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Report to: Business Innovation and Growth Panel

Date: 7 September 2017

Subject: LEP Growth Service

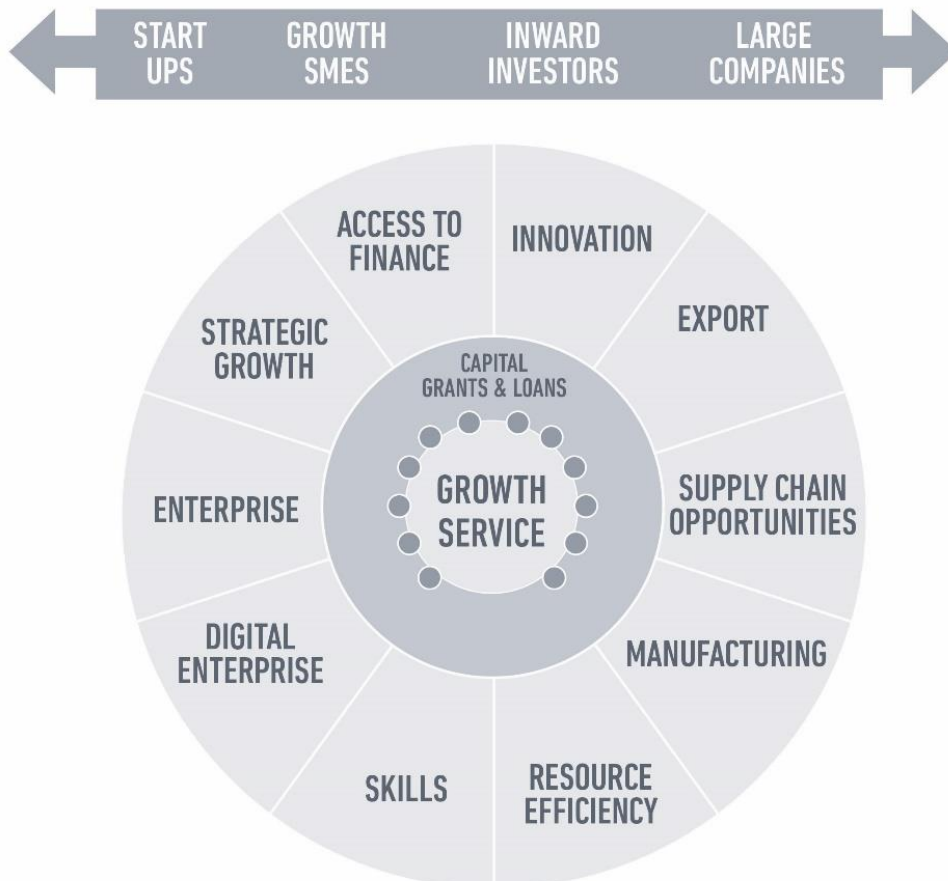
1 Purpose

1.1 To provide the Panel with an update on the LEP Growth Service.

2 Growth Service

2.1 The Growth Service provides SMEs in LCR with direct access to the full range of publically-funded products and services available to help them grow. This includes those delivered directly by the LEP and those available via partner organisations, such as the Department for International Trade, Innovate UK, Local Authorities, Chambers of Commerce, Universities and Colleges. The diagram below demonstrates how the Service is central to the business support landscape in the city region.

Figure 1: Business support in Leeds City Region



- 2.2 The Growth Service is LCR’s Business Growth Hub. There are 38 other Growth Hubs in operation across the country, one in each area served by a Local Enterprise Partnership.
- 2.3 Businesses can access the Service by telephone (T: 0113 3481818 - weekday from 9am – 5pm), the LEP’s website (www.the-lep.com/for-business, or, email (businessgrowth@the-lep.com). The enquiries are handled by a central gateway team and there is also a team of 13 SME Growth Managers, who provide more intensive support for SMEs with clear growth potential and ambition. The Growth Managers work within specific Local Authority districts and are funded by the Growth Service and the city region’s Local Authorities.
- 2.4 The Department for Business, Energy and Industrial Strategy (BEIS) has provided £512,500 of funding to support the delivery of the Service in 2017-18. This is the third year that BEIS has funded the Service.

Progress to date

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

Table 1: Performance against headline targets 2017-18.

