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**Report to:** Business Innovation and Growth Panel

**Date:** 7 September 2017

**Subject:** Innovation (*for information only*)

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## **1 Purpose**

1.1 To consult BIG Panel on the work to develop the Innovation priority area.

## **2 Policy development**

### **Relationship with Innovate UK**

- 2.1 The Partnership Agreement between WYCA/The LEP and Innovate UK setting out the principles and practical arrangements for closer collaboration between the organisations was officially signed at an event on 28 June.
- 2.2 The signing, between Kevin Baughan, Deputy CEX of Innovate UK, Andrew Wright, Chair of BIG Panel, and Cllr Tim Swift, BIG Panel Leader, took place alongside a roundtable Panel session, where invited attendees debated with Innovate UK 'how we can ensure the Leeds City Region fulfils its potential as a competitive force driving the UK's innovation and business growth, particularly as the country exits the EU.' See **Appendix 1** for the press release and **Appendix 2** for photographs of the day.
- 2.3 The second part of the day included an SME workshop session, hosted by Borg Warner, with the purpose of providing businesses with information on support available to innovate through the Access Innovation programme and Innovate UK.
- 2.4 Following on from this initial event, planning is underway to deliver an Innovate UK Local event in October 2017 at Unity Works, Wakefield. This event will showcase the range of support available through the Innovate UK family, including the network of Catapults, EEN and KTN alongside local innovation support.
- 2.5 The main objective of this event is to raise the profile and visibility of Innovate UK and the support and funding available for Leeds City Region SMEs to access. Recent analysis of Innovate UK data has shown that the reason our SMEs don't access their fair share of funding from Innovate UK is simply because they don't apply in the first place (as opposed to applying but being unsuccessful).

To address this, the Access Innovation team is working closely with Innovate UK to develop a pipeline of projects which could be fed from Access Innovation through into Innovate UK funding competitions. In addition, work is underway to simplify the

innovation support landscape to make the opportunities available easier to navigate for business support providers (including Growth Managers).

### **Northern Innovation Strategy**

- 2.6 The eleven Northern LEPs have now established a working group to actively explore the development of a Northern Innovation Strategy. The working group is made up of officers from the LEPs/Combined Authorities of Greater Manchester, Hull and Humber, North East and Leeds City Region.
- 2.7 The ambition of the group is to have a Northern Innovation proposal published in time to influence the Autumn Statement. The attached paper (**Appendix 3**) sets out emerging thinking around areas of collaboration which include both short term and longer term aspirations.
- 2.8 The paper was discussed and supported by the Northern LEP Chairs at their last meeting in July. More detailed proposals will be taken to their next meeting in September in advance of any submission.

### **Financing Growth in Innovative Firms Consultation**

- 2.9 The Government has recently launched a consultation seeking views on how to increase the supply of capital to growing innovative firms.
- 2.10 Patient capital supports small firms to grow into large, world-leading businesses. The UK provides a fertile ground for world-leading innovation, but a lack of effective supply of patient capital continues to hold some UK firms back from commercialising this innovation successfully.
- 2.11 The consultation sets out the evidence around a gap in the supply of patient capital in the UK. It then considers potential policy options that might help to address any gap.
- 2.12 It is proposed that BIG Panel submit a response to this consultation on behalf of the LEP. Views are therefore sought from Panel members to support the response.

### **LEP University engagement**

- 2.13 Roger Marsh will host his regular meeting with the City Region Vice Chancellors on 4 October. This will provide continued opportunity to identify opportunities to work more collaboratively on areas of mutual interest on a variety of subjects (including innovation and business support). To support this, a meeting with Leeds City Region Knowledge Transfer Directors will take place in early September.
- 2.14 Leeds City Region Science and Innovation Audit is expected to be published in September. Once this has officially been released it will be circulated to the Panel with details of next steps.

### **3 Innovation delivery**

#### **Innovation capital programmes**

- 3.1 Work continues on the university innovation/incubation projects at Huddersfield and Leeds, into which the LEP/CA has committed up to £6m of Local Growth Deal funding to provide world-class innovation facilities for new-start and fast-growing businesses in the city region.
- 3.2 The £3m for the Leeds University Nexus project has been drawn down and the project is progressing well. The University of Huddersfield has submitted a change request which will be presented at the Investment Committee on 6<sup>th</sup> September.
- 3.3 In August Government announced a £15m Northern Cultural Regeneration Fund to boost the regions tech, creative and cultural industries (capital funding). One project per LEP area can be submitted so to ensure an open and transparent process, WYCA will be issuing an open call for proposals for this. This open call process will also seek wider projects which may benefit from any future funding the organisation may secure (future Growth Deal, post ESIF funding etc).

### **4 Recommendations**

- 4.1 That the update on work to develop the Innovation priority area be noted.