

BUSINESS INNOVATION AND GROWTH PANEL

**MEETING TO BE HELD AT 2.00 PM ON TUESDAY, 8 SEPTEMBER
2020 AS A REMOTE MEETING - TO BE LIVESTREAMED HERE:
[HTTPS://WWW.YOUTUBE.COM/CHANNEL/UCAZJNSGPQZZT41VIBN2
ZK9A/LIVE](https://www.youtube.com/channel/UCAZJNSGPQZZT41VIBN2ZK9A/LIVE) (COPY AND PASTE THE LINK IN YOUR BROWSER).**

A G E N D A

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC**
- 4. MINUTES OF THE MEETING OF THE BUSINESS INNOVATION AND GROWTH PANEL HELD ON 21 MAY 2020**
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- 5. CHAIR'S UPDATE**
- 6. ECONOMIC REPORTING**
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Signed:

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

**Managing Director
West Yorkshire Combined Authority**



**MINUTES OF THE MEETING OF THE
BUSINESS INNOVATION AND GROWTH PANEL
HELD ON THURSDAY, 21 MAY 2020 AT DUE TO COVID-19, THIS
MEETING WILL BE HELD REMOTELY AND WILL BE LIVESTREAMED
HERE:**

[HTTPS://WWW.YOUTUBE.COM/CHANNEL/UCAZJNSGPQZZT41VIBN2ZK9A/LIVE](https://www.youtube.com/channel/UCAZJNSGPQZZT41VIBN2ZK9A/LIVE) (COPY AND PASTE THE LINK IN YOUR BROWSER)

Present:

Andrew Wright (Chair)	
Martin Booth	Witt UK Gp
Amir Hussain	Yeme Architects
Will Roebuck	E-Radar
Philip Wilson	Slipstream Design
Simon Wright	Yorkshire Bank
Andy Peterson	Communis
Richard Paxman	Paxman Coolers Ltd
David Sidlow	BorgWarner Ltd
Councillor Alex Ross-Shaw	Bradford Council
Councillor Jane Scullion	Calderdale Council
Sandy Needham (Advisory Representative)	West & North Yorkshire Chamber of Commerce
Dr Peter O'Brien (Advisory Representative)	Yorkshire Universities
Mark Robson (Advisory Representative)	Department for International Trade
Professor Liz Towns-Andrews (Advisory Representative)	University of Huddersfield

In attendance:

Brian Archer	West Yorkshire Combined Authority
Sarah Bowes	West Yorkshire Combined Authority
Henry Rigg	West Yorkshire Combined Authority
Ian Smyth	West Yorkshire Combined Authority
David Shepherd	West Yorkshire Combined Authority
Janette Woodcock	West Yorkshire Combined Authority

26. Apologies for Absence

Apologies were received from Cllr Darren Byford, Cllr Julie Heselwood Cllr Naheed Mather, Mike Danby, Marie Gilluley, Professor Lisa Roberts (represented by Martin Stow) and Neville Young (represented by Karen Lodge)

27. Declarations of Disclosable Pecuniary Interests

There were no declarations of pecuniary interests at the meeting.

28. Exempt Information - Possible Exclusion of the Press and Public

There were no items which required the exemption of the press and public,

29. Minutes of the Meeting of the Business Innovation and Growth Panel held on 26 November 2019

The last meeting of the Panel held on 27 February 2020 was inquorate, so formal minutes were not taken. However, a discussion around the climate emergency and the role of the Panel in supporting those ambitions, particularly the importance of innovation will be picked up at future meetings.

The Panel was asked to approve the minutes of the Business Innovation and Growth Panel held on 28 November 2019.

Resolved: That the minutes of the Business Innovation and Growth Panel held on 28 November 2019 be approved.

30. Chair's Update

The Chair said that since the last (informal) meeting a Devolution agreement was successfully achieved with signing happening just before lockdown. Work is still progressing to achieve the timetable of getting the mayor in place by next May and progressing workstreams that were agreed as part of the deal. Importantly the CA is being treated as a Mayoral Combined Authority as of now which means a seat at the table with the other MC'As and everything else that comes with that.

Covid 19 then hit and the discussion at this meeting would be around immediate response and planning for economic recovery and the challenges and opportunities to be faced.

The Chair welcomed new members to the Panel Richard Paxman, Paxman Coolers, Andy Peterson, Communisis and Dave Sidlow, Borg Warner.

Resolved: That the Chair's update be noted.

31. Covid-19 Economic Response and Recovery

The Panel considered a report on the progress of the delivery and development of products and services in response to the COVID-19 crisis and

due to the fast-moving nature of this agenda item, verbal updates were also given at the meeting.

The Panel was asked to note the progress in response to the Covid-19 crisis and approve the work to deliver and further develop products and services. The Panel was also asked to comment and provide feedback on key questions being considered for the recovery plan in meeting these existing challenges.

- How should we measure a successful recovery?
- How targeted should the interventions be?
- Where should we concentrate interventions?
- What is the priority for spending?

Resolved:

- (i) That the contents of the report on the progress on the development of products and services in response to the Covid-19 crisis and verbal updates be noted.
- (ii) That the work to deliver and further develop products and services in response to Covid-19 be approved by the Panel.
- (iii) That feedback on the developing recovery work in response to the key questions set out in 2.21 was provided by the Panel.
- (iv) That a further meeting be held to consider the response to Covid-19,

32. Business Support

The Panel considered a report with an update on business support activity and plans undertaken since the last meeting of the Business Innovation and Growth Panel in February 2020 which included the LEP Growth Service, the Business Growth Programme, the Resource Efficiency Fund and REBiz, Access Innovation & Connecting Innovation, Strategic Business Growth (extension and new programme), Travel Plan Network, the Northern Powerhouse Investment Fund, #Grow and Investment Readiness and was also given a verbal update.

The Panel was asked to note the progress to date on delivery of the above business support projects, programmes and services.

Resolved: That the contents of the report and verbal update be noted.

33. Trade and Investment

The Panel considered a report providing an update on Trade and Investment activity since the last Panel meeting in February 2020 and was also provided with a verbal update, The Panel was asked to note and provide comments on the progress made to date on the delivery of Trade and Investment activity.

Resolved:

- (i) That the contents of the report be noted
- (ii) That the Panel provided comments and feedback on the progress made to date on the delivery of trade and investment activity.



Report to: Business, Innovation and Growth Panel

Date: 8 September 2020

Subject: **Economic Reporting**

Director: Alan Reiss, Director of Policy, Strategy and Communications

Author: James Hopton, Economic & Transport Analysis Manager

Purpose of this report

1.1 To provide an update on the latest economic and business intelligence for the Panel, and to update the Panel on the latest activity and intelligence around understanding the impact of COVID-19.

2. Information

Recent local developments

2.1 National and locally, out of work benefit claims increased by 3% in July after a brief plateau in June. All West Yorkshire councils except Wakefield have claimant rates above the national average. Bradford has seen the biggest increase in claimant rate since March. There are now 108,500 claimants in West Yorkshire, an increase of 51,400 (90%) since March, lower than the 114% national increase.

2.2 There were 320,000 jobs furloughed by the end of June in West Yorkshire according to data from HMRC, which includes returns made in July. This is a 16,000 increase numbers reported last month. This is 31% of all jobs, compared to 32% nationally.

2.3 A separate Office for National Statistics (ONS) survey presents different data on furlough take up and shows the proportion of jobs furloughed nationally is falling, down from 30% in late May to 13% in mid-August. However, the pace of fall has plateaued and home working has remained consistently around 39%, suggesting half of all workers are still away from their usual workplace. Furlough rates also remain much higher in sectors such as arts & leisure, accommodation & food and business administration. Collectively these sectors employ 195,000 workers in West Yorkshire.

- 2.4 The UK economy is officially in recession, with UK GDP falling by a record 20.4% in Q2 2020, with falls of around 20% in the service sector and manufacturing, and by 35% in construction. More positively, June monthly GDP figures showed stronger growth than many expected with output up 8.7%.
- 2.5 Locally, the proportion of businesses with high risk credit ratings is back close to March levels, according to data from Bureau van Dijk's FAME business database, potentially indicating improved conditions though this is far from a definitive indicator. Despite this, risk levels remain particularly elevated compared to March in accommodation & food and to a lesser extent professional services, information & comms and manufacturing.
- 2.6 Data on the take up of COVID-19 related grants and loans shows take up of support has been proportionally highest in Bradford constituencies, most notably Bradford East and West. This may indicate higher levels of need in these places, though other factors will influence take up.
- 2.7 Data on new business bank accounts shows a sharp recovery in activity in June. This is a proxy measure of start up activity and suggests that some people may be looking to set up businesses as wider employment prospects are limited – this trend was evident in 2008-12, though it can't be certain that this is what is driving this increase which could also reflect delayed activity from March / April.
- 2.8 Following increases in the rate of COVID-19 infections in some areas, local restrictions were imposed in areas in the north of England from 31 July, including Bradford, Calderdale and Kirklees. As yet, there is little evidence of the economic impact of local restrictions in the data, though the pace of recovery in West Yorkshire wide bus patronage has slowed a little since measures were introduced.
- 2.8 The Research & Intelligence Team have launched an online business survey to gain more structured intelligence around how businesses have felt the impact of COVID-19, how they have responded, and their future plans for returning to work and adapting to changing circumstances. This will be used to support the LEP's recovery response work.

3. Clean Growth Implications

- 3.1 There are no clean growth implications directly arising from this report.

4. Financial Implications

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

5. Legal Implications

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

6. Staffing Implications

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

7. External Consultees

7.1 No external consultations have been undertaken.

8. Recommendations

8.1 The Panel are asked to note the latest intelligence around the economic impacts of COVID-19 and consider how this relates to their work and future work plans.

9. Background Documents

None.

10. Appendices

None.

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Report to: Business, Innovation and Growth Panel

Date: 8 September 2020

Subject: **COVID-19 Impact and Recovery**

Director: Alan Reiss, Director of Policy, Strategy and Communications

Author: Henry Rigg

1. Purpose of this report

- 1.1 To provide context for the subsequent items updating the panel on the impact of COVID-19 on the Leeds City Region economy and on future plans around business support and trade and investment.
- 1.2 To update the panel on activities to support businesses affected by COVID-19, and seek views on what additional support is required.
- 1.3 To provide an update on the COVID-19 Economic Recovery Plan.

2. Information

- 2.1 The COVID-19 pandemic is continuing to impact everyone in West Yorkshire in some way, with business activity still at reduced levels and travel vastly decreased. We have already seen large increases in unemployment and applications for Universal Credit, and many businesses struggling to survive despite local and national support mechanisms.
- 2.2 The full implications of COVID-19 are still to be understood (latest impacts are covered in Item 6: Economic Reporting. However, modelling commissioned by the West Yorkshire Economic Recovery Board demonstrates the significant impact this crisis will have on West Yorkshire businesses and communities. Even in the event of a relatively rapid recovery, the West Yorkshire economy will contract by £5bn in 2020, but if we see a slower, uneven recovery, economic damage rises to £12bn in 2020, with the West Yorkshire economy shrinking by almost 30% by 2021. Beyond the direct cost to West Yorkshire, the modelling suggests that this economic damage will result in a cost to the Exchequer of up to £2.4bn in 2020 alone. This modelling has been used to underpin our recovery plans and calls for substantial investment and action to support people and businesses to recover and to build a more sustainable, inclusive economy.

