of inclusive growth corridors in the Leeds City Region

Deprivation is stubborn. While new infrastructure and the power of agglomeration brings new good jobs, more needs to be done to ensure that all communities are able to take these opportunities. A series of corridors will connect major communities, including some of the most deprived, to the opportunities that HS2 will bring to the City Region. Plans will be developed for these corridors covering housing and employment, flooding and social policy as well as the transformational connectivity and the opportunities around new technologies required to support each of these.

- 2.10 These emerging ideas and proposals build on the priorities set out in Leeds City Region Autumn Budget (2017) submission to Government, recognising that the local industrial strategy needs to unlock productivity and tackle the challenges the City Region faces in terms of stubborn levels of deprivation and stalled living standards. If the City Region's productivity were to be raised just to the national average level, its economy would be more than £10 billion larger.
- 2.11 The approach adopted by the LEP and Combined Authority to develop the local industrial strategy will be informed by the significant evidence¹ that investing in a business' workforce and generally treating people well is important in supporting all other productivity interventions, and can give a significant boost to productivity on its own. The desired outcome would be to see a more virtuous cycle between labour investment, the quality of people and performance, operational performance and the effects upon sales and profits.

Supporting strategies and policies

- 2.12 Alongside the local industrial strategy, separate plans are being developed in order to support specific areas of policy. Where new plans are being developed, work is ongoing to ensure that they align with the local industrial strategy and broader policy framework priorities. This includes a Digital Strategy and a Clean Growth Strategy for the City Region is likely to be published in the spring. Where delivery plans are already in place, (for example employment and skills), these plans are being reviewed and where appropriate refreshed, to ensure they align with the local industrial strategy and to identify any gaps where further work may be required.

¹ Examples of research include:

- Zaynep Ton (2014) The Good Jobs Strategy
- BEIS (2012) Leadership & Management in the UK – the Key to Sustainable Growth; and
- PwC <https://www.pwc.co.uk/services/human-resource-services/work-well-programme.html>

3 Financial Implications

3.1 There are no financial implications directly arising from this report.

4 Legal Implications

4.1 There are no legal implications directly arising from this report.

5 Staffing Implications

5.1 There are no staffing implications directly arising from this report.

6 External Consultees

6.1 No external consultations have been undertaken.

7 Recommendations

7.1 That Business Innovation and Growth Panel members note the updates on development of a local inclusive industrial strategy and feedback any thoughts on the strategic framework and emerging proposals, including the ways in which Panel members would like to be involved in future development of the proposals.

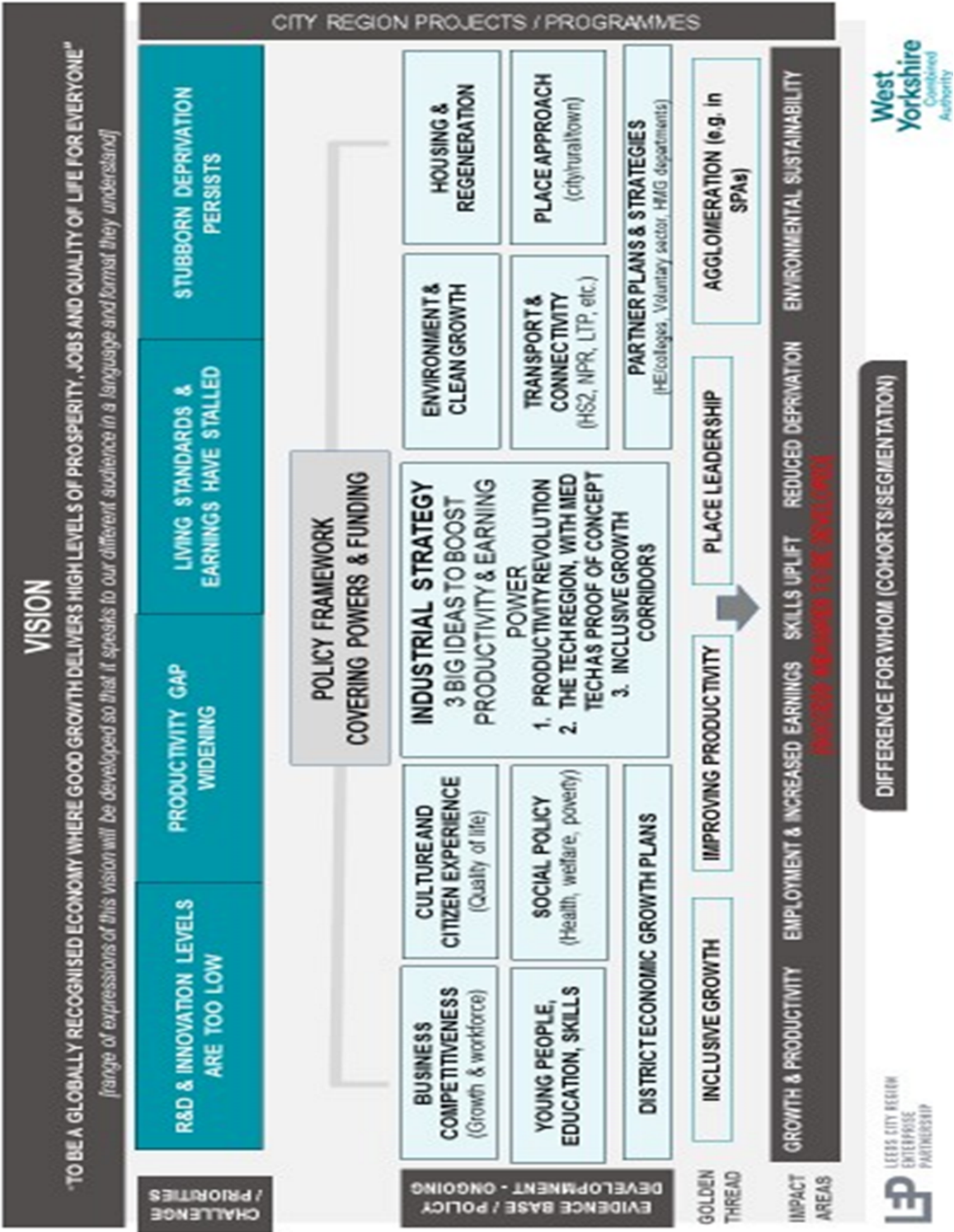
8 Background Documents

None.

9 Appendices

Appendix 1 – Leeds City Region Strategic Framework

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Report to: Business, Innovation and Growth Panel

Date: 7 March 2018

Subject: **Inclusive Growth Outcomes from the Business Growth Programme**

Director(s): Sue Cooke, Executive Head of Economic Services

Author(s): Henry Rigg and Jonathan Skinner

1 Purpose of this report

- 1.1 To seek approval from the Panel for the revised criteria and associated conditions for awarding grants to businesses from the LEP/Combined Authority's Business Growth Programme (BGP).

2 Information

- 2.1 Item 7 describes the City Region's approach to a local inclusive industrial strategy that tackles the growing productivity gap and sustainably improves living standards for all. This extends to using the Combined Authority's economic services – including the BGP – to incentivise businesses to grow in a way that delivers inclusive growth.
- 2.2 As context:
- There is significant in-work poverty, where one in four jobs in the City Region pays below the real living wage (£8.75 per hour) and 165,000 households with someone in work in the City Region (1 in 5) rely on in-work tax credits to top-up pay.
 - Government policy implies increasing the national living wage (£7.83 for over 25s from April 2018) to around £8.57 by 2020¹ and requiring employers and staff to contribute more to auto enrolment pensions.
- 2.3 The proposal to introduce stretching inclusive growth outcomes for the Business Growth Programme targets finite public support at those businesses seeking to 'get ahead of the curve' on matters like paying the real living wage, providing training and supporting employees with disabilities.

¹ <https://www.gov.uk/government/news/largest-rise-in-national-minimum-wage-rates-for-young-people-in-a-decade>

Consultation to date

- 2.4 The Panel's December 2017 meeting provided feedback on the revised criteria and associated conditions, which were noted subject to further consultation. The same documents were then considered by the Business Investment Panel (December 2017) and the LEP Board (January 2018), with feedback also noted.
- 2.5 The LEP hosted a workshop in November 2017 with approximately 20 representatives of prominent private sector intermediaries in the City Region, including accountants, banks and legal companies (known as the 'Professionals' Perspective'). Attendees were consulted on the proposed changes to the grant criteria, and also provided valuable feedback from their own perspectives and those of their clients and customers.
- 2.6 Finally, a survey of businesses in the Leeds City Region that have previously been awarded grants was undertaken in late 2017/early 2018. 25 businesses responded by completing a detailed questionnaire on the revised draft criteria and associated conditions. One specific question was whether the revised criteria would have deterred businesses from applying for the grant.
- 2.7 Following this meeting, the revised criteria and associated conditions will be considered by the LEP Board and the full Combined Authority in spring 2018, with a view to implementation from summer 2018.

Consultation Findings

- 2.8 The main findings from the all of the above consultation and business engagement are as follows:-
- Strong support for the inclusive growth agenda and its underpinning principles, and for encouraging employers of all sizes to invest in their lower-paid staff and facilitate career progression.
 - Consensus that the LEP and the Combined Authority need to realise increased inclusive growth outcomes and benefits from the grants awarded to businesses in the City Region.
 - Support for the new approach to be proportionate depending on the size of the business and of the grant i.e. businesses in receipt of larger grants should deliver the most inclusive growth outcomes.
 - Paying the 'real living wage' was regarded as the main barrier for businesses in terms of implementing all of the proposed changes. This was primarily because of the cost implications in sectors with typically low margins.
 - Strong support for incentivising businesses to deliver more inclusive growth outcomes, but without excluding certain sectors or sub-sectors.
 - Support for grant-recipients to commit to paying their suppliers (particularly small businesses) as promptly as possible (particularly pertinent in the light of Carillion).
 - Need to improve the link between grants and improved productivity, which is particularly important for manufacturers that may be investing in productivity measures without necessarily increasing headcount in the business.

2.9 The headline findings from the questionnaire with businesses were as follows:-

- 72% agree that the LEP/Combined Authority is right to look at ways in which businesses can support the inclusive growth aims.
- 56% of businesses already are, or have plans to, become a Living Wage employer within two years.
- 32% would be inclined (hypothetically) to committing to become a Living Wage employer within two years.
- 44% of businesses would not be put off from applying for a grant if the new conditions were introduced, 24% would be put off and 32% were unsure.
- Most businesses would welcome support from the LEP/Combined Authority to deliver more inclusive growth outcomes e.g. through skills plans and apprenticeships, working with schools, training lower paid staff, undertaking a supply chain audit etc.
- The conditions that most businesses would be inclined to commit to were developing a skills plan and working with schools, whilst the ones they were least inclined to commit to were offering work opportunities to local people with disabilities or health issues and offering more sustainable green travel options. The main reason for this was lack of awareness of the support available to undertake such activities.

2.10 There were several areas of risk raised during the consultation process from both the businesses that responded to the questionnaire, and the private and public sector members of the two panels and the LEP Board. These were as follows:-

- The sectors that typically employ staff on lower salaries could be those most excluded from future grant-funding e.g. food and drink, some parts of the manufacturing sector, warehousing and distribution.
- Margins within these sectors are very tight, which will make it difficult for businesses to pay the real living wage and remain competitive or even viable.
- The above sectors also employ large numbers in the Leeds City Region and are particularly prevalent in certain areas of Kirklees, Bradford and Wakefield.
- Recent analysis of grants awarded to 138 businesses over the last 12 months shows that 42% of the jobs created (totalling 466) were below the real living wage rate of £8.75 per hour and, therefore, would not have been supported if the new criteria had been in use. The businesses in receipt of these grants include some of the city region's most established and innovative manufacturers.
- Grant awards are a recognised and proven way for the public sector to build strong, lasting and mutually-beneficial relationships with key employers. Therefore, there is a risk that some of these relationships will not progress and flourish if some businesses are deterred from applying for grants.

- There is a potential reputational risk for the LEP/Combined Authority if the public sector is perceived to be influencing wage policy within the private sector, and is not adopting the same policies within its own organisations and supply chains.
- 2.11 A common response from the consultation was the need to identify an effective, robust and deliverable way to support businesses with grant-funding that are improving their productivity, without necessarily creating new jobs. This is an issue under consideration at the national level, and it is proposed that a working group is established with representation from businesses, to take it work forward at the local level. It is proposed that the group reports progress to the BIG Panel on this important issue, and that members consider their potential involvement in the group.
- 2.12 Further consideration will be undertaken into how this approach might be applied to strategic inward investment projects. This will include more detailed analysis of projects supported to date and those in the pipeline.

Conclusions and proposed revised approach

- 2.13 The overall conclusion of the consultation and business engagement activity to date is that there is strong support for the proposed new criteria and conditions.
- 2.14 The main area of concern for some businesses and other stakeholders is the requirement to pay the real living wage for all new jobs created as a result of investment projects supported by grants. This is primarily because of the potential for certain sectors, sub-sectors and parts of the City Region to be excluded from grant-funding and from engaging meaningfully with the LEP/Combined Authority.
- 2.15 Therefore, it is proposed that the new criteria incorporates an 'incentive element' that provides more funding per new job paying the real living wage, and less funding per new job paying the National Minimum Wage. This revised approach is set out in more detail within **Appendix 1**.

3 Financial Implications

- 3.1 There are no financial implications directly arising from this report.

4 Legal Implications

- 4.1 There are no legal implications directly arising from this report.

5 Staffing Implications

- 5.1 There are no staffing implications directly arising from this report.

6 External Consultees

- 6.1 Please see 2.4 to 2.10 above for detail of the consultation undertaken to date.

7 Recommendations

- 7.1 That the Panel considers and approves the revised new criteria and associated conditions for awarding grants to businesses as set out within **Appendix 1**.
- 7.2 That the Panel supports the proposals set out above related to productivity and strategic inward investment.

8 Background Documents

None.

9 Appendices

Appendix 1 - Proposed new criteria for the Business Growth Programme

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Proposed new criteria for the Business Growth Programme

All grant recipients of the Business Growth Programme (BGP) will be expected to meet the core criteria outlined below, which it is proposed are implemented in a phased approach from summer 2018 onwards.

Draft Revised Core Criteria

- Applicants must be based in the Leeds City Region, which includes the local authority areas of Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield and York
- Investment projects must create permanent new jobs in Leeds City Region
- Applicants will be incentivised to employ staff on the Living Wage Foundation's 'Real Living Wage' (currently £8.75 per hour), by allocating more grant per new job for those paying that rate
- All new jobs funded by the LEP grant must be paid at least the National Living Wage or Minimum Wage (£7.83 per hour from age 25+ from April 2018)
- Apprenticeship jobs are permissible but applicants are expected to pay the apprentice at least the National Minimum Wage appropriate for the age of the apprentice (rather than the lower national apprenticeship wage)
- For each new job created, the following maximum amounts will be available to the applicants: -

Pay Rates for New Jobs Created with LEP Grant	Maximum Amount per new job
Pay 'Real Living Wage' based on Living Wage Foundation	£12,500
Pay National Living Wage / Minimum Wage	£7,500

- Applicants must have private finance available: either of their own, from a bank, or other commercial finance to invest alongside the grant
- For every £1 of LEP funding sought, applicants must be able to provide at least £4 of private sector investment
- The minimum grant level is £10,000 and total project cost must be at least £50,000 - therefore applicants must have at least £40,000 of private sector finance to invest for every £10,000 of grant

- Applicants must be established for at least 12 months and must operate from commercial premises
- Applicants must generate the majority of their turnover by trading with other businesses, or applications must demonstrate how the grant-supported project will lead to this
- Projects must support the City Region's key growth sectors and/or their direct supply chains: specifically health and life sciences, digital and creative industries, low carbon and environmental industries, manufacturing, financial and professional services or business to business services
- Refurbishment or renovation projects will only be supported where the applicant will be the sole occupier within the refurbished or renovated property
- Businesses engaged in retailing or providing localised business to consumer services are not eligible for grant support. However, applications from businesses who derive their turnover exclusively from e-commerce/internet sales will be considered on a case by case basis

Additional Inclusive Growth Commitments

Businesses receiving grants of over £50,000 will be expected to offer additional "inclusive growth" commitments as outlined below.