Target Measure	Target	Achieved April 17– July 17
SMEs supported - light-touch & intensive (such as attendance at LEP events, sign-ups to the LEP eNewsletter, referrals to other products/services)	2500	587
SMEs supported - intensively by SME Growth Managers (more ongoing support over the year i.e. several meetings, diagnosis of need, personal referral to relevant products/services, support with funding applications etc).	630	283
All business enquiries handled by the LEP gateway (helpline, email and web)	No contractual target	638

- 2.6 The Service is making steady progress towards the target of supporting 2500 businesses in 2017/18, with 587 supported between April and the end of July 2017. This includes support via the Gateway (telephone helpline, emails and web), events

across the city region and the more intensive support from the Growth Managers, who are currently working with over 280 SMEs.

- 2.7 Since the Service was launched in July 2015, it has provided support to over 3,200 individual businesses, many of which have used the Service on more than one occasion. This demonstrates the value of the Service to city region businesses and there is a continued trend towards businesses taking-up several of the current products available (see **Appendix 1** for more information on this).

Service developments

- 2.8 A Scale-Up plan has been produced on the request of BEIS to set out how the Service will support those small firms with the highest growth potential (defined as those most likely to achieve at least 20% growth in turnover, and/or, employment over a three-year period).
- 2.9 The plan for LCR includes the support available from the Growth Managers, as well as that provided by several products currently available in the city region, such as Ad:Venture (the city region's support programme for start-up and early-stage businesses) , Strategic Business Growth and Access Innovation. The plan also includes some analysis of the fastest growing businesses in LCR undertaken by WYCA's Research and Intelligence Team. This will be further enhanced and then used to target specific businesses with tailored growth-related support.
- 2.10 WYCA's Travel Plan Network (TPN) is now being actively promoted to businesses as another key product available from the Growth Service. The TPN provides businesses of all sizes with advice and guidance to implement sustainable travel solutions, including discounted public transport offers. It operates as a membership model and currently has 316 members within West Yorkshire, although the offer will soon be extended to the full city region.
- 2.11 The integration of the TPN within the Growth Service is now giving its members the opportunity to benefit from a much wider range of support, whilst also helping the Growth Service's existing clients to realise the benefits of TPN membership i.e. reduced costs, reduced carbon emissions and healthier and more productive employees. 24 businesses have joined the TPN since the start of April 2017, which contributes to the annual target of recruiting 50 new members. Several of the new members have been introduced by the SME Growth Managers.
- 2.12 An evaluation of the Growth Service will be undertaken in early 2018, following on from the two previous evaluations required as a condition of the funding from BEIS. This will focus on the economic impact of the Service to date, and will include detailed case studies of several firms supported by the Growth Managers. It will also compare the Service to other similar ones being delivered elsewhere on the country in order to share, and learn from, good practice.

Future Funding of the Service

- 2.13 As stated at point 2.4 above, the Service is funded by BEIS until the end of March 2018, with no current commitment beyond that date. BEIS has confirmed that it cannot make any commitments to future funding of Growth Hubs at this point in time, and that if funding is made available, it will be announced within the next Autumn Statement (expected in November 2017).
- 2.14 Therefore, the CA/LEP continues to work closely with BEIS, and other Growth Hubs across the country, to put forward a strong case for continued funding based on evidence of impact to date and ambitious future growth plans. This involves strong participation in the Northern Powerhouse Growth Hub Network, which is working with Government on a 'blueprint' for the future of Growth Hubs, and continued support for the national 'task and finish' group on Growth Hub sustainability.
- 2.15 There will be a presentation at this meeting of the Panel on options for the future funding of the Service for three to five years from April 2018 onwards. This includes the possible use of external funding streams and closer involvement of the private sector.

