

BUSINESS INNOVATION AND GROWTH PANEL

**MEETING TO BE HELD AT 2.00 PM ON THURSDAY, 13 SEPTEMBER
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 24 MAY 2018**
(Pages 1 - 6)
- 5. CHAIR'S UPDATE**
- 6. INTERNATIONAL TRADE**
(Pages 7 - 20)
- 7. INWARD INVESTMENT**
(Pages 21 - 24)
- 8. INVESTOR DEVELOPMENT**
(Pages 25 - 28)
- 9. INNOVATION**
 - (a) DIGITAL FRAMEWORK**
(Pages 29 - 30)
 - (b) STRENGTH IN PLACES FUND**
(Pages 31 - 34)
- 10. BUSINESS BASICS FUND**
(Pages 35 - 40)

11. BUSINESS SUPPORT

(Pages 41 - 74)

12. STRENGTHENED LOCAL ENTERPRISE PARTNERSHIPS

(Pages 75 - 84)

13. GOVERNANCE ARRANGEMENTS

(Pages 85 - 88)

Signed:

A handwritten signature in black ink, consisting of the letters 'BSM' in a stylized, cursive font, with a horizontal line underneath.

**Managing Director
West Yorkshire Combined Authority**

**MINUTES OF THE MEETING OF THE
BUSINESS INNOVATION AND GROWTH PANEL
HELD ON THURSDAY, 24 MAY 2018 AT COMMITTEE ROOM A
WELLINGTON HOUSE, LEEDS**

Present:

Andrew Wright (Chair)	Reliance Precision
Martin Booth	Witt UK Gp
Mike Danby	Advanced Supply Chain Lead
Nicola Greenan	East Street Arts
Amir Hussain	Yeme Architects
Councillor Shabir Pandor	Kirklees Council
Councillor Tim Swift MBE	Calderdale Council
Phillip Wilson	Slipstream Design
Marie Gilluley (Advisory Representative)	West Yorkshire Consortium of Collegues
Sandy Needham (Advisory Representative)	West & North Yorkshire Chamber of Commerce
Professor Liz Towns-Andrews (Advisory Representative)	University of Huddersfield

In attendance:

Sue Cooke	West Yorkshire Combined Authority
Henry Rigg	West Yorkshire Combined Authority
Sarah Bowes	West Yorkshire Combined Authority
James Hopton	West Yorkshire Combined Authority
Jonathan Skinner	West Yorkshire Combined Authority
Janette Woodcock	West Yorkshire Combined Authority

1. Apologies for Absence

Apologies for absence were received from Cllr Andrew Lee, Cllr Roy Miller, Kersten England, Simon Wright, Will Roebuck, Steph Morris, Mark Robson, Ian Sharp, Professor Lisa Roberts and Dr Peter O'Brien.

2. Declarations of Disclosable Pecuniary Interests

There were no disclosable pecuniary interests declared by members at the meeting.

3. 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 March 2018

That the minutes of the Business Innovation and Growth Panel held on 7 March 2018 be approved and signed by the Chair.

5. Business Survey results 2017/18

The Panel considered a report which provided the results of the latest detailed business survey and the Leeds City Region Economic quarterly update.

The latest Leeds City Region Business Survey was undertaken in 2017 and builds on previous similar surveys undertaken in 2011 and 2015. The Panel was asked to provide views on the findings from the Business Survey and how this relates to merging policy priorities described.

The Panel discussed and provided feedback on the findings from the survey.

Resolved:

- (i) That the contents of the report be noted.
- (ii) That the views on the findings from the Business Survey and how this relates to emerging policy priorities described be noted.

6. Productivity

(a) Productivity and the policy framework

The Panel considered a report setting out the City Region's outline approach to tackling the productivity challenge in the context of the wider emerging policy framework for the city region. The outlined approach to the productivity challenge centres on a private sector-led productivity revolution that focuses on addressing the 'long tail' of less productive firms

At the last meeting, the Panel noted the City Region's aim to work towards replacing the Strategic Economic Plan with a broader policy framework and local inclusive industrial strategy.

The Panel discussed and provided views on how a productivity revolution can deliver improved business performance and understanding of productivity; and the emerging City Region policy framework and associated early draft outcome measures that show 'what success looks like' by addressing the key challenges of improving productivity and living standards.

Resolved:

- (i) That the contents of the report be noted.
- (ii) That the views of the Panel on Productivity and Policy framework be noted.

(b) Business Productivity Pilot

The Panel considered a report on the Business Productivity Pilot which included:

- Establishment of a working group
- Rationale for the proposed project
- Proposed Activity
- Timeline and key milestones

The Panel discussed and provided input into the pilot project focussed on improving productivity of businesses in receipt of capital investment grants from the LEP's Business Grants programme, without the need to create new jobs.

Resolved:

- (i) That the contents of the report be noted.
- (ii) That the input of the Panel into a pilot project focused on improving the productivity of business in receipt of capital investment grants be noted.
- (iii) That the pilot project be processed by officers within the Combined Authority's Business Support and Policy Strategy Teams.

(c) Investment Readiness and Economic Resilience

The Panel considered a report on progressing activity in the areas of Investment Readiness and Economic Resilience including:

Context for activity in these areas
Evidence of need and demand for activity in these areas
Proposed future activity in these areas
Potential impacts of activity

The Panel discussed and provided input into the proposal to progress activity in the areas of Investment Readiness and Economic Resilience.

Resolved:

- (i) That the contents of the report be noted.
- (ii) That the feedback from the Panel be noted.

(d) Business Heroes

The Panel considered a report outlining the proposal for recruiting and utilising “business heroes” as part of the private sector-led productivity revolution.

The Panel members discussed and provided feedback on the approach and expectations for the work and the routes to identification of potential heroes.

Resolved:

- (i) That the contents of the report be noted.
- (ii) That feedback on the approach and expectations for the work and the routes to identify potential heroes be noted.

7. Digital framework

The Panel considered an update report on work to develop the Digital Framework.

Since the last meeting in March stakeholder engagement has continued to help shape and refine the framework. Online consultation will start in June using the new Engagement Hub to further refine the proposals.

Resolved:

- (i) That the contents of the Report be noted.

8. Massachusetts Institute of Technology Regional Entrepreneurship Acceleration Programme

The Panel considered a report providing an update on the Massachusetts Institute of Technology Regional Entrepreneurship Acceleration (MIT REAP) programme application, following Leeds University’s successful application to the programme.

MIT REAP provides opportunities to communities around the world to engage with MIT in an evidence-based practical approach to strengthening innovation ecosystems. Projects focus on increasing expertise and capacity across key players (using best practice from MIT) and develop interventions to strengthen the innovation support system available across an area.

Resolved:

- (i) That the contents of the report be noted.
- (ii) That the views of the Panel on Productivity and Policy framework be noted.

9. Review of the Employment & Skills Plan

The Panel was updated on the outcomes of an Employment and Skills Panel workshop which was held on 21 May 2018. The workshop was based on an open approach around the following issues related to the LEP Board challenges identified in September 2017 and the expanded policy framework

- Boosting productivity and innovation
- Tackling stubborn deprivation and improving living standards (Inclusive Growth angle)
- External environment – Brexit / Automation.

The Panel was asked to note the verbal update on the outcomes of the Employment and Skills Panel Workshop and identify any cross-cutting themes / ideas of relevance to the work of the Business Innovation and Growth Panel.

Resolved:

- (i) That the contents of the report be noted.
- (ii) That the ideas put forward by the Panel identifying any cross-cutting themes be noted.

10. Service Updates

(a) Trade and Investment

The Panel considered a progress report on Trade and Investment Activity in 2018/2019 and was asked to consider the options for raising the city region's global profile, including attendance at MIPIM and offered views ahead of consideration at the LEP Board on 13 June 2018.

Resolved:

- (i) That the contents of the report be noted.
- (ii) That the views of the Business Innovation and Growth Panel be noted.

(b) Business Support

The Panel considered 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.

Resolved: That the contents of the report be noted.

Report to: Business Innovation and Growth (BIG) Panel

Date: 13 September 2018

Subject: **International Trade**

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

Author(s): Amanda Potter, International Trade Manager

1. Purpose of this report

- 1.1 To provide the BIG Panel with a progress report on International Trade activity to date.

2. Information

Trade Outlook

- 2.1 The total annual value of UK exports increased by 8.2% to £330 billion in the year ending March 2018 compared with the same period the previous year. Eight English regions, including Yorkshire & the Humber experienced an increase in the value of exports. The largest increase was 15% in the East Midlands with Yorkshire & the Humber showing an increase of 8.7%.
- 2.2 The total number of businesses exporting from the UK increased by 4.1% between Q1 2017 and Q1 2018. The number of businesses in Yorkshire & the Humber similarly grew by 3.3% over the same period.
- 2.3 The British Chambers of Commerce Quarterly Economic Survey for Q1 2018 reports strong global trading conditions and shows that 30% of manufacturers reported improved export sales in the quarter with 13% of service firms reporting improved export sales, both figures up from the previous quarter.
- 2.4 The EEF/BDO Manufacturing Outlook for Q2 2018 also shows a continuing positive growth in export markets but at a slower rate than previously. European markets remain the largest for the UK but with businesses reporting a slowdown in demand.

International Trade Plan Progress

- 2.5 The International Trade Plan is a five year plan (2016 – 2021) which sets out both the principles and practical arrangements for closer and stronger collaboration between trade delivery partners across the City Region.

- 2.6 Over the five years of this Plan the ambition is: to increase the number of SME exporters in Leeds City Region and to drive up the value of exports across Leeds City Region.
- 2.7 Every year a Forward Plan is produced setting out the practical delivery arrangements that will be undertaken to achieve the International Trade Plan's objectives.
- 2.8 The 2018/19 Forward Plan was presented to the LEP Board in March 2018 and a progress report summarising the performance against the International Trade Plan is attached at Appendix 1.

Forward Plan 2018/19

- 2.9 Key trade activities planned for the remainder of 2018/19 include:
- 'Meet the Buyer' activity with Kaola.com: This continues to build on our work with Kaola by introducing local suppliers and their products to Kaola's UK representative;
 - Delegation to China and Hong Kong: The city region trade and investment delegation to China and Hong Kong in September will further develop the city region's relationship with key cities and contacts to develop both trade and investment opportunities;
 - City region delegation to Boston: As part of the Exporting for Growth European project and managed by Export Exchange, this innovation and technology trade accelerator visit will introduce city region businesses to contacts and opportunities in the Boston and New England area.
 - Valve World Expo 2018: This is the most important show worldwide for valve technology, piping and flow control professionals. It therefore presents an excellent opportunity to showcase the undoubted strengths of the city region in this particular sector;
 - Gulf roundtable: A roundtable discussion with Medilink, the British Centre for Business in Dubai with city region businesses to discuss the medical and life sciences market in the Gulf States and the city region's plans for Arab Health 2019;
 - Arab Health 2019: This will build on the city region's attendance at Arab Health 2018 and will showcase the medical and life sciences sector strengths in the city region to an international audience;
 - A food and drink focussed event: This event will build on the food and drink meet the buyer event in January 2018 by introducing local suppliers to overseas buyers;
 - A series of European focused events: These are a joint initiative with Enterprise Europe Network, DIT and a range of business organisations. Each of the five events will focus on key issues that businesses may wish to consider when doing business in Europe, particularly as the trading environment evolves over the coming months. Further details on the events can be found here: <https://www.eventbrite.co.uk/e/lets-talk-doing-business-with-europe-employment-and-hr-tickets-48830944670>

Outline Priorities for 19/20 Forward Plan

2.10 Initial consideration is now being given to key targeted activities for the 2019/20 Business Plan. It is important that this should both build on current activity and also explore new opportunities for development. The Leeds City Region Business Survey 2017 indicates that around 11% of businesses surveyed are planning to expand into new markets in the next 12 months with the highest proportions in advanced manufacturing and health & bioscience. Markets of most interest include the EU, North America, China (and Asia more widely), India and South America. This echoes the MDS report (referred to in the attached appendix) which highlighted Canada, China, Hong Kong, Japan and Mexico as underexplored markets for the city region.

2.11 Current ideas for activity in 2019/20 therefore include:

- Targeted activity focussing on the city region's key sectors including:
 - showcasing at Arab Health 2020, and Valve World 2019, both currently subject to evaluation of the current years activity.
 - identification of trade activity supporting the digital and creative sector.
- Development of trade activity focussed on target markets such as China, India, USA and Europe.

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 BIG Panel notes the progress within the Trade Plan thus far and is asked for their comments and input into the development of key trade priorities and activities by 2019/20

8. Background Documents

8.1 None

9. Appendices

9.1 Appendix 1 – Trade Progress Report

Appendix 1

Leeds City Region Enterprise Partnership Trade Activity Progress Report 2018

1. Context

- 1.1. The vision for the Leeds City Region is “to be a globally recognised economy where good growth delivers high levels of prosperity, jobs and quality of life for everyone.” The Leeds City Region Strategic Economic Plan 2016 (SEP) provides the framework for good growth, which will be achieved by working jointly with partners and stakeholders.
- 1.2. The Leeds City Region International Trade Plan seeks to articulate this ambition from a trade perspective through the following priorities:
 - To increase the number of SME exporters in Leeds City Region.
 - To drive up the value of exports across Leeds City Region.
- 1.3. This will be achieved by focussing on four themes:
 - **Simplify** - Simplifying the international trade support landscape for businesses in Leeds City Region and providing a joined-up, collaborative approach that is both accessible and supportive at all stages of a business’s export journey.
 - **Connect** – Connecting international trade activity to other areas within the Leeds City Region Enterprise Partnership to drive a stronger partnership approach to service delivery.
 - **Inspire** - Inspiring more businesses in Leeds City Region to internationalise to service new markets and customers as an integral part of their business growth plans.
 - **Target** - Targeting key sectors and markets to maximise the overseas trade opportunities available to businesses in Leeds City Region.

2. Overview

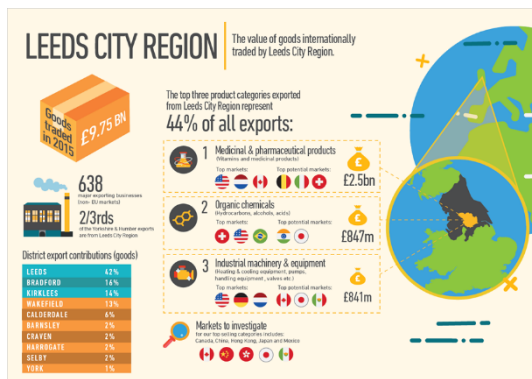
- 2.1. All trade activities undertaken fit within one or more of the themes, with a particular focus throughout 2017/18 on the ‘Inspire’ and ‘Target’ themes. These themes are more customer focussed to create more connection and engagement directly with businesses through partnership activity.
- 2.2. The identification of key activities was informed by input from trade partners, emerging opportunities and the availability of resource. The MDS Transmodal trade analysis (see below) also supported the determination of key activities, as this provides for the first time, a snapshot view of trade in goods within the city region as well as an indication of potential export opportunities to be explored further.

- 2.3. Activity in 2017/18 delivered 98 export enquiries to the Growth Service, 152 export referrals and 118 businesses engaged through trade initiatives.

3. Key Activities

3.1. MDS Report

- 3.2. Working with the Regional Economic Intelligence Unit, **MDS Transmodal** were commissioned to undertake a review of the trade performance for the city region. Official data on both the value and volume of trade flows for the UK has historically only been available at national and regional (Yorkshire & Humber) level which makes it difficult to assess the performance at city region level. Official data from HMRC has historically only been available at regional (Yorkshire & Humber) level. So this is the first time that an



independent assessment of export activity in Leeds city region. MDS Transmodal therefore looked at trade in goods (not services), and estimated value of Leeds city region trade by destination country and commodity (SITC code).

3.3. Review of the International Trade Working Group (ITWG)

- 3.4. The role and remit of the **International Trade Working Group** was reviewed with a particular focus on its key role of identifying ways of working in a more joined-up, collaborative way. The ITWG has provided a valuable role in developing the trade plan for the city region. To enable the delivery of the Plan however the Group needed to widen and reflect a truly inclusive partnership across the city region. There is however undoubtedly a need to grow and evolve the group to better reflect the current environment which facilitates engagement with a wider group of partners. There are for example organisations for whom international trade is not their sole focus but are nonetheless important partners in terms of the knowledge, expertise and engagement with the business community.
- 3.5. The Group has therefore changed to create a more inclusive and open 'partnership' model, which allows for a more agile and organic approach to the discussion of key issues, the dissemination of information and messages between partners and perhaps most importantly the delivery of key activities in a cohesive way. Evolving engagement with a broader range of partners enables work with a wider range of public and private sector partners and organisations in the city region who have an interest and role in supporting businesses to trade internationally.

3.6. Online resources

3.7. Communication now takes more of a 'campaign' approach with greater use of the LEP website and digital media to disseminate key messages.

3.8. 2017/18 saw the **#LetsTalkRealBusiness** campaign continue, reaching 16,416 twitter accounts, a comparison of visits to the business pages of the LEP website show an increase of 30% from 16/17 to 17/18, demonstrating the value of the #LetsTalkRealBusiness campaign.