- Inspire the next generation by working with schools and/or colleges
- Develop a Skills Plan including Apprenticeships
- Offer training to low paid staff to help them progress
- Offer work opportunities to local people with disabilities or health issues
- Offer more sustainable 'green travel' options to employees
- Undertake an energy audit to identify ways to reduce energy consumption
- Undertake a supply chain audit to identify opportunities to buy more from local suppliers
- Pay small business suppliers in accordance with the Prompt Payment Code - <http://www.promptpaymentcode.org.uk/> - including a commitment to pay all suppliers within 60 days and to commit to 30 days as the norm
- Commit to gain Living Wage Foundation accreditation within an agreed timescale

The expected commitment will vary depending on the level of grant awarded:

- For grants from £50,000 - £99,000, the applicant is expected to agree to **two or more** of the additional commitments
- For grants from £100,000 -£249,000, the applicant is expected to agree to **three or more** of the additional commitments
- For grants over £250,000, the applicant is expected to agree to **four or more** of the additional commitments, including Living Wage Foundation accreditation

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Report to: Business Innovation and Growth Panel

Date: 7 March 2018

Subject: Digital

Director(s): Liz Hunter, Interim Director Policy and Strategy
Sue Cooke, Executive Head of Economic Services

Author(s): Sarah Bowes, Sam Lewis and Becky Collier

1 Purpose of this report

- 1.1 To update the BIG Panel on work to develop the digital agenda and seek feedback on the Digital Framework.

2 Information

Leeds City Region Digital Framework

- 2.1 BIG Panel will be aware from previous panel meetings that the LEP has a long standing ambition to develop a digital strategy for the whole of the City Region.
- 2.2 The Digital Framework is now being progressed alongside work to develop the new Local Inclusive Industrial Strategy. Although these are separate strands of work with different timescales, the Digital Framework - once established - will contribute significantly to the narrative and objectives of the digital and tech focused Local Inclusive Industrial Strategy.
- 2.3 The output of the work to develop a Digital Framework will be a short, concise document (PowerPoint slides) which clearly articulates the overall vision for the digital economy in the Leeds City Region whilst setting out clear ambition statements and proposed interventions. The Digital Framework will also make clear how it will contribute towards (and help to solve) the City Region's four key challenges.
- 2.4 This overarching Digital Framework will provide a framework for investment and a collective narrative/ ambition for 'digital' across the whole City Region.
- 2.5 The Framework will set out to articulate an approach to the digital economy and to the development of digital capability across the City Region's population and institutions that sets the direction of travel and encourages all

the other actors in the region to align with both the LEP and the Combined Authority and each other.

- 2.6 In this way, the very process of bringing together key stakeholders from across the City Region will help to build relationships and identify opportunities to work collaboratively going forwards.
- 2.7 There are five strands (or outcomes) to the emerging Leeds City Region Digital Framework (which are all very much interconnected):
- Every business a digital business – helping the City Region businesses to embrace and grow through improved use of new technologies
 - Digital skills for all – giving everyone access to the skills they need to thrive in a the digital economy
 - A digital sector that services the world – making the Leeds City Region the best place to start and grow a digital business
 - World class digital infrastructure – ensure everyone can access a fast, reliable and resilient network
 - A smarter, more intelligent City Region – using technology and data to solve the City Region’s biggest challenges.
- 2.8 A number of these strands are taken from the Government’s Digital Strategy and mirror the Government’s ambitions to grow the economy through the opportunities that digital brings. The Leeds City Region framework will position digital as an enabler – and not the driver – in an attempt to solve some of the City Region’s biggest challenges.
- 2.9 For each of the five strands/outcomes, a facilitated pre-consultation workshop will take place during March. These will bring in a small group of key stakeholders to test some of the emerging thinking to date. Following this, a much wider online consultation process will take place in an attempt to capture the views and opinions of stakeholders across the City Region and across the five strands.
- 2.10 BIG Panel will receive a presentation at the meeting on 7 March setting out this emerging thinking.

Digital Inward Investment Fund

- 2.11 The Digital Inward Investment Fund is a £1 million funding pot that has been allocated from an overall £13.45 million programme secured under Growth Deal 3. The £1 million has been set aside specifically to support growth in the Leeds City Region digital economy, providing grants to inward investor businesses to help de-risk and bring forward new investments in the region.
- 2.12 The programme will support around 35 new inward investment projects and create over 175 new jobs in the City Region. An evaluation of the economic impact of the scheme has been undertaken, which found that the 170 direct jobs created through the scheme are likely to result in around 200 additional FTE jobs, generating £56m in net additional GVA (up to 2027).

- 2.13 Local design agency, The Engine Room, is in the process of designing a marketing campaign which includes creating a name and identity for the fund. The campaign is targeted towards growing digital businesses looking to expand or make a move into the UK who are currently based in London or international locations particularly USA, Canada, India and China. The campaign also aims to engage intermediary organisations, sector stakeholders and national and trade media focused upon the technology and investment sectors.
- 2.14 On Tuesday 16 January 2018, the Engine Room facilitated a workshop with key stakeholders to support the development of creative concepts and messaging for the fund. The design of the campaign will be completed in March in preparation to formally launch the fund in June to coincide with 'London Tech Week' (11 - 17 June 2018).

Digital skills campaign

- 2.15 The Digital Skills Campaign is being developed to address the digital skills gap in the Leeds City Region and is due to be launched in spring this year. The aim of the campaign is to promote digital careers across the region to individuals, to highlight the range of roles in digital across all sectors and to support individuals to upskill/retrain/train in digital skills.
- 2.16 The campaign is seeking to develop collaboration across the region with businesses, educational institutions and providers to develop a model of bringing information together to enable individuals to engage with opportunities in training, business engagement/visits to the workplace and employment opportunities, to develop or start their career in a digital role.
- 2.17 Focus groups have taken place with individuals across the region to gain insights to inform the messaging of the campaign and early findings have shown that people support the idea that existing personal attributes could be attributed to a digital role, for example somebody who excels at problem solving could have the aptitude for a software development position. There is also demand for digital roles to be de-mystified. Work is underway on further collaboration with businesses and providers across the region, to develop the campaign model.
- 2.18 Interested businesses or partners are asked to contact Becky Collier becky.collier@westyorks-ca.gov.uk

3 Financial Implications

- 3.1 There are no financial implications directly arising from this report.

4 Legal Implications

- 4.1 There are no legal implications directly arising from this report.

5 Staffing Implications

5.1 There are no staffing implications directly arising from this report.

6 External Consultees

6.1 See text in main body of report.

7 Recommendations

7.1 That the Panel note the contents of the report and provide feedback at the meeting.

8 Background Documents

None.

9 Appendices

None.

Report to: Business Innovation and Growth Panel

Date: 7 March 2018

Subject: Trade and Investment Plan 2018/19

Director(s): Sue Cooke, Executive Head of Economic Services

Author(s): David Shepherd

1 Purpose of this report

- 1.1 To provide the BIG Panel with a progress report on Trade and Investment activity in 2017/18 and consult on the proposed Trade and Investment plan for 2018/19.

2 Information

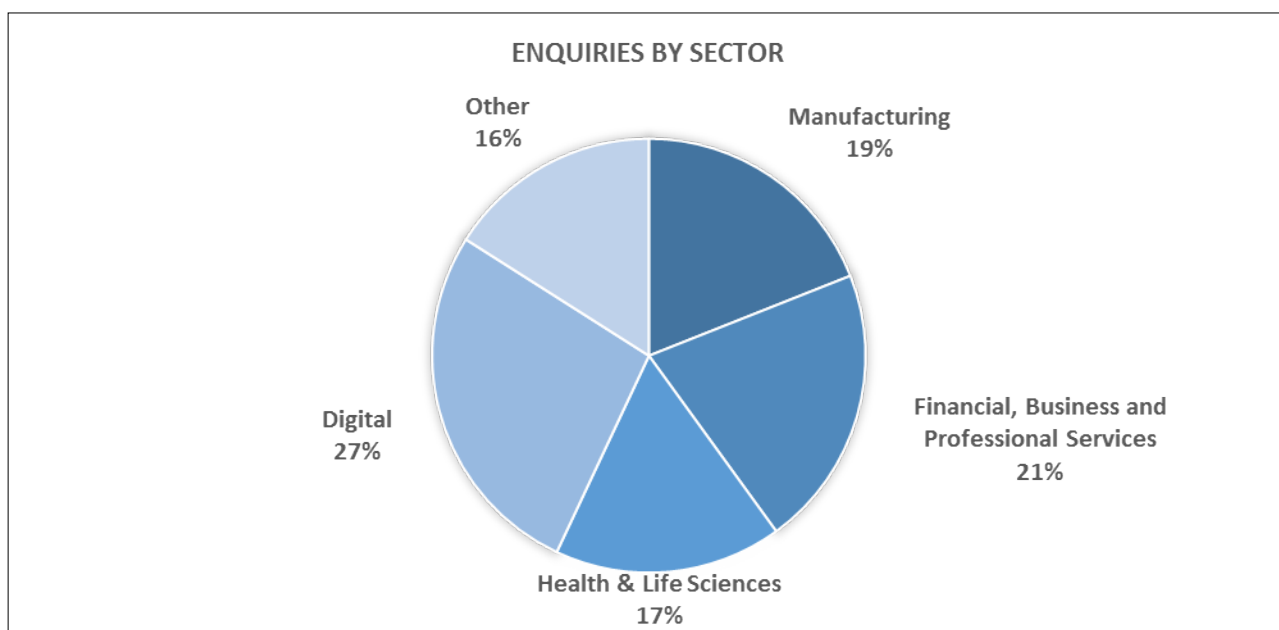
Progress on Trade and Investment Plan 2017/18

Inward Investment - new investments

- 2.1 The team has exceeded its target for 1000 new jobs created, having secured commitment for 2,505 new jobs and is close to its project target of securing 20 new inward investment projects, with 18 successes in the year to date. There have been eight new investments since the last panel report in December, creating 1,147 new jobs, and safeguarding 400 jobs. These are as follows:

- **Ilke Homes** – 936 new jobs
- **Covéa Insurance** – 150 new jobs
- **Kora Healthcare** – 20 new jobs
- **Metaldyne International UK Ltd** – 17 new jobs
- **Sonocent** – 10 new jobs
- **Hudl** – 12 new jobs
- **IMC** – 2 new jobs
- **Project Raspberry** – 400 safeguarded jobs

- 2.2 On the enquiry pipeline there is a strong mix of enquiries across our priority sectors as shown below.



- 2.3 There are 26 Category A enquiries which receive higher priority and have received 14 new enquiries since the last Panel meeting.

Inward Investment - recent developments

- 2.4 An entry has been submitted to the Financial Times Foreign Direct Investment Awards 2018 on behalf of the Leeds City Region. The awards assess the activities of investment promotion agencies as part of a benchmarking report. The Trade & Investment team has been informed that the LEP has won an award for best FDI Strategy.
- 2.5 Working in partnership with Medilink, the City Region exhibited in the UK Pavilion at Arab Health, from 29 January to 1 February 2018 with a joint trade and inward investment focus. The stand generated a high level of interest, including for local companies participating. Objectives at the event were to raise the profile of Leeds City Region as a key centre for innovative healthcare businesses and expertise in the UK and explore future trade opportunities/initiatives for the Leeds City Region healthcare sector in the Gulf States. Plans are now being considered to attend again in 2019 with a larger cohort of businesses.
- 2.6 The Trade and Investment team continued its attendance at Fintech Connect Live in London, a key promotional event of Fintech in the Leeds City Region, with a stand being taken to the Excel Centre in London. Attendance at this event produced 7 potential leads and 45 new contacts made in the digital sector.
- 2.7 The Trade and Investment team has begun to establish its key account management programme with support from the Department for International Trade (DIT). This will provide crucial support and engagement to foreign owned businesses in the region, working with and complementing existing

activity in local authorities. Interviews and appointment of members of staff for the new Investor Development team will take place in March.

- 2.8 West Yorkshire Combined Authority is finalising preparations for attendance at MIPIM 2018 with a strong private sector and local authority delegation. This year record levels of private sector sponsorship has been raised, which will fund an enhanced exhibition space and event programme.

International Trade

Trade Performance and Outlook

- 2.9 An overview of the current trade performance and outlook is attached at Appendix 1.

Trade plan progress

- 2.10 In December, the UK representative of Kaola.com made her first visit to the region and met with five businesses from the list of potential suppliers submitted to Kaola.com. Initial feedback was very positive and her return to the UK in March is now awaiting confirmation when a further visit to meet with a wider selection of businesses is anticipated.
- 2.11 Also in December, a Regional Supplier Event was hosted on behalf of the Department for International Development (DFID), which had 45 organisations in attendance. With a keynote speech by the Minister of State for International Development, The Rt. Hon Lord Bates, the event focused on helping local businesses and organisations explore opportunities to win business delivering overseas aid and development contracts. Feedback from those who attended was very positive with requests for further activity looking in more detail at the DFID supply chain and specific opportunities.
- 2.12 Between 15 and 17 January, a group of food and drink buyers from European markets of Germany, France, Switzerland and Austria was hosted at a Meet the European Food & Drink Buyer Event, which took place at the Pavilions of Harrogate. The event included workshops, 1:1 meetings and a marketplace event. During the event, there were 154 meetings with the buyers and over 50 companies participating in the marketplace activity. Partners for this event were the Department for International Trade (DIT), RTC, Deliciously Yorkshire and Santander.

Trade Delivery partners progress

- 2.13 A new Exporting for Growth (EfG) Export Co-ordinator has now been appointed for the Leeds City Region by the delivery contractor, to work with partners across the City Region to support the work to improve the reach, quality, co-ordination and take-up of export services.

- 2.14 The European funded EfG grant programme has issued 189 grant offer letters to the end of January 2018 offering a total of £747,712 in grant support to 53 businesses in the City Region. Of those 32 are new exporters.
- 2.15 In terms of the businesses accessing the support, the greatest interest is from the creative and media, food and drink and business and consumer services sectors. The most popular activity supported is trade missions and market visits with Dubai/UAE, USA and Germany/Europe being the most popular markets.
- 2.16 Export Exchange has continued with its regular events with a China focused event at Huddersfield Town FC in November and a networking event in Leeds in February which attracted 51 attendees. The next event will take place on 19 March in Harrogate with a panel featuring some of the region's leading exporters discussing the various routes chosen by them when entering new markets, whether via direct set up in the overseas territory, through a distributor or an agent, or online.

Trade and Investment Plan 2018-19

- 2.17 To focus the work of the team, and maximise the effectiveness of activities within available resources, a number of objectives are proposed as follows.

Inward Investment

- Greater emphasis on identifying and securing high value projects (50+ jobs)
- Attract global investors to the region via the promotion of the Leeds City Region key sector propositions
- Refine key sector messages to be more focused on core sub sector strengths, capabilities and academic centres of excellence. The key sectors and core subsectors are as follows:
 - Digital technologies (data analytics, cyber security, media & sports tech)
 - Healthcare and life sciences (health informatics, Medtech, diagnostics & precision medicine)
 - Advanced engineering and manufacturing (particularly mission critical components – gears, pumps, valves and turbos)
 - Business, professional and financial services (payment processing, Fintech)
- Strengthen relationships with London and in key overseas markets with greatest opportunity aligned to the sectors above
- Execute a more campaign-led international place marketing strategy
- Establish an Investor Development team, which will deliver strategic support to foreign owned business within the region. This project will allow further encouragement in terms of job creation, safeguarding and foreign investment into key projects within our city region, particularly under the current climate of uncertainty surrounding Brexit.

International Trade

- Continue the international marketing campaign to drive export awareness and performance, with a particular focus on market opportunities in the Gulf States, China, and further consideration of the Indian market.
- Ensure the Leeds City Region Enterprise Partnership (LEP) services continue to support the export agenda (i.e. Growth Managers)
- Use the Investor Development team to engage with the Leeds City Region's major foreign owned exporters
- Develop a robust narrative around the Leeds City Region export trends and performance
- Deliver 10 relevant Leeds City Region export initiatives (focus particularly on business-to-business initiatives i.e. high value campaigns (HVCs), trade delegations
- Encourage Leeds City Region regional trade delivery bodies to cross sell each other's services
- Develop a regional trade model that all partners subscribe to and can be publicised
- Influence the delivery / operational model of the next national DIT Trade Delivery contract
- Promote major exporters in the city region to repatriate their export performance to the Leeds City Region via HMRC data

2.18 Key performance indicators for the above are given in the Combined Authority's draft business plan, which will be finalised in April 2018.

Key Sector Messages

2.19 The key sector messages have been further refined. The objective behind this is to project a sharper message to potential inward investors and portray the leading sector capabilities in a much clearer way – especially in those sub-sectors and markets where investment flows are occurring most frequently. These messages can be found for information in **Appendix 2**.