Regional activity in response to COVID-19

- 2.3 The LEP continues to see ongoing high demand from businesses and individuals resulting from the COVID-19 crisis. For example, the Growth Service (renamed Business Support Service) dealt with over 4,000 enquiries from businesses from March through to early August (a 65% increase on the corresponding period of the previous year).
- 2.4 Since late July 2020, the volume of enquiries has risen 80% compared to the corresponding period last year. This is mostly due to the announcement of £20m of additional Government funding for small businesses (see below). It also coincided with some Local Authorities launching the second round of Discretionary Grants, which also resulted in increased Gateway traffic, particularly from businesses in Leeds.
- 2.5 In addition to enquiries about grants, the most common issues that businesses contacting the Gateway are facing include cashflow management and access to finance, the ongoing changes to furlough arrangements, safe/secure home-working and return to work measures.
- 2.6 Further to the above, the team of 21 SME Growth Managers (funded by the Combined Authority/LEP as part of the Business Support Service delivery model) continue to support their c1500 SME clients. This has included providing intensive support to over 700 businesses in the first four months of 2020/21, which is considerably above their collective annual target.
- 2.7 Growth Managers have also supported Local Authorities to distribute business rates related grants across the City Region. At the time of writing the Local Authorities have awarded over £500m of grants to over 36,000 businesses. Furthermore, Local Authorities, with support from the Growth Managers and the LEP Gateway Team, have awarded over £5m of Discretionary Grants to over 1000 businesses, supporting a broader range of firms, including private day nurseries, suppliers to retail, leisure and hospitality and manufacturers, alongside those in shared service centres and some charities.
- 2.8 The Digital Resilience Voucher scheme is underway as part of the wider Digital Enterprise programme, providing grants of up to £5,000 to small firms to support with the cost of ICT equipment and associated software, in the process enabling more effective and secure remote working. As previously reported, the scheme has been popular with over 500 applications with a collective value of almost £2m received in just one week. As a result, colleagues from across the Economic Services Directorate, and indeed from other parts of the Combined Authority, have been allocated to appraise applications on a temporary basis, with over 100 being awarded to date.
- 2.9 The Government has now approved the LEP's proposal for an additional £187,500 of Growth Hub uplift funding for 2020/21. This will be used to bolster the Gateway's capacity to service the expected ongoing high demand from firms for support related to COVID-19 and EU Transition. It will also provide funding for a project to provide 'hands on' guidance and advice to small

businesses with matters related to cyber security. Both the Digital Board and the BIG Panel have recently emphasised the need for such support as more small firms adapt to the current situation by using a range of ICT kit and platforms to work remotely. A partner will shortly be procured to deliver the project through to April 2021, after which it is expected that the support will be incorporated within the Digital Enterprise programme and delivered through to 2023. The CA has worked closely with the National Cyber Security Centre on the development of the tender specification, and the working relationship will continue throughout the duration of the project.

- 2.10 In addition to the above, the Business Support Team is working closely with colleagues in the York and North Yorkshire LEP and MHCLG to develop and deliver a new support scheme for SMEs impacted by COVID-19. Building on the LEP's earlier voluntary coaching scheme delivered in the first quarter of 2020/21, this will involve an allocation of circa £1.3m for West Yorkshire made available to firms in the form of small grants of between £1,000 and £3,000. The grants will be used to purchase specialist advice from private sector consultants to help firms formulate recovery plans, and could include support with legal, contractual, HR, health and safety and digital / technology matters. Small capital grants to help firms adapt to new trading arrangements, including ICT and safe-working investments, are also allowable, but the applicants must clearly demonstrate how these will aid COVID-19 recovery and resilience.
- 2.11 The Combined Authority has agreed to act as the accountable body for North Yorkshire's allocation of the above funding (circa £500,000) as there are no current eligible projects in delivery covering that geography to which the new monies can be linked. Ringfenced allocations have been made available in both regions specifically to support SMEs in the visitor economy, with £320,000 for West Yorkshire and £260,000 for North Yorkshire. Consultation with Local Authority tourism leads and other stakeholders, including Welcome to Yorkshire, is ongoing, raising awareness of the support and shaping the criteria. The grants for both regions are expected to be available to businesses in September 2020 with funding available until the end of March 2021.
- 2.12 An extension to the current Peer to Peer programme being delivered via the Business Growth Service will also commence in September 2020 with new Peer Networks funding from the Department for Business, Energy and Industrial Strategy (BEIS). This will involve six cohorts of between six and eleven SMEs participating in a structured programme of one-to-many group support and one-to-one coaching. It will provide the owner-managers with the opportunity to receive constructive feedback and guidance from peers on their business plans, and to offer that in return in a trusted and confidential setting. The delivery will commence from the Autumn and run through until the end of March 2021, with an impact evaluation being undertaken nationally by BEIS.
- 2.13 It is also important to stress that the wide range of products and services available to businesses in the City Region are still being accessed, with over 50 applications for grants related to new equipment, property expansions, the development of new products / process, diversifying into new markets (domestic and global) and resource efficiency having come forward since late March 2020. There has been a particularly high number of grant applications

from businesses in the food and drink manufacturing sector since the start of June 2020, with over £750,000 of investment being made in the City Region with a commitment to create over 70 new jobs in total. Applications from the wider manufacturing sector, particularly medical-related products and some areas of engineering, have also been relatively high. However, other parts of the wider sector that have previously been a good source of applications (e.g. automotive, aerospace and some areas and defence-related) have declined.

- 2.14 Grant-recipients will continue to be linked directly to the Employment Hubs and other employment and skills provision available from the LEP and its partners. Furthermore, guidance and funding for businesses related to innovation, productivity, sustainable travel planning (including active travel) and skills development, continues.
- 2.15 The LEP continues to engage with over 30 of the region's largest organisations to protect employment and operations in the COVID-19 crisis. This is providing a useful conduit for gathering intelligence on likely economic shocks and challenges. It is also proving useful in terms of assessing how the Government's emergency measures are working and how businesses are recovering as lockdown begins to lift. Prominent trends being discussed at the moment include: measures being taken to facilitate active travel and allow employees to return to work, the technical aspects of the furlough scheme as it evolves and how businesses are considering the legal practicalities surrounding the Government guideline on providing a safe working environment for employees. Also, we are working hard to engage with the largest regional firms to have honest dialogue about the possibility of redundancies as furlough comes to an end.

Small Business Leadership Programme

- 2.16 This programme will focus on strengthening decision-makers' leadership skills, so they are able to address management challenges, some of which, such as remote working, have arisen as a result of COVID-19, and ensure that they are in a strong position to recover from the impacts of the virus.
- 2.17 The 10-week programme will be delivered virtually by experts from university business schools, including the Leeds Business School at Leeds Beckett University. It will equip owners and senior managers of small firms with the confidence and skills to plan for the future and support participants to maximise their business's potential by improving productivity and efficiency. Businesses will attend a series of webinars delivered by leading experts and required to complete up to two hours of independent study and peer supported learning per week. Colleagues from Leeds Beckett University will present more details on the programme at the meeting.

Economic Recovery – focussing on good jobs and resilient businesses

- 2.18 The longer-term planning for economic recovery for West Yorkshire is being overseen by a West Yorkshire Economic Recovery Board¹, which is a working group of the West Yorkshire Combined Authority and brings together the five West Yorkshire Leaders and LEP Chair with partners from the private sector, trade unions, public bodies and the third sector, to develop robust plans for the region's economic recovery and to help build an inclusive and sustainable economy for the future.
- 2.19 Following input from a wide range of stakeholders, including the BIG Panel, a draft economic recovery plan was endorsed by the Combined Authority on 27 July 2020, and a further version will be discussed at the LEP Board and Combined Authority on 3 and 4 September (see appendix 1). The five local authority leaders, with the chair of the LEP, have shared a summary of the plan (see Appendix 2) with the Chancellor of the Exchequer and asked for a meeting to discuss the plan and how it can be taken forward.
- 2.20 The plan focusses on three action areas of **good jobs and resilient businesses, skills and training** and **accelerated infrastructure**, and two overarching goals of **inclusive growth** and **sustainable environment**. It sets out what steps are required by national government, at a regional level, and how this aligns with local authority level activity, across three stages of rescue, re-imagining and resilience. Across the plan there are **initial funding asks in the order of £1.4bn**, which will need to be further refined and developed subject to future Government announcements and further understanding of the impact of the crisis and direction of the recovery.
- 2.21 The good jobs and resilient businesses action area considers many issues considered frequently by the BIG Panel prior to COVID-19, but that are however critical to recovery. The plan identifies five such Must Win Battles:
- Rescuing and building resilience across strategic regional sectors,
 - Support the unemployed back to work,
 - Deliver levelling up through increased productivity and good work,
 - Making supply chains more resilient,
 - Increasing digital & innovation driven entrepreneurialism
- 2.22 In discussing the subsequent items on business support and trade and investment, we ask BIG panel to consider how current and future activity of the LEP can contribute to these Must Win Battles.
- 2.23 Within this outline funding ask, the economic recovery plan also looks to establish a number of distinctive West Yorkshire propositions that can deliver not just for the region's recovery, but also make a significant contribution to the UK economy as a whole. Each of the four propositions (to which further propositions may be developed), includes both an offer and ask to Government. Details of these propositions are included in the appendices:

¹ Further details on the full membership and terms of reference of the recovery board can be found at: <https://www.westyorks-ca.gov.uk/erb>

1. **Health innovation** (£60m) – building on the region’s strengths in devices, data and diagnostics, unlocking industry collaboration, skills and a globally positioned Act Early institution on disease prevention.
 2. **Lives transformed by digital tech** (£159m) - ensure no one is left behind in a digital-enabled future, by driving infrastructure, digital skills and Made Smarter investment to support digital adoption in manufacturing.
 3. **Transition to Net Zero Carbon Resilient Economy** (£192m) – supporting our net zero 2038 target, with unique industry strengths in low carbon transport, clean agri-tech, construction and circular economy, delivering critical green and blue infrastructure, up to 71,300 jobs and skills and training to help people into low carbon opportunities
 4. **Entrepreneurship** (£340m) – focussed on our diverse communities, our existing scale-up performance and our MIT REAP programme for high growth pre-starts, unleashing an entrepreneurial revolution, transforming empty properties and supporting high-growth potential start-ups.
- 2.24 As the implications of COVID-19 continue to develop, it is expected that the plan will be further updated, which will be tested with the BIG Panel to make sure priorities remain relevant and are amended as required to meet the recovery needs of the region.

3. Clean Growth Implications

- 3.1 Clean Growth will continue to be supported through products delivered in response to COVID-19. The reduction in travel and the increased use of ICT to facilitate effective remote working is having a positive impact and will continue to be monitored and built upon. Businesses will continue to be supported to apply innovation and digital technologies to adapt their products and services to meet current and future demand. One of the key propositions is to support the transition to a zero carbon economy.

4. Inclusive Growth Implications

- 4.1 Inclusive Growth is embedded as an overarching goal in the Economic Recovery Plan. As part of the current Inclusive Growth framework, as a condition of receiving LEP grant support, businesses are required to contribute to Inclusive Growth actions and outcomes via their funding agreements.

5. Financial Implications

- 5.1 There are no financial implications as a direct result of this report.

6. Legal Implications

- 6.1 There are no legal implications as a direct result of this report.

7. Staffing Implications

- 7.1 There are no staffing implications as a direct result of this report.

8. External Consultees

- 8.1 The development of the recovery plans has been led by the Combined Authority, West Yorkshire Economic Recovery Board and the Transport Committee. The LEP Board all the LEP Panels have been consulted on the emerging plan. There has been regular engagement with Local Authority officers developing local economic recovery plans, to ensure alignment.

