

BUSINESS INNOVATION AND GROWTH PANEL

MEETING TO BE HELD AT 2.00 PM ON TUESDAY, 24 NOVEMBER 2020 AS A REMOTE MEETING 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)

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13. LOCAL DIGITAL SKILLS PARTNERSHIP

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Signed:

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

**Managing Director
West Yorkshire Combined Authority**



MINUTES OF THE MEETING OF THE BUSINESS INNOVATION AND GROWTH PANEL HELD ON TUESDAY, 8 SEPTEMBER 2020 AS A REMOTE MEETING

Present:

Andrew Wright (Chair)	Reliance Precision
Martin Booth	Witt UK Gp
Amir Hussain	Yeme Architects
Simon Wright	Yorkshire Bank
Andy Peterson	Communis
David Sidlow	BorgWarner Ltd
Richard Paxman	Paxman Coolers Ltd
Councillor Naheed Mather	Kirklees Council
Councillor Shabir Pandor	Kirklees Council
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
Lee Viney (Advisory Representative)	Innovate UK

In attendance

Mark Roberts	Beer Hawk Ltd
Natalie Allen	Leeds Beckett University
George Lodorfos	Leeds Beckett University
Martin Stow	University of Leeds
David Smith	University of Leeds
Liz Gardner	Leeds Academic Health Partnership
Brian Archer	West Yorkshire Combined Authority
Ian Smyth	West Yorkshire Combined Authority
James Hopton	West Yorkshire Combined Authority
Sarah Bowes	West Yorkshire Combined Authority
Henry Rigg	West Yorkshire Combined Authority
David Shepherd	West Yorkshire Combined Authority

34. Apologies for Absence

Apologies were received from Councillor Byford, Will Roebuck, Marie Gilluley, Liz Town-Andrews, Nick Plant, Mark Robson, and Neville Young

35. Declarations of Disclosable Pecuniary Interests

There were no declarations of pecuniary interests at the meeting.

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

There were no items that required the exemption of the press or public.

37. Minutes of the Meeting of the Business Innovation and Growth Panel held on 21 May 2020

Resolved: That the minutes of the meeting held on 21 May be approved.

38. Chair's Update

The chair highlighted the ongoing work on the economic recovery plan and welcomed guests, Mark Roberts, Liz Gardner, George Lodorfos and Natalie Allen.

39. Economic Reporting

The Panel considered a report which provided an update on the latest economic and business intelligence and the latest intelligence around the impact of Covid-19.

Resolved: That the report be noted.

40. Covid 19 - Impact and Recovery

Members discussed a report which provided an update on the impact of Covid-19 on the Leeds City Region Economy

Members discussed the following:

- That the peer to peer proposition was strong and could be especially beneficial to uplift business in respect of their supply chains.
- That the businesses that tend to participate in these schemes are already on a strong trajectory and there was a need to reach those business who were not normally as engaged as that was were the most benefit could be felt.
- That productivity was key and could drive the creation of jobs. The productivity pilot had been underway for two rounds and had been successful. An item on productivity schemes would be brought to the next meeting.
- That it was vital for productivity to be measured so outcomes / impacts

were quantified and visible.

- That different sectors would experience Covid differently and it was important that the Combined Authority could keep the diverse experiences and sectoral makeup of the regional economy in mind and efforts were tailed to the sectors which needed it most.
- Members noted the increasing demand in the volume of enquires, which has risen by 80% compared to the corresponding period last year. Access to finance and grant enquires were the two most prevalent issues.

Resolved: That the updates in the report be noted.

41. Business Support Update

The Panel considered a report that provided an update on business support activity.

George Lodorfos and Natalie Allen were in attendance and gave a presentation on the Small Business Leadership Programme which aimed to improve decision-makers leadership skills and help them plan and maximise their business's potential by improving productivity.

Members recognised the good work being done by Leeds Becket and the value of this programme for the Leeds City Region.