3.9. Some exciting, informative and insightful collateral including blogs, videos and digital banners have been produced as follows:

Let's talk... selling to China



Hailing Yu, pictured, ([@hailingyu22](#)) is the China Business Adviser of the UK Northern Powerhouse, China Britain Business Council (CBBC), drawing on 20 years' experience working in, running and supporting businesses in both China and the UK. Here Hailing discusses the exciting potential for Leeds City Region businesses to tap into Chinese markets through social media and e-commerce.

FROM THE BLOG



21th September 2017
Let's talk... real business in the Middle East

Veteran of trade missions, Munir Mamujee, MD of m2r Education, discusses his top tips for doing business in the Middle East.

READ MORE

VIDEO



Women in business: Gulf States with Victoria Boldison and Saeeda Ahmed

PLAY VIDEO

3.10. Improvements to the trade pages on the LEP website are being developed, in particular to the trade landing page and the format and layout of the content. This will include a more practical and intuitive representation of the trade support landscape in the region, highlighting where businesses can receive support to address key questions and issues. This will hopefully improve both the understanding and accessibility for businesses looking to receive support for their trade activities. There will also be specific campaign pages and a calendar of events. The new look pages will be 'live' in autumn 2018.

3.11. Growth Service

- 3.12. Under the 'Connect' strand of the International Trade Plan consideration has been given to how trade can be better embedded within the work of the Growth Service. This has included encouraging the Growth Managers and International Trade Managers to become 'buddies' to develop their relationships to increase understanding of each other's roles and improve the quality and quantity of referrals. Department for International Trade advisers have also attended The Growth Service 'Pop-Up' Cafes to broaden the range of advice available to attendees of those events. At the end of 2017/18 the Growth Managers were also asked to survey their clients on their international trade activity. This pilot International Trade Survey asked businesses that had received support from the Growth Managers about their current overseas trade activity and future plans. This survey will be repeated in 2018/19 to start to build up a picture of changing behaviours and activities.



3.13. China

- 3.14. China continues to be an important target market for the city region from both a trade and investment perspective. The focus for 2017/18 was to take a more pro-active stance from a trade perspective, to further build the city region's relationship with Netease/Kaola and extend the reach by exploring where future trade opportunities can be maximised. The MDS report identified that both China and Hong Kong are markets to be investigated where there are potential untapped trade opportunities for the city region.
- 3.15. The year began by participating in the **Netease European Conference** in Frankfurt. This was an excellent opportunity to demonstrate the city region's commitment to the relationship with Kaola and to meet key personnel responsible for developing their European markets.
- 3.16. In August the second city region catalogue of 39 potential suppliers was submitted to **Kaola** for their consideration. This was followed in December by a visit to the region by Qin Wang, their newly appointed UK representative to participate in a '**Meet the Buyer**' event with suppliers included in the catalogue. This was hosted on by Shulmans LLP on behalf of the LEP.



3.17. Hong Kong

- 3.18. In September the LEP attended the **Think Asia, Think Hong Kong** conference organised by the Hong Kong Trade Development Council. This helped to improve understanding of the role of Hong Kong as a trade gateway to mainland China, but also as a market in its own right. At this event, DIT announced their intention to host a **Great Festival of Innovation** in Hong Kong in March 2018 to showcase not only the UK's strengths but also to promote trade links between Hong Kong and the UK. The LEP subsequently travelled to Hong Kong in March as part of the Northern



Elaine Taylor-Whilde, CEO of [Nine Health CIC](#), who joined the PM Theresa May on her trip to China in January this year, is in Hong Kong for the Festival and had this to say about how international cooperation is the key to prosperity and happiness on a global scale.

Powerhouse delegation. This was an excellent opportunity for an initial trade and investment focused visit to Hong Kong. Participating in the Great Festival of Innovation as part of the Northern Powerhouse delegation provided an excellent basis for the visit and access to relevant contacts and presentations.

- 3.19. Meetings outside of the Festival provided valuable insights and introductions to key contacts to be developed in the future. Meeting people face to face 'in market' is an important way of showing a commitment to the market and to developing long standing relationships, an important factor in such markets. During the week the LEP attended ten keynote speeches and panel sessions at the Great Festival of Innovation, which provided valuable insights into innovations taking place in the region's key sectors, trade opportunities, and UK-Hong Kong government policies. Meetings were also held with key intermediaries and relationships developed with the DIT Northern



We catch up with Jon Geldart, Chair of the Yorkshire and Humber Institute of Directors, and Executive Director Markets Development Greater China, to discover more about why Hong Kong, a place where 'West meets East', is such an important market for Leeds City Region businesses.

Powerhouse team, and central DIT China team. The visit generated 53 new contacts from attending three evening events, two Chamber of Commerce events, and generated one potential inward investment project and explored opportunities for greater involvement in the UK-Hong Kong FinTech Bridge initiative. With a population of over 7 million, Hong Kong also presents a valuable potential trade market for the city region.

3.20. Exporting for Growth

3.21. The LEP has continued to work with the Exporting for Growth team to deliver key aspects of this programme.

3.22. July 2017 saw the launch of **Export Exchange**, the peer to peer export support network with an initial cohort of 50 experienced business patrons recruited to share their knowledge and expertise of trading internationally with less experienced exporters. This has been followed by regular targeted events throughout the year on topics such as selling to China, routes to market and the US.



Businesses in the Leeds City Region are to benefit from a unique regional initiative aimed at boosting international trade. It has been announced in Leeds, **ExportExchange** is an online and offline network and unique collaboration, which aims to help businesses within the city region and beyond to increase exports, grow revenues and create employment.

The ExportExchange programme is backed by the European Regional Development Fund and delivered by the Leeds City Region Enterprise Partnership (LEP), the Department for International Trade (DIT) and a number of private sector media, marketing and export specialists. The initiative was launched by Roger Marsh OBE, Chair of the LEP, and Martin Sudbury, head of the Northern Powerhouse for the DIT, on Friday 30 June at **LEP's** Salem Chapel building in the Hobcock area of the city.

The launch event saw a host of invited guests from businesses in the Leeds City Region that are successfully exporting come together as 'patrons' to back a programme that will pool their expertise and know-how to help Yorkshire firms that want to develop their overseas trade.

Roger Marsh said: "The need for businesses to seek more diversified global growth has never been greater. A recent HMRC report found that in the year to March 2017, Yorkshire & the Humber saw an increase in the value of exports of 7.5% so we know the ability to achieve this exists. We challenged the business community to mobilise expertise within the region to help a new generation of would-be exporters and, with the collaboration of over 50 new patrons from some of the region's most successful exporters, we've built a unique support network which is 100 per cent free to use."

Under the ExportExchange programme, the patrons, all experienced exporters and business leaders from across the Leeds City Region - which includes Skipton and Harrogate in the north, Barnsley in the south, and York - will share their expertise on every aspect of exporting and growth with fledgling SME exporters.

Peer-to-peer advice, based on years of global trading in diverse sectors and markets, is central to the initiative and mentoring will also be on offer for businesses that are looking for help with trading overseas. The initiative also includes a bespoke online portal, www.ExportExchange.co.uk that directs enquiries and requests for assistance securely to the most qualified and relevant patron.

Victoria Bolderson, network manager for the initiative, said: "Dozens of firms across Leeds, Harrogate, Huddersfield, Barnsley and York have already come to us and signed up online and forwarded specific enquiries during our testing and recruitment process, and we are now opening the ExportExchange.co.uk network to registrations from any business in the region. It takes just a couple of minutes to register and fire in a question or enquiry with a couple of clicks, it really is that simple."

A series of quarterly events is planned as part of ExportExchange to bring experienced and would-be exporters together, to inform on key issues and to provide interaction between patrons and businesses. The events are also designed to help businesses navigate the range of overseas trade resources available regionally.

Victoria Hopkins, managing director of Pudsey-based catering equipment manufacturer **Hopkins Catering**, was among the first patrons to sign up to the scheme. "We have learned so many lessons in our experience with overseas post orders and trade

3.23. The LEP also supported DIT to recruit a new Exporting for Growth **Export Co-ordinator** for Leeds City Region. This post forms an important role in the co-ordination of export activity across the city region and a pivotal link between the LEP and DIT trade delivery activity.

3.24. Gulf States

3.25. The LEP was pleased to host the delegation of visitors from overseas Posts and the Overseas Business Network on their annual **Gulf Tour** of the UK.

3.26. This confirmed the importance of the region's focus on the Gulf States as a potential market to explore further, with specific focus on the health and lifesciences sector.

3.27. As a result the LEP participated at **Arab Health** in January as part of the UK



Pavilion and delegation organised by Medilink. Arab Health is the largest gathering of healthcare and trade professionals in the Middle East & North Africa (MENA) region. The 2018 event welcomed more than 4,200 exhibiting companies and 103,000 attendees from 150+ countries.

3.28. There is no doubt that Arab Health is a truly international event. On the Leeds City Region stand over 100 contacts were made from countries across the Middle East but also South America, Europe and Asia. The stand also had visitors from the UK who were clearly impressed the city region was present and showcasing the region's capabilities.

- 3.29. Sky News Arabia also filmed an interview on the Leeds City Region stand with Paxman Coolers for broadcast on their breakfast news show. Sky News Arabia broadcast to more than 50 million households in the MENA region.
- 3.30. The feedback from some of the companies showcased on the city region stand demonstrates that attendance has been of great value to them

'Thanks for showcasing our products on your stand..... extremely indebted to LEP for your support.'

'It was a pleasure to work with you both and I would like to say thank you again for the opportunity to host the system on the stand – I would have not been able to secure similar profile had we not had that foothold at the show.'

'Our ability to display at Arab Health was a great opportunity for us to showcase our product and at the same time understand the volume of potential customers who may be in attendance to help us make a decisions as to whether we would attend on our own in the future.....'



3.31. DFID Regional Supplier event

- 3.32. On 6th December, the LEP hosted a **Regional Supplier Event** on behalf of the Department for International Development (DFID). With a keynote speech by the Minister of State for International Development, The Rt Hon Lord Bates, the event focussed 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.



3.33. Food and Drink

- 3.34. On behalf of the Northern Powerhouse the LEP organised a **Meet the Buyer Event** between 15th and 17th January as part of DIT's **Western Europe Food & Drink High Value Campaign**. A group of food and drink buyers from European markets of Germany, France, Switzerland & Austria were

hosted at a Meet the European Food & Drink Buyer Event. 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. The partners for this event were DIT, RTC, Deliciously Yorkshire and Santander.

REGISTER YOUR INTEREST

Meet the European food & drink buyers

Are you a supplier of food and drink products and interested in supplying the European markets of France, Germany, Ireland, The Netherlands or Switzerland?

Come and join us to explore these opportunities, meet buyers and to participate in a 'marketplace' networking event to showcase your products to a new audience.

PRODUCTS OF INTEREST INCLUDE:

- Snacks, savoury and sweet
- Organic and free-from
- Healthy options
- Alcoholic and non-alcoholic beverages
- Cheese
- Biscuits and shortbread
- Jam, marmalade and curd
- Sauces and chutneys
- Condiments
- Convenience and ready meals
- Own label
- Sauces and seasonings in jars
- Confectionery products and chocolate
- Meat
- Fresh fish and seafood
- Asian products manufactured in the UK

OPPORTUNITY:

- Showcase your products at a marketplace
- Engage in 1-1 meetings with European buyers

In 2016 exports of food and drink from the UK exceeded £20bn for the first time, up 10.5% on 2015. £9.9bn of those exports went to EU markets, the equivalent of 71.4% of the total UK food and drink exports. Four out of five of the top export markets in 2016 for UK food and drink were in the EU.

FOR MORE INFORMATION, PLEASE REGISTER YOUR INTEREST [HERE](#).

We are working in partnership with:

LEP LEEDS CITY REGION ENTERPRISE PARTNERSHIP

Tuesday 14th January
The Pavilions of Harrogate,
Harrogate, HG2 8NZ

Food And Drink Brands Open The Door To European Markets

Food & Drink | Food | News | Harrogate | Manufacturing | 10:00 AM | 18 January 2017



Buyers from Europe, representatives from DIT, the LEP, RTC, North and Deliciously Yorkshire

Please share the news



Food and drink buyers from four European countries gathered in the Pavilions of Harrogate to meet over 100 ambitious Northern companies who want to increase their exports to the EU.

Business who came along to the event included Harrogate-based Spirit of Harrogate makers of Singby Gin, Thirsk-based Shepherd's Purse Cheeses, Leeds-based North Brewing company and Bradford-based Seabrook Crisps alongside many other familiar local brands.

Karsten England chief executive of Bradford Council and Leeds City Region Enterprise Partnership (LEP) lead chief executive for Business, Innovation and Growth said: 'I'm delighted so many Leeds City Region businesses came along to the event today as EU countries are the biggest market by far for UK for this sector.

'Last year, exports of food and drink from the UK exceeded £20bn for the first time, half of which went to EU markets, up 10.5 per cent on 2015. Opening the door to international markets is all about working with the right partners and getting the right support and the LEP can help simplify that.'

Achim Helbig, CEO at BrauArt britische Biere (pictured third from right, back row), one of the buyers based in Dusseldorf, Germany said: 'I've met a number of very interesting companies and tasted good quality products, some of which I was aware some I wasn't.

'Today has shown me what a wealth of great SMEs there are in Yorkshire and their personal approach to running a business, which is important for me. The story behind the brands helps me to sell these products in Germany. I'm looking forward to seeing more of Harrogate and sampling some of the local ales and gins in the pub!'

The day comprised 135 one to one meetings with individual buyers, a marketplace of 54 food and drink displays and a series of workshops about marketing, business development, insights and trends in the food and drink sector.

The event has been organised by the Leeds City Region Enterprise Partnership (LEP) in partnership with the Department for International Trade (DIT), Deliciously Yorkshire and RTC North.

The importance of overseas trade was recently highlighted in a report by HARC. It found in the year to June 2017 the overall value of Yorkshire and Humber trade in goods exports increased significantly by 13 per cent compared with the same period to June 2016.

This forms the first of two food and drink events in Harrogate. On 26 January, Design Network North in partnership with the LEP are hosting a monthly Rise and Design event, focusing on design in the food and drink sector.

It will bring together some iconic Yorkshire food producers to share their passion for their products and creativity behind their brands. The event will be held at the Sun Pavilion, Harrogate, from 8.30am. To book a place call 01978 4400.

Jan 16

Meet the European food & drink buyers - register your interest

by Leeds City Region Enterprise Partnership (LEP)

Free

Sales Ended [DETAILS](#)

DESCRIPTION

In 2016 exports of food and drink from the UK exceeded £20bn for the first time, up 10.5% on 2015. £9.9bn of those exports went to EU markets, the equivalent of 71.4% of the total UK food and drink exports. Four out of five of the top export markets in 2016 for UK food and drink were in the EU.

Are you a supplier of food and drink products and interested in supplying the European markets of France, Germany, Ireland, The Netherlands or Switzerland?

Come and join us to explore these opportunities, meet buyers and to participate in a 'marketplace' networking event to showcase your products to a new audience.

Products of interest include:

- Snacks savoury and sweet
- Organic and free-from
- Healthy options
- Alcoholic and non-alcoholic beverages
- Cheese
- Biscuits and shortbread
- Jam, marmalade, curd
- Sauces, chutneys
- Condiments
- Convenience and ready meals
- Own label
- Sauces and seasonings in jars
- Confectionery products and chocolate
- Meat
- Fresh fish and seafood
- Asian products manufactured in the UK

Opportunity:

- Showcase your products at a marketplace and/or
- Engage in 1:1 meetings with European buyers.

To register your interest to and receive more information please register through this page.

We are working in partnership with the Department for International Trade (DIT), Deliciously Yorkshire, Enterprise Europe Network, RTC North and Santander.

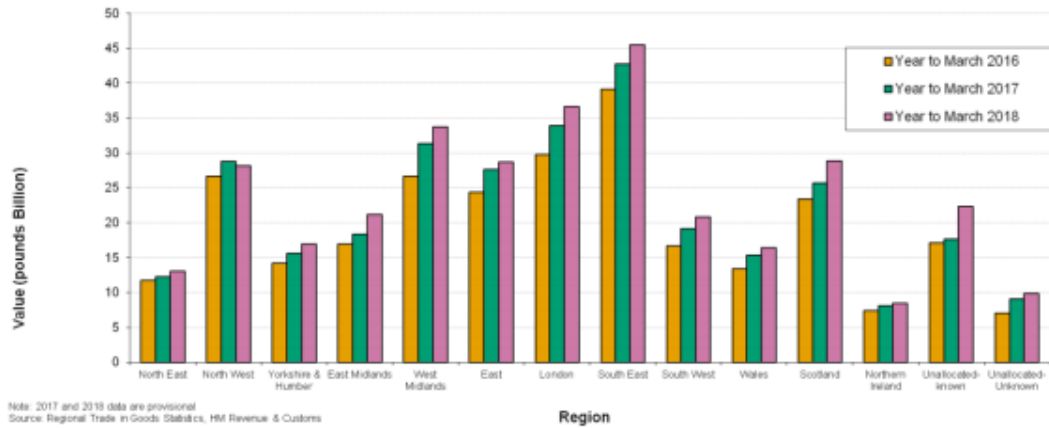
DATE AND TIME

Tue 16 January 2017
09:30 - 16:00 GMT
[Add to Calendar](#)

LOCATION

Pavilions Of Harrogate
Harrogate
HG2 8NZ
[View Map](#)

3.35. As the regional trade statistics published by HMRC continue to show a year on year increase in the export of goods it is important that the level of export related activity in the city region is built upon. This will help to enhance the support available to businesses in the city region and increase the number of businesses accessing that support to develop overseas markets, therefore contributing to this positive trend.