9. Recommendations

- 9.1 That the BIG Panel notes the updates in relation to COVID-19 (impact and support interventions) and on the publication of the economic recovery plan and supporting propositions, and considers the subsequent items on the agenda in light of how they contribute to the Must Win Battles for economic recovery highlighted at paragraph 2.21.

11. Appendices

Appendix 1: West Yorkshire Economic Recovery Plan (first version)
www.westyorks-ca.gov.uk/media/4413/draft-west-yorkshire-economic-recovery-plan

Appendix 2: West Yorkshire Economic Recovery Plan - Summary
www.westyorks-ca.gov.uk/media/4380/west-yorkshire-combined-authority-economic-recovery-plan-summary.pdf

Appendix 3: West Yorkshire Economic Recovery Propositions

- i. Health Innovation
www.westyorks-ca.gov.uk/media/4420/recovery-proposition-health-innovation-20200826.pdf
- ii. High Growth Driven Entrepreneurship
www.westyorks-ca.gov.uk/media/4419/recovery-proposition-innovation-driven-entrepreneurship-20200826.pdf
- iii. Lives Transformed by Digital Technology
www.westyorks-ca.gov.uk/media/4418/recovery-proposition-lives-transformed-by-digital-tech-20200826.pdf
- iv. Transition to Net Zero Carbon Resilient Economy
www.westyorks-ca.gov.uk/media/4417/recovery-proposition-towards-net-zero-20200826.pdf

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Report to: Business Innovation and Growth Panel

Date: 8 September 2020

Subject: **Business Support Update**

Director(s): Brian Archer, Director of Economic Services

Author(s): Henry Rigg, Head of Business Support

1 Purpose of this report

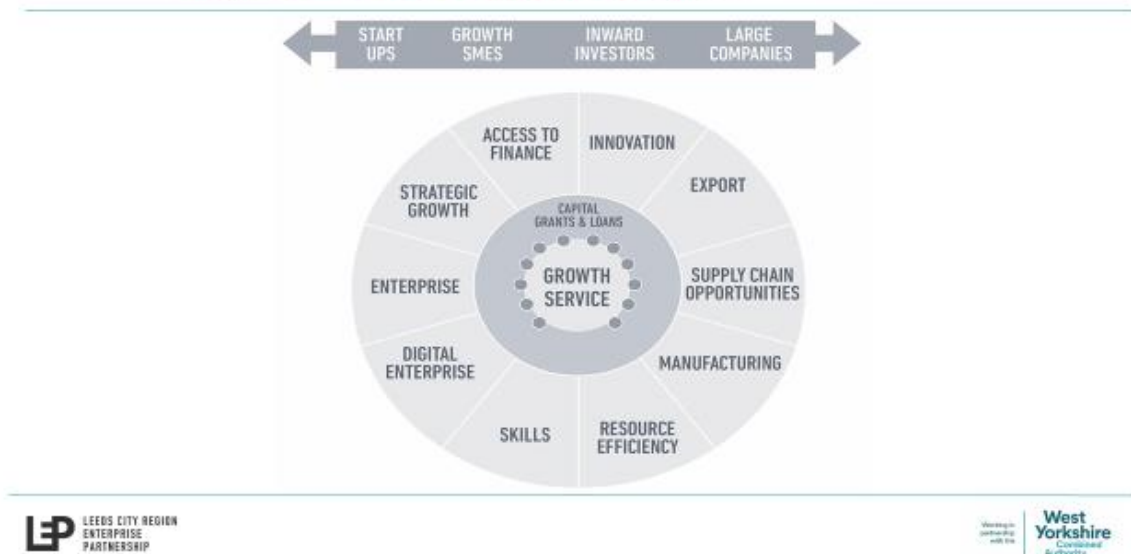
- 1.1 To provide the Panel with an update on business support activity and plans undertaken since the last meeting in May 2020.
- 1.2 Business support activity and plans specifically related to the COVID-19 situation is covered within agenda item 6.

2 Information

Business Support Context and Strategy

- 2.1 The support provided to businesses via the LEP's products and services is complemented by a wide range of others available to City Region firms and delivered by local, regional, and national partners. This includes export support from the Department for International Trade (DIT) and the Chambers of Commerce, innovation support from universities, Innovate UK and the wider Knowledge Transfer Network, and finance such providers as the Northern Powerhouse Investment Fund and the Start-Up Loans Company. The private sector plays a critical function within the support ecosystem, particularly banks and other funders/investors (now more than ever in terms of the new COVID19 - related loan products), and providers of professional advice and support.
- 2.2 The figure below shows the eco-system of business support in the City Region and how this is integrated within the LEP Business Support Service model.

Figure 1 : Business Support Eco-System



LEP Business Support Service

2.3 The 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 and/or sustain. This includes those delivered directly by the LEP and those available via partner organisations.

Progress to date

2.4 Table 1 below highlights the annual service performance against the headline targets for 2020/21. Appendix 1 provides more detailed information on the scope, scale and impact of the Service.

Table 1: Performance against headline targets 2020/21.

Target Measure	Target	April-July 2020
SMEs supported - light-touch & intensive (including enquiries/support from LEP products and services plus events)	3300	2035
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	410
Intensive support to SMEs (including support from Growth Managers, and the LEP's core business support products)	1035	852

Delivery of Business Advice Pop Up events (with over half in more disengaged / disadvantaged parts of the City Region)	14	0
Proportion of businesses supported by the Growth Service likely to recommend it	90%	91%
Service Expenditure (combined budget) - BEIS (£512,500)	£512,500	£102,446

- 2.5 The service supported 2035 SMEs in between April-July 2020 against an annual target of 3,300. The COVID-19 situation has led to a huge increase in demand for business support which will likely result in the target being surpassed. The gateway function has been particularly busy with approximately 2.5 times more enquiries compared to the corresponding period in 2019/20. High volumes of enquiries have tended to coincide with key announcements from central government about COVID-19 related business support and funding. The number of businesses supported in July was particularly high due to the launch of the Digital Resilience Vouchers which saw over 600 enquiries.
- 2.6 The Growth Managers have also worked with increased numbers of SMEs in this period as part of the COVID-19 response. Other factors explaining the high volumes are that most Growth Managers are now well established and the new online reporting mechanisms are embedded. The report at Item 6 provides more details on the support for businesses related to COVID-19.
- 2.7 An evaluation of the Growth Service was completed in July 2020 by Add Specialists. The evaluators found that the service performed well in a very challenging year and that it proved to be highly adaptable in response to uncertainty around Brexit, flooding and the outbreak of COVID-19. Satisfaction from business beneficiaries (80% highly satisfied or satisfied) was higher than in previous years and businesses were positive about the service's professionalism and knowledge. As a result of accessing the service, 64% of businesses felt they were more likely to meet their growth aspirations (the figure was 74% for Growth Manager clients). The top five benefits that businesses identified had already been achieved through accessing support were helping the business to survive, safeguarded jobs, resilience, improved skill levels and raised finance.

Service developments

- 2.8 Following testing of the new updates to the CRM system by colleagues at Calderdale Council, the Service went live with these updates on 1 May 2020. The developments will enable more consistent collection and reporting of data more broadly across Economic Services. They also allow for clients supported via ERDF projects to submit signed documents online, which has reduced time and resources for all parties.
- 2.9 Professional development of the SME Growth Managers has continued with the completion of Social Media Training and the videos of the workshops are

available online. Growth Managers have also been undertaking activity as part of their SFEDI accreditation (occupational standards for business support professionals) which is due to complete by the end of March 2021.

- 2.10 SME Growth Manager meetings are now taking place remotely. Meetings over the last quarter have included sessions on the innovation support landscape, resource efficiency and clean growth. Presentations have taken place from the West Yorkshire Consortium of Colleges and Oxford Innovations, who are delivering the new Strategic Business Growth project. In addition to building strong links with partners, these meetings support the professional development of both the Growth Managers and the Gateway team. They also provide a platform for the Growth Managers to share best practice about business engagement and client support. Over the last quarter, Growth Managers have shared practical tips on how the development of local online business networks has supported SMEs through some of the challenges relating to the pandemic.
- 2.11 The Professionals' Perspective Network (PPN) event for private sector business intermediaries has also moved to an online delivery model. The network now meets fortnightly for 40-minute calls, with feedback from members favouring the shorter, but more frequent and focussed sessions. Insights gained from the PPN have been particularly useful in gathering intelligence about the issues being reported by SMEs to professional services organisations, including banks, accountants and legal firms. At each meeting the LEP provides a brief update on activities of the Economic Recovery Board and on any relevant changes to local or national business support and finance provision.

Marketing and communications

- 2.12 The proactive marketing campaign to drive more customer traffic to the service, and to promote business support more widely across the City Region, has continued over the last quarter. A case study-driven radio campaign targeting digital, engineering manufacturing SMEs is currently underway. The businesses featured depend on the geography of the radio coverage – for example, a Bradford business features on the version of the advert heard in the Bradford district.
- 2.13 The social media campaign is also ongoing and is encouraging SMEs to contact the service for support in response to COVID-19. This has included a regular stream of content being publicised through the LEP's twitter and LinkedIn channels. A campaign is also underway promoting how the Employment Hub can support businesses that are either making redundancies or recruiting.
- 2.14 The Combined Authority's Research and Intelligence team has developed an online survey for businesses to report the impact of COVID-19 on their operations and future plans. The survey is now live on the LEP website.

- 2.15 The monthly SME eNewsletter continues to be issued to over 10,000 business contacts on a bi-monthly basis, with content in the last two editions focussing on the latest COVID-19 support, funding and webinars.
- 2.16 Remote working has prevented Pop-Up events from being held so far in 2020/21. However, other online activity and webinars have taken place through tailoring support available on the Strategic Business Growth and Investment Readiness projects to focus on COVID-19 response, resilience and future planning. Attendance from businesses has been high which has supported the strong KPI performance in the year to date.

ERDF Growth Service (Business Resilience Programme)

- 2.17 The team of 21 SME Growth Managers has spent a significant amount of time providing support to their clients, and other businesses within their districts, on the impact of COVID-19. They have also been active supporting the Business Support and Business Rates teams within their host Local Authorities on the grants schemes i.e. fielding enquiries and supporting the appraisal of applications on the discretionary schemes.
- 2.18 Peer to Peer workshops organised by Otley-based business consultancy, Biskit, have been taking place over the last quarter. Facilitated workshops are being delivered via a virtual, interactive platform, for a maximum of ten business leaders per session. Workshop content is being influenced and led by businesses and their needs. Early findings show that businesses welcome assistance with business planning, guidance on how to innovate and maximise future opportunities, financial assistance, as well as motivational support to maintain operations in these difficult times.

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 total allocation for the programme is £49.7m. Of this, £5.38m is being used to provide match-funding to four projects being supported by the European Regional Development Fund (Access Innovation, Strategic Business Growth, Digital Enterprise and Ad:Venture). Table 3 below presents progress on BGP since LGF funding commenced in April 2015.

Table 3: Programme performance against headline targets

Target Measure	6-Year Target (April 15 to March 21)	Achieved (as of 31 Jul 20)
Expenditure	£44.32m	Committed - £39.29m Actual - £35.06m

New Jobs Created	4,100	Committed – 6,073 + 1,693 safeguarded Actual – 4,826 + 1,691 safeguarded
Businesses Supported	No contractual target	Committed - 685 Actual – 620
Number of Grants Awarded	765	Committed - 858 Actual – 764
Public/ Private Sector Leverage	£168.5m	Committed - £397.22m Actual - £326.71m
Total Cost Per Job	No contractual target	Committed - £6,469 Actual - £7,266

2.21 As the above table highlights, the programme is achieving a good return in terms of cost per new job at just over £7,000. This figure would be lower if the 1,682 actual safeguarded jobs were included in the overall calculation and would reduce the figure to £5,381 per job.