That it was vital that the scheme was had an inclusive and broad application process to ensure that a wide range of businesses in the region had the opportunity to apply.

Resolved: That the report and presentation be noted.

42. Good Work Standard

The Panel considered a report which provided an update on the development of a regional Good Work Standard.

The plan sought to ensure that sustainable, high-quality employment which valued diversity, promoted employee health and well-being, and invested in their work force in terms of development and good pay.

The next steps for the good work plan were outlined at paragraph 2.9 of the submitted report which included weighing up options for a regional Good Work standard model, scoping funding sources and developing a critical path for delivery.

Members discussed the link between good work and productivity and that they should be should as mutually complementary.

That the standard would neatly align with the inclusive growth commitments for grant recipients and would provide a more substantial and sustainable

benefit.

Resolved:

- (i) That the Panel's comments be noted
- (ii) That officers progress with the next steps and options to be considered at a future meeting.

43. Trade and Investment

The Panel considered a report which provided an update on Trade and Investment activity since the last meeting.

Members noted the pivot strategy which detailed the changes in trade and investment activity in response to the pandemic.

Resolved: That the report be noted

44. Innovation Framework

The Panel considered a report which provided an update on the development and implementation for a proposed innovation framework.

The Innovation Framework would enable the Combined Authority to secure future investment to set out the shared ambitions around innovation.

The extensive work to date on innovation would be re-examined in the light of Covid-19 and would be followed by a consultation process.

Resolved: That the report be noted

45. Leeds City Region MIT REAP

The Panel were provided with a presentation regarding the Leeds City Region MIT Regional Entrepreneur Acceleration Programme.

Members were supportive of the programme and wanted to provide expertise where it would be beneficial.

Resolved: That the report be noted.

46. Health Tech

Members considered a report which provided an update on the HealthTech agenda.

The region was recognised for its strength in HealthTech and it formed a key part of both the Local Industrial Strategy and the Economic Recovery Plan.

Members noted the formation of the HealthTech leadership group and the memorandum of understanding was attached at appendix 1 to the submitted report.

Resolved: That the progress made to date be noted.

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Report to: Business Innovation and Growth Panel

Date: 24 November 2020

Subject: **Economic Reporting**

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

Author: James Hopton, Economic & Transport Analysis Manager

1. 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 since its September meeting.

2. Information

Recent local developments

- 2.1 There has been a third consecutive small monthly increase in people claiming out of work benefits both locally and nationally through to September, according to data from the Department for Work and Pensions. West Yorkshire's count increased by 1,435 (+1.3%) whilst nationally there was growth of 24,600 (1.1%). Increases in local authority areas ranged from 1.2% in Kirklees and Wakefield, to 1.9% in Bradford.
- 2.2 Comparing September 2020 with the pre-lockdown period in March, the number of claimants has increased by 52,400 (92%) across West Yorkshire, compared to an England average increase of 117%. There are now 109,500 claimants in West Yorkshire, compared with 57,100 in March.
- 2.3 UK gross domestic product (GDP) is estimated to have grown by a record 15.5% in Quarter 3 (July to Sept) 2020, as lockdown measures were eased. Though this reflects some recovery of activity following the record contraction in Quarter 2 (Apr to June) 2020, the level of GDP in the UK is still 9.7% below where it was at the end of 2019. Compared with the same quarter a year ago, the UK economy fell by 9.6%.
- 2.4 While output in the services, production and construction sectors increased by record amounts in Quarter 3 2020, the level of output remains below Quarter 4 (Oct to Dec) levels, before the impact of the COVID-19 pandemic was seen. The levels of expenditure remain considerably below their levels before the effects of the coronavirus, as the pickup in business investment has been much weaker than private consumption.