Marketing and Communications

- 2.16 The Service's marketing plan has three priority areas:
- Getting new customers
 - Providing additional support to existing customers
 - Working more closely with the private sector (especially banks and accountants) to get more and better referrals into the Service.
- 2.17 The bank of case studies on the businesses supported by the Service continues to grow, and is an effective way to engage with new customers across the city region. Recent case studies include:- OE Electrics (manufacturing and distribution company based in Wakefield), Harrison Spinks (mattress-manufacturer based in Leeds), Weidmann Whiteley (paper-manufacturer based in Leeds) and Duffield Printers (new business centre in Leeds). Please see below for links to current case studies:-
- <http://www.the-lep.com/case-studies/>
 - <http://www.bqlive.co.uk/yorkshire/2017/08/11/news/paper-manufacturer-steam-ahead-26918/>
 - <http://news.leeds.gov.uk/flood-hit-printing-premises-reborn-as-thriving-business-centre/>
- 2.18 Blogs from industry experts and business leaders also help to promote the Service to new customers, communicate important practical messages to businesses and raise its profile within the SME community. Recent blogs have focussed on such areas as exporting, financial management and apprenticeships. The next one will be on

business networking and will involve the founder of the Yorkshire Enterprise Network (YEN), Nasser Malik. Please see below for a link to the current blogs:-

<http://www.the-lep.com/news-and-blog/?type=blog>

- 2.19 Recent media releases have focused heavily on 'Innovation', including the partnership with Innovate UK and the launch of the new Access Innovation programme (please see the Innovation update report for more details). Recent features include:
- The Access Innovation and Strategic Business Growth programmes
<http://www.yorkshirepost.co.uk/news/enterprise-partnership-launches-programmes-to-support-businesses-1-8640024>
 - The LEP's partnership agreement with Innovate UK
<https://bdaily.co.uk/articles/2017/06/28/newly-formed-partnership-aims-to-drive-business-innovation-across-leeds-city-region>
 - The additional Growth Deal funds for businesses
<http://www.thebusinessdesk.com/yorkshire/news/2005701-2005701>
 - General information about the Growth Service and Innovation support
<http://www.the-lep.com/news-and-blog/news/accelerating-economic-growth-through-innovation-in/>
 - Innovation Support http://www.huffingtonpost.co.uk/roger-marsh1/the-innovation-revolution_b_17527608.html
- 2.20 Attending and hosting events continues to be an effective and cost-efficient way to promote business support from the LEP, and its partners, to a wider audience. Recent events include: - panel member of an access to finance seminar as part of Wakefield Business Week; exhibitors at the Creative and Digital Industries (CDI) Yorkshire conference in Leeds and the launch of the Access Innovation programme at Borg Warner in Bradford.
- 2.21 SME Growth Managers in York and Leeds have also recently taken part in a programme of business 'master classes' in partnership with private sector organisations and local universities (Leeds Beckett and University of York). These have focussed on themes related to business growth, such as developing and retaining staff, access to finance, exporting and accessing new markets.
- 2.22 The Service worked with the West Yorkshire Joint Services and West Yorkshire Fire and Rescue to deliver the Leeds City Region SME Support Network event on 22nd June 2017 in Morley, Leeds. This promoted the Better Business for All (BBFA) campaign to the city region's business support professionals and helped to improve linkages between the regulatory environment and providers of business support.
- 2.23 The Service is planning a major access to finance event in partnership with the Yorkshire Enterprise Network. This will take place in Bradford on the 28th September 2017 and will cover the finance options available to firms in the city region, including the Northern Powerhouse Investment Fund (NPIF), the Business Enterprise Fund, Start-Up Loans and the LEP's capitals grants and loans.

- 2.24 The programme of 'Pop-up' business support cafés continues to be delivered across the city region. Three took place in July 2017 at Hebden Bridge Town Hall, Castleford Rugby League stadium and Steeton Hall in Keighley near Bradford. The cafes provide smaller firms with the opportunity to meet professional experts on a range of key business issues and opportunities all under one roof. The experts cover such topics as finance, sales and marketing, social media, exporting, business planning and innovation.
- 2.25 61 businesses (71 individual attendees) attended the July events and feedback continues to be consistently positive, with businesses rating these events as either good (19%) or excellent (81%). Planning is underway to deliver two more 'pop ups' in Brighouse and Batley in the Autumn, and another two in more disadvantaged parts of the city region later in 2017 as part of the inclusive growth strategy.
- 2.26 Significant e-marketing activity has taken place over the last two months with three newsletters sent to approximately 13,000 businesses across the city region. These have featured articles on the Travel Plan Network, 'Bike-Friendly' Businesses, Access Innovation, 'Pop up' business cafés, Apprenticeships, the Export Exchange and exporting opportunities with Kaola.

3 Recommendations

- 3.1 That the update on the LEP Growth Service be noted and feedback provided.