2.22 The table below compares the proportion of SMEs per district within the City Region against the proportion of all grants awarded. It shows that West Yorkshire districts (particularly Calderdale and Kirklees) all perform well in terms of successfully accessing the programme.

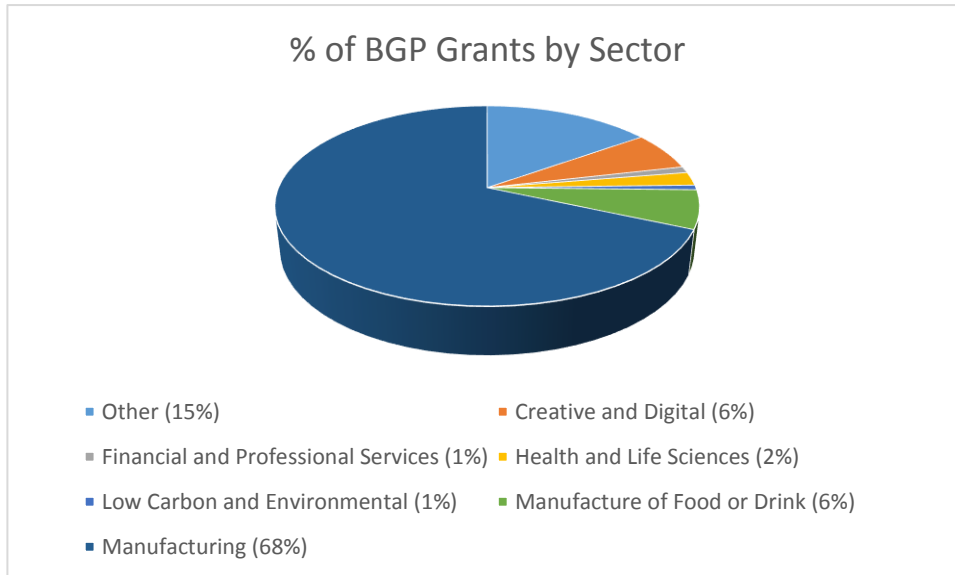
Table 4: Grant awards by district April 2015 – July 2020

District	SME Stock (%)	Number of Grants	% of Number of Grants	Grant Awarded	% of Value of Grants
Barnsley	5.9%	40	4.7%	£ 1,917,141	4.9%
Bradford	14.5%	141	16.4%	£ 6,933,414	17.6%
Calderdale	7.5%	114	13.3%	£ 5,221,974	13.3%
Craven	3.2%	17	2.0%	£ 441,862	1.1%
Harrogate	8.5%	30	3.5%	£ 1,113,767	2.8%
Kirklees	13.5%	153	17.8%	£ 6,040,641	15.4%
Leeds	26.8%	252	29.4%	£ 11,491,317	29.3%
Selby	3.4%	5	0.6%	£ 258,800	0.7%
Wakefield	9.5%	90	10.5%	£ 5,335,284	13.6%
York	7.2%	16	1.9%	£ 532,057	1.4%
Total	100.0%	858	100.0%	£ 39,286,258	100.0%

2.23 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 68% of all grants awarded since April 2015. The next most popular sectors are Creative and Digital and Food and Drink, with 6% each. Other sectors represent 15% of grant awards. Projects defined as

'other' mostly relate to industries closely aligned to the manufacturing sector, such as warehousing and distribution

Figure 3: BGP Grants by Sector April 2015 – July 2020



- 2.24 An evaluation of the BGP was carried out by Warwick Economics & Development which was completed in June 2020.
- 2.25 Warwick Economics & Development found that BGP is a well-established, user friendly and highly valued business support programme. The application process is seen as more straightforward and streamlined than other funding schemes. It is seen as having comparatively more simple eligibility requirements, clear decision making and accessible application documentation. The sectoral focus is seen as reasonable, but a move towards focusing more on productivity in the future would be welcomed. It was felt that marketing of the programme could be improved and that the appraisal process could be further simplified for small grants.
- 2.26 91% of businesses rated the programme as 'very good' or 'good' and 98% would recommend the programme to other businesses. Businesses are particularly satisfied with the support provided by Growth Managers, the relevance of the advice given and the value for money of the support received. The application process and payment systems are seen as extremely effective. 95% of businesses said that the support and information provided by the team was 'excellent' or 'good'.
- 2.27 86% of businesses said that they had created additional jobs as a result of the BGP funded project. 82% said that BGP had also led to improvements in productivity and turnover. 54% experienced improvements in relation to market impacts (e.g. new contracts and clients). Only 5% of businesses said the project would have gone ahead in the same way without BGP funding. 36% said it would have taken them longer to achieve the same results without

the funding and 33% said it would have gone ahead on a smaller scale. 24% said the activity would not have happened at all without the BGP funding.

2.28 Between April 2015 and December 2019, 6,176 gross jobs were created or safeguarded, with around 45% in the manufacturing sector. It is estimated that these jobs have led to an increase in Gross Value Added (GVA) of just under £315 million. If deadweight is factored in, it is estimated that the programme has created an additional 4,678 net new jobs, with a GVA increase of just under £238 million (which represents 14% of the increase in GVA in the City Region between 2015 and 2017). Other benefits include:

- Generated jobs for local people including apprenticeships and training;
- Raised energy efficiency awareness among local businesses;
- Led to new research and increased exports for local businesses;
- Built up business confidence and strengthened their market position; and,
- Had positive knock-on benefits for the local supply-chain.

2.29 Warwick Economics & Development have made a number of recommendations including:

- More consideration of the needs of different sizes of businesses;
- Aligning the sectoral focus with the new Local Industrial Strategy;
- Focusing more on productivity as well as the creation of new jobs;
- A clearer link between BGP and the wider business support landscape, which could include support for business planning, skills development inward investment, exporting, digitisation of services;
- Consider offering loans as well as grants, or a grant/loan mix;
- The level of grants remain unchanged (£10,000-£250,000);
- Consider offering a higher intervention rate for medium sized businesses (e.g. 20%);
- Bring in-house the appraisal work currently undertaken by Leeds City Council to provide greater control over delivery and management;
- Utilised external expertise in relation to the award of larger grants (over £100,000);
- Utilise intermediaries for better promotion of the scheme.

Grants to Flooded Businesses

2.30 Following the widespread and devastating flooding to businesses across the region (current estimate of up to 900 affected, with the Calder Valley most severely impacted) caused by Storms Ciara and Dennis in February 2020, the LEP and CA allocated £3m of the BGP budget to establish a Flood Recovery Fund. With a focus on mid-term recovery, the fund supports businesses to meet the cost of replacing larger items of capital equipment and/or renovating and repairing damaged premises.

2.31 Grants of between £5,000 and £50,000 are available to businesses on a 50:50 match funding basis. As at 18 August 2020 eight applications had been

received, six from businesses in Calderdale and two in Wakefield. All eight were approved, with a cumulative value of £266,317. Grant support will contribute towards the safeguarding of 109 jobs, with £26,906 having been paid to three businesses, to date.

Update on Productivity Pilot (Rounds 1 and 2)

- 2.32 The second round of the Productivity Pilot launched on 1 November 2019, with businesses invited to complete applications by 31 January 2020. The pilot aims to incentivise productivity improvements within a small cohort of businesses, rather than requiring projects to lead to the creation of new jobs.
- 2.33 15 applications were received from businesses across Leeds City Region (the City Region) with a combined grant request of £970,208 against a budget allocation of £750,000. The applications were considered in late February 2020 by a panel with representation from the private sector and academia, with decisions made in March 2020.
- 2.34 Of 15 applications received, 10 were formally approved. The cumulative value of awards was £731,992, contributing towards investments totalling just over £7.5 million. With one exception, all awards were made to businesses within the manufacturing sector. In terms of geographical split, three awards were made to businesses in Leeds, two each in Bradford, Harrogate, and Kirklees and one in Barnsley. Encouragingly, six awards were made to small businesses (< 50 employees), with two to medium sized businesses (50 - 249 employees) and the same to large businesses (> 250 employees). All investments being supported through the second round of the pilot are anticipated to be complete by the end of quarter three, 2020/21.
- 2.35 Impact and findings from Productivity Pilot Round 1, which took place in early 2019 and supported seven businesses, are still being gathered and will be reported to the next meeting in October.

Inclusive Growth

- 2.36 The previously approved Inclusive Growth criteria and conditions have been in operation since August 2018 (with a revised approach introduced from July 2019). It is now mandatory for recipients of grants of £25,000 and above to undertake at least one inclusive growth commitment as a condition of the grant. Those businesses receiving grants of between £10,000 and £24,999 are now expected, and supported, to deliver one commitment, but it is not mandatory, and there is no expectation on those receiving grants below £10,000.
- 2.37 The number of inclusive growth commitments obtained to date on each programme is provided below.

Table 5: Number of inclusive growth commitments by programme (to August 2020)

Programme	Number of commitments
#Grow	26
#Welcome	6
Access Innovation	6
Access Innovation Equipment Grants	3
BGP Enquiry	212
Productivity Pilot	37
Strategic Business Growth Programme	1
Strategic Inward Investment Fund	17
Total	308

2.38 A summary of the number of each commitment obtained to date is provided below.

Table 6: Number of inclusive growth commitments by commitment type (to August 2020)

Commitment	Number	Percentage
Inspire the next generation by working with schools and colleges	62	20%
Develop a Skills Plan including apprenticeships	51	17%
Undertake an energy audit to identify ways to reduce energy consumption	49	16%
Other	30	10%
Offer more sustainable 'green travel' options to employees	29	9%
Offer training to low paid staff to help them progress	28	9%
Undertake a supply chain audit to identify opportunities to buy more from local suppliers	20	6%
Pay small business suppliers in accordance with the Prompt Payment Code	18	6%
Commit to paying staff the Real Living Wage within an agreed timescale	17	6%
Offer work opportunities to local people with disabilities or health issues	4	1%
Total	308	100%

Resource Efficiency Fund & Resource Efficient Business (REBiz) Programme

- 2.39 The Resource Efficiency Fund (REF) was delivered through the Growth Service until December 2019. It was jointly funded by the Local Growth Fund (LGF) and the European Regional Development Fund (ERDF), and provided 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.
- 2.40 A summative assessment impact evaluation of the programme was undertaken in December 2019 and the results were reported to panel at February's meeting. The findings have informed the development of the successor programme Resource Efficient Business (REBiz), particularly for example:
- Stakeholders agreed the breadth of scope covering energy, water and waste was appropriate – hence the new programme retains full coverage in terms of advice although the grant funding will be restricted to energy efficiency projects to achieve carbon saving outputs.
 - However, there were calls for a broader approach to resource inefficiency such as supporting the development of resource efficient or circular business models – the new programme is trialling a circular economy support service to address this aspect.
 - The wrap around support from Resource Efficiency Managers was highlighted as good practice and the resource efficiency assessments were very highly rated by clients – both of these elements have been strengthened or retained in the new programme.
 - Marketing capacity and the ability to reach the right clients was a highlighted weakness – this has been addressed by introducing programme specific marketing capacity within the new programme co-managed with the Marketing and Communications Team
- 2.41 The new REBiz programme, also supported by ERDF and the Local Growth Deal, and covering an extended geography of all West and North Yorkshire, has been running for eight months. It is a £6.099 million project, including £2.8 million of ERDF, and will run until 31 December 2022. It continues to deliver grants and advice to improve resource efficiency but has also introduced a new circular economy pilot to explore business model innovation in more depth. The first project in this area was approved in August 2020 and involves the recycling and re-use of carpet tiles within the construction sector.
- 2.42 As of 3 August 2020, REBiz has engaged with 103 businesses, with eight businesses being approved for grant funding and four having already completed their investments. Twelve businesses have been supported with more than 12 hours of intensive support.
- 2.43 The programme has been affected by the COVID-19 situation more severely than some other programmes as the majority of support requires a physical visit to site to undertake audits. It is, therefore running, behind forecasts, but it is anticipated that this can be recovered over the course of the programme if restrictions continue to be eased.