- 2.5 There have been 2,800 business dissolutions / liquidations so far in October. This is up from almost 2,100 in September. The number of business dissolutions / liquidations in West Yorkshire appears to have been tailing off in late October though data may still be subject to revision. As of 4 November, 576 businesses had been liquidated in the week ending 20 October, compared to 908 a week earlier. However, this is still higher than the weekly average of 330 liquidations in the first quarter of 2020. In sector terms, transport & storage, and information & communications have higher levels of business failures than their share of the business base would suggest. The wholesale & retail and professional services sectors also account for significant numbers though this largely reflects their significant scale.
- 2.6 Data on transport activity suggests that the introduction of further local restrictions, as well as national measures such as the rule of six, have halted the increases in activity seen whilst restrictions were easing. Although activity on the bus network increased with the return of schools in early September, this has since levelled off. Use of the bus network is still about half of 2019 levels, with footfall in Leeds rail station around two thirds down on last year.
- 2.7 This supports survey data from the Office for National Statistics which also suggest recent trends in returning to normal working patterns have stalled. Although in recent months the proportion of people working in their normal place has increased from 50% to 60%, this has tailed off and is closely aligned with the return of people from furlough. Around 28% of people continue to work from home, and whilst furlough use decreased throughout August and early September, the proportion of people on furlough was unchanged at just over 9% in the fortnight to 4 October, compared with the preceding fortnight, according to the ONS Business Impacts of Coronavirus Survey.
- 2.8 1,125 new business bank accounts were opened in West Yorkshire in September, up 0.9% on August. This is lower than the 13.8% increase seen nationally, and the 2.2% across the wider City Region. This is a proxy measure for business startup activity. Compared to September 2019, the number of new accounts opened was 6% lower in West Yorkshire, but 6% higher in England.
- 2.9 Looking at the year to date, the number of new accounts is down 1,240 (13%) compared to 2019. However, declines are around 20% in accommodation & food, professional services & real estate, transport & communications and recreational & other services. Construction and wholesale & retail have seen small increases compared to 2019.
- 2.10 Scaled Insights, a Behavioural AI startup based in Nexus, Leeds, has been conducting a longitudinal survey on Adults' Thoughts and Behaviours Relating to COVID-19. The first survey ran in April and May, and over 1000 people in the UK responded. The 3-month follow-up online survey was conducted in August and September. Most respondents said that their employment status was largely unchanged, and a majority reported no significant impact on their income. Most respondents reported having slightly more spare cash than

usual, though around 1 in 10 reported having less spare cash. Despite having more spare cash than usual, most people said they were cutting back spending due to COVID-19. This could reflect fewer opportunities to spend on consumer and leisure activities, or it could reflect a desire to increase saving in an uncertain economic environment.

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

Appendix 1: Leeds City Region COVID-19 insights report

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COVID-19
¹¹ **Fortnightly**
Insights Report

Research & Intelligence
13th November 2020

Executive Summary – social and economic

- Most economic data available here covers up to mid- to late-October, so presents a picture of activity prior to the second lockdown on November 5th.
- The number of people claiming out of work benefits in West Yorkshire fell slightly (0.5%) in October, following small rises in recent months. This suggests no significant spike in unemployment in October, despite concerns this could occur as the expectation was that the furlough scheme would end this month. ONS survey data suggests 8% of workers were still furloughed in mid-October,
- However, the number of vacancies advertised online has fallen across West Yorkshire for the third consecutive week, suggesting businesses are more hesitant to recruit in light of further restrictions.
- Business liquidations have fallen from over 900 a week in late September / early October to just over 400 a week. However this is still 22% above pre-lockdown levels. Early data for November shows an increase in the share of liquidations in certain sectors, most notably wholesale & retail, business administration and other services (including personal services).
- Recently acquired data from Geolytix on movements within certain urban centres suggests that activity is still below 50% of pre-lockdown levels in Bradford, Leeds and Wakefield, but higher in Halifax (60%) and Huddersfield (80%). Recovery in activity has tailed off in most places but was still increasing in Halifax and Huddersfield in late-October.