Forward Plan of Activity for 2018/19

2.20 There are six major initiatives which the team is proposing to undertake across key sectors and markets, informed by experience from previous involvement and alignment to the objectives above. A number of relevant supporting initiatives have also been identified, which will be dependent on time and resources.

2.21 Major initiatives:

Month	Event	Key Sector	Summary	Location
June	London Tech Week	Digital Technologies	Technology and Digital showcase events throughout the week.	London, UK
June	China/ Hong Kong delegation	Trade	Civic and private sector delegation to key focus areas including Hangzhou (Hi-Tech zone), Qingdao (UNESCO and Hisense), Shanghai and Hong Kong	Hangzhou, Qingdao, Shanghai and Hong Kong
September	Med-Tech Conference	Healthcare and Life Sciences	An outward mission to attend the Med-Tech exhibition in Philadelphia.	Philadelphia, USA
November	Smart City Expo World Congress	Digital Technologies	Attending with a delegation of Digital Technology companies from the region.	Barcelona, Spain
January	Arab Health	Healthcare and Life Sciences/Trade	Returning to the exhibition after a successful trip in January 2018.	Dubai, UAE
March	MIPI Property Conference	Other	MIPI Cannes is the world's leading property conference, and Leeds City Region will be delivering its most ambitious programme to date, in order to build on our reputation as the North's leading location for FDI.	Cannes, France

2.22 Other relevant supporting initiatives that the Trade and Investment Team propose to be involved with include:

Month	Event	Key Sector	Location
March	Innovate Finance	Financial and Professional Services/Digital Technologies	London, UK
April	FinTech North	Digital Technologies	Leeds, UK
April	Leeds Digital Festival	Digital Technologies	Leeds, UK
June	Automechanica	Advanced Manufacturing	Birmingham, UK
September	Innotrans	Advanced Manufacturing	Berlin, Germany

October	MIPIM UK (TBC)	Other	London, UK
October	Boston – LCR Outward Delegation (TBC)	Other	Boston, USA
November	Valve World Expo	Advanced Manufacturing	Dusseldorf, Germany
November	The City UK Conference	Financial and Professional Services	Birmingham, UK
December	FinTech Connect	Digital Technologies	London, UK

3 Financial Implications

- 3.1 Private sector contributions are secured which cover the majority cost of the MIPIM programme each year. There are no additional financial implications beyond existing approved budgets directly arising from this report.

4 Legal Implications

- 4.1 There are no legal implications directly arising from this report.

5 Staffing Implications

- 5.1 There are no staffing implications directly arising from this report.

6 External Consultees

- 6.1 No external consultations have been undertaken.

7 Recommendations

- 7.1 That the update on Trade and Investment activity in 2017-18 be noted.
- 7.2 That comments on the outline Business Plan for 2018-2019 be provided prior to submission to the LEP Board for approval.

8 Background Documents

None.

9 Appendices

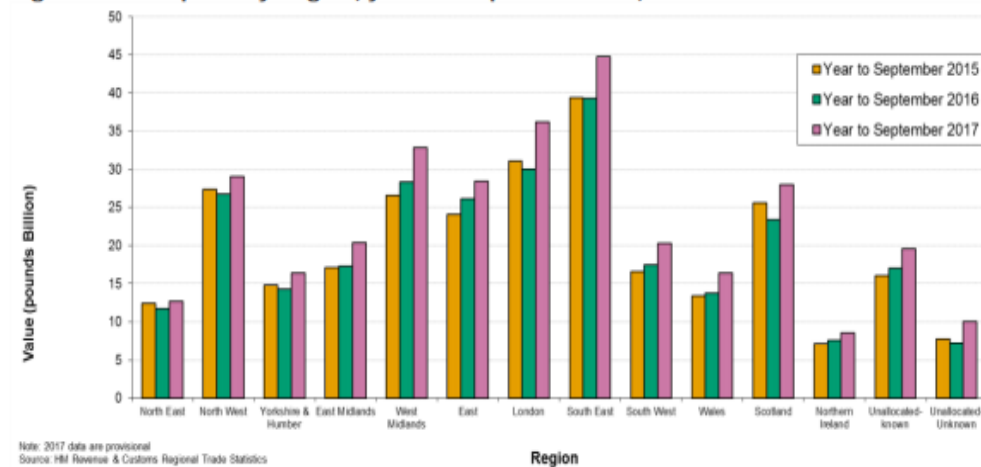
Appendix 1 – Trade Performance and Outlook

Appendix 2 – Key Sector Messages

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Trade Performance and Outlook

Figure 2: UK Exports by Region, years to September 2015, 2016 and 2017



- 1.1 In the year to September 2017, the overall value of UK trade in goods exports increased by 16% compared with the same period last year. There was an increase in annual export value for all English regions, with Yorkshire & the Humber showing an increase of 15%.
- 1.2 The total number of UK businesses exporting increased by 2.6%, between Quarter 3 2016 and Quarter 3 2017. The number of businesses in Yorkshire & the Humber grew by 1.7% over the same period.
- 1.3 The British Chambers of Commerce Quarterly Economic Survey for Q3 2017 shows that exporters in the manufacturing sector are enjoying strong sales and orders in foreign markets and are also reporting improvements in domestic sales and orders.
- 1.4 The BCC/DHL Trade Confidence Index, a measure of the volume of trade documentation issued nationally, increased by 2.3% on Q2 2017, and increased by 4.0% on Q3 2016. After a fall in the growth of export documentation volume in Q2 2017, most regions have rebounded in Q3. The largest quarter-on-quarter increase was in Yorkshire and the Humber at 27.4%.
- 1.5 The EEF/BDO Manufacturing Outlook survey for Quarter 4 2017 also shows export orders increasing for the fourth quarter in a row. Particular improvements in demand are showing across Asia and North America with EU markets also showing a notable improvement in demand. The trend in global demand is expected to continue, but at a slower pace.

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Key Sector Messages

Key Subsector	Message	Background
Advanced Engineering and Manufacturing	<i>'When the mission is critical we are in control'</i>	<ul style="list-style-type: none"> The region is the major supplier of mission critical components such as pumps, gears, valves and turbo's The highest concentration of overall manufacturing (127,422) and advanced manufacturing employment in the country (37,813) The manufacturing sector in Leeds City Region adds £7bn to the UK economy annually
Data Analytics	<i>'Data is our currency'</i>	<ul style="list-style-type: none"> Between NHS Digital, TPP and EMIS, Leeds City Region has the highest concentration of health informaticians in the country. Major private sector data expertise in Callcredit, Experian, Equifax, and Axciom An open data culture exemplified by the Leeds Data City initiative – inviting data analysts to collaborate solving city problems with data
Payment Processing	<i>'When you swipe, we back you up'</i>	<ul style="list-style-type: none"> Six in every ten foreign exchange transactions globally take place on systems built by Leeds based IT and software development specialist BJSS Major payments companies in the region include TSYS, Vocalink (Mastercard), Worldpay, Contis, and Iliad Systems
Fintech	<i>'Home to Europe's largest digital banks and building societies'</i>	<ul style="list-style-type: none"> Europe's largest digital bank Lloyds Banking Group was established here and employs over 13,000 people across its 4 HQ sites in our region 3 of the 5 largest building societies – all modernising their technology platforms and operations. A strong culture and a heritage of financial services:

		<ul style="list-style-type: none"> ○ YBS - Est 1864 with c. 1,500 staff ○ Halifax (now Lloyds) - Est 1853 with c.13,000 staff in LCR ○ Leeds Building Society - Est 1875 with c. 1,000 staff • We are specifically looking for examples that demonstrate that: <ul style="list-style-type: none"> ○ Higher and Further Education establishments are quickly mobilising their expertise to create anchor institutions and facilitate wider provision of relevant courses in computer sciences, risk, finance and importantly compliance. ○ How you are accelerating initiatives that develop innovation in financial services
Cyber Security	<i>'Securing data without a glitch'</i>	<ul style="list-style-type: none"> • Global cyber security specialists BAe Systems employs 200 people in Leeds • IXLeeds is one of three internet exchange operators in the UK and the only operator based outside of London. The presence of this exchange offers London-independent network resilience, supporting the 'always on' needs of UK infrastructure • Leeds is also home to the Regional Cyber Crime Unit for Yorkshire and Humber, dealing with the most serious cyber offences
Health Informatics	<i>'Sharing healthcare data – we hold the records!'</i>	<ul style="list-style-type: none"> • Only unified Healthcare Electronic Records shared by GPs & Hospitals in UK • First region in UK to centralise patient healthcare records • Home of NHS Digital over a quarter of all the UK's digital health jobs

		<ul style="list-style-type: none"> • Leading patient record providers TPP and EMIS are both HQ'd in Leeds
Medtech	<i>'Converging artificial intelligence, robotics and digital health'</i>	<ul style="list-style-type: none"> • 4 out of 5 NHS England headquarters, 13 clinical commissioning groups and 12 NHS trusts offering an unrivalled business opportunity for companies within the medical technologies sector • Largest concentration of medical device companies in the UK with a cluster of over 200 different businesses • Europe's largest teaching hospitals - the Leeds Teaching Hospitals Trust (LTHT), which has an annual budget of £1bn, 16,000 staff and treats 1.5m people each year, 12,000 of which are engaged in commercial trials of innovative drug treatments and medical devices • 9% of MedTech patents submitted by UK inventors originated in the Leeds City Region
Diagnostics & Precision Medicine	<i>'Where bio-pharma is going mainstream'</i>	<ul style="list-style-type: none"> • Leeds City Region is home to six world-leading life sciences clusters of academic excellence and commercial innovation • Top tier bio-pharm corporation Covance undertakes its major drug development and biologics research in our region • An ecosystem that can facilitate progression across the full spectrum of Drug Discovery, Evaluation and Adoption
Media & Sports Tech	<i>'Analysing sports data and broadcasting it to the world'</i>	<ul style="list-style-type: none"> • Leeds City Region is home to a growing cluster of sports data and tech companies including: Perform Group, Sky Bet, Sky, William Hill,

		<p>Catapult, ProZone and Ole Media</p> <ul style="list-style-type: none"> • Sky Bet employs over 1,200 people in Leeds, and has recruited over 40 graduates in the last two years. The company adds £126m GVA to the regional economy each year • Leeds based Perform Group has 1500 employees working across 25 different global territories, and has over 850 B2B clients including UEFA, New Balance and Samsung
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Report to: Business Innovation and Growth Panel

Date: 7 March 2018

Subject: **Business Planning and Budget 2018/19**

Director(s): Angela Taylor, Director of Resources

Author(s): Angela Taylor and Sue Cooke

1 Purpose of this report

- 1.1 To advise the Panel of the work underway to progress business and budget planning for 2018/19.

2 Information

- 2.1 At the last meeting of the Combined Authority in February, the budget and outline business plan for 2018/19 were agreed, following consultation with the LEP Board in January.
- 2.2 Further work will take place to work up more detailed business plans and associated key performance indicators, which will form part of the Corporate Plan due for approval in April.
- 2.3 A number of measures to align revenue income and expenditure over the three year period have been examined. The revenue budget is attached as **Appendix 1**.
- 2.4 The business plan is shown at **Appendix 2**, by directorate. Members will see that work to support the Panel is provided by all Combined Authority directorates, particularly with policy priorities developed by Policy, Strategy & Communications, and the delivery of business support, skills and inward investment services led by Economic Services and capital projects by Delivery directorates respectively.

Budget overview

- 2.5 The budget will not remain static over the financial year, as bids for funding will be progressed throughout the year and any new resources will be adopted into the Combined Authority budget accordingly. Some new and continuation

services are, therefore, still subject to confirmation of such funding. Key elements of the budget affecting the LEP/Combined Authority Panels are set out below.

- 2.6 LEP subscriptions/government funding: the Leeds City Region local authorities pay subscriptions to support the activities of the Leeds City Region Enterprise Partnership. These continue unchanged at £0.7m and will be supplemented by government funding of £0.5m. This level of government funding has also remained unchanged for a number of years and it should be noted that the same amount is paid to each LEP irrespective of the size and shape of each region.
- 2.7 Enterprise Zone (EZ) receipts: The Combined Authority took on the inward investment function of the former Leeds and Partners in April 2015. The costs of this function (circa £1.5m) were to be met through business rates income from the two EZs in our region – Leeds Aire Valley and the multi-site M62 corridor – as this income accrues to the Combined Authority as the accountable body for the LEP.
- 2.8 The timing of new businesses opening on the EZs as well as the formal valuation of them has been slower than anticipated and to date actual income has not met forecast levels. This has resulted in a funding timing difference in previous years, necessitating Combined Authority funding the costs of the inward investment team through the use of reserves.
- 2.9 The latest forecasts are included in the figures at Appendix 1 and demonstrate that the income is now almost on track to meet the in-year costs of the inward investment activity. Work is continuing to fully understand the timing of the payment of EZ business rates to the Local Authorities and the risk of appeals to rateable values and this may result in the actual income in 2018/19 exceeding that assumed in the budget. There is also a need to consider how to encourage further businesses to locate to the two EZs in our region and to recognise that further upfront investment, potentially through capital budgets, may be required to achieve this.
- 2.10 Business skills and employment: this income funds the work of the Economic Services team in providing support to businesses, skills programmes and business growth grants. These funding streams are awarded to the Combined Authority usually on a fixed term basis with a requirement to spend in that time period. This gives no certainty to being able to continue with these workstreams in future years – the 2018/19 budget reflects the awards made for that year.
- 2.11 Funding streams secured previously include Apprenticeship Grants for Employers, Enterprise in Education funding, the Skills Service and Business Growth Service. The Combined Authority will continue to pursue opportunities to secure further funding streams in these work areas, including bids for EU funding.
- 2.12 New developments in the 2018/19 business plan include the following:

- Introduction of a key account management team to support investor development with larger foreign-owned firms based in Leeds City Region, with the objective of supporting them to safeguard jobs and stay in the region and attract any further floating global investment opportunities;
- Redesign of the locally delivered Apprentice Grant for Employers (AGE) to maximise uncommitted funds by targeting priority sectors, where employers have had no previous apprentices and pay the minimum wage;
- Consideration of 'grant conditions' to link inclusive growth commitments to the award of capital grants over £50,000 to businesses in the city region;
- Launch of the new digital soft-landing scheme and development of further measures to address the digital skills shortage and attract more 'tech talent';
- Expanding the work of the Enterprise in Education team to extend further support to schools in the Bradford Opportunity Area and other employer-led initiatives, with a strong focus on improving social mobility for disadvantaged pupils.

3 Financial Implications

3.1 As set out in the report.

4 Legal Implications

4.1 As set out in the report.

5 Staffing Implications

5.1 As set out in the report.

6 External Consultees

6.1 No external consultations have been undertaken.

7 Recommendations

7.1 That the Panel notes the business plan and budget for 2018/19.

8 Background Documents

None.