3.36. The 2017 Leeds City Region Business Survey indicates that around 15% of businesses in the city region currently export, with 11% of businesses planning to expand in to new markets in the next 12 months. Further analysis of the survey will help to inform the development of trade focused activity for 2019/20.

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Report to: Business Innovation and Growth (BIG) Panel

Date: 13 September 2018

Subject: **Inward Investment**

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

Author(s): Jennie Frost, Business Development Manager, Inward Investment

1. Purpose of this report

- 1.1. To provide the BIG Panel with a progress report on the Trade & Investment Forward Plan that was presented to LEP Board in March 2018.

2. Information

Inward Investment – Performance Update

- 2.1. There have been two new investments since the last panel report in May, these are as follows:

- Avenue HQ; 20 new jobs. A UK owned (Liverpool) flexible workspace, meeting room community has set up a hub in Leeds City Centre.
- Connexin; 10 new jobs. A UK owned (Hull) digital telecommunications firm has set up a service depot to deliver business broadband and smart city applications in the city of Bradford.

- 2.2. The team received a total of 33 new enquiries from the period April through to July, of which 11 were in Category A (opportunities with the potential for at least 50 jobs). The information below shows the percentage breakdown across the sectors and how many of which are in category A.

- Digital and Creative Technologies – 18 % (6 enquiries, 1 in category A)
- Financial and Professional Services – 3% (3 enquiries, 2 in category A)
- Health and Life Sciences – 36% (12 enquiries, 1 in category A)
- Advanced Manufacturing – 24% (8 enquiries, 4 category A)
- Other – 12% (4 enquiries, 3 in category A)

- 2.3. Leeds City Region's pitch for the Channel 4 National HQ has been shortlisted alongside Greater Manchester and Birmingham. This was made public on 23 July 2018. The Leeds City Region's response to Chanel 4's further questions was submitted in August and subsequent meetings with Channel 4 were held

to discuss the proposal. Channel 4 plan to make a final announcement regarding their HQ location on 1 October 2018.

- 2.4 The Leeds City Region Trade and Investment team is planning a mission to Hangzhou, Qingdao and Hong Kong from 5-13 September which will include civic and business meetings. The delegation will be led by Cllr Blake, Leader of Leeds City Council, and Ben Still, Director of Leeds City Region Enterprise Partnership (LEP). The Leader of Kirklees Council, Cllr Pandor, will be joining the delegation in Hangzhou and Qingdao, alongside representatives from the University of Bradford and the University of Leeds. We are also in the process of advertising the delegation to private sector delegates who may wish to join the delegation. One of the highlights of the visit will be a reception on Friday 7 September to mark 30 years of partnership between Leeds and Hangzhou.
- 2.5 George Hollingbery MP, Minister of State for Trade Policy visited the region. The Trade and Investment team hosted a round table consisting of (EEF), (FSB) and the West and North Yorkshire Chamber. We outlined the international trade characteristics of Leeds City Region and discussed the Government's position on BREXIT. Much emphasis was placed on the Government's commitment to the recently published BREXIT White Paper which has four chapters - economic partnership, security, cooperation and institutional arrangements
- 2.6 Upcoming planned activities include
- SMART City Expo World Congress 2018 in November in Barcelona. Leeds City Region will be present with a stand and delegation with the aim of driving awareness, promoting our digital footprint and attracting interest in development, investment and occupier opportunities which are available across our city region.
 - Valve world Expo, an international valve trade fair in November 2018 in Dusseldorf. This is a well-established and globally recognised concentration of manufacturers in the sector. The future development of Clifton Enterprise Zone (Brighouse) enables expansion of existing overseas owned manufacturers currently constrained due to lack of premises. Clifton EZ offers the opportunity for new FDI in the sector to locate facilities in West Yorkshire at the very heart of a globally recognised Centre of Excellence. Furthermore, the event allows us to see new market opportunities for manufacturers in the sector.
- 2.7 The MIPM UK 2018 stand space has been confirmed and this year Leeds City Region will take a smaller stand.
- 2.8 An external evening event during MIPIM UK is in the planning stage. The event will be an opportunity to network with London contacts to show that Leeds City Region proactively welcomes new investment.
- 2.9 A tender has been issued for a delivery partner for MIPIM Cannes 2019. The delivery partner will:
- Provide a dedicated Leeds City Region contact to all sponsors and potential sponsors.

- Procure goods and services relating to MIPIM 2019.
- Audience recruitment for stand panel sessions.
- Provide provision for lead generation.
- Management and liaison of all exhibition requirements.
- Provide cash flow management.
- Manage the travel booking service.

3. Legal Implications

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

4. Staffing Implications

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

5. External Consultees

5.1. No external consultations have been undertaken.

6. Recommendations

6.1. That the BIG Panel notes the progress within the Inward Investment activities.

7. Background Documents

7.1. None

8. Appendices

8.1. None

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Report to: Business Innovation and Growth (BIG) Panel

Date: 13 September 2018

Subject: **Investor Development**

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

Author(s): Marc Adams, Business Development Manager, Sectors

1. Purpose of this report

- 1.1 To provide the BIG Panel with a progress report on the new investor development team set up within the Trade and Investment team and to note its activity in 2018/2019 to date.

2. Information

Investor Development

- 2.1 As a City Region, investor development has previously been carried out on an intermittent basis via local authorities and the Department for International Trade (DIT). For Leeds City Region Enterprise Partnership (LEP) to build on its growing reputation as a successful Investment Promotion Agency, the addition of an investor development function will strengthen the City Region as a location in which to do business.
- 2.2 During 2017/18 the Trade & Investment team initiated a pilot programme to engage with the City Region's foreign owned business stock to understand more about their views on Brexit. It was clear through this piece of work that businesses who had an overseas parent company were mostly keen to work with the LEP.
- 2.3 Working with foreign owned businesses enables the LEP and our local authorities to secure increased volumes of investment and jobs whilst gathering vital intelligence to help shape future economic strategies and approaches.
- 2.4 The LEP is a key partner with the DIT Northern Powerhouse partnership. The LEP has secured funding from DIT for the period April 2018 to March 2019. This has enabled the establishment of a team to initiate investor development activity with specific foreign owned companies that currently do not have an established relationship with Government.

2.5 The aim of the programme is to:

- Generate an increased number of Foreign Direct Investment (FDI) projects for the City Region.
- Build investor development capability in the region which can anticipate and influence business decisions through regular company engagement and utilise the Government's global network to build packages of support.
- Share vital business/sector intelligence across Government that can be used to inform, educate and influence local and national economic policy.

2.6 In addition through strategic engagement with such companies the team will:

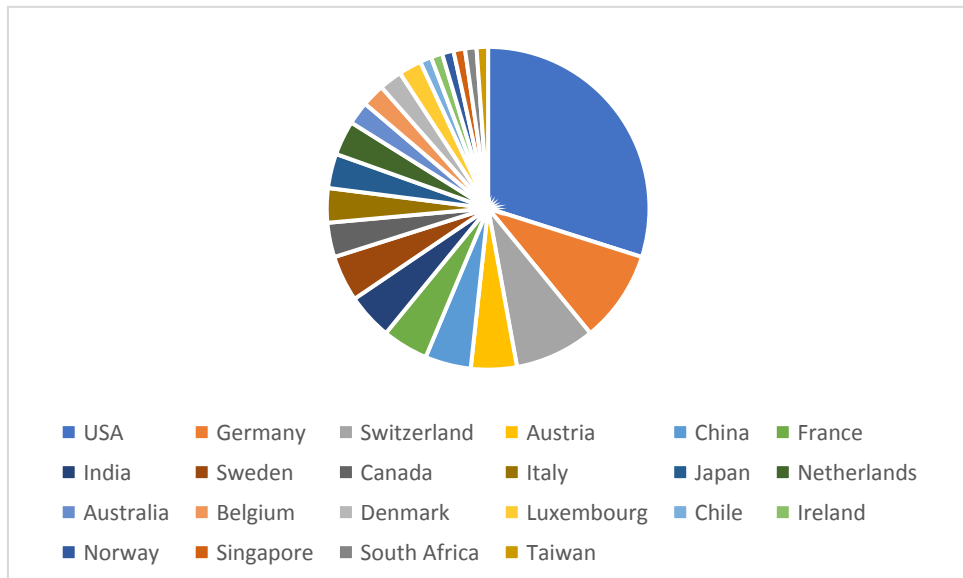
- Identify any potential economic shocks and develop action plans to support as necessary.
- Promote trade links and encourage growth in export activity.
- Identify gaps in sectoral supply chains to attract new investment into the region.
- Increase collaboration and partnerships between foreign owned companies and universities to encourage innovation and R&D.
- Showcase Leeds City Region as an inward investment destination through company case studies, thought pieces and engaging with overseas parent companies linked to the City Region.
- Work with the intermediary network to showcase the role of the team and identify potential companies that could be engaged.

2.7 Since its inception in May 2018 the team has (up to July 2018):

- Recruited x4 staff to create the investor development team.
- Identified 78 foreign owned companies in the City Region to engage with against a target of 100-120.
- Primary sectors identified are manufacturing & digital.
- Held 20 investor development meetings.
- Generated 14 FDI projects/prospects. Examples of FDI projects include:
 - Swiss manufacturer investing in new machinery to improve resource efficiencies and create additional jobs.
 - French manufacturing business seeking to expand footprint in the City Region.

2.8 The investor development team will work in partnership with these companies to support their planned investments.

2.9 Companies identified are from 22 countries with the core from France, Germany, Switzerland & USA.



2.10 A verbal update will be provided by the lead officer to introduce the team and its aims.

2.11 Next steps – the team will continue to secure meetings with identified companies and provide project support to enable a positive investment decision in the City Region.

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.

6.2 Panel members are asked to consider how they can support the team in identifying relevant companies and utilising their network.

7. Recommendations

7.1 That the Panel notes progress on the investor development actively reported above..

8. Background Documents

None.

9. Appendices

9.1 None

Report to: Business Innovation and Growth Panel

Date: 13 September 2018

Subject: **Digital Framework**

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

Author(s): Sarah Bowes, Innovation and Digital Policy Manager

1. Purpose of this report

1.1 To inform Panel members about a planned presentation on 13 September about the Digital Framework consultation.

2. Information

2.1 The Digital Framework consultation launched in early July and is due to formally close on Friday 14 September. A presentation will be prepared for BIG Panel on 13 September setting out some of the key stats, emerging feedback and next steps.

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 BIG Panel note the consultation and comment on emerging findings.

8. Background Documents

None.

9. Appendices

9.1 None

Report to: Business Innovation and Growth Panel

Date: 13 September 2018

Subject: **Strength in Places Fund**

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

Author(s): Sarah Bowes, Innovation and Digital Policy Manager

1. Purpose of this report

To inform BIG Panel about a series of LEP supported bids into the Strength in Places Fund.

2. Information

2.1 Led by UK Research and Innovation, Strength in Places Fund is a new competitive funding scheme that takes a place-based approach to research and innovation funding, to support significant regional growth.

2.2 The high level aims of the Strength in Places Fund are:

- To support innovation-led relative regional growth by identifying and supporting areas of R&D strengths that are:
 - driving clusters of businesses across a range of sizes that have potential to innovate, or to adopt new technologies;
 - in order that those clusters will become nationally and internationally competitive.
- To enhance local collaborations involving research and innovation. Building on the underpinning regional economic impact role of universities, research institutes, Catapults and other R&D facilities (such as Innovation and Knowledge Centres - IKCs); and engaging those businesses at the forefront of delivering economic growth through innovation within the identified economic geography.

2.3 The programme will consist of two stages, with waves of funding. The first will call for Expressions of Interest (EOIs) from regional consortia. Those EOIs that pass this pre-qualifying stage with strongest alignment to the call criteria will receive up to £50,000 seedcorn funding to develop full stage proposals. For

the second stage, those EOIs supported with seedcorn funding will bid for full funding of between £10 million and, exceptionally, £50 million. In this first wave of funding, UKRI expects to fund between four and eight bids.

2.4 UKRI expect that projects will include and be supported by local leadership organisations including LEPs, Combined Authorities, enterprise bodies and similar economic development agencies.

2.5 Whilst no formal letters of support are required at EoI stage, a number of applicants have requested these to show alignment with strategic priorities. LEP Board considered each of the seven proposals set out below and has been minded to support each of them.

- Medtech - Led by Leeds University and building on the Leeds City Region Science and Innovation Audit, this proposal will set out the City Region's ambition to grow and strengthen the existing medtech cluster (as identified through the audit).
- Transformation legacy industries - Led by Huddersfield University and building on existing clusters around West Yorkshire, the proposal will focus around the legacy textiles industry and opportunities to grow the sector through tech improvements.
- Biotech - Led by the bio renewables centre in York, the application will be focused upon building the bioeconomy across the Leeds City Region, YNYER and Humber LEP areas. The project will establish a series of business-embedded capabilities and connect these with the region's world class research and development base to significantly accelerate the translation of fundamental research findings into commercial opportunities.
- Hydrogen - The Welding Institute (TWI) is leading on a Strength in Places Funding bid around hydrogen energy with Tees Valley LEP. Leeds University is collaborating with TWI towards a 'hydrogen valley' bid concept that includes the City Region to create a hydrogen centre and 'cluster'.
- Glass Futures - The aim of the project is to strengthen and align the existing research and commercial platform required to improve productivity in the glass sector as well as to reduce carbon emissions with the ambition to both learn from and share best practice within other industries. This initiative will create a globally unique pool of expertise in glass technology across the Northern Powerhouse.
- Clean Growth Investment Accelerator - This project will develop an innovative financing platform to unlock large-scale investments in clean, inclusive growth within the Leeds City Region.
- Delivering value from chemistry and materials across the Northern Powerhouse region – the project will establish an integrated science and technology innovation network (a 'knowledge-based growth hub') to maximise the economic impact of the high added value chemicals industry.

2.3 The outcome of the EoI stage is expected in early October with successful projects receiving up to £50,000 to work towards full proposals over the next six months

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 BIG Panel note the contents of the report and welcomes further investment into the City Region's innovation assets to help drive future growth.

8. Background Documents

8.1 None

9. Appendices

9.1 None

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Report to: Business, Innovation and Growth Panel

Date: 13 September 2018

Subject: **Business Basics Fund**

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

Author(s): Jonathan Skinner

1. Purpose of this report

- 1.1 To inform Panel Members of the City Region's response to a competition, funded by the Department for Business, Energy and Industrial Strategy (BEIS) and run by Innovate UK to improve productivity in low-to-mid productivity firms by encouraging adoption of existing technologies and business practices associated with more productive firms in similar sectors.

2. Information

Context

- 2.1 Following a commitment in its Industrial Strategy White Paper (November 2017), BEIS has initiated a review into low-to-mid productivity firms¹. This corresponds with the LEP identifying the City Region's significant and growing productivity gap as an 'inconvenient truth' that needs to be addressed, and recent discussions among the BIG Panel Members about:
- how productivity becomes tangible at the firm-level
 - the City Region having some highly innovative and productive businesses, but the City Region also has a high proportion of firms across all sectors that are less productive than their sector average
 - the vital importance of using trusted intermediaries and innovative channels to help inform business leaders about productivity and options to take action.

¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/712342/Business_Productivity_Review_call_for_evidence_.pdf

2.2 Government’s review seeks to understand how firm-level interventions by public and private partners can support growth and improve productivity for the long tail of low productivity businesses. It aims to:

- improve understanding of high and low productivity businesses, and the practices driving the performance of each
- improve understanding of the market in which interventions operate
- explore which interventions by the public sector and private sector are effective in improving the practices that drive business productivity, including the ways in which information is communicated.

2.3 An important point recognised by Government relates to a firm’s understanding of its relative productivity (i.e. whether it’s in the low-to-mid category). This point was originally highlighted in 2016 by Sir Charlie Mayfield in his report *How Good Is Your Business Really?*

First:	<i>We need businesses across the country to have an informed view on how good they are. Surveys indicate most businesses believe (wrongly) they have above average productivity.</i>
Second:	<i>Getting a handle on how well the business is run and how well it performs is far from straightforward</i>
And:	<i>Measuring productivity isn’t about navel-gazing – it’s about understanding how well a business is doing, how and where it could be better, and ideally, what paths there could be to improve. In this way, measurement needs to cover practice and performance: it’s not enough to know how well your business is doing – you also want to know what the practical reasons are, so that you can do something to address them</i>
<i>Source: How Good Is Your Business Really (2016)</i>	

2.4 The long tail review will report its findings to the Secretary of State for Business, Energy and Industrial Strategy and the Chancellor of the Exchequer in autumn 2018.