Executive Summary – transport

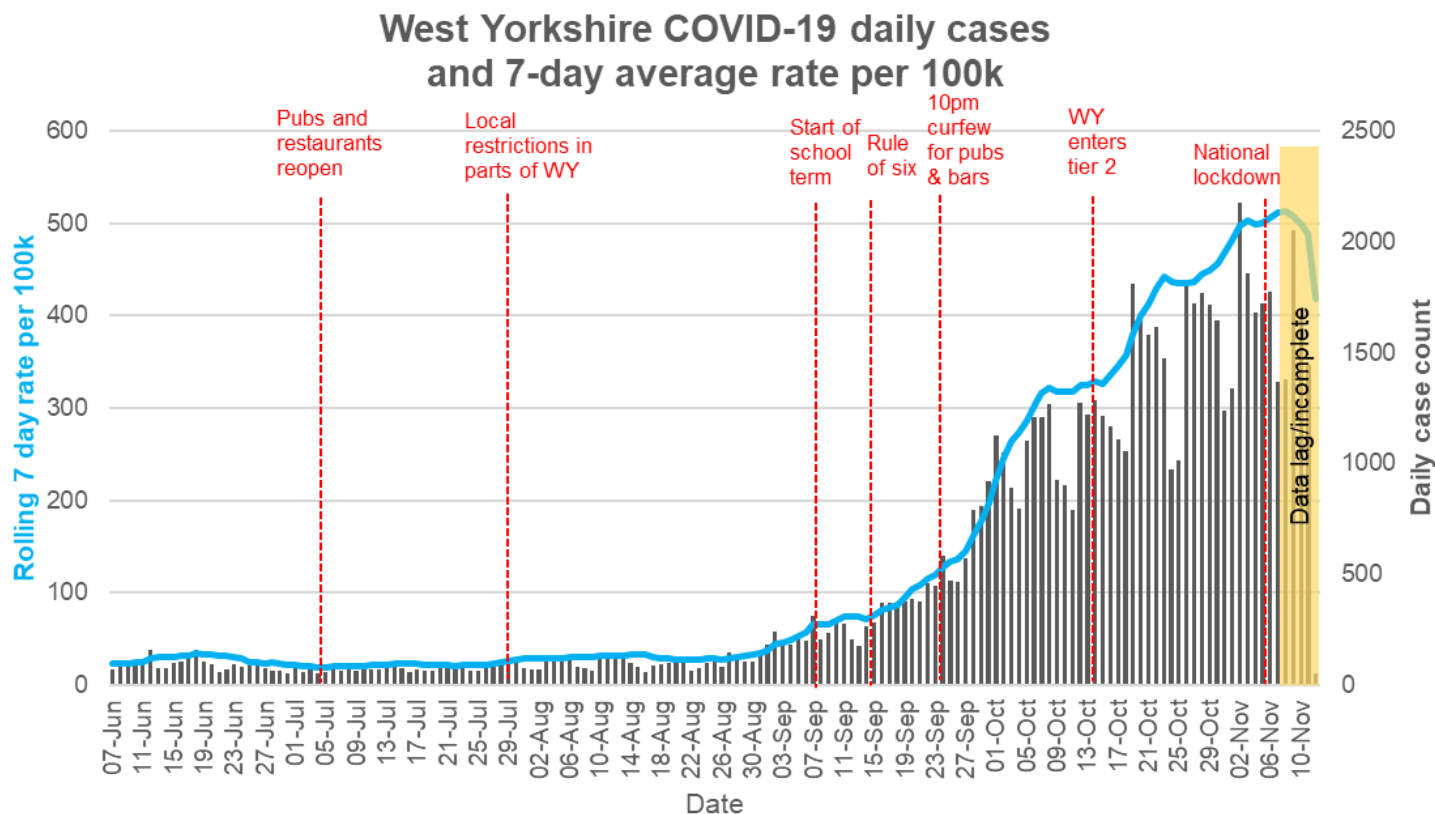
- Nationally, motor vehicle, bus and rail travel has gradually declined over recent weeks (even before the national lockdown). Initial data suggests, nationally and locally rail and bus patronage use declined sharply following the reintroduction of the England-wide lockdown, however the magnitude of this decline will only become apparent with more time-series data.
- Following the introduction of tiered local lockdowns, October footfall in Leeds City Centre fell to 51% of 2019 levels at weekends and 69% at weekdays, indicating that while some commuters continue to come to the city centre weekend leisure trips are decreasing.
- Traffic on the West Yorkshire strategic road network continues to track below 2019 levels; average traffic flows across selected points on the network were 14% below the same week in 2019.
- Cycle counters recorded notable increases in weekend cycling in October 2020 compared to the previous year and in some traffic-free cycle paths, counts more than doubled compared to the previous year (e.g. Wykebeck Way on the approach to Roundhay Park).
- October saw NO₂ concentrations increase to 2019 levels, whilst the number of hours where the lowest band of the DEFRA Air Quality Index was exceeded decreased. We can infer from this that while traffic volumes have increased overall (supported by direct measurement) congestion at traditional morning and evening peaks have become less pronounced.