9 Appendices

Appendix 1 – West Yorkshire Combined Authority Summary

Appendix 2 – Draft Business Plan Summary

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WYCA Summary - 2017/18 to 2018/19 (and 2019/20 - 2020/21)

	2017/18 Forecast	2018/19					2019/20	2020/21
	Total £	Salary & Pay Related £	Salary Recovery £	Other Expenditure £	Other Income £	Total £	Total £	Total £
Transport Services								
Subsidised Services	19,181,000	0	0	27,397,250	(8,710,000)	18,687,250	17,345,421	15,851,650
Bus Station & Services	4,917,328	3,649,676	0	6,349,153	(5,654,284)	4,344,546	4,417,539	4,491,993
Concessions + Integrated Ticketing	55,755,478	0	0	56,270,200	0	56,270,200	57,676,955	59,118,879
Prepaid Tickets Income	0	0	0	31,500,000	(31,500,000)	0	0	0
Passenger Information	1,303,055	1,478,349	0	323,024	(617,993)	1,183,380	1,212,947	1,243,105
Travel Centres	498,516	568,798	0	40,340	(80,000)	529,138	540,514	552,117
Telematics	810,118	200,382	0	763,050	(226,000)	737,432	741,440	745,527
Transport Services	82,465,495	5,897,205	0	122,643,017	(46,788,277)	81,751,945	81,934,816	82,003,271
Delivery	(145,262)	3,401,966	(3,740,650)	56,200	0	(282,484)	(289,258)	(296,167)
Economic Services	1,356,314	2,657,421	(576,725)	5,738,783	(6,958,932)	860,548	1,092,161	1,134,608
Policy, Strategy & Communications	4,210,592	5,219,803	(317,596)	855,771	(254,224)	5,503,754	5,515,798	5,545,803
Resources	5,219,319	3,107,347	0	2,088,408	0	5,195,755	5,213,902	5,277,292
Corporate	7,292,512	830,952	(1,355,000)	8,992,287	(2,379,520)	6,088,719	6,263,226	6,618,793
Other Directorates	17,933,475	15,217,489	(5,989,971)	17,731,449	(9,592,676)	17,366,292	17,795,830	18,280,329
Capitalisation	(1,000,000)	0	(1,500,000)	0	0	(1,500,000)	(1,530,000)	(1,560,600)
Enterprise Zone Receipts	(712,000)	0	0	0	(1,968,000)	(1,968,000)	(3,804,000)	(6,525,000)
Transport Levy	(95,198,000)	0	0	0	(94,198,000)	(94,198,000)	(93,198,000)	(92,198,000)
Other	(96,910,000)	0	(1,500,000)	0	(96,166,000)	(97,666,000)	(98,532,000)	(100,283,600)
Further Resources Required	3,488,971					1,452,237	1,198,646	0
Transfer from Reserves	(3,488,971)					(1,452,237)	(1,198,646)	(0)
Balanced Budget	0					0	0	0

		Table 3			
CAPITAL FUNDING	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	TOTAL £000
Local Growth Fund	72,228	74,349	73,510	100,338	320,425
Local Growth Fund C/Fwd	73,160				73,160
Leeds Public Transport Investment Programme	21,000	48,700	49,100	54,700	173,500
Local Transport Plan Integrated Transport	13,104	13,104	13,104	13,104	52,416
Local Transport Plan Integrated Transport C/Fwd	780				780
Highways Maintenance Block	25,971	23,507	23,507	23,507	96,492
Highways Maintenance Incentive Funding	2,432	4,896	4,896	4,896	17,120
Pothole Action Fund	3,857	2,231			6,088
National Productivity Investment fund	6,925				6,925
DfT Cycle City Ambition Grant	14,641				14,641
West Yorkshire Cycling and Walking Fund	2,140				2,140
Ultra Low Emission Vehicles	495	495	990		1,980
European Regional Development Fund	2,968	1,823			4,791
Broadband UK (BDUK)	2,968	1,823			4,791
Growing Places Fund	3,740	4,426	4,929	2,365	15,460
HS2	1,079				1,079
One Public Estate	385	160			545
Capital Receipts	600				600
Carry forward from prior year		73,653	59,469	7,500	
WY+TF Borrowing	0	5,300	13,537	103,369	122,206
TOTAL	248,473	254,467	243,042	309,779	915,139

		Table 5			
CAPITAL EXPENDITURE	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	TOTAL £000
Growth Deal	100,150	102,080	105,960	129,350	437,540
Call For Projects	0	14,282	42,847	85,693	142,822
Leeds Public Transport Investment Programme	2,000	15,000	40,000	50,000	107,000
Local Transport Plan Integrated Transport	13,100	13,104	13,104	13,633	52,941
Ultra Low Emissions Vehicles	180	1,027	1,028	0	2,235
Highways Maintenance Block	25,970	23,507	23,507	23,507	96,491
Highways Maintenance Incentive Funding	2,432	4,896	4,896	4,896	17,120
Pothole Action Fund	3,857	2,231	0	0	6,088
National Productivity Incentive Fund	6,925	0	0	0	6,925
DfT Cycle City Ambition Grant	10,547	4,094	0	0	14,641
West Yorkshire Cycling and Walking Fund	1,019	1,121	0	0	2,140
WY Broadband Programme	5,936	3,646	0	0	9,582
Growing Places Fund	800	4,550	2,000	2,000	9,350
HS2	1,079				1,079
One Public Estate	385	160			545
WYCA Corporate Projects	440	5,300	2,200	700	8,640
TOTAL	174,820	194,998	235,542	309,779	915,139

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WYCA 2018/19 Draft Business Plan Summary

DELIVERY DIRECTORATE	
<p>Delivering the right projects whilst providing value for money</p> <p>Ensuring the delivery of a portfolio of projects and programmes within the agreed cost, time and quality framework, which meet our strategic priorities and derive maximum benefit for the region</p>	
2018/19 Priorities	Resource Lead
<p>Facilitating partner delivery of 57 No. projects, value c£72.971m in the West Yorkshire Transport Fund (WYTF), Leeds Public Transport Infrastructure Programme and City Connect Ambition Grant (CCAG) programme:</p> <ul style="list-style-type: none"> • Provision of new and enhanced cycle routes from the completion of CCAG phase 2 projects at: Castleford to Wakefield phase 2&3; Canals projects; York Scarborough Bridge; Bradford Canal Road; & Leeds City Centre. • Completion of the WY+TF schemes at Kirkgate, Wakefield and A629 (1a) Halifax • Progression of the following schemes through the Assurance Framework to OBC stage: LBIA Link road; Tong Street; Bradford to Shipley Corridor; M2D2L (A653); A62/A644 Cooper Bridge; Halifax Station Gateway; A629 Phase 5; Corridor Improvement Programme junction improvements across West Yorkshire. • Progression of the following schemes through the Assurance Framework to FBC stage: Ings Road Wakefield; York Outer Ring Road (further junctions); ELOR; A629 Phase 1b; A629 Phase 2; Bradford Forster Square; Hard Ings Road, Bradford; UTMIC Phases 1 & 2; Corridor Improvement Programme junction improvements across West Yorkshire • Provision of direct project manager and transport planner expertise (x8 FTE) to West Yorkshire & York partners to support delivery of WY+TF projects. • Contract management of consultancy support commission to West Yorkshire & York partners to support delivery of WY+TF projects. 	<p>Transport Partnerships Team (including x8 FTE supporting direct delivery for WY districts)</p>
<p>Leading the implementation of other significant Transport Projects (46 No.; value c£15.762m) in 2018/19 including:</p> <ul style="list-style-type: none"> • Completion of Bradford Interchange Accessibility & Upgrade Works to provide H&S improvements with improved operational practices. • Progress preferred option for Halifax Bus Station to outline business case and full business case approval to achieve operational, economic and social benefits. 	<p>Transport Projects Team (direct delivery)</p>

<ul style="list-style-type: none"> • Start on site for first phase of West Yorkshire's ULEV (taxis) project with aim to achieve 5.1% ULEV taxis by 2020 positively contributing to improvements in air quality. • Completion of detailed design, GRIP5 and start on site for Castleford Rail Station Gateway to provide enhanced passenger facilities. • Implementation of the New Station Street scheme in Leeds to improve the public realm, pedestrian experience and public safety. • Provide funding contract management support to facilitate completion of 10 bus hotspot schemes to reduce congestion impacts & improve the customer experience • Progress preferred option for a Rail accessibility scheme at Horsforth Rail station whilst coordinating proposals at Cross Gates and Morley with Network Rail's TRU Programme. • Commencement on-site of 3 rail station car park extensions as part of a +2000 parking spaces programme. • Develop outline designs for four new West Yorkshire rail stations. Achieving Approval in Principle for the preferred option from Network Rail, and Outline Business Case approval under WYCA's Assurance Framework. • Closing final accounts for rail legacy projects at Kirkstall Forge, Apperley Bridge, Low Moor and LSSE. • Completion of Real Time Information installations at Morley and South Elmsall Hubs. 	
<p>Facilitating Economic Regeneration 61 No. Projects with a value of c£45.166m (including skills capital & innovation, Housing & Regeneration, Broadband and Better Homes), with targets of:</p> <ul style="list-style-type: none"> • Completing phase 2a and 2b of skills capital & Innovation projects (delivering 6,684 sqm of new build floorspace and 2,500 sqm of refurbished floorspace) • Enabling 200 new homes at Bolton Woods and Beech Hill • Enabling 8,000 sqm of commercial floorspace across York Central/York Guildhall • £3.2m LGF spend on tackling fuel poverty • Delivery of 524 CHS as part of the Warm Homes Fund • Broadband infrastructure to cumulatively deliver 43,086 Total Homes Passed of which 35,679 superfast (>24mb/s) • Enable a further 250 homes and 200 jobs through Growing Places Fund loans 	<p>Economic Regeneration Team (currently non-direct delivery, but may adapt during year to assist partner delivery)</p>

<ul style="list-style-type: none"> • £4m GD spend on Leeds District Heat; £20m total project spend (total contract value £21.3m, Heat On via gas Q1 1920, Heat On via RERF Q2 1920) • 1,000 homes improved through Better Homes Yorkshire Programme • Finding innovative ways to unlock further housing and economic growth with partners to enhance viability, improve developer confidence and deliver essential upfront infrastructure. 	
<p>Completion of the current Smartcard and information Programme (SCIP) projects (5 No., £1m value) with significant improvements to our customer offer and Phase 5 going live in March 2019, including:</p> <ul style="list-style-type: none"> • Handover of 5 new Mcard ticket machines to Transport Services directorate, enabling customer self-serve • “Hotlisting” capability launch to block lost, stolen, damaged smartcards and improve the customer refund offer • Launch operator only bus products on the Mcard smartcard platform • Launch of the “travly” journey planning and mobile ticketing app • Launch of blind/ disabled, personal annuals and corporate annuals on the online card management system for self-serve functionality • Review future programme potential with Policy directorate and future resource requirement 	Smart Card Implementation Programme Team (direct delivery)
To monitor and manage delivery efficiency through robust governance procedures and resource planning. Explore innovative ways to minimise delivery constraints such as skills shortages and district capacity constraints and to stimulate land owner & market interest to achieve jobs and homes targets	Director and Heads of Service in partnership with Policy and Economic Services Directorate
Providing Feasibility and Assurance services across all portfolio’s work including overseeing further calls for projects and re-profiling of programmes. The estimated value of the call projects for 2018/19 is £14.2m	Feasibility and Assurance Team
Managing the Assurance process, monitoring and reporting of progress, spend and benefits, (including the oversight of the £30.6m Highways Maintenance block) further development of project management controls, including risk & cost management and embedding the Portfolio Information Management System (PIMS).	PMO Team
Leading the head office refurbishment project (£3.5m) and supporting the flexible ways of working project	Staff from the PMO team
Further development of policies, processes and working practices to maximise staff retention and embed the culture of a high performing team with ambition to become the ‘Go To’ source of project/programme management expertise for the organisation and partners	Led by Director and Heads of Service

Develop and implement a strategy for resourcing corporate projects and revenue funded projects, through further workforce resource planning and cross-directorate liaison on pipeline requirements	Led by Director in partnership with Director, Resources	
Further work with the Policy Directorate to better define the boundary between the Policy and Delivery Directorates and agreeing handover terms	Led by Director and Heads of Service in partnership with Policy Directorate	
Budget and Resources		
2017/18 Revenue Budget	Expenditure	£2.451m
	Income	(£2.450m)
	Net	£0.001m
2018/19 Revenue Budget	Expenditure	£3.458m
	Income	(£3.741m)
	Net	(£0.283m)
Net Revenue Budget change between years		(£0.284m)
Capital spend under the direct control of Delivery 2018/19		£183m (of the total £195m for 2018/19)
2018/19 FTE		71.72

ECONOMIC SERVICES DIRECTORATE	
<p>Delivering effective services to drive inclusive growth</p> <p>To attract global investors, support businesses to be more productive and inspire people to gain relevant skills, working with partners across all sectors.</p>	
2018/19 Priorities	Resource Lead
<p>Continue to provide support to help businesses grow and become more productive through the LEP Growth Service, and embed a range of ESIF funded business support programmes, with the targets of:</p> <ul style="list-style-type: none"> • Supporting up to 2,750 businesses that want to grow • Providing intensive support to 900 growth businesses • Supporting the creation of 500 jobs in businesses receiving intensive growth support, investing £5m in capital projects with an average cost per job of £12.5k • Supporting 100 high growth businesses to develop strategic growth plans • Delivering 12 'Pop-Up' business advice events including 6 in more disadvantaged areas 	<p>Business Support Team including: Growth Service, Strategic Business Growth Programme and Business Grants Team plus those below, with support from Comms</p>

Provide Resource Efficiency funding and advice to businesses with a target of supporting 80 businesses to reduce costs on energy, water and waste.	Resource Efficiency Team
Provide support and advice on accessing innovation services and funding with a target to support a further 70 businesses to undertake innovation activity.	Access Innovation Team
Deliver sustainable travel plan advice and services to businesses, recruiting 75 new businesses to the Travel Plan Network and generating over £7m in M-card sales.	Travel Plan Network Team
Work with schools and business leaders to deliver an enhanced model of employability, enterprise and careers education to reach over 160 schools and 12,000 disadvantaged students.	Enterprise in Education Team (+ new posts tbc subject to new funding)
Promote and advise on the benefits of apprenticeships to over 1,000 businesses (smaller funding envelope for 2018/19).	Skills Funding Manager and Apprenticeship Grants Team
Continued skills support for businesses, sector skills initiatives which upskill 1400 individuals in shortage areas; and development & monitoring of delivery agreements with FE colleges in readiness for the proposed devolved Adult Education Budget, in order to secure the right kind of vocational education & training provision to meet the skills demands on our economy.	Skills Funding Manager, Sector Skills Manager plus Digital Skills Coordinator & Economic Intelligence Manager (in Policy & Comms Directorate)
Attract global investors to the Region, undertake inward investment lead generation and deploy targeted grant funding, with the aim of creating 1,500 new jobs for the region and bringing 40 inward investment projects to the LCR.	Inward Investment Team and support from Comms team
Promote Leeds City Region investment propositions in the key sectors of advanced manufacturing; digital including fintech; healthcare and life sciences; and financial & professional services, with 180 investor meetings leading to 40 inbound visits hosted.	Sector leads in Advanced Manufacturing, Health & Life Sciences and Digital and support from wider Inward Investment Team above and Comms Team
Promote investor development, safeguard UK jobs and seek 'floating' investment opportunities within 120 internationally owned firms, in partnership with local authorities, seeking to identify 48 new investment projects from 240 meetings.	Key Account Managers (<i>new posts subject to funding</i>)
Inspire over 100 additional LCR businesses to export and 100 existing exporters to increase global trade, through the improved co-ordination of international trade services with partners, including through 10 new export initiatives.	International Trade Manager

Embed further the principles of inclusive growth into mainstream services through the targeting of employment & skills programmes towards low paid workers, focusing education support onto disadvantaged pupils, implementing employment brokerage to support employers to fulfil social value obligations within WYCA contracts, inspiring businesses to adopt leadership practices which support the progression of low paid workers, considering the application of specific grant conditions, adapting the inclusive growth narrative for inward investment and monitoring appropriate outputs.	To be led by the Executive Head of Economic Services and senior managers with support from PSC Directorate
Collaborate with Policy, Strategy & Comms colleagues on new digital and productivity-led services linked to the inclusive industrial strategy, including reviewing the application of sector prioritisation and considering productivity outputs alongside job outcomes.	To be led by the Executive Head of Economic Services and senior managers with support from the Head of Economic Policy
Refine the efficiency and effectiveness of our grant programmes and implement the recommendations from the grant review process, in line with the Assurance Framework, including a new partnership agreement for delivering support for smaller grants, as well as the inclusive growth principles above.	Head of Business Support & Business Grants Manager to lead with support from specific grant teams including T&I input
Accelerate digital careers activity and develop a digital talent offer as well as activity to address the future infrastructure skills needs linked to HS2 and other transport/regeneration investments, and replacement demand in manufacturing and engineering, including by securing and delivering additional ESIF programmes.	Head of Employment & Skills & Digital Skills Coordinator (in Comms) to lead with support from Enterprise in Education team to promote in schools and T&I team to connect to inward investors. Additional resources subject to ESIF & other bids.
Introduce/test activity to maximise local employment opportunities through major capital investments, including a business facing Gateway for local employment.	Head of Employment & Skills to lead, working with Delivery Directorate and Jobcentre Plus/Local Authority partners
Review the options for increasing the effectiveness of export support within the region, in collaboration with the Policy, Strategy and Communications Directorate, in order to help increase the region's export performance.	Head of T&I plus International Trade Manager to lead working with the network of trade partners.
Attract a greater number of transformational inward investments and assist to create a more resilient economy through strengthening links with existing foreign owned businesses.	Head of T&I plus Inward investment team to lead working closely with Comms & Marketing
Establish a specific KAM function within the Trade and Investment Team.	New KAM staff to be recruited (subject to funding being secured)
Work to develop a coordinated approach with local authorities to packaging investment opportunities more effectively in order to create more attractive offers for global investors.	To be led by Head of T&I with additional resource to be identified