Access Innovation / Connecting Innovation

- 2.44 Access Innovation is currently in its final quarter of activity and is anticipated to realise the majority of its contractual outputs with the Managing Authority. It is currently forecasting that 278 enterprises will be supported assisted against a contractual target of 285. Meeting the employment generation target may be more difficult as businesses refrain from increasing headcounts due to the current economic situation.
- 2.45 Access Innovation is currently finalising its summative assessment impact evaluation. The draft report recently received from the evaluators concludes that there is a continued rationale for a programme which aims to unlock the innovation potential of the business base and build relationships. Stakeholders involved in Access Innovation viewed the programme as an 'essential starting point' in transforming the region into a collaborative innovation hub. Furthermore, they felt that any future innovation support offer should acknowledge the varying needs of businesses at different stages of the innovation journey, and with different levels of absorptive capacity, and target the intervention accordingly.
- 2.46 Identified as key components of any ongoing programme were the following:
- The provision of brokerage, and advisory assistance. In particular, the need for advisory support to help businesses identify opportunities and develop an R&D specification/proposal which the knowledge base can respond to, has emerged as a key learning point from Access Innovation.
 - Financial assistance to help de-risk the investment in innovation activity.
 - Raising awareness across the City Region of innovation and its potential to unlock growth. Working to increase the number of innovating businesses by promoting and marketing the assistance available, with a focus on encouraging businesses new to R&D and collaborative research to engage in support.
- 2.47 These recommendations have been built into the structure for the new Connecting Innovation programme which has now commenced. In particular, in addition to ongoing grant support to de-risk innovation investment, there is a much stronger focus on the programme acting as an impartial and objective 'connector' for businesses to the wider innovation eco-system within the region.
- 2.48 In 2017 an MoU between Leeds City Region LEP and Innovate UK was agreed, demonstrating the commitment of both parties to joining up, and deepening the impact of, innovation support across the City Region. Connecting Innovation is the City Region's key vehicle for achieving the ambitions set out in the MoU, and for delivering the joint ambition to establish a West Yorkshire Innovation Network (as specified in the devolution agreement).
- 2.49 Clear coordinated communication and messaging to support a culture of business innovation within the region is seen as fundamental to the success of

the programme. To reflect this, a Marketing and Communications Officer has been recruited to the programme. The role is leading both SME engagement for Connecting Innovation as a programme, but also coordinating communications with partners to help simplify the innovation eco-system for SMEs. A more detailed report on the Connecting Innovation programme and the West Yorkshire Innovation Network will be brought to the December 2020 meeting.

Strategic Business Growth Programme – support for SMEs with high growth potential

- 2.50 Phase One of the Strategic Business Growth Programme (SBG) completed in April 2020 and supported 353 businesses. 329 of these developed detailed growth action plans and received coaching support where specific needs were identified. As a result, over 11,860 hours of one-to-one coaching support were provided, with 39 businesses receiving grant support totalling £902,700.
- 2.51 Businesses supported through the programme have, to date, created 823 new jobs, exceeding the contractual target of 604 by just under 40%. Increased Gross Value Added (GVA) collected from 99 businesses amounted to £27.3 million. Extrapolated across the 329 companies that received support to develop detailed growth plans gives a total increase in GVA of £90.85 million.
- 2.52 A short-term extension to Phase One was agreed in April 2020 to enable the participant businesses to access additional business resilience support over a six-week period. The triage service to identify immediate needs was accessed by 283 businesses, which led to 187 'resilience' projects being delivered via 630 hours of coaching. This rapidly deployed service provided valuable practical support to businesses adversely impacted by the COVID-19 pandemic. Many were supported to successfully pivot their operations to supply new markets and/or manufacture different products. For example, a printing company solely involved in supplying the events market is now designing and printing signage for safe working, and a bakery supplying schools and shops/cafés has started to sell direct to consumers via a new website. It has also created new products, including baking kits for children.
- 2.53 Phase Two of the programme was recently launched with ongoing support from ERDF and LGF totalling £3.24m. The delivery model is as per Phase One, with a third-party business support provider procured via an open and competitive tendering process. This took place in May 2020 and resulted in Oxford Innovation Services Ltd being appointed to deliver the programme up to the end of March 2023. The advisory services will again be complemented by a capital investment fund for the participant businesses, providing grants of between £5,000 and £25,000 to accelerate growth projects. Phase Two is expected to support 500 high growth SMEs and create a minimum of 800 new jobs.

Investment Readiness

- 2.54 The Investment Readiness programme was launched in early 2019 to provide businesses with impartial advice and guidance on the full range of finance products available in the marketplace. The £1.23 million programme, which runs until 31 December 2021, is funded by ERDF and the Leeds City Region Business Rates Pool and assists businesses with accessing the finance they need to grow their operations.
- 2.55 Support is accessed via the LEP's Business Support Service and is a key referral product for Growth Managers, as well as for business support professionals working on other projects, for example Export for Growth, Manufacturing Growth Programme, Supply Chain Development Programme and the Northern Powerhouse Investment Fund. Support through the programme includes seminars, covering key themes relating to finance, alongside peer-to-peer networks, one-to-one funding clinics and tailored one-to-one coaching sessions.
- 2.56 The programme is being delivered by a third-party business support provider, Winning Pitch Trading Ltd, in conjunction with local accountancy firm, Garbutt + Elliott.
- 2.57 Since April 2020, the programme has focussed on COVID-19-related issues with digital delivery. This has included the provision of COVID-19 specific support, including accessing the Coronavirus Business Interruption Loan Scheme and Bounce Bank Loans, as well as managing cashflow and customer / supplier relationships.
- 2.58 To date on the programme, 140 businesses have had a 3-hour Information, Diagnostic and Brokerage (IDB) sessions, with 36 of these progressing onto the more intensive 12-hour support package. Targets for the programme are 300 businesses to receive IDB, 150 businesses to receive 12 hours (or more) of support and 50 new jobs created.

Travel Plan Network

- 2.59 The Travel Plan Network (TPN) provides its business members with expert advice and guidance on implementing sustainable travel solutions and relocation support. Membership of the network currently stands at 534 businesses with over 300,000 employees within West Yorkshire being eligible to access subsidised public transport options, cycling support and car sharing schemes in a concerted effort to create modal shifts and reduce single occupancy car use.
- 2.60 Over the last quarter, the team have been working closely with colleagues in Transport Services, providing feedback from TPN members about their planned travel arrangements as businesses return to work premises. TPN members have also been proactively encouraged to retain their travel cards where possible and continue to travel sustainably in the business recovery

phase of the pandemic. Work is also taking place with the Communication and Marketing team around key messaging to help restore commuter confidence in using public transport as they return to work.

- 2.61 As site visits remain difficult, there has been a focus on online platforms and social media channels to engage current and prospective members. The team has benefitted from social media training, and a new LinkedIn page for members has been established to facilitate networking and peer to peer support. This is a cornerstone of the European partnership, SHARE-North, which provides core funding for the TPN team. The improved on-line presence of the project will allow SHARE-North partners to better engage with TPN members e.g. through sharing information and tips around shared mobility and active travel from countries in the North Sea Region, in the process engendering behavioural changes.
- 2.62 In terms of marketing campaigns, the team has focussed on promoting walking and cycling for leisure and commuting purposes to TPN members. This includes City Connect's 'Bike Friendly Business lite' scheme which provides grant support to businesses for improved cycling infrastructure. This work follows on from the £2.4m funding allocated by the Department for Transport (DfT) to encourage more active travel as part of the broader COVID-19 business recovery measures.
- 2.63 A new marketing campaign 'in a mile' is being developed to coincide with car free day on 22 September 2020. The aim is to encourage parents/carers of school age children, who live within one mile of their school, to remain car free beyond this date and take their children to school on foot or by bike. The wider objective is to help commuting parents/carers incorporate active travel within their ongoing journey to work. Likewise, a car-free pilot project with two TPN members, the University of Bradford and the University of Huddersfield, will shortly commence. This will encourage more students and employees to walk and cycle where possible to and from work, for lectures and between campuses. Both active travel campaigns will be promoted to TPN members, and other city region businesses, via social media channels, which is also a requirement of the SHARE-North project.

#Grow

- 2.64 A total of £2.5m of LGF has been allocated to support the creative and digital sector through two grant schemes; #Welcome and #Grow. The former is an inward investment product designed to support SMEs from the sector establish new operations in Leeds City Region.
- 2.65 #Grow has been developed to sit alongside #Welcome, to support creative and digital businesses with an existing presence in the City Region. It provides capital investment grants to digital businesses to support their growth and productivity. Grants of between £10,000 and £50,000 are available as a contribution of up to 50% of eligible project costs. The priority sub-sectors for the fund are:

- Creative industries (including creative content e.g. TV, film and media and creative services);
- IT, software and hardware;
- Cyber securities and data protection technologies;
- Smart technology, smart cities, Internet of Things and new technologies.

2.66 17 applications have been approved to date with a collective grant value of £554,062. These projects are linked to the creation of 83 new jobs.

Northern Powerhouse Investment Fund

2.67 The Northern Powerhouse Investment Fund (NPIF) formally launched on 22 February 2017 and has since invested £38.8m in 154 businesses in Leeds City Region. £2.6m has been invested in 61 businesses via the micro fund, £20.3m has been invested in 75 businesses via the debt fund, and £15.9m in 18 businesses via the equity fund.

2.68 NPIF promotion has continued by both the appointed fund managers and the British Business Bank 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. This activity is contributing to the high level of take-up in the City Region, which has so far received 19% of total enquiries resulting in 25% of all applications to the fund across the North. Across the whole fund, Growth Hubs and the LEPs' Access to Finance teams continue to be a strong and fertile source of introductions with good conversion rates into completed deals.

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.

8 Background Documents

None

9 Appendices

Appendix 1 – LEP Growth Service Performance Update

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Item 8 Appendix - Analysis of enquiries to the LEP Growth Service

1.1 The annual service target is to support 3,300 individual businesses. A total of 825 business received support through the various LEP projects and SME Growth Managers in Q1. Whilst July figures have not yet been added, the launch of the Digital Resilience Vouchers has seen a large increase in enquiries so performance is expected to be above the target profile.