Introduction

- This report presents the latest developments with regards to COVID-19 for West Yorkshire and Leeds City Region. It draws on a number of official and unofficial data sources to present the latest intelligence and is primarily focused on the **economic and transport** impacts.
- It includes analysis of anecdotal evidence from interactions with businesses, and it is recognised that this analysis is based upon subjective views from those businesses which may or may not reflect the views of the wider business community.
- In some cases, data is presented for a single authority or area. In those instances, further data is being sought to enable more comprehensive analysis of other areas. Please send any data to contribute for analysis or any comments on this report to Research@westyorks-ca.gov.uk.

Virus prevalence – West Yorkshire trend

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The chart above reveals the trend in the number of daily COVID-19 cases in West Yorkshire and the 7-day rolling rate per 100k population. As of the 7th November, the 7-day moving average **West Yorkshire COVID-19 rate was 511.1 cases per 100k**, higher than the Yorkshire & the Humber rate (452.1 per 100k). Regionally, Yorkshire & the Humber currently has the highest rates, followed by the North West

Source: Secure COVID-19 PHE data portal. Note there is a lag in the very latest data PHE COVID-19 data to account for all test results to be processed and recorded.

Virus prevalence – West Yorkshire

Table shows the most recent COVID-19 case data from Public Health England's (PHE) secure data portal. Note due to reporting delays for comparison between Local Authorities the most recent 4 days are excluded from the calculations of rates and moving averages.