Working with colleagues in Policy and Delivery to further develop the strategy for securing end user investment in Enterprise Zones.		To be led by Head of T&I with additional resource to be identified
Budget and Resources		
2017/18 Revenue Budget	Expenditure	£9.901m
	Income	(£8.620m)
	Net	£1.281m
2018/19 Revenue Budget	Expenditure	£8.396m
	Income	(£7.536)m
	Net	£0.860m
Net Revenue Budget change between years		£0.421m
2018/19 FTE		60.53

TRANSPORT SERVICES DIRECTORATE	
<p align="center">Connecting people to places</p> <p>To transform, through strong relationships with local partners and transport providers, the services provided by the CA to be efficient, community led and customer focused.</p>	
2018/19 Priorities	Resource Lead
Information	
Providing direct customer contact services including Metroline and driving efficiencies in running costs	Metroline and Customer Services teams
Coordinating the efficient production of passenger information and considering a range of alternative formats	Service Development Team (inc real time information)
Timetable data and content preparation and working with operators to drive a step change in the quality of raw data to increase efficiency	Data Team
Increase the proportion of information interactions/enquiries that are online to 98%	All
Retail	
Ensuring robust financial process are in place for administering concessions and Integrated ticketing services	Financial Processes Team
Delivering direct customer sales and information through Travel Centres including back office and reshaping the customer sales and information offer	Travel Centres team
Managing WYCA offices including the provision of a reception services and high levels of customer care for staff, partner organisations and visitors	Office Facilities Team

Increase the proportion of MCard sales via self-service/travel centre alternatives to 75% and increase the % of concessionary permits online to 70%	
Asset Management	
Managing our buildings, bus shelters and other on-street public transport infrastructure, aiming to increase income from property rental by 10%	Facilities and Assets team
Day to day running of our staffed and unstaffed bus station facilities continuing to seek efficiencies in running costs while delivering a quality customer experience	Bus Station Services team Cleaning staff
Bus Services	
Cost effectively coordinating and delivering transport services for those with personalised travel needs through AccessBus and home to school transport services for children with Special Educational Needs, seeking to reduce cost per passenger	Door to Door Transport Team and SEN team
Monitoring performance of local transport against contract specifications with the aim of increasing the quality of service.	Monitoring and Survey team
Procuring bus services, coordinating bus network changes and highway liaison, aiming to reduce overall expenditure by a net figure of 5% (taking account of inflation)	Bus Network and Highways Liaison team
Coordinating education transport services on behalf of District Councils to meet educational needs.	Education Transport Team
In 2018/9 the Directorate will also deliver a programme to transform Transport Services through:	
Information Devise and implement new strategy by June 2018 to move from a paper based information provision to a fully digital self service provision focused on live travel information “on the move” to drive efficiency and savings	Led by HoS and Information and Marketing Manager Policy Manager + assistant from PSC to support high level policy/horizon scan R&I analysis support
Retail Devise and implement new strategy by June 2018 to grow market for MCard with WY Ticketing Company introducing new retail channels including mobile phone ticketing. Modernise the service offer at Travel Centres to streamline these and realise savings	Led by HoS and Service Delivery Manager and involving Retail Teams Policy Manager + assistant from PSC to support high level policy/horizon scan R&I analysis support Finance support to deliver changes
Asset Management Strategy Develop a five year plan to maximise rental income and cost effectively maintain the CA's portfolio of operational and non-operational property with an initial target to increase income generation from property rental by 10% in 2018/19	Led by HoS and Facilities and Assets Manager Involving Asset Development Team PSC support – to support strategic view

	Legal/Procurement and Finance support Delivery support – interface with Transport Fund teams
Bus Services Strategy Support the transformation of bus services in partnership with bus operators through Bus 18 and the Leeds PTIP Ensure the effectiveness of the young people's concessionary fare scheme seeking to increase patronage at a reduced cost to the taxpayer Devise and implement a new policy for bus service support which promotes inclusive growth at a reduced cost to the taxpayer Working with Policy and Strategy Directorate to develop a new delivery model for public transport services in the future	Led by Director HoS and involving Bus Services Team Support from PSC – Policy Manager input and Consultation team
Scope out/agree new delivery frameworks for operational services with transport operators/partners. <ul style="list-style-type: none"> Improving management information to develop a more transparent approach to the unit costs of service provision Develop Bus 18 and LPTIP Bus Delivery Board into effective, strong customer focussed partnerships Scope out how the Joint Venture Company for ticketing can be developed into a means by which WYCA and operators share the cost of providing public transport infrastructure, information and ticketing products 	Led by Director, HoS and Service Development Manager
Coordinating WYCA operational plans and liaison with bus operators to meet emerging local and national Air Quality requirements and Clean Air Zones	Led by Director, HoS and with input from other Directorates

Budget and Resources		
2017/18 Revenue Budget	Expenditure	£127.300m
	Income	(£44.969m)
	Net	£82.331m
2018/19 Revenue Budget	Expenditure	£128.540m
	Income	(£46.788m)
	Net	£81.752m
Net Revenue Budget change between years		£0.579m
2018/19 FTE		194.7

POLICY, STRATEGY & COMMUNICATIONS DIRECTORATE

Leading thinking, securing funding

To develop a leading, inclusive Industrial Strategy, a radically new economic policy framework for Leeds City Region; a new vision for the kind of place we want the City Region to be, and use this as part of our pitch for securing a devolution deal that covers the City Region; and to agree a long term funding settlement with Government

2018/19 Priorities	Resource Lead
POLICY, STRATEGY & RESEARCH	
<p>Strengthen our local powers and secure investment to maintain and enhance the CA's investment in the region (currently c.150m a year)</p> <ul style="list-style-type: none"> • Continue to make the case for an ambitious devolution deal. • Develop proposals for future local growth funding. • Be "bid ready" for opportunities that arise from Government where they support our priorities. • Deliver the current ESIF programme and influence the design and implementation of the successor national programme (shared prosperity fund). 	<p>Core function of all roles – all policy team input led by Director. With specific input on devolution and on future funding.</p> <p>Support from Delivery and Economic Services and in demonstrating the case for investing here through case studies</p>
<p>Development over the course of 2018 of a single, bold Local Inclusive Industrial Strategy which will be owned by both the LEP and CA with inclusive growth at its core</p> <ul style="list-style-type: none"> • This will be an agile, long-term framework aimed at driving growth, boosting productivity and earning power for a post 2030 economy. This will be produced in partnership with key stakeholders including Districts, Universities, and business representative groups. 	<p>Led by HoS supported by policy managers and policy officers</p>
<p>Support Private Sector Growth through proposals to enhance the region's digital and innovation capabilities and through a focus on improving skills.</p> <ul style="list-style-type: none"> • Explore ways to lever private sector-led collaboration and mutual improvement to raise the productivity of firms Develop a City Region wide digital framework recognising the importance of the development of a digital and technology strategy for the region covering the 5 pillars of "every business a digital business", digital skills and inclusion, digital as a sector digital infrastructure/connectivity and a smarter city region,. • Work with University partners and other stakeholders to take forward the Leeds City Region Med-tech Science & Innovation Audit, supporting the development of investible propositions. 	<p>Led by HoS with input from policy managers/officers and input from Economic Services</p>

<ul style="list-style-type: none"> • Develop proposals for an ambitious retraining programme • Develop the case for further enhancement of the Combined Authority's engagement with the education system 	
<p>Deliver improvements to Place to deliver inclusive and clean growth</p> <ul style="list-style-type: none"> • A web-based map product to transform our ability to align investments and use it to support identification of the pipeline of projects. • Deliver the EZ Programme to Outline Business Case stage • Support development of housing growth, including through supporting development of an LCR Housing Deal, working with districts to identify the resources needed to deliver sites, and making the case for investment in strategically important sites. • Identify and capture opportunities from the Government's Clean Growth Strategy, including through the Green/Blue Infrastructure Delivery Plan and LCR Energy Strategy. • Support a refreshed corporate approach to clean growth, through the CA's Accommodation Strategy and embedding Environmental Impact Assessment into the Assurance Framework. • Support the move to cleaner air through cleaner buses through taking opportunities to bid for funding and working with bus operators to test new technology here. • Deliver the Energy Accelerator to create a pipeline of innovative projects in districts. • Secure developer contributions for public transport from new developments 	<p>Led by HoS with input from policy managers/officers and input from Delivery on business case development and challenge of policy agenda.</p>
<p>Develop policies to transform our City Region connectivity</p> <ul style="list-style-type: none"> • Integrated Local Transport Develop the policies within the Transport Strategy into actions • Lead engagement on the LCR Connectivity Strategy and develop defined inclusive growth corridor plans. • Develop Local Cycling and Walking Infrastructure plans. <p>Developing our approach to rail</p> <ul style="list-style-type: none"> • Shape the development of Leeds Station, High Speed Two Northern Powerhouse Rail, Calder Valley improvements, Transpennine Route Upgrade and East Coast Mainline. 	<p>Led by HoS with input from policy managers/officers and input from Delivery on business case development and challenge of policy agenda.</p>

<ul style="list-style-type: none"> • Influence and shape the regional and national rail policy and work with operators on the operational performance of the current franchises. • Develop and establish a new WYCA rail plan Develop proposals for four new rail stations to OBC <p>Developing our approach to bus services</p> <ul style="list-style-type: none"> • Support the delivery of the Leeds Public Transport Investment Programme • Support Transport Operations with their transformational programme including a review of tendered bus services and how ‘mobility as a service’ could benefit passengers. <p>Influencing the regional and national agenda</p> <ul style="list-style-type: none"> • Influence Highways England’s Road Investment Strategy • Shape Transport for the North’s investment programme. 	
<p>Develop a research programme to support our evidence-based decisions</p>	<p>Led by Research and Intelligence</p>
<p>Develop our approach to appraisal.</p> <ul style="list-style-type: none"> • Directly shape government business case guidance including the evolution of Webtag • Lead the economic appraisal and monitoring & evaluation of the West Yorkshire Transport Fund and support to appraisal of ESIF and ERDF 	<p>Led by Research and Intelligence</p>
<p>Provide a range of intelligence services to city region partners</p> <ul style="list-style-type: none"> • Develop an intelligence product portfolio • Build a research and economics function with the capacity and capability to undertake pan city region work • Drive improvements in data capture to inform service improvements and development an “Open Data” Strategy. 	<p>Led by Research and Intelligence</p>
<p>Provide evidence for policy-making</p> <ul style="list-style-type: none"> • New research mapping key LCR supply chains and their relationships to support development of the LIIS and ongoing Brexit Impact Assessment. • New primary research into firm characteristics and business culture • Finalise the HS2 Growth Strategy • Employment Land Review (to ensure we are planning for the new jobs and transformed economy we need. 	<p>Led by Research and Intelligence</p>
<p>Provide business case intelligence and scrutiny for projects through delivery</p> <ul style="list-style-type: none"> • Market intelligence for route development to support bus operators in the development of the bus network. • SMART card transactional analysis 	<p>Led by Research and Intelligence</p>

<ul style="list-style-type: none"> • LPTIP Monitoring and Evaluation framework • Development of the CA's GIS tools to support project and program monitoring (within the context of formally agreed GIS strategy for the CA). • Impact assessment of the Growth Service, the LEP Capital Grants Programme, the Travel Plan Network, the large capital grant applications (over £100K). • Development of LCR Labour market information • Impact of Northern Powerhouse Rail, rail policy and CA interventions in the bus industry. 	
COMMUNICATIONS, ENGAGEMENT & MARKETING	
<p>Market services and delivery of CAs, initiatives and programmes</p> <ul style="list-style-type: none"> • Communications and Engagement support across all major programmes – Provide Agency value (over £1m) worth of advice and delivery. Providing a link between communities of interest and decision making internally and with partners. • Market Employment & Skills offerings delivering higher take up rates than comparable regions in the UK. • Market Leeds City region as the Digital centre of the UK driving increases in trade & inward investment opportunities. • Market Economic Services through the 'Growth Service' (14 different groups of offerings) and 'Invest Leeds City Region'. Target 66% in next 3 years from base of which is an agency value of over £0.5m worth of advice & delivery. • Market Transport Services and TravelCard offerings. Agency value (over £1m) worth of advice and delivery. • Policy & Strategy reports and analysis amplification – (over £0.3m) worth of advice & delivery. • Amplify the achievements of the CA and partners in delivering large scale transformative infrastructure projects establishing credibility with funders. • Establishment of single overarching place based narrative for the region. • Promotion, engagement and marketing of cycling and active travel and the required infrastructure 	<p>Head of Involvement, Communications & Engagement formerly Head of Communications</p> <p>Heads of Corporate Communications & Engagement</p> <p>Head of Marketing</p> <p>Marketing Team Design Team Corporate Communications Market Research CCAG team</p>
<p>Create a full service Digital engagement, marketing and communications function delivering efficient and valued engagement channels</p> <ul style="list-style-type: none"> • A single web presence £0.3m Investment to save £0.3m per annum. • A social media strategy delivered through fewer channels in a more targeted and measurable way. Double followers & Treble engagement scores. Cost of PR/Consultation transaction to be reduced by 50%. • Establish a modern intranet platform that enables true partnership working across WYCA/LEP but also across 	<p>Head of Involvement, Communications & Engagement – formerly Head of Communications</p> <p>Head of Digital</p> <p>Head of Marketing</p> <p>Digital Team Design Team</p>

<p>district partners and external third parties. Cost savings target £100k p.a.</p> <ul style="list-style-type: none"> • Create ICT / Communications strategy working group with savings target on planned expenditure equal to £250k p.a. • Establish a central and available Consultation & Engagement team offering advice and services to all partners and programmes to the value of £0.5m via Engagement Hub. 							
<p>Create a strategic communications and external affairs function promoting inclusive growth measures, policy choices & the region</p> <ul style="list-style-type: none"> • Overall Advertising Value Estimate measure target 2018/19 of £5m (2015/16 = £1m). • Establish real awareness and sense of presence in Whitehall & Westminster with MP partners and Officials. Devise and measure a metric. In addition minimum of 3 Westminster/London events a year and build a team WY/LCR/Yorkshire amongst MPs. • In region partnerships built upon and value delivered e.g. Welcome to Yorkshire, YEN, National Parks, IoD, CBI, Chambers, FSB, NPP and many more. Devise measure for value. • Establish an ongoing partnership programme with districts and other key delivery partners • Devolution – establish the support for and create conditions for a deal on a preferred geography with required powers. 	<p>Head of Involvement, Communications & Engagement– formerly Head of Communications</p> <p>Heads of Corporate Communications & Engagement</p> <p>Head of External Affairs</p> <p>External Affairs Team Design Team Corporate Communications</p>						
<p>Use internal communications to embed the organisation's values & Enable Transformation</p> <ul style="list-style-type: none"> • Establish a professional, high value, service orientated values driven culture across the organisation. • Support and enable transformation programmes with internal communications, channel shift, external engagement assistance. Working with all Directorates especially Transport Services and Resources Directorates. 	<p>Head of Involvement, Communications & Engagement formerly Head of Communications</p> <p>Heads of Corporate Communications & Engagement</p> <p>Corporate Communications</p>						
<p align="center">Budget and Resources</p>							
<p align="center">2017/18 Revenue Budget</p>	<table border="1"> <tr> <td>Expenditure</td> <td align="right">£3.597m</td> </tr> <tr> <td>Income</td> <td align="right">(£0.134m)</td> </tr> <tr> <td>Net</td> <td align="right">£3.463m</td> </tr> </table>	Expenditure	£3.597m	Income	(£0.134m)	Net	£3.463m
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Income	(£0.134m)						
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<p align="center">2018/19 Revenue Budget</p>	<table border="1"> <tr> <td>Expenditure</td> <td align="right">£6.076m</td> </tr> <tr> <td>Income</td> <td align="right">(£0.572m)</td> </tr> <tr> <td>Net</td> <td align="right">£5.504m</td> </tr> </table>	Expenditure	£6.076m	Income	(£0.572m)	Net	£5.504m
Expenditure	£6.076m						
Income	(£0.572m)						
Net	£5.504m						
<p align="center">Net Revenue Budget change between years</p>	<table border="1"> <tr> <td></td> <td align="right">£2.041m</td> </tr> </table>		£2.041m				
	£2.041m						
<p align="center">2018/19 FTE</p>	<table border="1"> <tr> <td></td> <td align="right">105.15</td> </tr> </table>		105.15				
	105.15						

RESOURCES DIRECTORATE

Enabling the right solution

To transform our processes and support for the organisation around a business partner model ensuring that we have our own house in order as a champion for Inclusive Growth. We need to ensure high value for money, given the financial pressures we and our partners face.