Business Basics Fund

2.5 In the meantime, Innovate UK has launched the business basics fund with the objective of stimulating innovative ways of encouraging micro, small and medium-sized enterprises (SMEs) with mid-to-low productivity to adopt existing technologies and business practices that can boost their productivity. The fund uses BEIS funding, and opened on 26 June, with a deadline for submissions of 4 September.

2.6 The Fund is split into two parts:

- Proof of concept: grants of up to £60,000 to test new approaches
- Full scale trial: grants of up to £400,000 to rollout proven interventions

City Region proposal

2.7 This competition provides an opportunity to bring together strands of work across the City Region and involve other partners:

- The Combined Authority's research and intelligence team has developed a model to estimate firm-level productivity using publicly-available data. Using an ONS comparator tool², this means it's possible to establish an indicative productivity position relatively quickly.
- The LEP's Growth Service has been exploring ways in which to target its offer to improve productivity based on previous reports to the BIG Panel explaining the role impartial advice and brokerage can play to improve productivity (including the productivity pilot, described in more detail in item 12). In addition, the Growth Service continues to develop its offer on issues like marketing and communications, as per the funding agreement with Government reached in early 2018. It is thought that firm-level analytics helps (i) understand the Growth Service's current penetration across low-to-mid productivity firms and (ii) proactively target firms that have not historically accessed services.
- Using links with intermediaries like accountants, banks, ICT providers and business networks to identify how behavioural insights (otherwise known as "nudge theory") can establish how different types of contact can trigger different behaviours amongst business leaders.
- Potentially explore the role of other analytical tools like webscraping can enrich the contact with businesses, reflecting the degree to which firms display 'high productivity characteristics'.

2.8 Based on the ingredients above, it is proposed to develop a trial of between 500 to 1,000 City Region firms with low-to-mid productivity to assess the most cost-effective approaches to:

- Increase awareness amongst those businesses of their relative performance and the extent to which they reflect high productivity characteristics.
- Increase take-up of practical (publicly and non-publicly-funded) support to increase the number of characteristics associated with high-productivity businesses and thereby improve productivity.

²<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/articles/howproductiveisyourbusiness/2018-07-06>

2.9 The City Region’s proposal for a business basics fund proof of concept project is currently being designed with partners and has identified a number of risks that need to be mitigated/managed. These are described briefly below, and Panel Members are asked for views about the mitigation (particularly on concerns about telling businesses about how firms should be run):

Risk	Mitigation / Management
The data collected is not sufficiently robust	Incorporating expert support and challenge should mitigate this, but part of the project is also to understand the firm level data that it is possible to assess. Discovering those limitations would also be a useful outcome of the project.
It comes across as the public sector telling businesses how they should be run	This would need to be addressed through careful wording of the approach and using trusted communication channels. Part of the project is to test which approaches elicit the greatest impact, so it’s considered an acceptable risk that some firms will respond negatively or not respond as a result
Poor response rates of the various contacted groups	Using trusted communication channels and behavioural insights to tailor communications. Part of the project is to test response rates of various approaches so a poor response rate (at least for some cohorts) would be acceptable
Do not secure involvement from business partners	Preliminary discussions with business groups and intermediaries indicate there is interest in doing this.
Increase demand for public support beyond capacity to supply	Increased growth manager resource is currently being progressed through ERDF funding which could help meet any additional demand

3. Financial Implications

3.1 There are no direct 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 direct staffing implications directly arising from this report.

5.2 Should the proposal be successful, it’s likely to mean more firms coming seeking information about public and private business support provision. It is expected that this demand can be managed through established processes,

including seeking further European funds for a project to improve resilience across the business base.

6. External Consultees

6.1 No external consultations have been undertaken.

7. Recommendations

7.1 It is recommended that the Panel notes the City Region's proposal for Innovate UK's business basics fund and discusses how this might be refined/targeted to meet the needs of the City Region's low-to-mid productivity firms.

8. Background Documents

None.

9. Appendices

None.

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Report to: Business Innovation and Growth Panel

Date: 13 September 2018

Subject: **Business Support**

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.
- 1.2 To endorse the proposed change to the Business Growth Programme policy related to multiple applications as set out at point 2.30 to 2.33 below.

2 Information

LEP Growth Service

- 2.1 The Growth Service provides businesses in Leeds City Region with direct access to the full range of publicly-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.

Progress to date

- 2.2 Table 1 below highlights progress against the headline targets for the service in 2018/19. **Appendix 1** provides more detailed information on the number and type of businesses supported by the service.

Table 1: Performance against headline targets 2018-19.

Target Measure	Target	Achieved July 2018
SMEs supported - light-touch & intensive (such as attendance at events, sign-ups to the LEP eNewsletter, referrals to other products/services)	2750	800
Intensive support to SMEs by Growth Managers (ongoing support over the year i.e. several meetings, diagnosis of need, personal referral to relevant products/services, support with funding applications etc).	630	294
Intensive support to SMEs (including support from Growth Managers, and the LEP's core business support products)	900	442
Delivery of Business Advice Pop Up events (with 7 in the 20% most deprived parts of the country)	12	7 (2 in 20% most deprived)
Proportion of businesses supported likely to recommend it	85%	92% (April 18 – June 18)
Service Expenditure	£600,500	£131,402

2.3 The service is currently on track to meet its annual target of supporting 2750 businesses. Since April 2018, it has supported 800 individual SMEs, of which 294 have been intensively supported by the team of SME Growth Managers. 442 businesses have received support from the range of LEP business support products, namely Resource Efficiency Fund, Access Innovation, Strategic Business Growth, Business Growth Programme and the Growth Managers.

2.4 Since the launch of the Service in July 2015, over 4600 individual businesses have received support. This demonstrates the continued reach of the service into the SME community of the City Region, with its value evidenced by over 800 firms accessing more than one of the LEP's core business support product since its launch (see **Appendix 1** provides more detail on the impact of the service on the SMEs supported).

Service developments

2.5 An independent evaluation of the service was completed in late May 2018, comprising of an online survey, interviews with key internal and external stakeholders, as well as with businesses. The study was designed to further explore satisfaction levels amongst those businesses supported via the Gateway and by the Growth Managers, and to provide more insight into the impact of the service on its customers and stakeholders. Headline findings are set out below (the full report available if requested):

- Increased levels of satisfaction from those assisted by the gateway (up 10% to 69%) and those account-managed by the SME Growth Managers (up 6% to 83%) compared to 2016.
- Increased number of supported businesses (up 10% to 64%) who feel more likely, or much more likely, to meet their growth aspirations compared to 2016.
- 73% of all respondents were likely or very likely to recommend the LEP business support to a friend or colleague.
- Overall, respondents who have received intensive support from a Growth Manager have achieved, or expect to achieve, more growth than those supported by the helpline i.e. more jobs created and/or safeguarded, increased levels of productivity and increased turnover.

2.6 The evaluation made a number of recommendations that are now being explored, including:

- Building on the science and innovation strengths utilising the Industrial Strategy Challenge Fund and the Strength in Places Fund (see Paper 10b)
- Continuing to invest in the skills and expertise of the Growth Managers to meet a broader range of business needs e.g. exports, workforce development, succession planning etc.
- Consider options for future income generation e.g. through sponsorship.
- Prioritisation of future support needs including Brexit-related resilience, investment readiness, productivity improvements and use of digital technology.

Progress with these recommendations will be brought back to future meetings of the Panel.

2.7 Recent analysis of the performance of a number of businesses supported by the Growth Service, and by the LEP's Business Growth Programme, demonstrates the positive impact on business performance. The analysis was undertaken in partnership with the Office of National Statistics, and involved comparing the performance of firms supported by the LEP to a control group of similar firms not supported. It yielded the following results:

- Supported businesses increased average employment by 8% compared to an increase of 1.6% for similar businesses not supported.
- Supported businesses increased average turnover by 4% compared to a decrease of 4.6% for similar businesses not supported.
- 50% of supported businesses increased employment between 2014 and 2017 and 65% of supported businesses increased turnover between 2014 and 2016.

- 2.8 The Gateway function and SME Growth Managers have recently engaged with over 300 businesses who participated in the 2017 Leeds City Region Business Survey and expressed an interest in receiving support from the LEP. This activity has resulted in additional businesses being referred to various LEP and partner programmes, and/or, receiving more intensive support from a Growth Manager.
- 2.9 Monthly SME Growth Manager meetings over the last quarter included guest presentations from DIT, Knowledge Transfer Network as well as updates on the Strategic Business Growth and the new Apprenticeship Grant for Employers (AGE), which was launched in August 2018. These monthly events continue to support the professional development of the Growth Managers and the Gateway team, whilst building strong working links with key partners.
- 2.10 The service also continues to support the Northern Powerhouse Growth Hub Network and the Better Business for All Regional Group, with service updates provided at regional meetings over the last quarter. The former has included input into the new NP11 Growth Hub workstream, which involves the development of a virtual Growth Hub Centre of Excellence for the north. Further details on this will follow in the December 2018 report.

Marketing and communications

- 2.11 The marketing strategy focuses on three priority areas, underpinned by social media campaigns:
- Engaging and supporting new Growth Service customers
 - Providing additional support to existing Growth Service customers
 - Developing the private sector intermediary network as a route to market
- 2.12 Case studies featuring local businesses that have received support from the LEP and its partners, help to raise the profile of the Service, particularly at district level and in underrepresented sectors. The focus this quarter has been on two manufacturing businesses, Huddersfield-based sealant and adhesive-manufacturer, Polyseam, and Calderdale-based BCA group, who manufacture and supply electrical systems and equipment for the caravan industry. In addition to written case studies, video case studies have also been developed for two business-recipients of the Resource Efficiency Fund (Leeds-based brewery, Greyhound Barks, and Calderdale dye-manufacturer, Azo). These will be available on the LEP website from September 2018. A full range of case studies can be found via <http://www.the-lep.com/case-studies/>.
- 2.13 E-marketing is also used to help build brand-awareness and stimulate the appetite for business support through more targeted content and social media activity. The SME eNewsletter is distributed to over 13,000 business contacts across the City Region on a quarterly basis. Featured content over the last quarter included promotion of the Pop-up Business Support Cafes, the launch of the new Apprenticeship Grant for Employers and an Innovate UK event in Leeds that launched its new loans programme <https://mail-the-lep.com/t/3LTT-FFI7-4782RMB83/cr.aspx>

- 2.14 Press releases were issued in the last quarter on the BCA Group and on the Pop-up Business Support Café which took place in Cleckheaton on 19 July. A telemarketing campaign to generate further interest in the Resource Efficiency Fund is ongoing, and featured content about the business support available from the LEP, and its partners, has been included on the Made in Yorkshire microsite.

Events

- 2.15 Events continue to be an effective way for the service to promote the City Region's wide range of business support products and services. Recent events include: exhibitors at the Yorkshire Day event on 1 August in Leeds, organised by British Print Industries Federation (BPIF). The event celebrated the Creative and Digital Sector and provided an opportunity to promote the launch of the new Apprenticeship Grant for Employers. The team of SME Growth Managers in the Leeds district also delivered presentations to businesses at events organised by Fera Science, as part of the Buy Yorkshire tradeshow, and at client events organised by Barclays and Pure Offices.
- 2.16 The SME Growth Manager in the York district has recently delivered another seven business masterclasses in partnership with representatives from the private sector. 82 delegates attended these sessions with key topics including: branding, the art of delegating, social media strategy, improving pitching skills and developing high-performance staff. These were selected in direct response to feedback from businesses. Additionally, a fourth 'stand and deliver' session was held in York with a number of businesses pitching to a panel of investors. The panel comprised Mark Fordyce (MD, York Data Services and Board member of Make It York), James Dalton (MD, Fonemedia) Helen Oldham (Director, North Invest) and David Best (Northern Powerhouse). Three of the businesses won an invite to a further meeting with the potential of securing equity investment.
- 2.17 The team has worked with the SME Growth Managers and local businesses to deliver seven Pop-up Business Support Café events since 1 April 2018. These have taken place in Beeston, Leeds and Manningham, Bradford in April, Wakefield, Todmorden and Otley in June and Keighley and Cleckheaton in July. 119 people from 102 small businesses attended the events and accessed 109 hours of free advice from almost 80 business experts. Satisfaction levels remain high with 85% of attendees rating them as good or excellent, and 58% stating that they are very likely to do something different in their businesses as a result of attending.
- 2.18 The 'Pop-up' model involves business experts volunteering their time to advise business-owners on such important topics as marketing, business planning and access to finance. The events have proven to be an effective and cost-efficient way for the LEP to engage with the private sector in some of the City Region's more outlying and disadvantaged areas. **Appendix 1** also provides further information about the impact of the Pop-ups.

Business Growth Programme (BGP)

- 2.19 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.
- 2.20 The current programme is supported with £42.7m of Local Growth Deal funding (LGF) up to the end March 2021, £3.74m of which is being used to provide match-funding for four projects being supported by the European Regional Development Fund (Access Innovation, Strategic Business Growth, Digital Enterprise and Ad:Venture). 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 mid-July18)
Expenditure	£38.96m	Committed - £29.57m Actual - £24.34m
New Jobs Created	4,100	Committed - 4,936 + 1,693 safeguarded Actual – 3,033 + 1,682 safeguarded
Businesses Supported	No contractual target	Committed - 538 Actual – 453
Number of Grants Awarded	765	Committed - 626 Actual – 520
Public/ Private Sector Leverage	£168.5m	Committed - £306.4m Actual - £231.6m
Total Cost Per Job	No contractual target	Committed - £5,991 Actual - £8,026

- 2.21 As the above table highlights, the programme is achieving a good return in terms of cost per new job at just over £8,000. This figure would be lower if the 1,682 actual safeguarded jobs were included in the overall calculation and would equate to £5,163 per job.
- 2.22 The Business Investment Panel recommended the approval of two grants at its meeting on 9 August 2018. A grant of £125,000 was recommended to be approved to a Bradford-based food manufacturer. This will support a £5.6m investment in a new purpose- built manufacturing facility that will create 23 new jobs and four apprenticeships.
- 2.23 It was also recommended to approve a grant of £125,000 to a manufacturer in Huddersfield, working in the medical and security industries. The grant is to support a £1.9m investment in the extension and fit-out of premises, creating 10 new jobs.

2.24 All grants awarded to businesses, including those from the BGP, are published on the LEP website (<http://www.the-lep.com/about/governance-and-funding/grants-for-business/>). This includes the name of the business, the amount of grant awarded and the amount of grant paid to date. A summary of all LEP grant approvals by programme, district and assurance process is provided in **Appendices 2 and 3**.

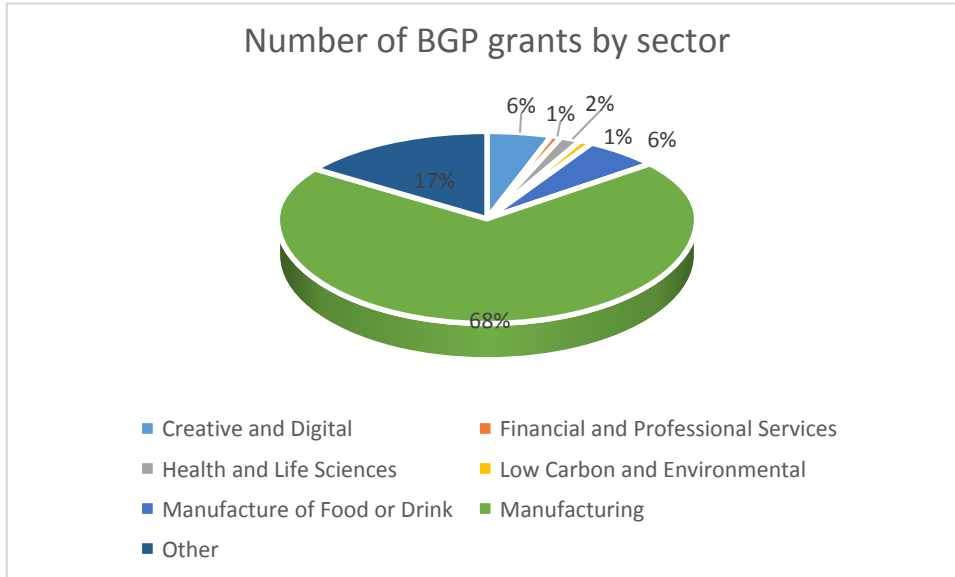
2.25 The table below compares the proportion of SMEs per district within the City Region against the proportion of grants awarded. It shows that West Yorkshire districts all perform well in terms of successfully accessing the programme, but that the North Yorkshire districts have a proportionately lower 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 that has recently changed its criteria to allow for smaller grants to be awarded.

Table 3: Grant awards by district since April 2015

District	Share of BGP Grants	Share of the City Region Business Stock
Leeds	29.1%	26.8%
Kirklees	19.7%	13.5%
Bradford	18.1%	14.5%
Wakefield	12.4%	9.5%
Calderdale	11.8%	7.5%
Barnsley	0.8%	5.9%
Harrogate	1.6%	8.5%
Craven	0.5%	3.2%
York	5.8%	7.2%
Selby	0.3%	3.4%

2.26 The below chart presents the number of grants awarded via sector, and highlights the continued importance of the programme to the manufacturing sector, which accounts for 67% of all grants awarded since April 2015. The next most popular sectors are Food and Drink and Creative and Digital, each with 6% of awards.