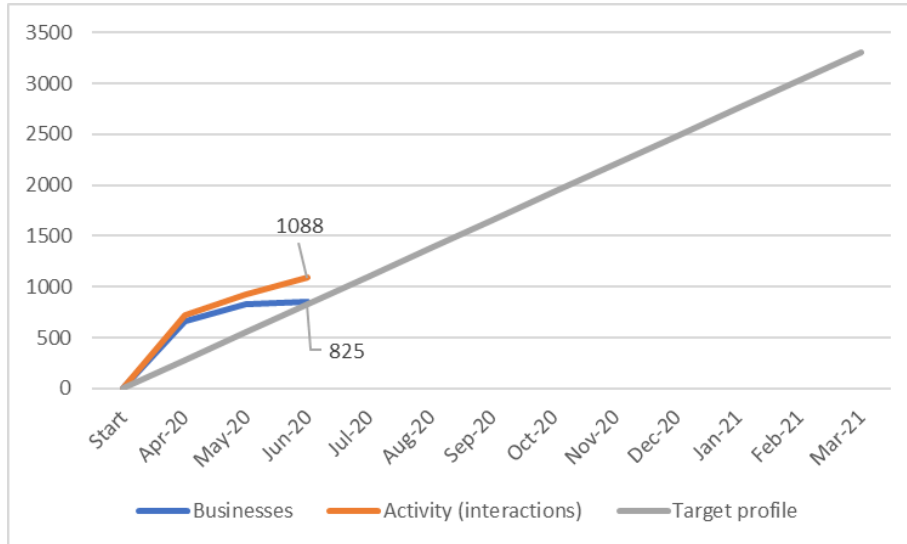


Figure 1: Actual performance against the 2020/21 annual target

1.2 The below graph shows the total number of gateway enquiries (excluding pre-starts) since April 2019. The large increase in enquiries in March/April 2020 was primarily a result of the COVID-19 pandemic, lockdown and the announcement of government support programmes and funding.

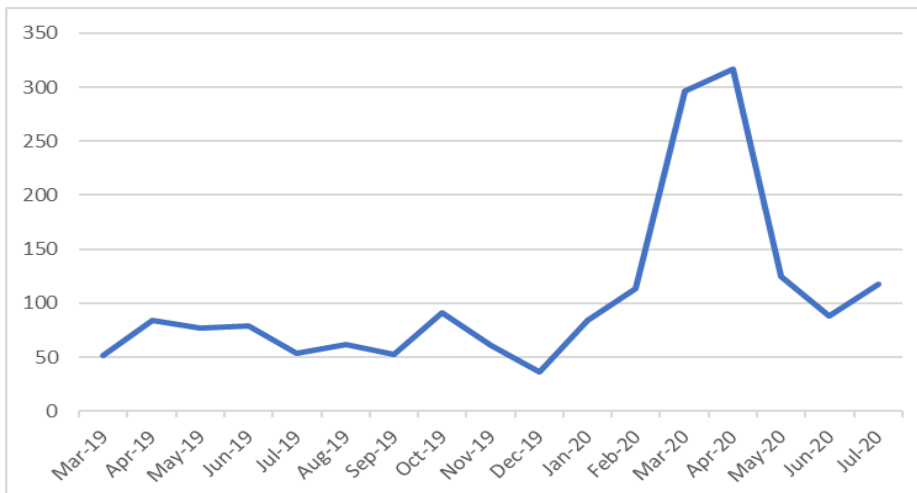


Figure 2: Total gateway enquiries (excluding pre-starts) April 2019 – July 2020

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Report to: Business Innovation and Growth Panel

Date: 16 September 2020

Subject: **Good Work Standard**

Director: Alan Reiss, Director of Policy, Strategy and Communications

Author: James Flanagan

1. Purpose

- 1.1 To seek initial Panel views on the development of a regional Good Work Standard and, subject to agreement in principle, to endorse further work to develop options for a fit for purpose approach.

2. Information

Policy context

- 2.1 The impact of COVID-19 has demonstrated the range of inequalities and injustices that permeate our region, as well as nationally and globally.
- 2.2 The draft West Yorkshire Economic Recovery Plan seeks to deliver inclusive growth and a decent standard of living, where good work and wellbeing allow as many as possible to contribute to, and benefit from the region's economy.
- 2.3 A key goal of the Plan is to ensure that good work is made available to everyone, which means that sustainable, high-quality employment is provided by employers that:
- value diversity - at all levels,
 - promote employee health and wellbeing, and
 - invest in their workforce including in terms of good pay and development.
- 2.4 The Plan also recognises that good work is a driver for levelling up through increased productivity. This builds on work previously discussed by the BIG Panel regarding development of the Local Industrial Strategy. One of the emerging options for how to take this work forward was to consider utilising an approach based on business behaviours that would improve productivity¹. Any

¹ As a starting point we have considered the behaviours outlined in the [BEIS business productivity review call for evidence \(2018\)](#)

approach to a Good Work Standard could work alongside the behaviours agreed as important to boosting productivity.

- 2.5 A Good Work Standard for West Yorkshire is proposed in the Plan as a key intervention which, subject to funding, would focus on securing commitments of - and giving recognition to - a range of employers that drive positive employment and productivity.

Regional Socio-Economic Challenges

- 2.6 Currently, not everyone in the region enjoys good work, for example:
- In-work poverty is a huge challenge – for example, 271,000 WY employees (29% of the total) are not currently in good quality work (ONS definition based on the Taylor Review), eg they are paid below the living wage
 - Poor mental health - 15.1% of people suffer from depression and anxiety in West Yorkshire compared to 13.7% nationally
 - Many of our communities and individuals are excluded from good work because of:
 - Inequalities and barriers in the labour market for specific individuals, groups and communities, eg BAME communities, disabled people, and mothers who want to work (especially lone parents), all suffer from higher than average levels of unemployment, also in terms of pay gaps, and opportunities for employment and progression (ie underemployment)
 - the spatial distribution and accessibility of good employment differs across the region.
 - LCR has a low productivity challenge – there is evidence that low pay and lack of workforce diversity is a drag on innovation and productivity. There is also evidence of low performance against identified behaviours of high productivity e.g. innovation, higher level skills, exporting.

Good Work Standard

- 2.7 Subject to the views of the Panel on the principle of establishing a Good Work Standard for the region as a potential means on addressing the above challenges, possible aspects of a Standard could include the following:
- Setting out best employment practices to help employers address the above challenges
 - Be applicable to all types of employers i.e., businesses and enterprises of all sizes, plus public and third sector organisations.
 - Be designed in a way that is complementary/additional to local activities and learn from similar standards implemented elsewhere, eg the Mayor of London's Good Work Standard.
 - Require employers to evidence their commitment, eg to the following aspects of good work:

<ul style="list-style-type: none"> ○ Fair Pay ○ Fair Contracts ○ Financial wellbeing ○ Workforce dialogue and voice ○ Health, Wellbeing & Welfare ○ Work-life balance 	<ul style="list-style-type: none"> ○ Management & Leadership ○ Skills & development/progression ○ In-work progression ○ Equality, diversity & inclusion ○ Fair and inclusive recruitment practices
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- Employers' progress to be assessed against an achievement scale, eg the London model includes a range of:
 - 'Foundation' - The basics for every employer, starting with the minimum legal requirements
 - 'Achievement' - Employment practices every good employer should aim to achieve in a fair and decent workplace; and
 - 'Excellence' - More exemplary practices that can help create a highly collaborative, inclusive, and innovative workplace
- Signing up to the standard would be made easy for employers (online with opportunity for some 1:1 support) and free at the point of access including guidance and resources to help employers become exemplars.
- Public recognition of a community of good employers holding the Standard, including those achieving the highest level, would also be an encouragement for others to engage with the Standard.
- Commitment to the Standard could become a key condition of receiving LEP grant support, potentially replacing the current approach of commitments from a 'menu' of specific Inclusive growth related and other activities. This would need to be considered alongside work discussed previously at BIG panel in February 2020 around how to encourage clean growth activity through LEP grant support conditions/incentives.

Possible outcomes

- 2.8 If designed and implemented effectively, and subject to take up of the Standard, the following types of outcomes and impacts could be in view:
- An increase in the proportion of workforce paid the living wage (eg as an illustrative example if a quarter of the 302,000 workers in LCR who currently earn below the living wage benefited from this uplift, it would derive an estimated local economic benefit of £54m p.a., and benefit the public finances by c.£33m p.a.);
 - Reduced employment and pay gaps for disadvantaged groups;
 - Increased workforce diversity and social mobility;
 - Increased workforce skills development and skills utilisation leading to reduced skills shortages/gaps;
 - Reductions in staff turnover and absenteeism; and
 - Increased innovation and productivity

Next steps

2.9 Subject to the initial views of this Panel, and those of the Inclusive Growth and Public Policy Panel, further work could be undertaken by officers to:

- Identify options for a WY Good Work Standard model – either an existing ‘off the shelf’ or a bespoke approach;
- Scope out the potential costs and funding sources;
- Identify potential risks and mitigations, including alignment with any existing or proposed local approaches; and
- Propose a critical path for delivery and key milestones

3. Clean Growth Implications

3.1 There are no clean growth implications directly arising as a result of this report.

4. Inclusive Growth Implications

4.1 The report identifies the opportunity to develop a Good Work Standard, which will have a clear focus on delivering more inclusive growth across the City Region.

5. Financial Implications

5.1 There are no immediate financial implications arising as a direct result of this report.

6. Legal Implications

6.1 There are no legal implications arising as a direct result of this report.

7. Staffing Implications

7.1 There are no staffing implications arising as a direct result of this report.

8. External Consultees

8.1 No specific or official external consultations have been undertaken in relation to this report.

9. Recommendations

9.1 Initial Panel views are sought on the principle of developing a Good Work Standard for the region.

9.2 Subject to the views of the Panel (and those of the Inclusive Growth and Public Policy Panel), officers will progress next steps including those outlined

in section 2.9, and provide an update and options for further consideration at the next meeting.

10. Background Documents

There are no background documents referenced in this report.

11. Appendices

None

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Report to: Business, Innovation and Growth Panel

Date: 8 September 2020

Subject: **Trade and Investment**

Director(s): Brian Archer, Director of Economic Services

Author(s): David Shepherd, Head of Trade and Investment

Purpose of this report

1.1 To provide an update on Trade and Inward Investment activity since the last Panel meeting in May 2020.

2. Information

Trade & Investment team 2020/21 Revised Forward Plan (PIVOT PLAN)

2.1 To react appropriately to the economic uncertainty and ensure the Leeds City Region remains competitive, the Trade and Investment team has developed a Pivot Strategy that defines activities for 2020 / 21.

2.2 The plan focuses on five core workstreams:

- Communicating trade deals and strategic export opportunities
- Capitalising on sector specific opportunities for inward investment
- Capitalising on north shoring and reshoring trends
- Maintaining close and sustained relationships with the region's key businesses and large employers
- Shaping and influencing Department for International Trade (DIT) and Northern Power House (NPH) strategies and activity

2.3 The above activity will be underpinned by a well-controlled and tactical marketing support and the development of key collateral to support the activities being undertaken.

2.4 The team has researched into what sectors are most resilient post COVID-19 and cross referenced that with our regional industrial capabilities. This work has resulted in identifying a handful of initiatives that will be undertaken to attract new inward investments.

- 2.5 As part of the Pivot Strategy the team is developing a new suite of messages that play into the economic trends being experienced following the COVID-19 crisis. These predominantly relate to the trend whereby major organisations are reconsidering their real-estate footprints to balance out the shift between remote working and the need to maintain a requirement for employee interactions.
- 2.6 Marketing content is being developed that will be shared with intermediaries who represent businesses who may be considering their future office requirements. This will contain messages that promotes the region as an ideal place to live and work in a post COVID-19 environment.
- 2.7 To coincide with this the team launched a three-month campaign highlighting the #Welcome initiative (Digital Inward Investment Fund) which aims to attract creative, digital and tech related businesses to the City Region.