2018/19 Priorities	Resource Lead
Embedding a new structure for Finance to enable more strategic focus and updating key processes to better meet customer needs and maximise efficiencies. Achieving a balanced financial outturn at year end, achieving 100% statutory compliance and paying all undisputed invoices within 30 days.	Finance Team
Embed the new procurement team and implement the procurement strategy with a specific focus on further embedding social value principles into procurement practices, ensuring there are no successful legal challenges to procurement decisions and on devising an efficiency savings programme for revenue budgets with a target of delivering 5 savings initiatives	Procurement Team
Embedding the new OD structure for the Legal Team and introducing new working practices to enable a greater customer focus. Fully implementing the GDPR action plan and new processes to ensure ongoing statutory compliance, including meeting 100% of FOI/EIR deadlines	Legal Team
Develop new process for delegations and more streamlined decision making across officers and committees to drive efficiencies, while ensuring 100% compliance with statutory requirements regarding committee agenda publication.	Governance Team
Implement year 1 of the Corporate Technology Strategy to improve the service offer and ensure efficiency - including developing a customer service management system (ITIL), defining a flexible working technology strategy, security and compliance enhancements and review of mobile equipment. Ensuring that the core network and Microsoft cloud services are available for at least 99% of the time and limiting non-critical open service desk request to 100 or below	ICT Team
Embedding the new HR structure and implementing the new HR strategy, moving to a model of more strategic focus and greater efficiency	HR Team

Updating and implementing new HR policies/strategies including the workforce development strategy and diversity strategy and initiatives to support the organisation in delivering STEM activities. Working with managers across the organisation to ensure that average recruitment times do not exceed 30 days, sickness absence does not exceed 6 days per annum and to achieve 11 apprentices in post across the organisation	HR Team
Implement year 1 of the 5 Year Health and Safety strategy and continue training of senior managers in Managing Safely	Health and Safety Team
Coordinate the delivery of the Phase 2 One Organisation programme to drive organisational change and further work to embed new risk and performance management processes across the organisation	Corporate Planning and Performance team
Carry out a programme of independent internal Audit reviews to enable an opinion on control environment and risk management arrangements, and to drive continuous improvement. Achieve at least 80% positive feedback through client feedback questionnaires	Internal Audit team
Moving to a partnering model across all Resources teams, creating a seamless customer service offer for corporate functions and embedding a customer service culture suited to the specific needs of the organisation	Led by Director with all teams
Further developing a seamless corporate team which provides high quality strategic advice and supporting services to the organisation in an efficient manner	All
Updating corporate systems and processes to include the specification /implementation of integrated new systems for Finance, budgeting, payroll, HR, procurement, offering a seamless resource planning offer for internal customers	All teams
Improve transparency across data and information for all Resources functions	All teams
Driving culture change through embedding our values and behaviours in all of our corporate functions and rolling these out across the organisation	All teams
Ensuring statutory compliance across all Resources functions	All teams

Budget and Resources		
2017/18 Revenue Budget	Expenditure	£14.629m
	Income	(£98.184m)
	Net	(£83.555m)
2018/19 Revenue Budget	Expenditure	£15.019m
	Income	(£100.401m)
	Net	(£86.382m)
Net Revenue Budget change between years		(£2.827m)
2018/19 FTE		75.41

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Report to: Business Innovation and Growth Panel

Date: 7 March 2018

Subject: **Business Support Update**

Director(s): Sue Cooke, Executive Head of Economic Services

Author(s): Henry Rigg

1 Purpose of this report

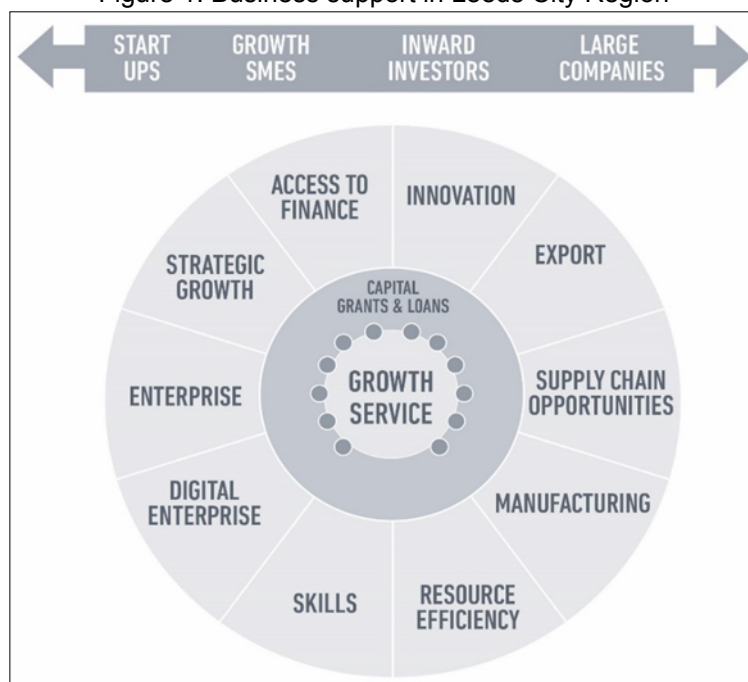
- 1.1 To provide the Panel with an update on business support activity being undertaken, including the LEP Growth Service, the Business Growth Programme, the Resource Efficiency Fund, Access Innovation, Strategic Business Growth, the Travel Plan Network and the Northern Powerhouse Investment Fund.

2 Information

LEP Growth Service

- 2.1 The Growth Service provides businesses in the Leeds City Region with direct access to the full range of publically-funded products and services available to help them grow. This includes those delivered directly by the LEP and those available via partner organisations, such as the Department for International Trade, Innovate UK, local authorities, chambers of commerce, universities and colleges.
- 2.2 The Growth Service is the City Region's Business Growth Hub. There are 38 other Growth Hubs in operation across the country, one in each area served by a Local Enterprise Partnership. The diagram below demonstrates how the service underpins the business support infrastructure in the City Region.

Figure 1: Business support in Leeds City Region



- 2.3 Businesses can access the Growth Service by telephone (T: 0113 3481818 - weekday from 9am – 5pm), the LEP’s website (www.the-lep.com/for-business, or, email (businessgrowth@the-lep.com). The enquiries are handled by a central gateway team and there is also a team of 13 SME Growth Managers, who provide more intensive support for small and medium-sized enterprises (SMEs) with clear growth potential and ambition. The Growth Managers operate at the district-level and are co-funded by the Growth Service and the city region’s local authorities.
- 2.4 Following the Government’s announcement on the new Industrial Strategy in November 2017, the Department for Business, Energy and Industrial Strategy (BEIS) has confirmed that Business Growth Hubs will continue to receive funding for a further two years from 1 April 2018. This means that the Growth Service will receive £512,500 in both 2018/19 and 2019/20, which will enable the current delivery model to be maintained.

Progress to date

- 2.5 Table 1 below highlights the progress made to date against the headline targets for the service in 2017/18. More detailed information on the achievement of targets and on the number and type of businesses supported by the service is provided in **Appendix 1**.

Table 1: Performance against headline targets 2017-18.

Target Measure	Target	Achieved Apr 17 – Jan 18
SMEs supported - light-touch & intensive (such as attendance at events, sign-ups to the LEP eNewsletter, referrals to other products/services)	2500	1998
SMEs supported - intensively by SME Growth Managers (more ongoing support over the year i.e. several meetings, diagnosis of need, personal referral to relevant products/services, support with funding applications etc).	630	509
All business enquiries handled by the LEP gateway (helpline, email and web)	No contractual target	1321

- 2.6 The service has continued to make good progress towards the annual target of supporting 2500 businesses in 2017/18, with 1998 supported since April 2017. Of these, 509 have been supported more intensively by the SME Growth Managers. In addition, a further 307 businesses have had support from other LEP business support products, namely Resource Efficiency Fund, Access Innovation and Strategic Business Growth.
- 2.7 Over 4,200 individual businesses have received support from the service since its launch in July 2015. This demonstrates the continued reach of the service into the SME community of the City Region, with its value evidenced by over 500 firms accessing more than one product since April 2017 (see **Appendix 1** for more information on this and on the impact of the service on the SMEs supported).

Service developments

- 2.8 The service has appointed two new business support officers to deliver the central gateway function. Significant work has been undertaken to support the development of these colleagues and provide a seamless transition, whilst maintaining a high standard of customer service.
- 2.9 Mechanisms are now in place to capture more timely feedback on the satisfaction levels of customers who have accessed the central gateway for support. This is being monitored on a monthly basis and further information is available within **Appendix 1**.
- 2.10 An independent evaluation of the service will shortly be commissioned. This will assess the economic impact to date, and will include detailed case studies of several firms supported by the SME Growth Managers to determine the impact of their support. The study will also compare progress to other Growth Hubs in the country in order to share, and learn from, good practice.

Marketing and communications

- 2.11 The marketing plan for the service has three priority areas underpinned by the wider 'Let's Talk Real Business' marketing campaign:

- Attracting new customers
 - Providing additional support to existing customers
 - Working more closely with the private sector (especially banks and accountants) to encourage more and better quality referrals into the service
- 2.12 Case studies featuring businesses that have received support from the LEP and its partners have become an important way to further raise the profile of the service, particularly in the City Region's different districts. Three case studies have been developed this quarter featuring a Bradford-based engineering company ([Global Precision](#)), a Wakefield-based manufacturer and distributor ([OE Electrics](#)) and a Leeds-based manufacturer ([Leeds Galvanising](#)), all of whom have benefited from recent support. A full range of case studies can be found via <http://www.the-lep.com/case-studies/>.
- 2.13 Blogs from industry experts and business leaders offering practical tips and messages also play an important part of the wider engagement strategy with businesses. The most recent blog features Katie Rigarlsford, SME Ambassador for the Chartered Institute of Marketing and Regional Development Manager at Leeds Beckett University Business Centre, exploring the importance of marketing for businesses. http://www.the-lep.com/news-and-blog/blog/december-2017/let%E2%80%99s-talk%E2%80%A6marketing-for-sme%E2%80%99s/?dm_t=0,0,0,0 All of the current blogs can be accessed via the following link:- <http://www.the-lep.com/news-and-blog/?type=blog>

Innovation campaign

- 2.14 Helping businesses to access the full range of innovation support and expertise available to them in the City Region continues to remain a key priority. As such, a dedicated marketing campaign has gathered momentum this quarter involving social media, various press releases (including featured content in [BQ](#), [Bdaily](#), [Business Insider](#)), and on the website of [104.7 Minster FM](#), dedicated content on various local authority websites (including [Selby](#), [Wakefield](#) and [York](#)) and the development of a [blog](#).
- 2.15 Since the start of the campaign in late 2017, information about the support available has reached over 10,000 Twitter accounts, generating over 120 engagements (clicks, retweets, replies, follows). It has attracted 188,504 impressions and 268 clicks on Business Insider, and the 'Let's talk developing new products and processes' blog has been viewed over 100 times. Moreover, during the campaign the LEP website has seen a 60% increase in the number of visitors to the Access Innovation page, making it the third most visited product page behind Access to Finance and Skills. The campaign will continue to the end of March 2018.
- 2.16 The SME eNewsletter continues to be distributed to over 13,000 business contacts across the City Region, providing them with concise and up to date information on new products, events and valuable insights from recognised

business experts. The most recent newsletters feature information about the latest Business Support 'Pop-ups', Access Innovation, blogs, Bike Friendly Business and Data Protection. Newsletter content can be accessed via <https://mail-the-lep.com/t/3LTT-BTE8-4782RMB83/cr.aspx> and <https://mail-the-lep.com/t/3LTT-B406-4782RMB83/cr.aspx?v=0>

Events

- 2.17 Events continue to be an effective way to promote business support from the LEP, and its partners, to a wider audience. The service is working with RTC North to deliver a series of [Design Network North](#) events, which encourage businesses to innovate by embedding design throughout their products, processes and services. The first event took place in Harrogate on 26 January 2018 with a focus on the food and drink sector, and included a presentation from former BIG Panel member, Sophie Jewett of York Cocoa House. The second took place at the Hepworth in Wakefield on 22 February 2018 and focussed on design in the entertainment industry, and the third will take place in Bradford in March 2018 with a focus on artificial intelligence.
- 2.18 The service exhibited and presented at the Colne Valley Business Conference at the 3M Buckley Innovation Centre in Huddersfield on 9 February 2018. This event was organised and hosted by Thelma Walker (MP, Colne Valley) and was attended by over 50 businesses from the area.
- 2.19 The service delivered its fifth Leeds City Region SME Support Network event on 25 January 2018 at Eureka in Halifax. These events provide business support professionals working on publically-funded projects and services with the opportunity to network with colleagues, and keep abreast of the current SME support offer in the City Region. The event focussed on employment and skills and included presentations on apprenticeship support, the Enterprise Advisor Scheme, the Employer Brokerage Service and the new Skills Service. Two young employees from Covea Insurance in Halifax also gave a particularly well-received presentation on their experiences of undertaking apprenticeships with the company.
- 2.20 Employment and skills was also the main theme of the private sector intermediary network (the 'Professionals' Perspective') event that took place on the 22 February 2018 in Leeds. It was attended by over 20 representatives of banks, accountants and legal firms operating across the City Region, and gave attendees the chance to understand how the LEP's services and products can help their clients and customers to grow. The events are also an opportunity to gain valuable insights into current business conditions, and to gather the views of the professional community on key business issues.
- 2.21 SME Growth Managers in York and Leeds continue to deliver a programme of business 'master classes' in partnership with private sector organisations and universities (Leeds Beckett and University of York). These focus on themes related to business growth, such as developing and retaining staff, access to finance, exporting and accessing new markets.

- 2.22 The latest Business Support ‘Pop-up’ event took place on 28 February at the Carlisle Business Centre in Manningham, Bradford. These events are free and provide smaller firms with a platform to meet professional experts on a range of key business issues and opportunities all under one roof. Local experts provide practical help and advice on such with topics as social media and marketing, digital and websites, international trade, skills and apprenticeships, raising finance, accountancy and tax, innovation and business planning.
- 2.23 The latest Leeds City Region Business Survey provides positive information regarding the continuing increased awareness of the LEP and its services amongst the SME population. The survey was conducted in summer 2017 with 2,368 businesses across all sectors and all districts of the City Region. It found that 49% of firms are aware of the LEP’s services, up from 39% in 2015. Apprenticeship and skills support, business grants and loans, and more general business advice, were areas where awareness of the LEP’s activity was highest.

Business Growth Programme (BGP)

- 2.24 The BGP provides grants of between £10,000 and £250,000 to businesses in the City Region towards capital investment (land, building, plant, equipment, machinery) that will lead to new job creation. Grants contribute up to 20% of the total cost of an investment, with businesses needing to demonstrate that they have access to the remaining finance required.
- 2.25 The current programme is funded with £42.7m of Local Growth Deal funding (LGF) up to the end March 2021. Table 2 below presents progress since LGF funding commenced in April 2015.