Figure 2: BGP Grants by Sector since April 2015



Business Flood Recovery Fund

- 2.27 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.
- 2.28 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.
- 2.29 Commitments through the Business Flood Recovery Fund currently stand at £2.86 million. A total of £3.18 million was approved through the fund, but three projects (totalling £168,000) have been withdrawn and a further 16 projects have gone ahead, but at a lower level, thereby reducing commitments by £152,000. To date, the fund has helped to safeguard 1,682 jobs and will leverage nearly £13m of public/private sector investment.

Multiple Applications to BGP

- 2.30 There has been an increasing trend of businesses supported through the BGP applying for grants on multiple occasions. There is currently no restriction on

the number of applications a business can submit, but there is a cap of a maximum of £500,000 that can awarded to a business within a three-year period.

- 2.31 Due to the ongoing high demand for the grants, the decreasing size of the programme budget and the importance of reaching a wider range of businesses, it is proposed to change the programme boundaries as follows:
- reduce the maximum amount of grant a business can receive within a three-year period from £500,000 to £250,000.
 - limit the number of successful grant applications that a business can submit to three over a three-year period.
- 2.32 In practice, this would mean that a business could submit three applications with a collective value of £250,000, or below, over a three-year period, or, a single application of £250,000 within a three-year period. If approved, the new policy will be implemented from October 2018 onwards.

Inclusive Growth Commitments

- 2.33 The Inclusive Growth commitments, developed and endorsed by this Panel, went live on 31 July 2018 for new applicants to the BGP. Businesses with applications in the system prior to this date have until the end of September 2018 to submit their applications on the previous criteria. A review of the new approach will take place in February 2019, with findings reported to the Panel in March 2019.

Productivity Pilot

- 2.34 The Call for projects under the Productivity Pilot will open on 17 September 2018 and close on 14 December 2018. As endorsed by this Panel at its May 2018 meeting, the pilot will invite businesses to submit applications for capital grant investment that will result in measurable productivity improvements, but that do not require net additional jobs to be created within the business.
- 2.35 There has been considerable interest to date in the pilot from businesses, and it has been promoted in a targeted manner via the SME Growth Managers, other business support products currently being delivered across the City Region and via several business networks and membership organisations. **Appendix 4** provides further information on the pilot.

Resource Efficiency Fund

- 2.36 The Resource Efficiency Fund (REF) is being delivered through the Growth Service until October 2019 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. Planning is underway to develop a follow-on project proposal in response to the next ERDF Call.

- 2.37 At the end of July 2018, 431 businesses had contacted the project, with 410 having received visits from the two REF Managers. These have resulted in 222 assessments being commissioned and the completion of 210 assessment reports. All contractual outputs are on target.
- 2.38 100 grant applications have been approved with a total combined value of £675,305, and payments totalling £556,686 having been made to 79 businesses. A second telemarketing campaign has started, which will help to increase the volume of good quality leads into the project, as will the two video case studies currently in production. There is a need to increase the number of referrals from the wider business support network, which will be a focus of activity in the coming weeks and months.
- 2.39 A more diverse range of projects have recently come forward for support, including voltage optimisation, a water filtration system, a soap melter, and a water chilling and recirculation system. Total estimated carbon dioxide (CO₂) savings across all approved projects as of 31 July 2018 is 1,747 tonnes per annum, with estimated savings to the recipient-businesses of £433,809 per annum.

Access Innovation

- 2.40 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.
- 2.41 To date, the programme has engaged with over 430 SMEs, 214 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. 24 applications for grants have been approved to date with a collective value of circa £934,000. A further 11 applications totalling £650,000 have been received and are currently being appraised. A number of other applications of varying sizes are currently being developed with support from the Innovation Growth Managers.
- 2.42 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, local Manufacturing Alliances, National Physical Laboratory,

Digital Health Enterprise Zone, Digital Catapult, Advanced Manufacturing Research Centre, Translate, the Yorkshire & Humber Academic Health Science Network and universities within and outside the City Region.

- 2.43 Referrals into the programme have recently increased from a number of sources, particularly the City Region's universities, other LEP business support products and through attending a number of local and regional conferences and networking events.
- 2.44 As part of the Access Innovation programme, the Combined Authority is currently undertaking a procurement exercise to appoint an organisation to support SMEs to increase their innovation capacity. A contractor is expected to be appointed in September 2018 and an update will be provided at the December 2018 meeting.

Strategic Business Growth – support for SMEs with high growth potential

- 2.45 The £6.75m Strategic Business Growth (SBG) project is being delivered by the LEP and its appointed contractor, Winning Pitch. It is also 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.
- 2.46 Winning Pitch has recruited 68 business coaches with a diverse range of sector specialisms to work on the project. Examples of coaching support currently being delivered include; reviewing business systems & processes and support in attracting a wider customer base. 141 businesses are now fully engaged with the support available, including 107 that have developed detailed growth action plans with their allotted account managers. Of these, 73 have benefitted from a combined total of over 2,700 hours of further coaching support and 36 have attended at least one of the 20 workshops covering such topics as scaling up, execution of a business plan and finance. The support being provided has already led to the creation of 45 jobs and four new products.
- 2.47 There have now been 16 grant approvals for businesses across the West Yorkshire districts and Harrogate representing five priority sectors:- Low Carbon & Environmental, Finance & Professional, Digital & Creative, Food & Drink and Manufacturing. The grants are contributing to investments in new machinery and the fit-out of new premises, with over 60 new jobs expected to be created. The combined value of the 16 investment projects is just over £1.18m, with the grants contributing just under £285,000.

Investment Readiness and Business Resilience

- 2.48 Following direction from the Panel at its May 2018 meeting, two projects are now in development to support SMEs to prepare for accessing the finance needed to realise their growth plans, and to put the most strategically-

important SMEs in the City Region in stronger positions to benefit from future challenges and opportunities, with a focus on financial health and property requirements. The Panel will receive updates on these project proposals at its December 2018 meeting.

Travel Plan Network

- 2.49 The Growth Service also acts as a central point for businesses of all sizes across West Yorkshire to access the Travel Plan Network (TPN). Businesses that join the network receive expert advice and guidance about implementing sustainable travel solutions, including discounted public transport offers, cycling initiatives and relocation support.
- 2.50 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. The team is on track to meet the annual target of recruiting 80 new members in 2018/19, with 41 businesses joining the network since 1 April 2018. The total membership now stands at 396 businesses that between them employ almost 300,000 staff.
- 2.51 The team is also working with ten key multi-occupied sites as part of a European-funded project to help develop and implement shared travel plans. The purpose is to help business at shared sites adopt a collaborative approach to encourage modal shifts within the commuting patterns of their employees. A range of measures include public transport options, car park management strategies, the development and implementation of car sharing schemes, the use of car clubs, and cycling initiatives.
- 2.52 As a result of the support offered by the TPN advisors, two businesses (Zenith and CEG) located at Kirkstall Forge, Leeds have been awarded Silver and Gold Bike Friendly Business accreditation respectively by City Connect. The team is also providing ongoing relocation support to Leeds-based Premier Farnell and to HMRC, both of which are undertaking significant moves within the City Region.

Northern Powerhouse Investment Fund

- 2.53 The Northern Powerhouse Investment Fund (NPIF) formally launched on 22 February 2017, and has since invested £11.48m of funding in 73 businesses in Leeds City Region. £1.66m has been invested in 38 businesses via the micro fund, £6.67m has been invested in 27 businesses via the debt fund, and £3.15m in eight businesses via the equity fund.
- 2.54 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. Just over £18m of the City Region's ERDF allocation is supporting the fund, over 60% of which has been invested in the first sixteen months of being operational. The amount invested in Leeds City Region is the second highest of all LEP regions

involved in the fund, and the highest in proportion to the amount of ERDF allocated to the overall fund.

- 2.55 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.

3 Financial Implications

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

4 Legal Implications

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

5 Staffing Implications

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

6 External Consultees

- 6.1 No external consultations have been undertaken specifically on this report.

7 Recommendations

- 7.1 That the Panel notes the progress made to date on delivery of the above business support projects, programmes and services.
- 7.2 That the Panel endorses the proposed changes to the Business Growth Programme policy related to multiple applications as set out at 2.30 to 2.32.

8 Background Documents

None.

9 Appendices

Appendix 1 – LEP Growth Service Performance Update

Appendix 2 – Summary of all LEP grant approvals by programme and district

Appendix 3 – Summary of all LEP grant approvals by assurance process

Appendix 4 – LEP Business Productivity Pilot

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Appendix 1 - Analysis of enquiries to the LEP Growth Service, 2018/19

1.0 Analysis of business enquiries 2018/19

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 18 to June 18. It also provides comparisons to previous years in order to assess progress over time.

1.2 The service has an annual target of supporting 2750 individual businesses in 2018/19. In order to achieve this target, the Service is working to support 675 businesses per quarter. Since the start of April 18, 800 individual SMEs (purple line below) have been supported resulting in 996 interactions (blue line) overall. The trend whereby many businesses are returning for multiple strands of support has continued over an 18 month period, thus indicating a level of confidence businesses have in accessing support from the Service.

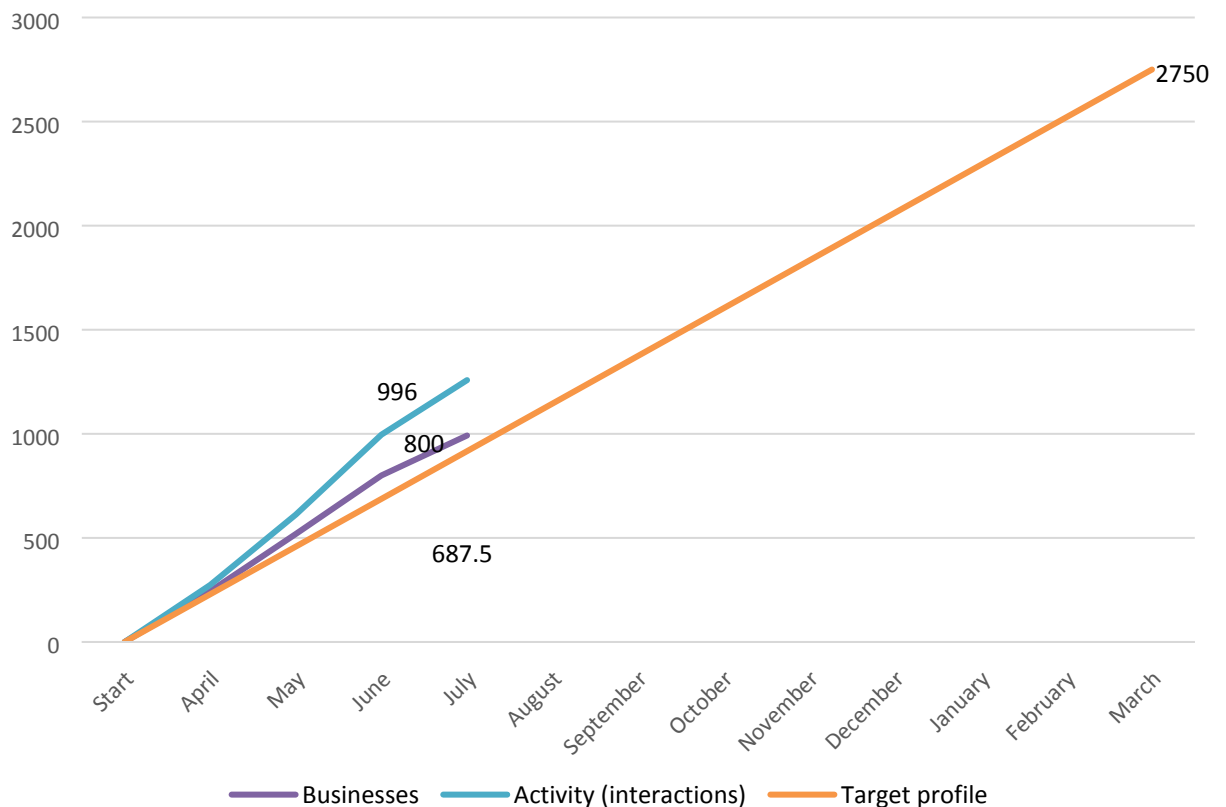


Figure 1: Projected and actual performance against the 2018/19 annual target (Apr 18 – Jun 18).

1.3 Light touch support (Level 1) and more intensive support (Level 2) 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.

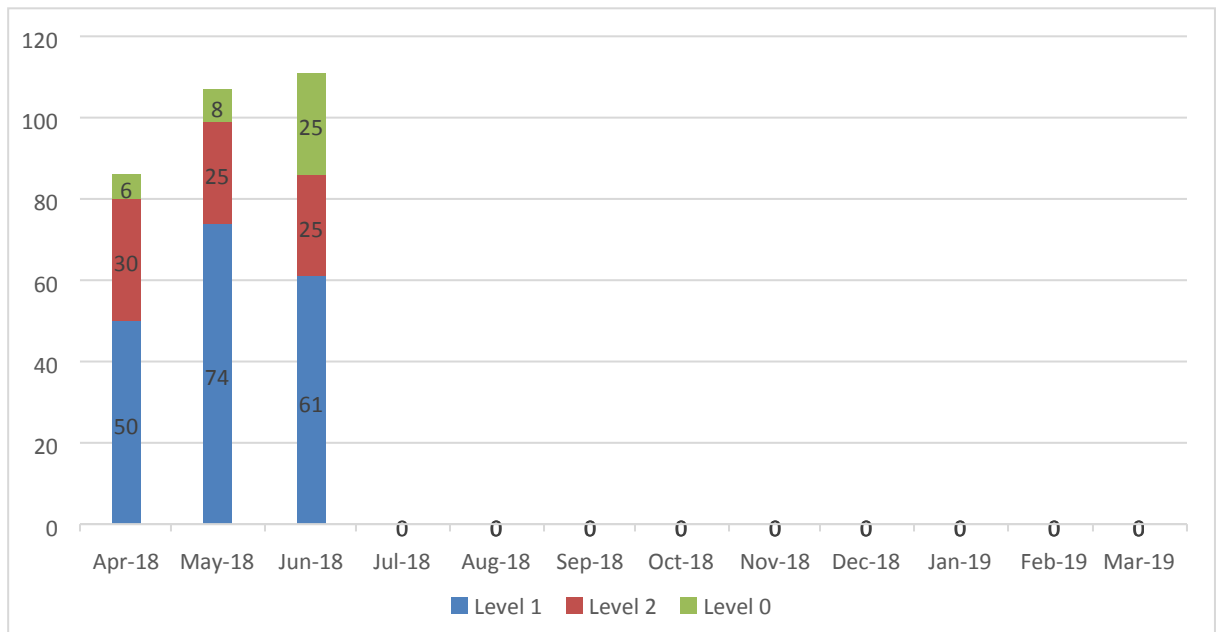


Figure 2: LEP Growth Service enquiries to the Gateway by client group (Apr 18 – Jun 18)

- 1.4 The table below shows the number of 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-starts.

Table 1: Total enquiries into the gateway (July 15 – Jun 18)

Enquiry Type	Total July 15 – Mar 16	Total April 16 – Mar 17	Total April 17 to Mar 18	Total April 18 to Jun 18
Non Target Client Group	410	252	210	39
Light Touch Referral	427	911	933	185
In depth Intensive Referrals	235	390	375	80
Total Gateway Interactions	1072	1553	1518	304

- 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 (56%). This percentage has increased by 7% since quarter four of last financial year, whilst the percentage of email enquiries has decreased.

