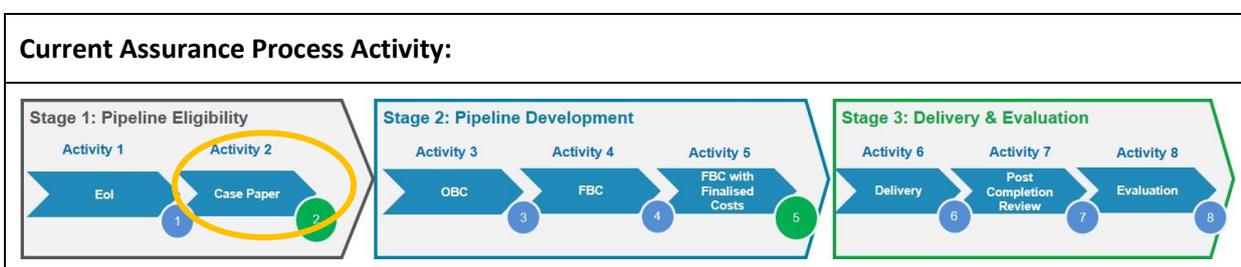


Section A: Scheme Summary

Name of Scheme:	Access Innovation Programme
PMO Scheme Code:	WYCA-EU-002
Lead Organisation:	WYCA
Senior Responsible Officer:	Not stated
Lead Promoter Contact:	Henry Rigg
Applicable Funding Stream:	WYCA Contributions (including overhead costs) £484,680 from WYCA's LGF-funded Access to Capital Grants programme ERDF £4,264,558 SME Contributions £4,425,000
Growth Fund Priority Area (if applicable):	The proposed scheme will contribute to the Leeds City Region Strategic Economic Plan 2016, Priority 1: Growing Businesses, Key Action Area (B) - 'Innovation by delivering high quality innovation product and services, maximising the role of the universities in innovation and working with Innovate UK'. It will also contribute to Priority 2: - 'creating an ecosystem of innovative SMEs to help create more and better jobs'.
Forecasted Full Approval Date (Decision Point 5):	It could be a very short timescale to reach Decision Point 5. Given that the programme successfully applied for £4.26m ERDF grant, that WYCA has already secured and allocated £484,680 from LGF for capital grants, with a balance of £4.43m from SME contributions, and with external funding in place, it would make sense to progress to request MD delegated authority for the next DP.
Forecasted Completion Date:	Scheme completion 31.03.2020
Total Scheme Cost (£):	£9,174,238
WYCA Funding (£):	LGF Access to Capital Grants programme - £484,680 ERDF - £4,264,558
Total other public sector investment (£):	£0
Total other private sector investment (£):	SME Contributions £4,425,000

Is this a standalone Project?	Yes
Is this a Programme?	Yes
Is this Project part of an agreed Programme?	No
Current Funding Allocation:	The programme successfully applied for £4.26m ERDF grant; WYCA has also already secured and allocated £484,680 from LGF for capital grants, with a balance of £4.43m to come from SME contributions



Scheme Description:

A New Programme designed to support innovation activity by SMEs in Leeds City Region

The Programme funded from three sources (£9.2m total):

- ERDF - £4.3m secured for this programme
- LGF Access to Capital Grants Programme - £0.5m – already allocated
- Private Sector Match Funding - £4.4m – expected from businesses as part of their application

Strong Strategic Fit:

Scheme fits to the LCR SEP (2016) and Priority Area 1, Key Action Area (B) – *“delivery high quality innovation products and services and maximise the role of the universities in innovation”*

High level outputs include;

- 98 jobs created/safe guarded
- 444 Businesses created/assisted

Business Case Summary:

Strategic Case	<p>The programme has a close fit with the current Strategic Economic Plan (SEP) for Leeds City Region (refreshed in 2016), and particularly its Priority 1, Key Action Area (B), ‘deliver high quality innovation products and services and maximise the role of the universities in innovation’.</p> <p>The programme will also focus on the SEP’s six priority sectors, and on those sub-sectors that have most potential to increase rates of SME innovation,</p>
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	<p>leading to the development of new products and services. In turn, these have the most potential to enter new markets, including overseas ones, which can deliver significant economic impact for the city region and national economy.</p> <p>SME innovation rates in Leeds City Region, and the take-up of local and national innovation support products, such as those available from universities and Innovate UK, are comparatively low, particularly when you consider the size of business base and the university sector. Therefore, this programme will help to address two of the city region’s major strategic priorities: - to increase the rate of innovation within SMEs and to improve the level of collaboration between SMEs and Higher Education Institutions (HEIs). The LEP Board and the Business, Innovation and Growth Panel are supportive of this programme, as is the city region’s ESIF Sub-Committee.</p> <p>The programme will also contribute to Priority 2 of the SEP: - ‘creating an ecosystem of innovative SMEs to help create more and better jobs’. This also links the programme to the CA’s Inclusive Growth workstream i.e. focussing on better paid jobs in local firms.</p>
Commercial Case	<p>The commercial case for supporting SMEs to undertake innovation activity is that those businesses that continually develop new products, processes and services are far more likely to grow and prosper. In turn, they are in stronger position to secure external commercial finance (from banks and venture capitalist) and be awarded research-related funding from such sources as Innovate UK, Catapult Centres or the Knowledge Transfer Network.</p> <p>Furthermore, national Government investment in new R&D/innovation facilities is much more likely to land in areas with strong innovation eco-systems, which this programme would help to develop further in Leeds City Region.</p>
Economic Case	<p>There is clear evidence from numerous sources of the positive economic impact of SMEs undertaking innovation activity i.e. developing, commercialising and enhancing products and services to meet demand from consumers and business customers. Parts of the country with high SME innovation rates perform better in economic terms, and there is a similar correlation between economic growth and areas with strong performing HEIs e.g. Cambridge, Oxford and York.</p> <p>The programme will also create/safeguard 98 jobs, which are likely to be at a highly-skilled and well-paid level bearing in the innovative nature of the SMEs to be involved.</p>
Financial Case	<p>The programme is delivering decent value for money In terms of headline its outputs and outcomes. This is particularly the case with the businesses accessing the vouchers as that level of support is regarded as ‘intensive’. Nationally, the average cost per intensive assist is circa £50K and on this the average cost is just £17,478 per intensive assist. The cost per job on the programme of circa £43,500 is above the national average for grant schemes (currently circa £30K per job). However, the value for money remains strong bearing in mind that the jobs will be highly skilled and likely to be significantly above the Living Wage.</p>

Management Case	<p>There is a well-resourced team in place to support delivery of the programme, with a programme manager, project manager, and two monitoring officers, plus the team of three Innovation Growth Managers who will be engaging directly with the SMEs and supporting the through the application process. However, it will remain challenging to encourage SMEs to engage with the programme, particularly around the procurement requirements each must undertake, Therefore, the team will focus on providing intensive ‘hands on’ support to SMEs and innovation suppliers to guide both through the process.</p> <p>The programme has clear and effective governance in place, with a Project Executive Group (with public and private sector members) having met twice already, and direct strategic links to the CA/LEP’s Business, Innovation and Growth Panel. The risks associated with the programme are being actively managed by the Executive Group.</p> <p>WYCA is experienced in managing a wide range of complex projects, programmes and services, such as this one, via funding from external sources.</p>
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