Table 2: Programme performance against headline targets

Target Measure	6-Year Target (April 15 to March 21)	Achieved (as of February 18)
Expenditure	£42.7m	Committed - £27.88m Actual - £21.28m
New Jobs Created	4,100	Committed - 4,720 + 1,760 safeguarded Actual - 2,384 + 1,682 safeguarded
Businesses Supported	765	Committed - 566 Actual - 458
Number of Grants Awarded	N/A	Committed - 566 Actual - 458
Public/ Private Sector Leverage	£168.5m	Committed - £290m Actual - £205.3m
Total Cost Per Job	No contractual target	Committed - £5,909 Actual - £8,926

- 2.26 As the above table highlights, the programme is achieving a good return in terms of cost per new job at just under £9,000. This figure would be lower if

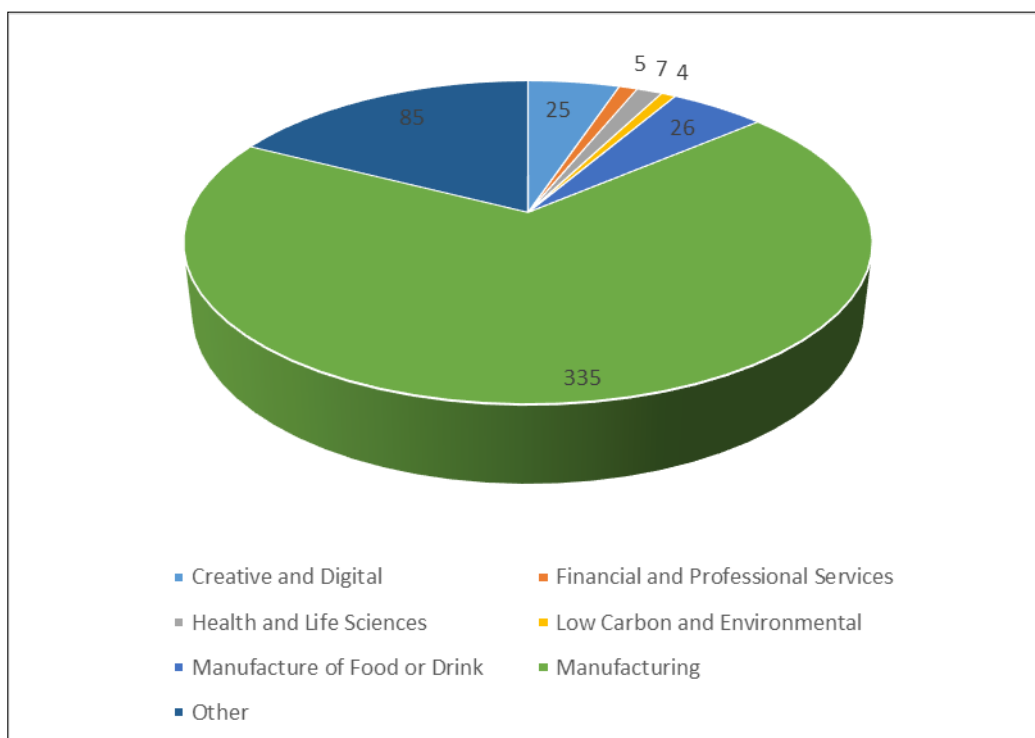
the 1,682 actual safeguarded jobs were included in the overall calculation and would equate to just over £5,234 per job.

- 2.27 The Business Investment Panel recently recommended the approval of a grant of £167,086 for a bed-manufacturer that is making a £1.67 million investment in new equipment and alterations to premises, resulting in the creation of 45 new jobs and 16 apprenticeships.
- 2.28 All grants awarded to businesses, including those from the BGP, are now published on the LEP website (<http://www.the-lep.com/about/governance-and-funding/grants-for-business/>). This includes the name of the business and the amount of grant awarded.
- 2.29 The table below compares the proportion of SMEs per district within the City Region against the proportion of grants awarded. It shows that West Yorkshire districts all perform well in terms of successfully accessing the programme, but that the North Yorkshire districts have a proportionately lower take-up rate. This can be partly attributed to the relatively low number of manufacturers in North Yorkshire and the existence of a similar grant scheme in that area.

Table 3: Grant awards by district

District	Grants per district	SMEs per district
Leeds	29%	26.8%
Bradford	16.2%	14.5%
Kirklees	18.3%	13.5%
Wakefield	11%	9.5%
Calderdale	11%	7.5%
Barnsley	6.8%	5.9%
Harrogate	4%	8.5%
Craven	1.9%	3.2%
York	1.9%	7.2%
Selby	0.4%	3.4%

- 2.30 The below chart presents the number of grants awarded via sector, and highlights the importance of the programme to the manufacturing and food and drink sectors.



Business Floods Recovery Fund

- 2.31 Following the floods of Boxing Day 2015 and the subsequent devastating impact on many businesses across the City Region (particularly in Calderdale and parts of Leeds), the LEP and the Combined Authority agreed to ring-fence £5m of the overall Business Growth Programme budget to a Business Floods Recovery Fund.
- 2.32 The fund has provided grants of between £5,000 and £100,000 for capital investment in plant, machinery and premises that were damaged by the floods and that were not, for legitimate reasons, fully covered by insurance policies. The focus of the fund has been on safeguarding jobs, as opposed to creating new ones, and on supporting businesses to return to something like their pre-floods level of operation.
- 2.33 The fund, which was closed to new applications at the end of 2016, has supported 63 businesses with a combined grant-commitment of £3.08m, £2.62m of which has been paid to flood-affected firms. To date, this has helped to safeguard 1,682 jobs and will leverage over £13m of private investment.

Resource Efficiency Fund

- 2.34 The £2.66m Resource Efficiency Fund (REF) is being delivered through the Growth Service over the next two years as a key product to improve productivity and efficiency for SMEs in the city region. It is jointly funded by the Local Growth Fund (LGF) and the European Regional Development Fund (ERDF), and provides advice and funding (grants of up to £10,000) to SMEs to

identify and implement improvements related to their use of resources i.e. water, waste and energy.

- 2.35 At the end of January 2018, 298 businesses have contacted the project (against an original target of 167 each year), with 290 having received visits from the two REF Managers. These have resulted in 162 assessments being commissioned and the completion of 153 assessment reports.
- 2.36 73 grant applications have been approved with a collective value of £540,050, with payments made to 31 businesses. Additional marketing activity has commenced to stimulate more interest from businesses, including a telemarketing campaign and the production of a number of case studies and press releases.
- 2.37 The majority of new projects supported have been lighting upgrades, but there have also been heating (including an air source heat pump) and ventilation upgrades, and the installation of a new compressor. The grant rate for lighting projects has been reduced to 25% to reflect the over-demand for this type of investment and to help to reduce the average grant value. Total estimated carbon dioxide (CO₂) savings across all of the approved projects is 1,330 tonnes per annum, with estimated savings to the successful business applicants of £294,851 per annum.

Access Innovation

- 2.38 Access Innovation is being delivered across the City Region with funding from the ERDF and the Local Growth Fund. Its primary objective is to help SMEs to become more productive and competitive through the development of new products, processes and services. The programme links SMEs directly to the expertise and facilities within research intensive organisations, such as universities or Catapult Centres. It provides advice to businesses on which organisations can support them with their innovation activities, and also grants of between £5,000 and £100,000 towards the cost of working with expert organisations.
- 2.39 To date, the programme has engaged with over 260 SMEs, 127 of which have received one-to-one support from the three Innovation Growth Managers, resulting in detailed action plans for taking their innovation projects forward. Nine applications for grants have been approved to date with a collective value of circa £236,500. There are a number of other applications of varying sizes currently being developed with support from the Innovation Growth Managers.
- 2.40 The highest number of enquiries and approved applications to date are from the healthcare and life sciences, manufacturing (including textiles) and digital sectors. The programme team continue to build strong working links with organisations in these sectors, including the Engineering Employers' Federation, Digital Health Enterprise Zone, Digital Catapult, Advanced Manufacturing Research Centre, Translate, and the Yorkshire & Humber Academic Health Science Network.

- 2.41 The LEP hosted a workshop in January 2018 with a wide range stakeholders involved in innovation support from within and outside the City Region. This proved to be a great opportunity to identify areas for closer collaboration across the whole innovation agenda, and to increase the number of good quality Access Innovation projects coming forward.
- 2.42 The Access Innovation offer to SMEs has recently been broadened to increase the range and quality of projects, and to align the programme more closely with the City Region's priority sectors. This includes increasing the value of projects that can be supported to £200,000, widening the scope of the programme to support more capital investment in innovation projects and simplifying the process for supporting smaller-value projects.
- 2.43 Following constructive feedback from the BIG Panel at its December 2017 meeting, a number of steps have been taken to increase awareness of the programme. This has included closer partnership working with private sector intermediaries, including banks and accountants, and with a broader range of business membership and sector specific organisations. Furthermore, the programme's marketing resource has been boosted, resulting in more direct targeting of sectors and sub-sectors, alongside an increase in exposure via social media and the regional/local business press (see 2.14 to 2.16).

Strategic Business Growth – support for SMEs with high growth potential

- 2.44 The £6.75m Strategic Business Growth (SBG) project is being delivered by the LEP and its appointed contractor, Winning Pitch. It is part-funded by ERDF and LGF and provides small, ambitious businesses with a package of tailored support to help them achieve their growth potential. This includes one-to-one business coaching, one-to-many workshops on key areas of business growth and an important peer-to-peer element that allows businesses to share their experiences and expertise.
- 2.45 Winning Pitch have recruited 66 business coaches with a diverse range of sector specialisms to work on the project. Examples of coaching support currently being delivered include development of a marketing strategy, business planning and access to finance. 148 businesses have engaged with the project to date, including 54 that have developed detailed growth action plans with their allotted account managers. All 54 are now receiving ongoing coaching support and a further 16 are in the process of developing their action plans.
- 2.46 A programme of growth workshops commenced in November 2017, delivered from numerous venues across the City Region. These cover a range of business topics, including development of a business plan, developing staff, the process of 'scaling-up' a business and developing a customer-value proposition. Two sector-based (food/drink and environmental) peer-to-peer networks will commence in March 2018.

Travel Plan Network

- 2.47 The Growth Service also acts as central point for businesses of all sizes across West Yorkshire to access the Travel Plan Network (TPN). Businesses that join the network receive free advice and guidance about implementing sustainable travel solutions, including discounted public transport offers, cycling initiatives and relocation support.
- 2.48 There has been a continued drive to increase membership of the network in order to encourage more employers, and their employees, to adopt sustainable ways to travel to and from, and during, work. 80 businesses have already joined the network since the start of April 2017, against an annual target of 50 new members.
- 2.49 The team has offered relocation support to Zenith who recently moved to their new premises at Kirkstall Forge, Leeds. This support involved various staff awareness events focussed on public transport options, the development and implementation of car sharing schemes, referrals to the Bike Friendly Business scheme. Similar advice and support is also being provided to Her Majesty's Revenues and Customs as part of their regional relocation plans.

Northern Powerhouse Investment Fund

- 2.50 The Northern Powerhouse Investment Fund (NPIF) formally launched on 22 February 2017, and has since invested over £5.79m of funding into 49 businesses in Leeds City Region. £1.25m has been invested in 30 businesses via the micro fund, £2.75m has been invested in 14 businesses via the debt fund, and £1.8m in 5 businesses via the equity fund.
- 2.51 There is an even spread of investments across the priority sectors of the City Region's Strategic Economic Plan. NPIF is funded by ERDF, the British Business Bank (BBB) and the European Investment Bank. Approximately £18m of the City Region's ERDF allocation is supporting the fund.
- 2.52 NPIF promotion has continued by both the appointed fund managers and the BBB with extensive networking and attendance at key events. The focus continues to be private sector professional intermediaries (e.g. banks, accountants and solicitors), business membership organisations and the LEP Growth Service to continue to widen awareness of, and participation in, the Fund.
- 2.53 Feedback from both fund managers, and the BBB, confirms a continued positive level of demand from businesses across the City Region, which is reflected in the level of loans and investments completed to date and a healthy forward pipeline of SMEs looking for finance. The conversion rate from enquiries to successful applications continues to be high, which is a positive indication of the demand for external finance in the City Region. Further positive indicators are that Leeds City Region has received the second highest number of applications into the fund of the ten LEP areas involved, and the highest number of applications converting into completed deals.

3 Financial Implications

3.1 There are no financial implications directly arising from this report.

4 Legal Implications

4.1 There are no legal implications directly arising from this report.

5 Staffing Implications

5.1 There are no staffing implications directly arising from this report.

6 External Consultees

6.1 No external consultations have been undertaken.

7 Recommendations

7.1 That the progress made to date on delivery of the above business support projects, programmes and services be noted.

8 Background Documents

None.

9 Appendices

Appendix 1 – LEP Growth Service Performance Update

Analysis of enquiries to the LEP Growth Service, 2017/18

1.0 Analysis of business enquiries 2017/18

1.1 Performance data continues to be monitored on a weekly, monthly and quarterly basis. The following information presents more detail on the performance of the service (gateway and SME Growth Managers) from April 2017 to date. It also provides comparisons to previous years in order to assess progress over time.

1.2 The service is working towards a target of 625 businesses supported per quarter in order to achieve the 2017/18 target of supporting 2,500 individual businesses. A total of 1,998 SMEs (orange line below) have been supported since the start of April 2017, averaging 600 businesses per quarter. Those businesses have interacted with the service 2,841 times (blue line below), indicating confidence by many businesses in returning to the service for additional support.

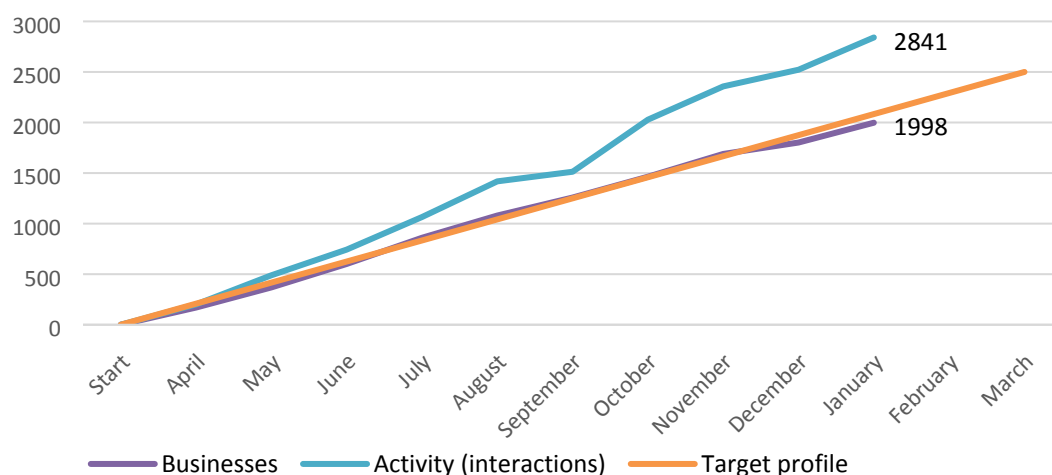


Figure 1: Actual/projected performance against the target of supporting 2500 businesses (Apr 17 – Jan 18).

1.3 Level 1 (light-touch support) and Level 2 (more intensive support) enquiries represent the service's target client group. Following an initial surge in the number of enquiries into the gateway in the early part of this financial year as new products were launched, the number of enquiries has reduced slightly as these new products have become more established.

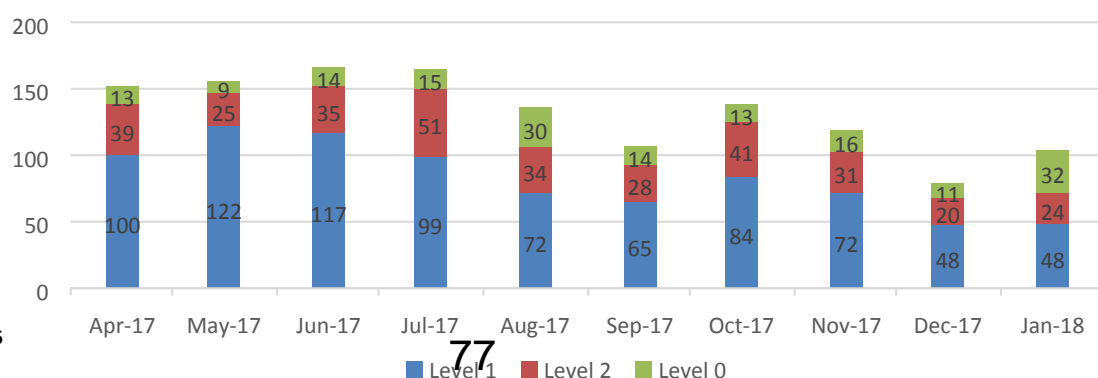


Figure 2: LEP Growth Service enquiries to the Gateway by client group (Apr 16 – Jan 18)

- 1.4 The table below shows the increase in enquiries to the gateway from target clients (i.e. those with plans to grow, classified as Levels 1 and 2). It continues to show a decrease in enquiries from non-target clients, such as pre-start firms.