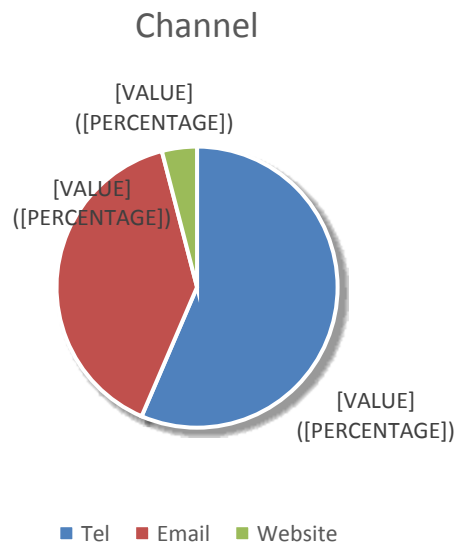
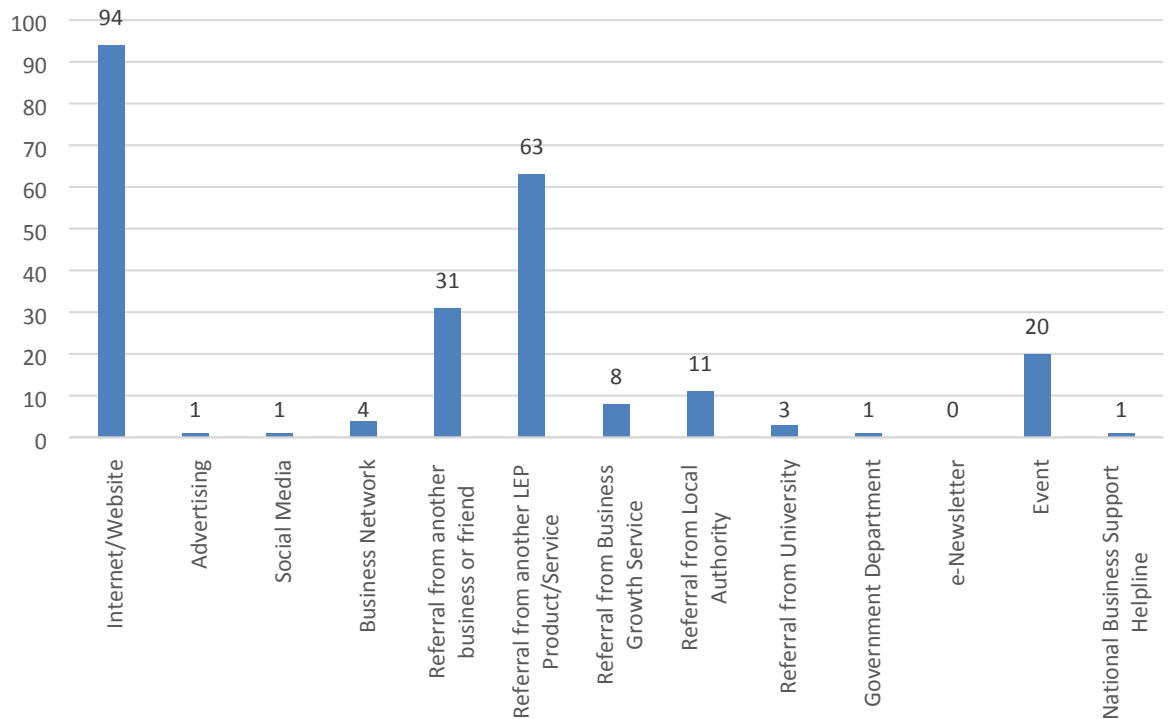


Figure 3: Gateway channels of enquiry (Apr 18 – Jun 18)

1.6 Every business contacting the gateway is asked how they have heard about the service. Internet searches continue to be the most commonly cited response. Encouragingly, there has been a steady increase in the number of respondents stating ‘events’. This increase may be linked to the more frequent delivery of business pop up cafes across the districts, demonstrating a wider impact that these events are having in helping to promote the service.



**Figure 4: How customers report hearing about the service
(Apr 18 – Jun 18)**

- 1.7 The Growth Managers are working towards an annual target of collectively account-managing 630 businesses. Since April 2018, they have supported 337 businesses, with 294 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 18 – Jun 18)

SME Growth Manager	Total Clients	Intensively Supported
Bradford & Craven (x2 FTE)	63	62
Calderdale (x1 FTE)	27	22
Harrogate (x1 FTE)	23	18
Kirklees (x1.5 FTE)	41	38
Leeds (x2.5 FTE)	83	64
Wakefield (x1 FTE)	36	36
York (x1 FTE)	30	25
Selby (x0.5 FTE)	27	22
Total	337	294

- 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, Wakefield and Bradford continue to generate more enquiries than their proportion of overall business stock. The proportion from each district remains relatively similar to previous quarters, with a marginal increase in the number of enquiries from businesses in the Selby district.

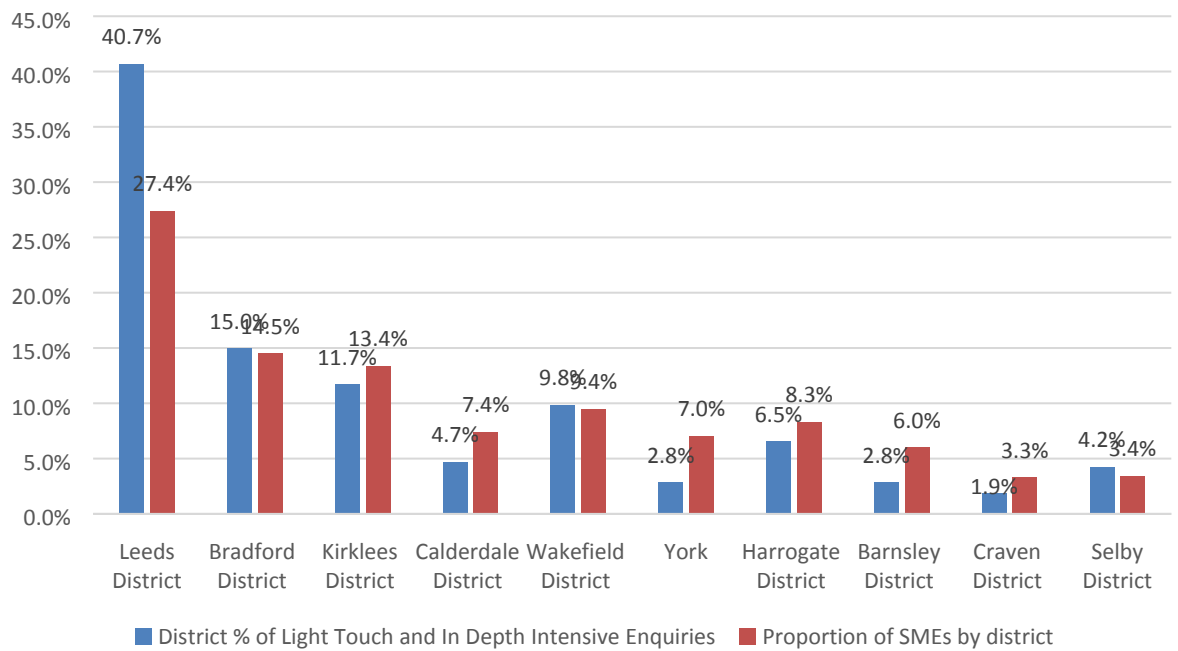


Figure 5: Enquiries compared to the district-proportion of total City Region business stock (Apr 18 – Jun 18)

- 1.9 ‘Access to Finance’ continues to be the most popular topic for support for both gateway enquiries and the SME Growth Manager clients. ‘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’.

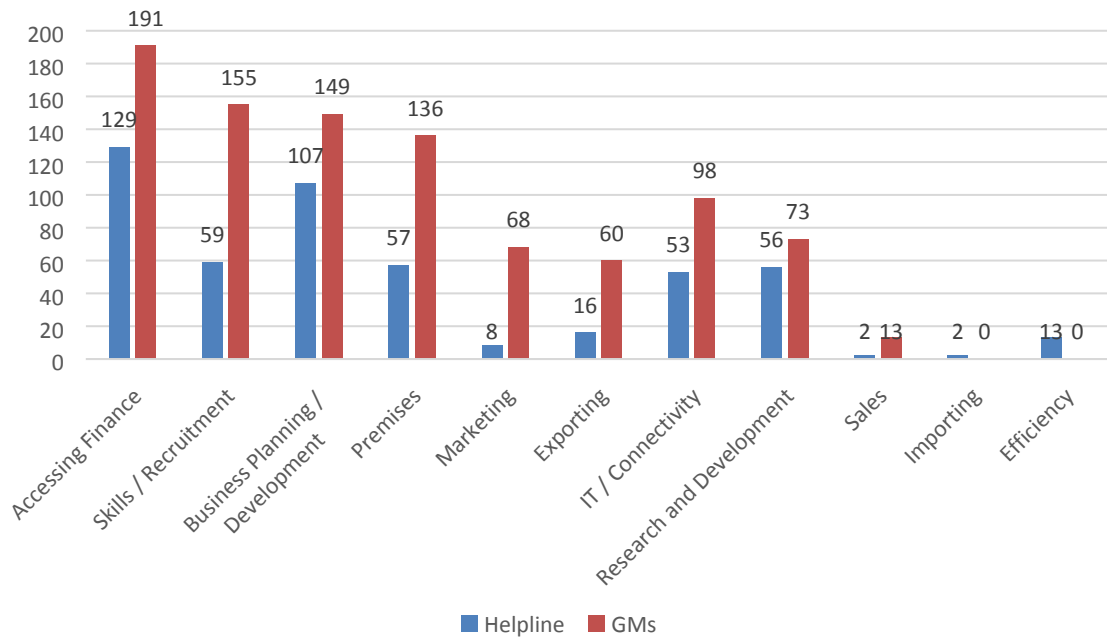


Figure 6: Topics for business support (Apr 18 – Jun 18)

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.

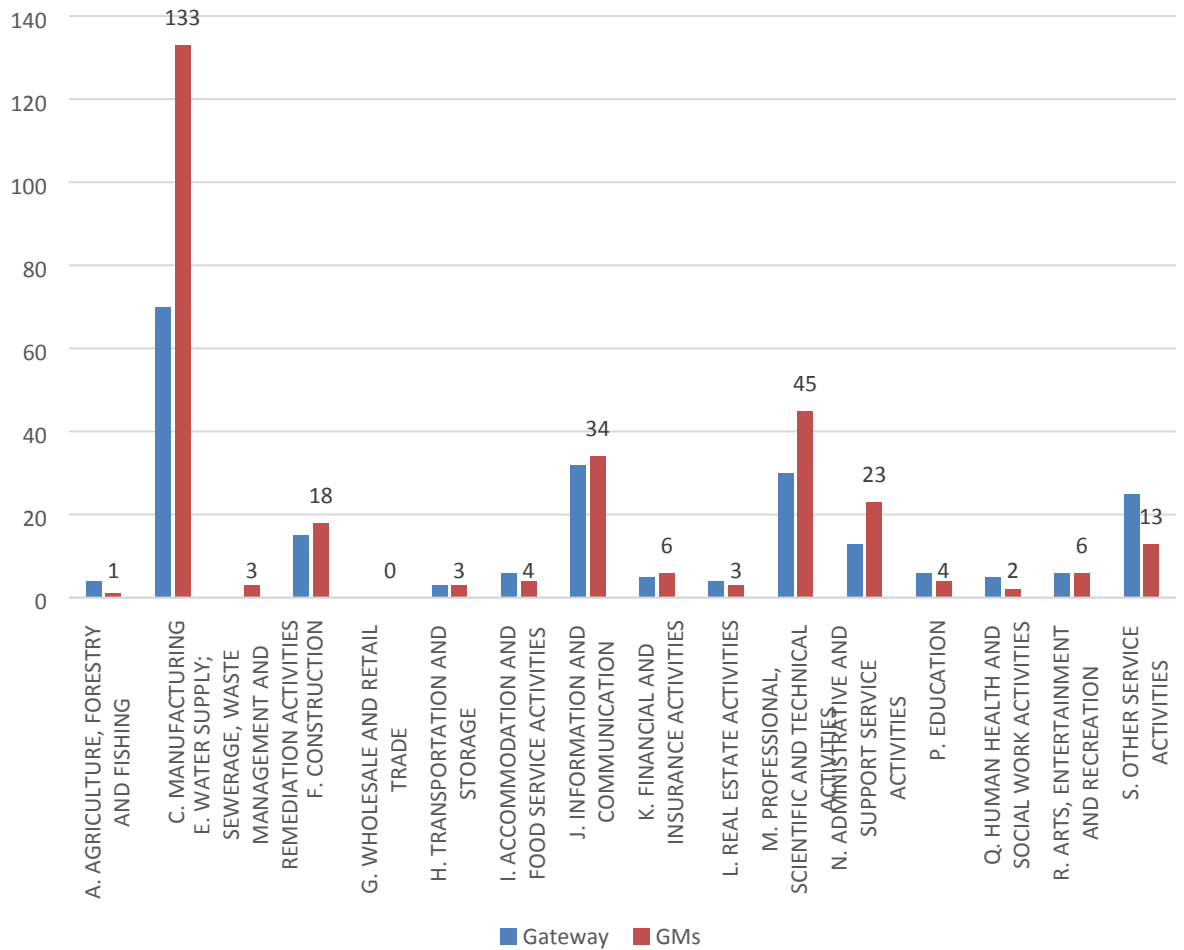


Figure 7: Percentage of Growth Service clients (Gateway and Growth Manager) by sector (Apr 18 – Jun 18)

1.11 Figure 8 below illustrates the breadth of referrals to business support products and organisations from both the gateway and SME Growth Managers. The highest number of referrals since April 2018 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 to SMEs.

Total Referrals from Helpline and Growth Managers

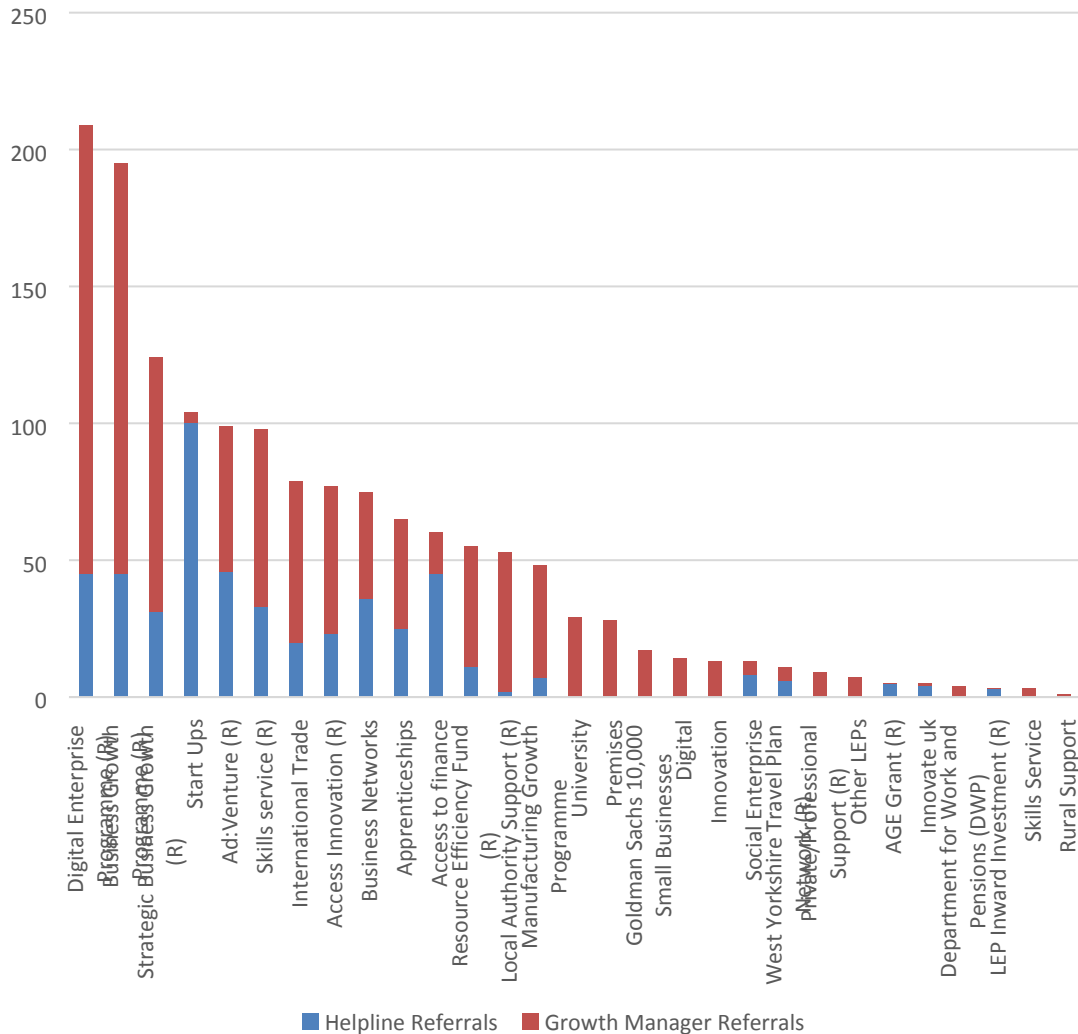


Figure 8: Number of business support referrals (Apr 18 – Jun 18)

1.12 Whilst many of the SME Growth Manager teams continue to receive high levels of referrals from the LEP, business networks are also proving to be a good means of sourcing new clients particularly in Harrogate, Bradford and York. Use of Social Media including LinkedIn searches have also been reported by some of the SME Growth Managers as very useful, which has been included in the category 'other' below.