Inward Investment Activities and Performance

- 2.8 There was one project success in May through to July. This was the attraction of a high growth technology scale up business called Zone Me Audio. They recently won a Digital Catapult award for their next generation immersive sound technology and accessed support from our #Welcome scheme. The project will create c. 10 new jobs.
- 2.9 During May to July some live enquiries were understandably put on hold however, 30 new enquiries were received and one investor visit to the region was hosted.
- 2.10 The team continues to handle several high-value, potentially transformational enquiries including:
- Manufacturing facilities for businesses operating in the tele-health, quantum technologies, artificial intelligence sensors, chemicals and food and drink sector.
 - A new HQ for a major professional services firm and a global IT solutions provider.

Investor Development

- 2.11 As a result of COVID-19 the team quickly mobilised to engage with some of the region's largest employers. The team is now continuing this work on an on-going basis to help protect their operations and navigate through the COVID-19 crisis.
- 2.12 Work is on-going to evaluate which large employers could be identified as most at risk and may require strategic dialogue, especially as the furlough scheme comes to an end.

2.13 In partnership with the DIT the Leeds City Region Local Enterprise Partnership (LEP) continues to engage with a number of foreign owned companies with over 40 virtual meetings taken place in the last quarter (May-July). Conversations have focussed on immediate impact of COVID-19, people and recovery. These insights have helped support the development of economic recovery plans.

International Trade

2.14 £280bn of UK’s trade is with the top six countries with COVID-19 and the United Nations Conference on Trade and Development (UNCTAD) figures show that the value of international trade in goods has declined by about 5% in Q1 2020 and is expected to decline further by 27% in Q2 2020. Furthermore, the World Trade Organisation (WTO) say their initial estimates for the second quarter indicate a year on year drop of around 18.5%.

2.15 The latest UK monthly figures from Her Majesty's Revenue and Customs (HMRC) for trade in goods show that total exports of goods for June 2020 were £24.9 billion. This was an increase of £3.0 billion (14%) compared with last month, and a decrease of £5.0 billion (17%) compared with June 2019. Q2 of 2020 saw the lowest quarterly exports value since Q1 of 2016. The total export trade for Q2 of 2020 was £70.7 billion, which was a decrease of 23% compared with £91.3 billion for Q2 of 2019.

Quarterly UK Trade in Goods, 2009 – 2020



2.16 ONS data indicates that falling imports and exports in Q2 2020 compared to Q1 were predominantly seen in trade in goods, with imports and exports falling by £21.4 billion and £14 billion respectively, whilst trade in services fell by and £12.7 billion respectively.

- 2.17 Regional data for Q2 2020 will be published by HMRC on 17 September 2020.
- 2.18 The team has now re-convened a regular forum with the region's main trade delivery partners to share intelligence and insights on how export activity can be better supported in the current climate.
- 2.19 Senior management in the team are in dialogue with DIT to help shape and influence the DIT's new UK Export Strategy which is due to be published in September 2020.
- 2.20 The team is now developing plans to undertake a series of export initiatives to inspire businesses to resume or start exporting. These will focus on distinct sub sectors and markets where we short term export contracts can be secured.
- 2.21 Work is underway to develop a system that will allow the LEP to routinely update Leeds City region businesses on emerging trade deals. This could take the form of an app which pushes information out in a timely manner to businesses that have pre-subscribed and by doing so, expressed an interest in internationalising their activity.

Emerging markets

- 2.22 A partnership has been established with the Northern Asian Powerlist 2020, which celebrates the significant and sustained contribution of the Asian business community across our region and the Northern Powerhouse. The Powerlist will be launched on 24 September 2020 at the Piece Hall.
- 2.23 Approaches are being explored for our regional businesses to have the opportunity to participate in the India-UK Joint Economic and Trade Committee (JETCO) following the first meeting, which took place virtually on 24 July 2020
- 2.24 Close attention is being given to the strategic relationship between the UK and China at the moment, however it is important to note that China has recently become the UK's third largest trading partner with over £100bn of bilateral trade and investment taking place in 2019.
- 2.25 A virtual event at Leeds Digital Festival focused on "The Future of Tech" which will give a number of international technology firms a platform to talk about their global ambitions is being planned. The Managing Director of Alibaba has agreed to be the keynote speaker.
- 2.26 The LEP worked with global Chinese Technology firm Hisense, who have their global HQ in Leeds, to facilitate a donation of 51,000 face masks to the West Yorkshire & Harrogate Health and Care Partnership.

International Profile Raising Activity

- 2.27 It has been agreed, in consultation with the LEP Chair, not to undertake a LCR delegation to MIPIM Cannes in March 2021. This has been communicated to delegates.
- 2.28 Refunds are now being sought from Reed Midem and suppliers. However, it is important to note that the very late cancellation of the event (one week prior) meant nearly all costs had already been committed.
- 2.29 To compensate for the MIPIM cancellation the team is looking at running a set of webinars for MIPIM delegates during September. These will be based upon topical themes and provide a conduit for communicating updates on key topics such as Devolution, COVID-19 economic recovery, Agile Transport etc.
- 2.30 SMART Cities Expo event in November has been rescheduled as a digital event. We are in the process of engaging with the event organisers to establish which digital packages we may look to purchase.

Creative Catalyst (was Creative Industries Opportunity Programme)

- 2.31 Following consultation with key industry stakeholders, it was decided that an intervention was required to support the burgeoning TV and Film production sector in the City Region. The scheme mobilised quickly in response to COVID-19 to develop and administer a new fund that provided grant support.
- 2.32 The Indie TV and Film Development Fund was launched in partnership with Screen Yorkshire on 14 May and received a vast amount of applications. The fund received national press coverage and the Combined Authority and LEP received praise for offering a focused support scheme to the sector during a difficult period.
- 2.33 The fund was developed to allow TV and Film companies to continue developing new ideas throughout the lockdown period, at a time when restrictions on movement stalled filming on many productions. This offered a lifeline to businesses, allowing them to continue their operations at full capacity whilst developing new ideas, and many businesses commented that it prevented them from furloughing any staff.
- 2.34 This support has allowed businesses to continue making innovative, high quality content and allow them to be better prepared once filming was able to take place. Some broadcasters offered match funding for these grants, thereby adding a stronger chance that the supported projects will result in a commission.

- 2.35 The fund has been a huge success and has supported 13 businesses with 22 projects at a total amount of £224,817. These projects will create over 120 freelance roles and almost 950 days of work in the sector across six months.
- 2.36 It is envisaged that the Creative Catalyst programme will continue to be critical in supporting the sector as it recovers from COVID-19.

NP11 Trade & Investment Forum

- 2.37 Several discussions have taken place recently with DIT Ministers including the newly appointed Lord Grimstone. The discussions focused primarily on the new Investment Office that is to be established within DIT and a request was also made for an extension to the defrayment terms of the Strategic Inward Investment Fund (SIIF) which is currently set to expire at the end of March 2021.
- 2.38 The team have been actively participating in the NPH discussions surrounding the attraction of future funding for trade and investment and how it should be utilised. This follows a submission from NP11 requesting c. £60m funding to accelerate trade and investment promotional activity over the next three years.

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 and comments on the progress made to date on the delivery of Trade and Investment activity.

8. Background Documents

- 8.1 None

9. **Appendices**

10. None

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Report to: Business Innovation and Growth Panel

Date: 8 September 2020

Subject: **Innovation Framework**

Director(s): Alan Reiss, Director Policy, Strategy and Communications

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

1 Purpose of this report

- 1.1 To seek feedback from Panel members on the development and implementation of a proposed standalone Innovation Strategy (or Innovation Framework) for Leeds City Region.

2 Information

Background and rationale

- 2.1 The current 'Leeds City Region Innovation Strategy: A smart specialisation approach' was developed in 2014 to inform the development of both the Strategic Economic Plan and local ESIF Strategy. Significant time has passed since these strategies were prepared, and new challenges and opportunities have emerged over the last six years.
- 2.2 The impact of COVID-19 and the importance of innovation to both individual business recovery and broader economic resilience cannot be underestimated. The Economic Recovery Plan sets out some key actions to drive innovation as part of economic recovery, but the longer-term structural changes need concerted and focused attention.
- 2.2 Much work has been progressed since 2018 around the evidence and priorities for innovation to support the Local Industrial Strategy and its Ideas section. However, there is uncertainty over the status of Local Industrial Strategies due to changes in the Government's approach and, in any case, the focus on innovation in the draft Local Industrial Strategies is relatively narrow, concentrating on achieving the Government's 2.4% R&D target.
- 2.3 Activity to drive business innovation in Leeds City Region will require a collaborative effort across all Partners involved in innovation. Developing a strong strategic narrative for the West Yorkshire Innovation Network and its

key actors is key in maximising the opportunity to drive prosperity, economic success and wellbeing across Leeds City Region.

Innovation Framework

2.4 As highlighted above, much of the evidence base and emerging priorities have already been identified through work to develop the Local Industrial Strategy: much of these are structural, long term issues. There will need to be some recasting and a review of these in light of COVID-19 but the majority of the evidence and priority identification has already been collated. External consultation and engagement is where the bulk of the activity needs to take place, and the framework will need to clearly set out the impact and outcomes it is expected to achieve.

2.7 It is proposed that the following timeline of activity be endorsed by BIG Panel:

Actions	Timescale
Stocktake by WYIN & BIG Panel	August/ September 2020
Review of evidence base and gap analysis	September 2020
Development of priorities	October 2020
External consultation	October/ November 2020
Endorsement at WYIN & BIG Panel	November/December 2020
Formal sign off CA/LEP	December 2020 / January 2021

2.8 Once agreed, the Innovation Framework or Strategy will form part of the Strategic Economic Framework (subject to agreement by the Combined Authority on 4 September).

3 Clean Growth Implications

3.1 There are no immediate financial implications directly arising from this report, however innovative activity plays a key role in tackling the climate emergency.

4 Financial Implications

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

5 Legal Implications

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

6 Staffing Implications

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

7 External Consultees

7.1 No external consultations have been undertaken specifically on this report.

8 Recommendations

- 8.1 That the Panel provides feedback on the proposal and supports the timescales set out.

9 Background Documents

None

10 Appendices

None

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Report to: Business Innovation and Growth Panel

Date: 8 September 2020

Subject: **Leeds City Region MIT REAP**

Director(s): Alan Reiss, Director Policy, Strategy and Communications

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

1 Purpose of this report

To update Panel members on the Leeds City Region MIT Regional Entrepreneur Acceleration Programme (REAP).

2 Information

2.1 In 2018 Team Leeds, representing Leeds City Region, embarked on a two-year programme to take part in MIT's REAP, ending in October 2021.

2.2 REAP methodology is underpinned by a multi-stakeholder model, comprising government, universities, corporates, entrepreneurs and investors, with a clear focus on globally scalable businesses (so-called innovation-driven enterprises or IDEs, a small but important subset of SMEs). It delivers a long-term strategy based on a region's comparative advantage and a 'backbone organisation' for sustainable collective delivery to accelerate the creation and scaling of IDEs, on the basis that these businesses have a disproportionate impact on economic growth.