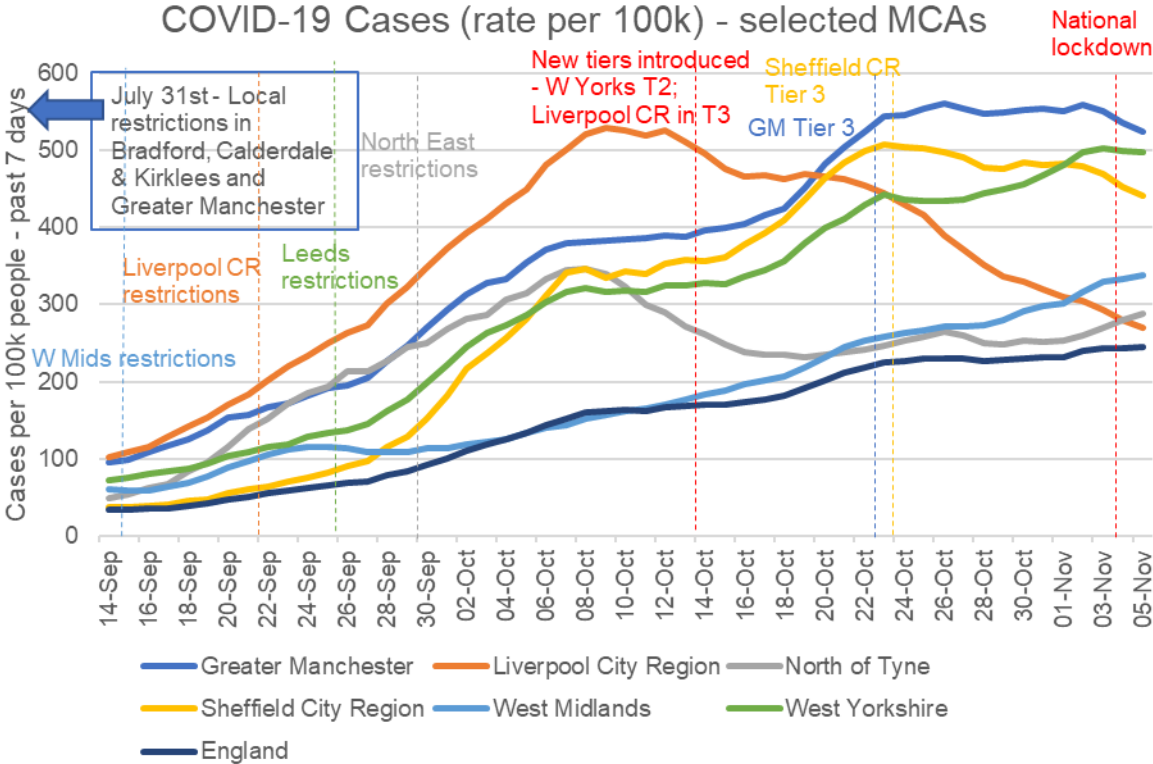
	Area	Total cases per 100k people (01– 07 Nov)	Total cases per 100k people (25 - 31 Oct)	Absolute Difference
		Most recent data week	Previous week	
16	Bradford	596.2	531.3	64.9 
	Calderdale	443.6	377.4	66.2 
	Kirklees	571.6	489.3	82.3 
	Leeds	437.8	434.0	3.8 
	Wakefield	507.6	467.7	39.9 
	West Yorkshire	511.1	467.9	43.3 
	Yorkshire & the Humber	452.1	410.5	41.6 

Source: Secure COVID-19 PHE data portal

COVID-19 infection rates falling in some MCA areas

The rate of COVID-19 infections has seen a sustained fall over the past month in Liverpool City Region, persisting through to early November. North of Tyne also saw the rate fall through October but there are signs this may be rising again after reaching close to the national average. Whilst the rate has begun to fall in recent days in Sheffield City Region and Greater Manchester, it has continued to increase steadily in West Midlands. The rate in West Yorkshire may have stabilised but is not yet falling.

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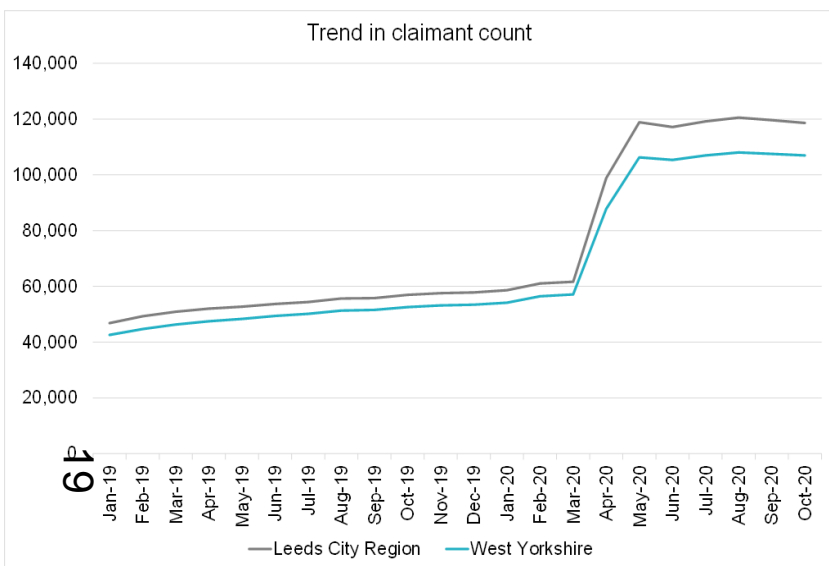