Table 1: Number of enquiries into the gateway (June 15 – Jan 18)

Enquiry Type	Total July 15 – Mar 16	Total April 16 – Mar 17	Total April 17 to Jan 18
Level 0 – Non Target Client Group	410	252	167
Level 1 – Light Touch Referral	427	911	827
Level 2 – In depth Referrals	235	390	328
Total Gateway Interactions	1072	1553	1321

- 1.5 There has been little change with regards to the most popular routes of enquiries from businesses accessing the service since its launch in July 2015. Although there have been minor fluctuations throughout the years, the most popular route continues to be via the telephone helpline (49%). This percentage has increased by 4% since quarter one of this financial year, whilst the percentage of email enquiries has decreased by 4%

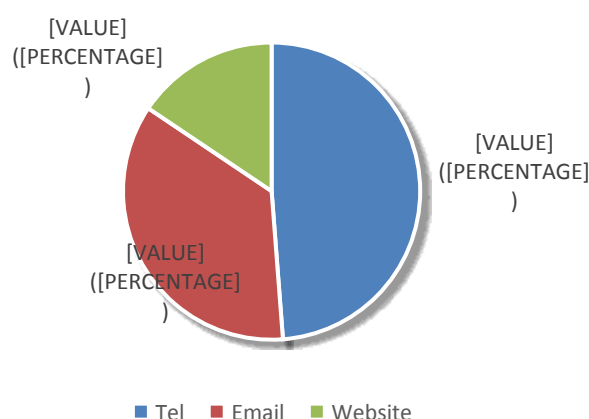


Figure 3: Gateway channels of enquiry (Apr 17 – Jan 18)

- 1.6 Every business contacting the gateway is asked how they have heard about the service. Referrals from 'another LEP product/service' have increased throughout this financial year and now account for 32% of responses, almost the same as internet/website which was previously the most common source. Again this trend reinforces business-confidence in the service by returning to it for additional support. An independent evaluation of the service will take place in March 2018 and will include customer satisfaction as well as the impact of the service on the businesses supported.

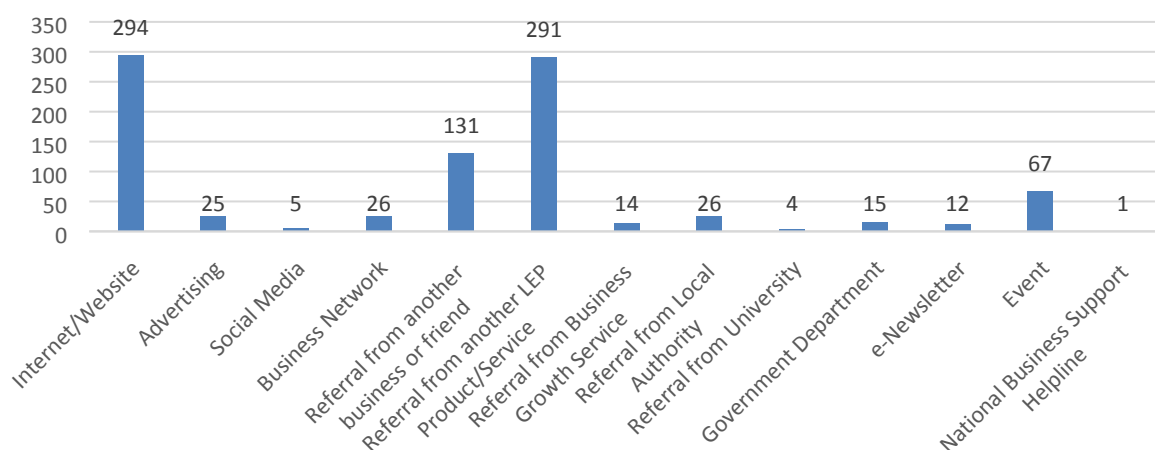


Figure 4: How customers report hearing about the service (Apr 17 – Jan 18)

- 1.7 Collectively the team of SME Growth Managers have supported 685 businesses since April 2017, with 509 receiving ongoing intensive support. Table 2 below provides a breakdown of the number of clients supported by the managers in their districts.

Table 2: SME Growth Manager clients by district (Apr 17 – Jan 18)

SME Growth Manager	Total Clients	Intensively Supported
Bradford & Craven (x2 FTE)	110	107
Calderdale (x1 FTE)	100	40
Harrogate (x1 FTE)	86	68
Kirklees (x1.5 FTE)	74	64
Leeds (x2.5 FTE)	153	103
Wakefield (x1 FTE)	72	68
York (x1 FTE)	63	41
Selby (x0.5 FTE)	27	18
Total	685	509

- 1.8 Figure 5 shows the spread of enquiries to the gateway from across the city region compared to the percentage of the City Region's business stock per district. Leeds, Bradford, Calderdale and Kirklees continue to generate more enquiries than their proportion of overall business stock. The proportion from each district remains similar to previous quarters.

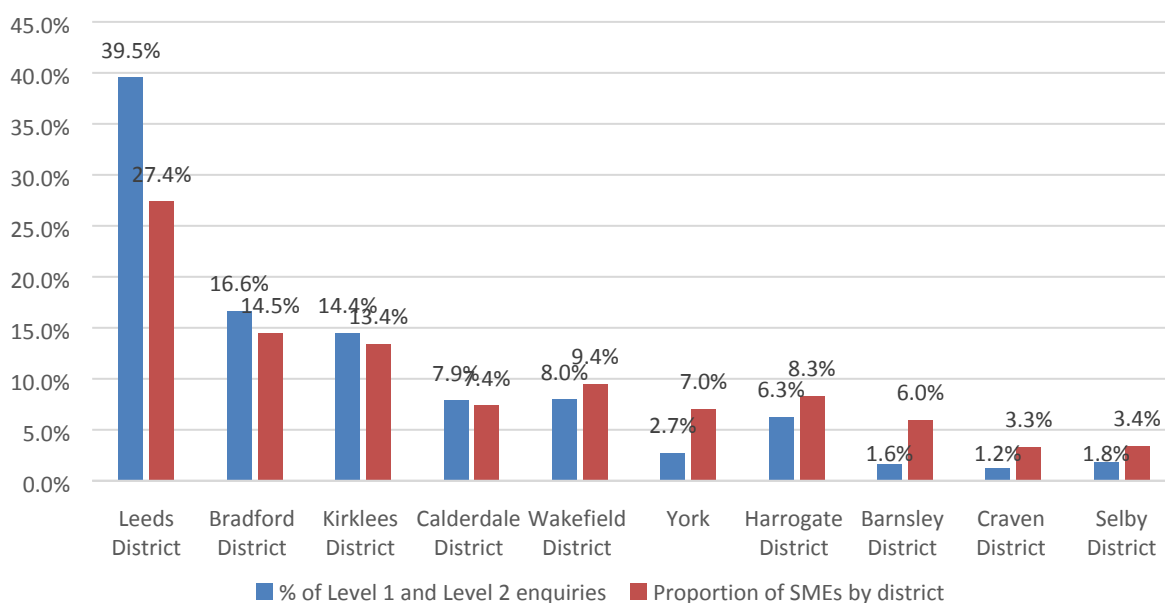


Figure 5: business enquiries compared to the district-proportion of total City Region stock (Apr 17 – Jan 18)

- 1.9 'Access to Finance' continues to be the most popular topic for support for both gateway enquiries and the clients of the SME Growth Managers. 'Business Planning' and 'Skills/Recruitment' are the next most common topics for gateway enquiries, whereas 'Skills/Recruitment' and 'Premises' are the areas that most Growth Manager-clients want support with, after 'Access to Finance'.

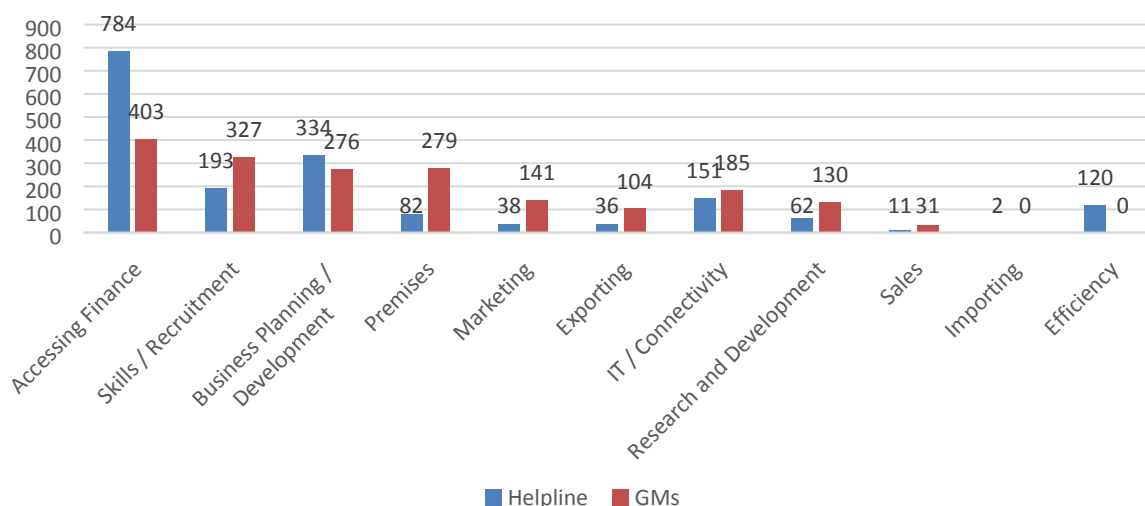


Figure 6: Topics for business support (Apr 17 – Oct 18)

- 1.10 Businesses from the manufacturing sector continue to provide the highest number of enquiries into the gateway. Similarly, it remains that the Growth

Managers' clients are more likely to be in the LEP's priority sectors, particularly Advanced Manufacturing and Creative and Digital, than those firms that come directly through the gateway. This is attributable to the nature of the current support offer which lends itself to these two sectors, and the prominence of growing SMEs in the priority sectors across the city region's largest districts.

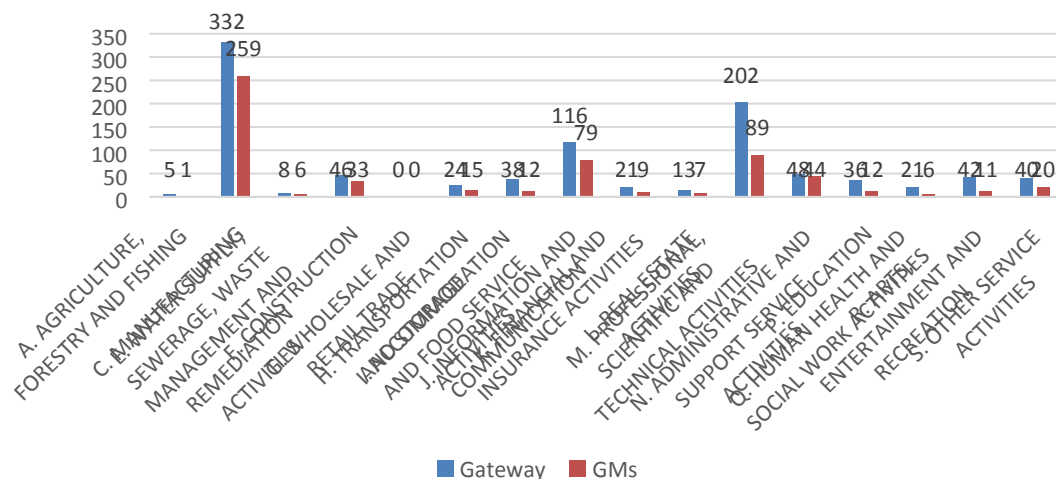


Figure 7: Percentage of Growth Service clients (Gateway and Growth Manager) by sector (Apr 17 – Jan 18)

1.11 Figure 8 below illustrates the breadth of referrals to business support products and organisations from both the gateway and growth managers. The highest number of referrals since April 2017 are to the LEP Capital Grants programme, Digital Enterprise programme, Resource Efficiency Fund, Skills Service, and Ad:Venture. There has been an increase in the number of referrals to Access Innovation as part of an ongoing campaign to promote innovation-related support by the service.

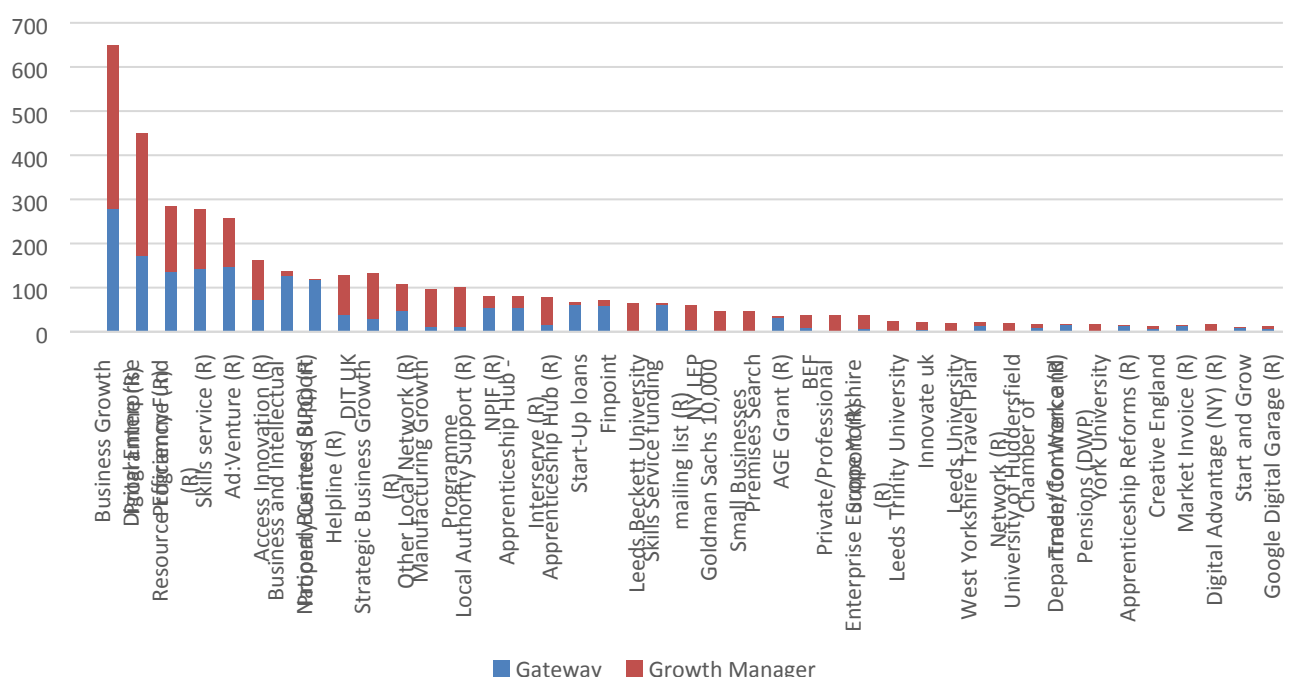


Figure 8: Number of business support referrals (Apr 17 – Jan 18)

1.12 The Growth Managers are working towards an annual target of collectively account-managing 660 businesses, with 25% of those being new clients for 2017/18. Business networks continue to be a good source of clients for Growth Managers in Harrogate, Bradford and Selby in particular.

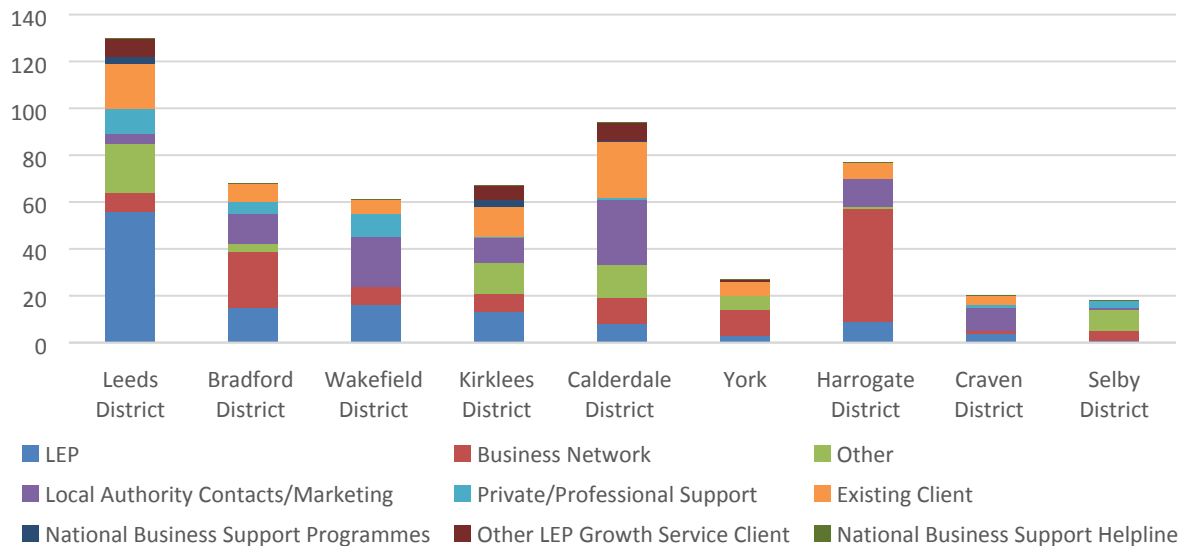


Figure 9: Source of Growth Managers' clients (Apr 17 - Jan 18)