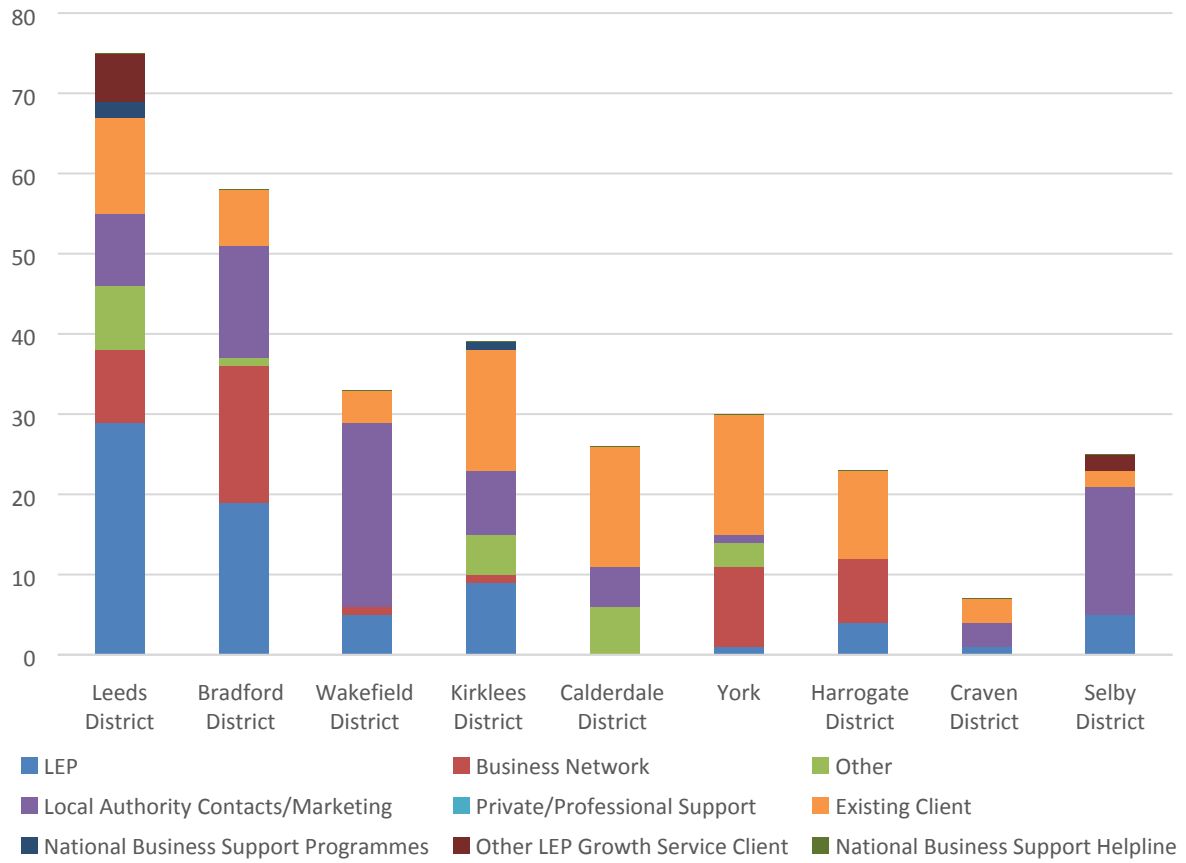


Figure 9: Source of Growth Managers' clients (Apr 18 - Jun 18)

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Economic Services Grants Approved - All Programmes, Start Date to June 2018

Business Support Product	Programme Start Date	Programme End Date	Programme Start Date to June 2018									
			Total Grant Funding**	Total Target Jobs	Number of Grants Offered	Total Grant Offered	Total Grant Paid	Proposed Match	Actual Match	Proposed Jobs	Actual Jobs	
A	Business Growth Programme	01/04/2015*	31/03/2021	£38,963,000.00	4,100	623	£29,476,571.08	£22,949,872.11	£274,368,165.97	£205,047,461.05	4910.5	3141.5
B	Resource Efficiency Fund	01/11/2016	31/01/2020	£931,695.00	N/A	95	£647,856.62	£464,046.05	£688,233.25	£535,227.97	N/A	N/A
C	Apprenticeship Grant for Employers	01/12/2015***	31/07/2017	£6,520,800.00	N/A	3392	£6,520,800.00	£6,520,800.00	N/A	N/A	N/A	N/A
D	Strategic Inward Investment Fund	01/04/2017	31/03/2021	£12,450,000.00	1,245	3	£1,853,386.00	£480,774.00	£15,298,575.00	£3,205,160.00	552	209
E	Ad:Venture	01/07/2016****	30/09/2019	£1,000,000.00	2,400	69	£555,920.04	£308,725.47	£698,788.08	£395,262.94	168	60
F	Digital Enterprise	01/09/2016****	31/03/2019	£750,000.00	1,650	405	£1,641,046.34	£1,331,783.74	£2,138,251.17	£2,138,251.17	1156.6	0
G	Access Innovation	01/01/2017	31/12/2019	£4,345,000.00	63	20	£745,023.50	£31,669.96	£832,322.50	£42,679.86	164	1
H	Strategic Business Growth	01/02/2017	31/12/2019	£990,000.00	88	12	£284,174.28	£108,519.24	£898,394.74	£459,029.17	66	8
I	Digital Inward Investment Fund	01/01/2018	31/03/2021	£1,000,000.00	175	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL				£66,950,495.00	9,721	4,619	£41,724,777.86	£32,196,190.57	£294,922,730.70	£211,823,072.16	7,017	3,420

* N.B. A small number of projects were approved prior to 1st April 2015. These were approved under the Regional Growth Funded Business Growth Programme (RGF) and as the projects were not able to commence prior to the end of the RGF programme, they were recommitted to the Local Growth Funded Business Growth Programme which became operational on 1st April 2015.

** For the Resource Efficiency Fund, Access Innovation and Strategic Business Growth Programme this is the grant allocation only. For other programmes this includes the delivery costs.

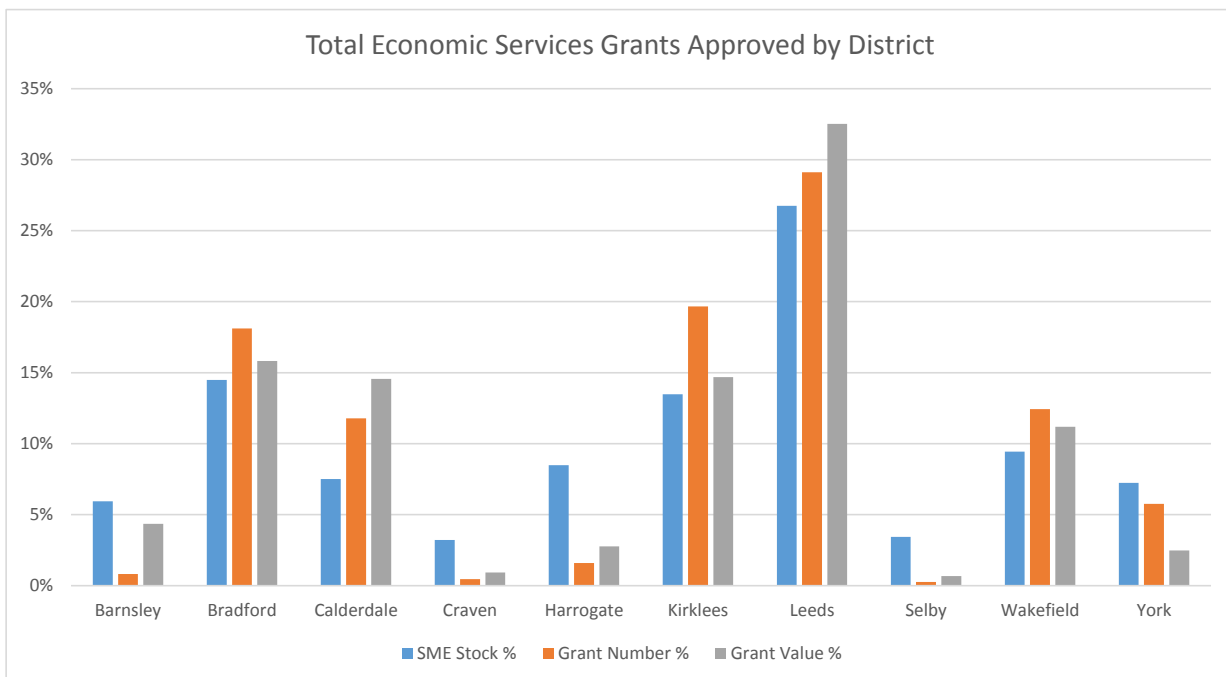
*** The Apprenticeship Grant for Employers programme relaunched on 1 August 2018.

**** Ad:Venture and Digital Enterprise are delivered by Leeds City Council, with grants funded by a mix of the Local Growth Fund (Provided by the Combined Authority) and the European Regional Development fund (ERDF). Only the Local Growth Fund element of the programme is included in the total grant funding column, but commitments and actuals for these programmes are for the overall programme, including the ERDF funded Element.



**Total Economic Services Grants Approved by District
Programme Start Date to June 2018**

District	SME Stock %	Number of Grants	Grant Number %	Value of Grants	Average Grant	Grant Value %	Jobs Contracted
Barnsley	6%	38	0.8%	£1,814,329.20	£47,745.51	4.3%	290
Bradford	14%	837	18.1%	£6,601,085.64	£7,886.60	15.8%	705
Calderdale	8%	544	11.8%	£6,076,302.12	£11,169.67	14.6%	762
Craven	3%	21	0.5%	£390,592.77	£18,599.66	0.9%	68
Harrogate	8%	74	1.6%	£1,158,780.63	£15,659.20	2.8%	206
Kirklees	13%	908	19.7%	£6,130,506.88	£6,751.66	14.7%	672
Leeds	27%	1345	29.1%	£13,567,894.28	£10,087.65	32.5%	2073
Selby	3%	12	0.3%	£281,147.23	£23,428.94	0.7%	49
Wakefield	9%	574	12.4%	£4,665,681.52	£8,128.37	11.2%	2093
York	7%	266	5.8%	£1,038,457.59	£3,903.98	2.5%	100
TOTAL	100%	4619	100%	£41,724,777.86	£9,033.29	100%	7018



Business grants – approvals by assurance process

Programme	Maximum intervention rate ¹	Value	Appraised by	Recommendations by	Approved by (Officer to whom sub-delegated)	Number of grants approved (to 30/06/18)	Value of grants approved (to 30/06/18)
Access Innovation – Capital Grants	20%	Up to £20k	Officers at the Combined Authority	n/a	Head of Business Support	2	£22,433
Access Innovation – Revenue Grants	50%	Up to £25k	Officers at the Combined Authority	n/a	Head of Business Support	8	£94,365
		>£25k-£100k	Officers at the Combined Authority	Access Innovation Programme Advisory Group (a mix of officers from the Combined Authority and local districts, University reps and Innovate UK)	Executive Head of Economic Services	10	£628,226
Apprenticeship Grant for Employers (AGE)	n/a	Up to £2k per apprentice	Officers at the Combined Authority	n/a	Executive Head of Economic Services Head of Employment and Skills	n/a	n/a

¹ This is the maximum percentage of the total project cost that the grant will support. The business must finance the balance of the project cost through its own means.

Business grants – approvals by assurance process

Programme	Maximum intervention rate	Value	Appraised by	Recommendations by	Approved by (Officer to whom sub-delegated)	Number of grants approved (to 30/06/18)	Value of grants approved (to 30/06/18)
Business Growth Programme	10% (if 50 or more employees) 20% (if fewer than 50 employees)	Up to £50k	Officers at Leeds City Council	n/a	Executive Head of Economic Services Head of Business Support (up to £25k)	489	£12,719,739
		>£50k-£100k	Officers at the Combined Authority	Appraisal Advisory Group (Combined Authority & local district officers)	Executive Head of Economic Services	98	£8,075,078
		>£100k-£250k	Officers at the Combined Authority	Business Investment Panel	Managing Director	36	£8,681,754
Digital Inward Investment Fund	50%	Up to £50k	Officers at the Combined Authority	Digital Inward Investment Fund Appraisal Group (Combined Authority officers)	Executive Head of Economic Services Head of Business Support (up to £25k) Head of Trade and Investment (up to (£25k)	n/a	n/a
Resource Efficiency Fund	50%	Up to £10K	Officers at the Combined Authority	n/a	Executive Head of Economic Services Head of Business Support	95	£647,857

Business grants – approvals by assurance process

Programme	Maximum intervention rate	Value	Appraised by	Recommendations by	Approved by (Officer to whom sub-delegated)	Number of grants approved (to 30/06/18)	Value of grants approved (to 30/06/18)
66 Strategic Business Growth	20% (if 50 or more employees)	Up to £40k	Officers at the Combined Authority	n/a	Executive Head of Economic Services	12	£284,174
	30% (if fewer than 50 employees)				Head of Business Support (up to £25k)		
Strategic Inward Investment Fund	10% (if 50 or more employees)	Up to £250k	Officers at the Combined Authority	Business Investment Panel	Managing Director	2	£353,386
	20% (if fewer than 50 employees) By exception, higher levels of grant support will be considered	Over £250k	Officers at the Combined Authority	Business Investment Panel, Investment Committee, and/or Combined Authority – as appropriate	Managing Director	1	£1,500,000

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Appendix 4

LEP Business Productivity Pilot – August 2018

Background

The Leeds City Region Enterprise Partnership (LEP) is launching a business productivity pilot in September 2018 as part of the LEP and West Yorkshire Combined Authority's work to drive up productivity across Leeds City Region through private sector leadership. This has been identified by the Business, Innovation and Growth Panel as a priority for the City Region's emerging Local Inclusive Industrial Strategy.

The aim of the pilot

To support firms in Leeds City Region to improve their productivity through capital investment grants, and to improve how they measure and report productivity gains.

The pilot will award capital grants of between £25,000 and £100,000 to those businesses that best demonstrate how the investments will have a positive impact on their productivity.

The recipients of the grants will not be required to create new jobs as a condition of the grant, but will need to maintain current employment levels. They will also be expected to clearly describe how they currently measure productivity and how it will improve following the investment project.

The pilot will also help the LEP and wider City Region to:

- Capture practical learning to inform future activities to improve productivity and allow greater insight into the different approaches taken by businesses.
- Better meet the needs of businesses in the current economic climate.
- Build close working relationships with a cohort of businesses and monitor their productivity over a longer period.
- Be at the forefront of developing evidence-led interventions on business productivity.

How will the pilot work?

- The pilot will run as a competition with an Open Call inviting businesses to apply for grants of between £25,000 and £100,000 to support capital investment projects that will lead to clearly-evidenced productivity improvements.
- The intervention rates will be between 10 and 20%, depending on the size of the business (20% for firms with under 50 staff, and 10% for those with 50 or above). This means that the minimum size of project that could be supported is £125,000.
- The Call will be open for an initial period of three months, with a further Call to follow depending on how many projects are supported in the first round.
- A consistent way to measure productivity for all applicants will be used before and after the investment projects. This will be via the Office of National

Statistics' (ONS) 'How productive is your business?' online tool, which provides a single productivity measure for a business via an online platform - <https://content.govdelivery.com/accounts/UKONS/bulletins/1fc8202>

What funding is available?

- Grants of between £25,000 and £100,000, equating to either 10 or 20% of the total value of the investment i.e. minimum project size of £125,000
- Grants to contribute to capital investment in machinery, equipment and the fit-out of premises
- Grants that will lead to measurable productivity improvements in the business

Criteria and commitments

Businesses need to:

- Be located in Leeds City Region
- Have been trading for over 12 months
- Have a capital investment project in Leeds City Region that will lead to clearly-evidenced productivity improvements (which could include social impact if the applicant is a social enterprise).
- Invest a minimum of £125,000 in a capital investment project
- Ensure there is no net reduction in employee numbers for a minimum of 12 months following completion of the investment.
- Use the ONS' new 'How productive is your business?' online tool to measure their productivity before and after the investment project.
<https://content.govdelivery.com/accounts/UKONS/bulletins/1fc8202>
- Produce a Productivity Plan (a template for this will be provided) that clearly sets out how they currently measure productivity, how the investment project will improve productivity and how this will be evidenced for at least 12-months following the investment.

The Productivity Plan will also provide applicants with an opportunity to set out any other business or productivity improvement actions to be undertaken alongside the investment project. For example, Lean Manufacturing, Six Sigma or Industry 4.0, a commitment to achieve an industry or technical accreditation, or, any other relevant activity. This is not mandatory, but will strengthen the application by reinforcing the applicant's commitment to continual business improvement. The LEP can advise businesses on this aspect of the plan, and can link them to other schemes that can provide support with it.

- Commit to taking part in a longitudinal survey that will track its productivity at regular intervals over a three-year period.

Assessment of applications

- A panel of experts from the private and public sectors will assess all of the applications and make recommendations to the Executive Head of Economic Services, who then make the final decision as to whether to approve or reject the application, as part of the Combined Authority's scheme of delegations.
- Technical appraisals of all applications will be undertaken by officers of the LEP and CA, focussing on the financial viability of the applicants and their projects.

Timeline

- First call opens – 17 September 2018
- Deadline for applications – 14 December 2018
- Decisions on grant awards – 1 February 2019

Details of further calls will be published dependent on the number and value of grants awarded in the first round.

Contact us

To find out more about the pilot, please contact the LEP Growth Service on 0113 3481818 or email businessgrowth@the-lep.com

Further information can be found at

<http://www.the-lep.com/for-business/>

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Report to: Business, Innovation and Growth Panel

Date: 13 September 2018

Subject: **Strengthened Local Enterprise Partnerships**

Director(s): Ben Still, Managing Director

Author(s): Jonathan Skinner

1. Purpose of this report

- 1.1 To inform Panel Members of the implications of Government's '*Strengthened Local Enterprise Partnerships* (LEPs)' report and provide an opportunity for the Panel to provide views to inform the LEP Board's response, which will be agreed at its meeting on 20 September.

