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Report to: Business Innovation and Growth Panel

Date: 7 December 2017

Subject: Access Innovation

1 Purpose

- 1.1 To update BIG Panel on the Access Innovation programme and gain advice on its future delivery.
- 1.2 This item is being re-presented to the Panel as there was not enough time to cover it at the September 2017 meeting. The report has been updated accordingly.

2 Access Innovation

- 2.1 The £9.1m Access Innovation programme is now being delivered across the city region with funding from the European Regional Development Fund (ERDF) and the Local Growth Fund (LGF). It supports Small and Medium-sized Enterprises (SMEs) to develop new products and processes by linking them 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 £50,000 towards the cost of working with expert organisations.
- 2.2 The programme has been developed in response to the relatively low levels of Research and Development (R&D) activity and investment amongst the business population of the city region. This has been evident across several proxy indicators of business innovation in the city region, including the number of registered patents, the take-up of R&D Tax Credits and the allocation of Innovate UK funding. The programme aims to address this situation by reducing some of the barriers to SMEs developing longer-term working relationships with research intensive organisations. In doing so, it will contribute to one of the city region's long-term ambitions as set out within the current Strategic Economic Plan i.e. 'to enable vibrant private sector growth based on innovation and exports'.
- 2.3 Access Innovation is one of the LEP Growth Service's key products to improve the competitiveness of SMEs across the city region. As such, it is now being actively promoted by the team of SME Growth Managers and the central Gateway. It also complements many of the other finance and innovation support products available in the city region, including the LEP Capital Grants, the Northern Powerhouse Investment Fund, Innovate UK, the Manufacturing Growth Programme, GamesLab, Export for Growth, Digital Enterprise and Innovate2Succeed.

- 2.4 The Access Innovation team is also working with a range of local and national partners to stimulate the appetite for innovation and Research and Development (R&D) investment amongst the city region's SME population. This involves one-to-one support for individual SMEs from the programme's three Innovation Growth Managers, and the delivery of sector-specific workshops and events on the premises of well-known business-innovators, most recently Borg Warner in Bradford.
- 2.5 One of the programme's main longer-term aims is to build lasting relationships between SMEs and providers of R&D support. As well as the city region's universities, the Innovation Growth Managers have developed good working relationships with such organisations as the Digital Health Enterprise Zone and Digital Catapult in Bradford, the Textiles Centre of Excellence and the National Physical Laboratory in Huddersfield, Innovate UK and several research-intensive units within the NHS. The managers are also helping SMEs to more easily navigate the funding and innovation support environment, and to put together complementary packages of support that best meet the individual needs of businesses.
- 2.6 The programme's Advisory Group has BIG Panel-representation from Philip Wilson of Slipstream Engineering, and is also represented by Innovate UK, the University of Leeds, Yorkshire Universities, the Enterprise Europe Network and several Local Authorities. The group's role is to provide strategic guidance for the programme, make appropriate connections to other areas of support for innovation activity and put forward recommendations to the Combined Authority for the award of grants within projects worth over £25,000.
- 2.7 The programme began working with businesses in late June 2017 and has now provided support to 182 SMEs, 76 of which have received one-to-one support from the Innovation Growth Managers resulting in a detailed action plan for taking their innovation projects forward. Five applications for grants have been received to date, four of which have been approved to a collective grant value of circa £50,000. Two of the approved applications are in the area of creative and digital innovation, with the other two in manufacturing. There are a number of other applications of varying sizes currently being developed with support from the Innovation Growth Managers.
- 2.8 Although this is now starting to increase, the volume of project enquiries and proposals coming forward from the city region's key providers of innovation support (including universities) has so far been lower than expected. This will need to continue to grow if the stretching outputs and outcomes of the programme are to be achieved, and the subsequent positive impact on SME innovation and productivity is to be realised.
- 2.9 The accompanying report on the LEP Growth Service sets out some of the recent marketing and communications activity that has been undertaken to raise the profile of the programme and to attract more and better quality referrals from businesses.

3 Request for support

3.1 BIG Panel will receive a detailed presentation on the programme at this meeting. This will include specific requests for advice and practical support from the Panel with the following:

1. How can the programme attract more interest from SMEs in LCR?
2. Which business networks and organisations should the programme connect with to increase interest and participation from SMEs and providers of innovation support?
3. Which larger businesses in the city region are strong exemplars of continuous business innovation, and could provide support to smaller firms via the programme?
4. What more could the programme do to incentivise R&D investment by SMEs?

4 Recommendations

4.1 That the update on the Access Innovation Programme be noted and feedback provided.

4.2 That members help to identify networks and organisation which might help increase SME engagement in Access Innovation.