2.3 Team Leeds's ambition is to inspire more entrepreneurs from varied backgrounds, championing their socially useful innovations to be globally scalable businesses that investors want to back. The strategy sets out the development and connection of new and existing City Region initiatives so that entrepreneurs have access to the tools and support they need wherever they are in their journey. A gap identified at ideation stage has led to a significant new intervention called Build (Where Ideas Take Shape) that works with entrepreneurs to refine and validate their ideas into ventures ready for customers and investment. A second intervention, Leap (Jump into Entrepreneurship), is a mentor-supported e-learning programme aimed at budding entrepreneurs, taking individuals experiencing a change in circumstance due to the COVID-19 pandemic through the first steps of validating a business idea. Whereas Build is targeted explicitly at IDEs, Leap

and the white-label ide@ community platform on which it sits are entirely open, as they are intended to drive a diversity of people and ideas at the first inspiration stage of an entrepreneur's journey. Build, Leap and ide@ have been devised and co-created by the Team Leeds Delivery Group and funded via Leeds City Council. Leap launched in August 2020, and co-design and piloting of Build – for the first half of 2021 – is currently being procured.

- 2.4 The West Yorkshire Economic Recovery Plan includes a focus on support for IDEs, as will the proposed Innovation Framework (see agenda item 11), as an important part of driving up the City Region's ambition and capacity for innovation and entrepreneurship, and therefore there is strong alignment with a targeted approach to supporting the creation and scaling of more LCR IDEs.
- 2.5 Team Leeds has outlined a plan to engage stakeholders on the scaling of MIT REAP across the City Region. This process began in June and will culminate by December in a single City Region MIT REAP strategy and a backbone organisation to sustain collective delivery beyond the 2-year programme. Discussions between Team Leeds and key City Region stakeholders are currently underway to determine: an appropriate multi-stakeholder model that maintains focus and momentum; how this could be funded; and how it could work with the Growth Service.
- 2.6 Martin Stow, Champion of Team Leeds, will attend the Panel meeting to provide a detailed update on progress.

3 Clean Growth Implications

- 3.1 There are no immediate clean growth implications arising from this report.

4 Financial Implications

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

5 Legal Implications

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

6 Staffing Implications

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

7 External Consultees

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

8 Recommendations

- 8.1 That the Panel notes the progress made to date and provides feedback.

9 Background Documents

None

10 Appendices

None

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Report to: Business Innovation and Growth Panel

Date: 8 September 2020

Subject: **HealthTech**

Director(s): Alan Reiss, Director Policy, Strategy and Communications

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

1 Purpose of this report

- 1.1 To update Panel members on work to progress the HealthTech agenda in Leeds City Region and seek feedback on the proposed way forward.

2 Information

- 2.1 Leeds City Region is well recognised for its strength in HealthTech, evidenced through the Lifesciences Sector Deal and Science and Innovation Audit. The latest OLS data cements this: there are substantially more value-adding med-tech firms in the region than in any other LEP area. The same data also shows that the region ranks within the top 10 LEP areas for both core biopharma (7th) and digital health (4th), clearly positioning the region as a major contributor to the UK's health-tech business base.
- 2.2 Furthermore, the regional health-tech eco-system includes significant business clusters across the region, in Leeds, Bradford, Huddersfield, Harrogate and York. However, there are also notable business populations on the border between Bradford and Craven districts and in Calderdale.
- 2.3 Through the consultation and engagement process for the Local Industrial Strategy, HealthTech was identified as a key priority to drive both economic productivity outcomes, and health and wellbeing outcomes, and is a key focus of the new Economic Recovery Plan for West Yorkshire.
- 2.4 In terms of health innovation and bridging the gap between ideas and commercialisation, the region boasts some of the most accessible and forward thinking routes for businesses into the NHS, including the Yorkshire & Humber Academic Health Science Network (YHAHSN), the National Institute for Health Research (NIHR) Med-tech and In-Vitro Diagnostics Co-operatives (MICs), highly progressive NHS institutions such as the teaching hospitals in Bradford,

Leeds, and York, and vital expertise in health technology assessment via the York Health Economics Consortium (YHEC).

- 2.5 To further drive this forward, partners across Leeds City Region have recently come together in the HealthTech Leadership Group (HLG) to formalise a commitment through an Memorandum of Understanding (MoU) to drive economic growth and patient outcomes through innovation, bringing together the Association of British HealthTech Industries, the LEP, four of the City Region's Universities and the West Yorkshire and Harrogate Health and Care Partnership to provide leadership and achieve a step change.
- 2.6 The MoU, included at Appendix 1, outlines how partners will align our strategic and collaborative approaches to bring together the region's universities, health and care system, enterprise partnership, and HealthTech industry sector to develop an integrated innovation system in the City Region. Partners will use these innovations to achieve ambitions around prevention and promotion of good health, improve health and wellbeing outcomes and drive productivity.
- 2.7 In signing the MoU, all partners have agreed to work together to drive economic growth and improve health outcomes and service efficiency by;
- Finding personalised and community-based HealthTech solutions that help people live healthier lives for longer, particularly those living in identified priority neighbourhoods.
 - Sharing insights into what citizens in the Leeds City Region need, to determine what the priorities should be for health and care services and industry, and then working together on the agreed priority themes.
 - Driving inward investment in HealthTech in the region to support economic growth which is inclusive, benefiting all communities
- 2.8 Resources to support this work have to date been provided by the Leeds Academic Health Partnership on behalf of the region and there is a need to identify a more sustainable approach to drive this forward. To this end, the West Yorkshire Economic Recovery Plan sets out a £60m proposition and ask of Government to support Health Innovation in Leeds City Region (see Appendix 2), around which local authority leaders and the LEP Chair are seeking to progress discussions with Government.
- 2.9 The HLG has met three times and has identified the following areas of focus:
1. Vision and purpose
 2. Story and brand
 3. Leadership
 4. Innovation at scale
 5. Skills and talent
- 2.11 To underpin these priorities, there is a pressing need to develop a HealthTech Strategy, a coordinating, backbone organisation to provide the leadership required, and a number flagship projects that can be delivered across the City

Region. Discussions are underway with partners to progress this, aligned to the ask of Government.

3 Financial Implications

- 3.1 There are no immediate financial implications directly arising from this report, however there may be a resource requirement to deliver against the ambitions set out in the 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 and provides input into the discussion on next steps.

8 Background Documents

Opportunities and Growth: Medical Technologies in the Leeds City Region,
A Science and Innovation Audit sponsored by BEIS

https://leedscityregionmed.tech/Leeds_medtech_SIA_web.pdf

9 Appendices

Appendix 1: Leeds City Region Integrated HealthTech Innovation System:
Memorandum of Understanding / Terms of Reference

Appendix 2: West Yorkshire Economic Recovery Proposition – Health Innovation
www.westyorks-ca.gov.uk/media/4420/recovery-proposition-health-innovation-20200826.pdf

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Leeds City Region integrated healthtech innovation system

Memorandum of Understanding Leadership Group – Terms of Reference

Purpose	<p>The purpose of the Memorandum of Understanding (MoU) is to deliver successful innovation through concentration, convergence and smart specialisation in a single geography, the Leeds City Region, aligned with national centres of excellence in science and technology and substantial growth in an already established UK-wide network of academic, clinical and industrial collaboration. This will contribute to a substantial increase in economic growth and productivity, reduced healthcare costs and improved patient outcomes.</p> <p>The purpose of the MoU is further outlined in section 3 of that document.</p> <p>Section 9 of the MoU outlines governance arrangements which includes the convening of a Leadership Group (LG), the Terms of Reference for which are detailed below.</p>
Approach	<p>The LG will realise the MoU’s purpose by providing leadership, governance, oversight and support of the project and operational activities.</p> <p>The LG should:</p> <ul style="list-style-type: none"> • Lead with ambition and positivity to drive the achievement of the shared aims specified in the MoU • Act in accordance with the arrangements specified in the MoU • Act as representatives for their respective Parties (partner organisations), providing direction and making decisions and commitments on behalf of their organisations • Work to raise the local, regional, national, and international profile of the Leeds City Region through engagement with key stakeholders, and through identifying opportunities for growth and partnership • Ensure that key messages and decisions are relayed back to their organisations and that they are appropriately briefed, providing feedback into the LG as necessary • Ensure that the LG maintains awareness of, and alignment with, national and international direction • Ensure that the aims of the LG continue to be aligned with the Parties’ agreed priorities, and that the MoU is still valid, including benefits realisation • Ensure that the appropriate stakeholder engagement, methodology, assurance and governance are in place and are representative of the Parties’ financial, legal and user interests

	<ul style="list-style-type: none"> • Identify and oversee risks and issues, ensuring that all risks are prevented, mitigated and escalated to the LG as necessary • Support projects which in the early phases of the work are likely to be related to the following themes: <ul style="list-style-type: none"> ○ Vision and purpose ○ Leadership ○ Story and brand ○ Innovation at scale ○ Skills and talent • Support the delivery of projects, ensuring that appropriate staff and other resources are made available, providing leadership and guidance to project teams as appropriate. • Support the design and creation of a delivery structure that will be responsible for the future healthtech innovation system, as it evolves.
<p>Further governance arrangements</p>	<p>The Leeds Academic Health Partnership (LAHP) will initially act as the coordinating body for the Agreement, providing support to ensure this Agreement delivers its planned objectives and will work with the Parties to identify a substantive coordinating body and agree a detailed programme and resourcing by the end of 2020.</p> <p>Arrangements for the sharing of meeting, workshop, and other associated costs are to be decided by the LG.</p> <p>Arrangements and processes in relation to the following are outlined in the MoU document and in the interests of simplicity are not duplicated here:</p> <ul style="list-style-type: none"> • Geography of the agreement • Conflicts of interest and dispute resolution • Confidentiality, information governance and intellectual property
<p>Membership</p>	<p>All parties to the MoU agreement will provide a named representative for the LG, responsible for the delivery of the agreement in line with the shared aims for each party respectively.</p> <p>With prior agreement from the Chair and in exceptional circumstances, members are able to send a deputy to meeting where they are unable to attend. Such deputies should be senior enough to make decisions on behalf of their organisations. Current members of the group can be found in the table below.</p> <p>Any Party can nominate the Chair of the LG. The nominated Chair can be drawn from within existing LG membership or can be external to the Parties. All decisions on how to appoint a Chair require the unanimous support of the LG.</p>

Additional parties to the agreement	<p>Subject to the unanimous agreement of all Parties, additional relevant signatories may be added to this agreement at any time.</p> <p>All Parties will be notified of any additional signatories and will be given 30 days after the notification to determine if there is a conflict of interest or other significant reason that would prevent the joining of the additional signatory.</p> <p>Additional signatories cannot be added to the agreement where a conflict of interest exists between them and an existing Party that cannot be resolved.</p>
Frequency	The Leadership Group will convene a minimum of three roundtable sessions in each year of the MOU agreement in order to agree a collaborative approach to the realisation of the shared aims.
Quorum	The quorum is five for all meetings and must include a representative from at least five partners.
Review	This document should be reviewed every 6 months, with the next review taking place in Nov 2020.

LG Members

Name	Title	Representing
Richard Phillips	Director, Healthcare Policy	Association of British Healthtech Industries
Richard Stubbs	Chief Executive	Yorkshire and Humber Academic Health Science Network
Sean Duffy	Clinical Director and Alliance Lead	West Yorkshire and Harrogate Health & Care Partnership
Alan Reiss	Director	Leeds City Region Enterprise Partnership
Duncan Sharp	Dean of School of Clinical & Applied Sciences	Leeds Beckett University
Liam Sutton	Associate Director, Research & Innovation	University of Bradford
Liz Towns-Andrews	Director of Research & Enterprise	University of Huddersfield
John Fisher	Professor of Mechanical Engineering	University of Leeds
David McBeth	Director of Research & Enterprise	University of York

LAHP Representatives

Sarah Bronsdon	Director	Leeds Academic Health Partnership
Liz Gardner	Strategic Delivery Manager	Leeds Academic Health Partnership

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