2. Information

Government's Review of LEPs

- 2.1 A Review of LEPs was announced in the Industrial Strategy White Paper in November 2017¹. The Review was led by cross-departmental Ministerial group: Jake Berry MP (Ministry of Housing, Communities and Local Government), Margot James MP (Department of Business, Energy and Industrial Strategy) and Andrew Jones MP (HM Treasury). Engagement with local authorities, business groups and others has been carried out through working groups (Cllr Blake (Leeds City Council) was a member of the stakeholder group).

¹"We remain firmly committed to Local Enterprise Partnerships (LEPs). From next year, the Prime Minister will chair a biannual 'Council of LEP Chairs'. This will provide an opportunity for LEP leaders to inform national policy decisions.

While LEPs across the country have played an important role in supporting local growth, feedback suggests that their performance has varied. We are reviewing the roles and responsibilities of LEPs and will bring forward reforms to leadership, governance, accountability, financial reporting and geographical boundaries. We will work with LEPs to set out a more clearly defined set of activities and objectives in early 2018. These will be driven by influential local leaders, acting as figureheads for their area's economic success, and a clear strategy for local and national partnership. We will agree and implement appropriate structures for holding LEPs to account.

We will work with LEPs to review overlapping geographies and ensure people are clear as to who is responsible for driving growth in their area. We recognise that in order to deliver their role effectively, LEPs need financial support. We will make additional financial resources available to LEPs that demonstrate ambitious levels of reform following the review"

- 2.2 The LEP Review resulted in Government publishing a report on ‘Strengthened Local Enterprise Partnerships’ on 24 July, with a summary of the Review’s proposals attached as **Appendix 1**.
- 2.3 The Review also makes clear the opportunity for those LEPs that are able to move forward in line with its recommendations, in conjunction with strong local political leadership. As well as additional direct capacity funding to implement improvements, the Review also makes clear that the further rollout of local industrial strategies and access to the UK Shared Prosperity Fund rest on LEPs operating appropriately. At the same time the Review was published, Ministers also published a written statement² on local industrial strategies a second wave of six places and the intention that there should be local industrial strategies in the remaining areas by 2020.
- 2.4 The LEP Network, on behalf of LEPs, has welcomed the Review’s endorsement of LEPs as the main drivers of local growth. The Chair of the Leeds City Region Enterprise Partnership has similarly welcomed the Review.
- 2.5 The following sections of the report summarise how the LEP is positioned on the principal issues identified in the report:
 - Leadership and organisational capacity
 - Accountability and performance
 - Geography
 - Links with (mayoral) combined authorities
- 2.6 Leadership and organisational capacity

Recommendation	Proposed response from the Leeds City Region LEP
<ul style="list-style-type: none"> • Focusing the LEP’s role to more clearly focus on improving productivity 	<ul style="list-style-type: none"> • The LEP agreed at its 2018 awayday to focus on four key challenges, which have at their heart the City Region’s significant and growing productivity deficit with international competitor City Regions. • The LEP has a clear vision of what success is, where a more productive economy drives inclusive growth. • Government should seek to ensure LEPs’ sharper focus on productivity is accompanied by greater local decision-making on powers and funding that will contribute to a more productive and inclusive economy.

² See: <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Lords/2018-07-24/HLWS898/>

In addition to the three ‘trailblazing’ Local Industrial Strategies in the West Midlands, Greater Manchester and Cambridge-Oxford Arc, the second wave of six more Local Industrial Strategies were announced on 24 July covering LEPs in: Tees Valley, North East, Leicester and Leicestershire; West of England, Cheshire and Warrington and the Heart of the South West.

<ul style="list-style-type: none"> • More capacity, subject to “independence from local government” and contingent on Government supporting proposals about no overlapping geography. 	<ul style="list-style-type: none"> • This commitment from Government is welcome. • The LEP’s current support arrangements – independent of any single local council – are understood to be fully compliant with the ‘independence’ requirement.
<ul style="list-style-type: none"> • Implement an induction and training programme for LEP Board members 	<ul style="list-style-type: none"> • The reasons for this are understood, and this offers the potential for the LEP Board to lead by example on the importance of investing in leadership – identified as a driver of productivity – as well as securing probity in decision-making about public expenditure.
<ul style="list-style-type: none"> • LEP Board membership: <ul style="list-style-type: none"> ○ 2/3rds private sector ○ maximum Board size of 20 (plus up to another 5 private sector annual members) ○ more diverse – at least 30% immediately and working towards gender balance 	<ul style="list-style-type: none"> • These associated steps will strengthen private sector leadership. • The recent LEP Board recruitment improved the gender balance on the LEP Board and has broadened the collective knowledge of the City Region’s key sectors. • It is proposed that composition of the LEP Board will be made compliant with Government’s criteria during an implementation period linked to the Board’s preferred footprint.

2.7 Accountability and Performance

Recommendation	Proposed response from the Leeds City Region LEP
<ul style="list-style-type: none"> • Government to agree annual Key Performance Indicators with each LEP 	<ul style="list-style-type: none"> • The principle is accepted, but the LEP Board is clear that its principal accountability is to local businesses, residents and partners for improving productivity and delivering inclusive growth. • In that context, it is urged that any key performance indicators are strategic, outcomes-focused and set the foundation for the LEP’s annual report.

<ul style="list-style-type: none"> Each LEP must have a legal personality (incorporation) where not covered by a Combined Authority 	<ul style="list-style-type: none"> This reinforces Government's desire for LEPs to be strong, private-led partnerships independent of any single local authority. The LEP's relationship with the West Yorkshire Combined Authority, as its accountable body, satisfies this criteria and should be retained in future relationships.
<ul style="list-style-type: none"> Government will publish a new national assurance framework, which should be incorporated by each LEP into local processes 	<ul style="list-style-type: none"> This is welcomed, although we await publication of a document that is proportionate and provides appropriate local flexibility to support local prioritisation delivery arrangements.
<ul style="list-style-type: none"> Hold Annual Meetings open to the public and a sector-led system of peer reviews 	<ul style="list-style-type: none"> This is supported. Following steps the LEP took in January 2018 towards becoming the most transparent in the country, all of its meetings and those of its advisory Panels are held in public (with papers published online). The sector-led peer review system is welcomed as a good means of sharing good practice and giving partners' confidence in arrangements.

Geography

- 2.8 The Government's paper is very clear that LEP geographies should reflect functional economic areas, but to ensure clarity of service delivery and accountability, there should be no overlapping areas. Instead, where local economies naturally look in multiple directions, Government stresses that LEPs should develop more effective ways to coordinate across boundaries. This coordination may also apply to non-neighbouring areas (for example, if there are specialist industrial assets or clusters, like the automotive industry), and may cover a variety of scales, from the N11 consortium of LEPs across the Northern Powerhouse, to bi-lateral links.
- 2.9 Currently, 21 of the 38 Local Enterprise Partnerships in England have overlapping footprints, including all four LEPs in Yorkshire and The Humber. The Leeds City Region LEP has the following 'overlapping' areas:
- Barnsley, which is also covered by the Sheffield City Region LEP
 - Craven, Harrogate, Selby and York, which are also covered by the York, North Yorkshire and East Riding LEP.

Developing the LEP's next steps

- 2.10 Following publication of the Government's paper, the LEP Chair and Managing Director have engaged with partners, agreeing that the local response to the LEP Review offers the opportunity to:
- Demonstrate to Government that business and local authority partners in the City Region can collectively agree a clear proposal that is widely supported locally and conforms with clear Government policy.
 - Engage promptly and positively with neighbouring areas, ensuring that all areas are able to explore options and work together on mutual issues.
- 2.11 Government's Review and removal of overlaps means that 'no change' is not an option. The LEP Board's choice will, therefore, need to balance the implications of the two options: **getting bigger** or **getting smaller**.
- 2.12 The views of a number of LEP partners have been proactively sought. This includes discussions with LEP Panels, a discussion at the Business Communications Group and an open opportunity for stakeholders to share their views via: <https://www.yourvoice.westyorks-ca.gov.uk/lepreview>

3. Financial Implications

- 3.1 There are no direct financial implications from this report.
- 3.2 Government has, however, been clear that increased funding for LEPs to support implementation of the new requirements is contingent on LEPs coming forward with proposals that are compliant with its Review. This relates both the direct capacity funding and potentially full access to future funding streams such as the UK Shared Prosperity Fund.

4. Legal Implications

- 4.1 There are no direct legal implications from this report.
- 4.2 Whatever preferred option is chosen (and implemented) will include significant legal implications.

5. Staffing Implications

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

6. External Consultees

- 6.1 There have been no external consultees about this report, but the LEP Board's discussions will be informed by a broad contribution of views by partners as detailed in para. 2.12.

7. Recommendations

- 7.1 That the Panel notes 'Strengthened Local Enterprise Partnerships', the result of Government's LEP Review and its links with activity on local industrial strategies and the emerging UK Shared Prosperity Fund.
- 7.2 That Panel Members provide views on any issues raised in the report to be considered by the LEP Board when it determines the shape of the City Region's response on 20 September.

8. Background Documents

- 8.1 There are no background documents.

9. Appendices

Appendix 1 – Government's summary of 'Strengthened Local Enterprise Partnerships'

STRENGTHENED LOCAL ENTERPRISE PARTNERSHIPS – SUMMARY RECOMMENDATIONS

Role and responsibilities:

Government will:

- Publish a **statement on the role and responsibilities** of LEPs. LEPs will focus on enhancing productivity. This will be achieved through the development and delivery of their Local Industrial Strategy.
- Publish a **further statement on Local Industrial Strategies** to guide locally-led work. This statement will be published over the summer. Government will aim to agree Local Industrial Strategies with all areas of England by early 2020.
- Commission an **annual economic outlook** to independently measure economic performance across all LEPs and the areas they cover.

Government will support all LEPs to:

- Develop an evidence-based **Local Industrial Strategy** that sets out a long-term economic vision for their area based on local consultation.
- Publish an **annual delivery plan and end of year report**. This will include key performance indicators to assess the impact of their Local Industrial Strategy, funding and interventions. It will inform objective assessment on LEP performance.

Leadership and organisational capacity:

Government will:

- Increase **regular dialogue** with LEPs. This includes the **Prime Minister chaired Council** announced in the Industrial Strategy, as well as a **senior official sponsor** for every LEP from across government departments.
- Actively **work with LEPs to advertise opportunities** for private sector leaders to become a LEP Chair when vacancies emerge. While these are not public appointments, we will offer to list vacancies on the Centre for Public Appointments website.
- Offer an **induction and training** programme for LEP board members and officers on working with Government. We will work with the LEP Network, Local Government Association and other professional development bodies to develop this programme.
- Provide **up to £20 million between 2018-19 and 2019-20 in additional capacity funding to support LEPs** to implement the review and to provide the strategic and analytical capability needed to develop ambitious Local Industrial Strategies.

Appendix 1

Government will support LEPs to:

- **Consult widely and transparently** with the business community before appointing a new Chair; and introduce **defined term limits** for Chairs and Deputy Chair.
- Establish more **representative boards of a maximum of 20 persons** with the option to co-opt up to five additional board members. Our aspiration is that two-thirds of board members should be from the private sector;
- **Improve the gender balance and representation of those with protected characteristics on boards** with an aim that women make up at least one third of LEP boards by 2020 with an expectation for equal representation by 2023, and ensuring all LEP boards are representative of the businesses and communities they serve.
- **Provide a secretariat independent of local government** to support LEPs' decision making.
- **Develop a strong local evidence base of economic strengths, weaknesses and comparative advantages** within a national and international context. This will be supported by **robust evaluation of individual projects and interventions**.

Accountability and performance:

Government will:

- Continue to maintain **overall accountability for the system** of LEPs and local growth funding, and implement in full the recommendations of the Ney Review and any future recommendations that may be made as the performance of LEPs is scrutinised and reviewed.
- Assess and publish annual performance against **quantitative and qualitative measures** set out within LEP delivery plans.
- Set out within a revised National Assurance Framework a clear statement on an **escalating approach to intervention** in any instances where LEPs demonstrate that they are found to be underperforming.
- Develop with the LEP Network and LEPs a **sector-led approach to assessing and improving performance** through regular peer review.

Government will support all LEPs to:

- Have a **legal personality**, such as incorporation as companies, or mayoral combined authorities or combined authorities where they exist.
- Set out clearly and transparently the **responsibilities of the Chair, Board, Director, and Accountable Body**, including over spending decisions, appointments, and governance.
- Actively participate in relevant **local authority scrutiny panel** enquiries to ensure effective and appropriate democratic scrutiny of their investment decisions.
- Hold **annual general meetings** open to the public to attend to ensure the communities that they represent can understand and influence the economic plans for the area.

Geography:

Government will:

- Ask LEP Chairs and other local stakeholders to come forward with **considered proposals by the end of September on geographies which best reflect real functional economic areas, remove overlaps and, where appropriate, propose wider changes such as mergers**. Government will respond to these proposals in the autumn and future capacity funding will be contingent on successfully achieving this.

Government will support all LEPs to:

- **Collaborate across boundaries** where interests are aligned when developing strategies and interventions to maximise their impact across their different objectives.

Mayoral combined authorities:

Government will:

- **Consolidate its engagement with mayoral combined authorities and their LEPs** with a collaborative approach to agreeing a Local Industrial Strategy.

In mayoral combined authority areas, we will work with each LEP and mayoral combined authority to:

- **Ensure LEPs have a distinctive role in setting strategy and commissioning interventions** to drive growth, jobs and private sector investment
- Require **LEPs and mayoral combined authorities to develop local agreements** which clearly set out roles and responsibilities and accountability.
- **Encourage LEPs and mayoral combined authorities to move towards coterminous geographies where appropriate** in line with the wider discussions on LEP geographies.

Implementation

We will work with LEPs to develop revised proposals for geography by 28 September 2018 and a detailed plan for implementing the above changes before 31 October 2018. We will then work with LEPs, as above, to ensure these plans are implemented effectively across the country.

To support this, Government will publish a revised National Assurance Framework. This will clearly define what is required of each LEP to be compliant and to receive future core and growth funding.

We will also work with the LEP Network to identify and develop case studies of good practice and commission an additional training offer that will be available to LEP Chairs and board members.

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Report to: Business Innovation and Growth Panel

Date: 4 September 2018

Subject: **Governance arrangements**

Director(s): Angela Taylor, Director of Resources

Author(s): Caroline Allen, Head of Legal and Governance Services

1. Purpose of this report

1.1 To note the governance arrangements for the Business Innovation and Growth Panel.

2. Information

2.1 At its annual meeting on 28 June 2018, the Combined Authority resolved to appoint the Business Innovation and Growth Panel as an advisory committee to the Combined Authority which reports to the LEP Board, on the **terms of reference** attached as **Appendix 1** to this report. The terms of reference were revised from the last municipal year to include (as highlighted):

- a reference to supporting the ambition for inclusive growth, and
- clarification that the Panel may advise on bidding for funding.

2.2 For this municipal year, a voting co-opted member from each West Yorkshire council has been appointed onto each advisory panel including the Business Innovation and Growth Panel and two Combined Authority members. The **quorum** for the Business Innovation and Growth Panel remains 4 voting members, to include 1 member of the Combined Authority or other local authority member and 1 private sector representative.

2.3 The Combined Authority at its annual meeting also appointed Andrew Wright as Chair of the Business Innovation and Growth Panel.

2.5 The Combined Authority also agreed dates for meetings of the Business Innovation and Growth Panel, as follows:

- 13 September 2018
- 27 November 2018
- 26 February 2019
- 28 May 2019

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 The Business Innovation and Growth Panel is recommended to note the governance arrangements for the Panel approved by the Combined Authority at its annual meeting on 28 June 2018.

8. Background Documents

None.

9. Appendices

Appendix 1 – Terms of Reference for the Business Innovation and Growth Panel

Terms of Reference

Business Innovation and Growth Panel¹

The Business Innovation and Growth Panel is authorised to advise the Combined Authority and the Leeds City Region Enterprise Partnership in support of their ambition to secure inclusive growth in relation to:

- a) approving, reviewing or varying any policy or investment priorities, strategy or plan;
- b) identifying and promoting opportunities for obtaining devolved funding and bidding for other funding;
- c) developing and delivering new services;
- d) monitoring and reviewing the delivery of agreed outcomes and impact of any strategy plan or services²;
- e) developing and promoting a shared understanding of growth opportunities and inhibitors with key partners, and
- f) aligning strategic priorities, strategies and plans³

in respect of any function of the Combined Authority relating to **business growth**⁴ within the Leeds City Region.

¹ The Business Innovation and Growth Panel is an advisory committee of the Combined Authority, appointed under S102(4) Local Government Act 1972, and in this capacity also acts as the Combined Authority's Joint Trade and Investment Board.

² This includes the delivery of key projects and work programmes.

³ Through liaison with other committees or sub-committees of the Combined Authority and partner councils.

⁴ This includes business support, innovation, digital, trade and inward investment.

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