Source: HMG / PHE Coronavirus in the UK data

Economic Insights

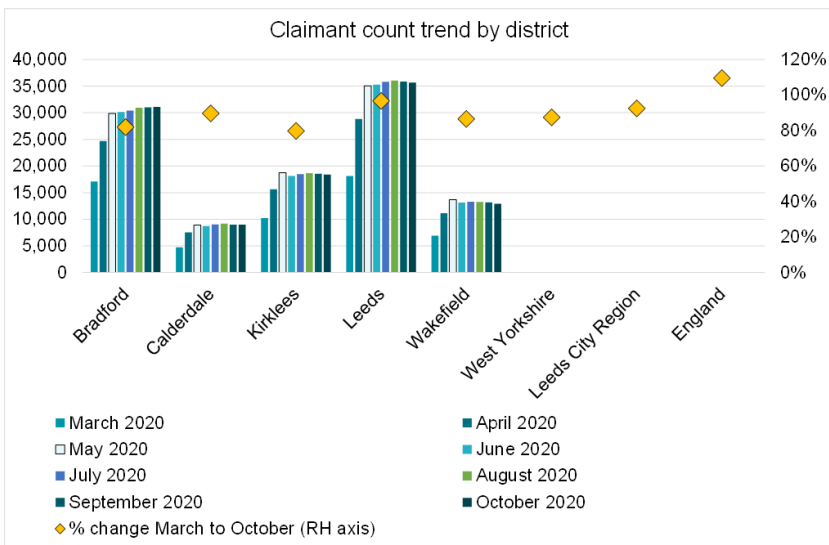


Out of work benefit claims fall slightly in October



West Yorkshire’s claimant count fell by 545 (-0.5%) between September and October whilst Leeds City Region saw a decline of 1,045 (-0.9%). Nationally, there was a fall of 34,360 (-1.5%). This is despite expectations that the furlough scheme would end on October 31st.

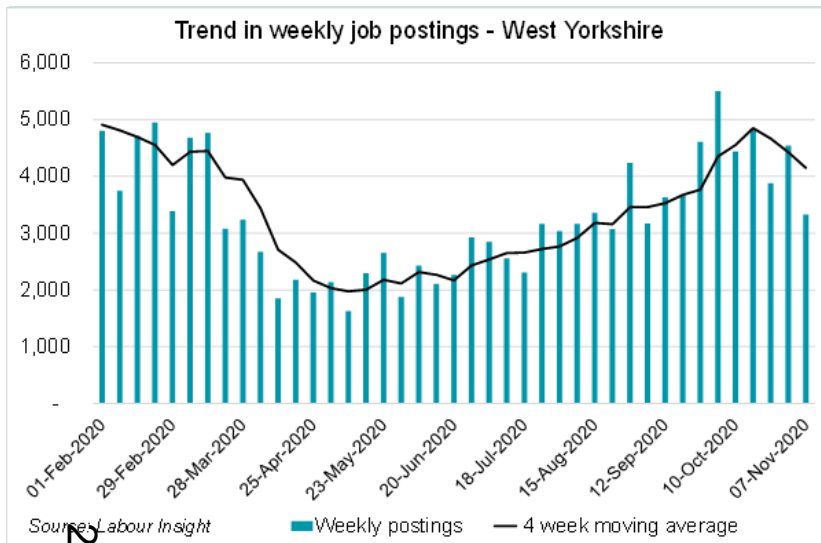
Comparing October 2020 with the pre-lockdown period in March 2020 the number of claimants is currently 49,885 (87%) higher in West Yorkshire and 56,970 (92%) higher across Leeds City Region. Across England the number of claimants is 110% higher than in March.



This means there are now 106,970 claimants in West Yorkshire and 118,595 claimants in Leeds City Region, compared with March figures of 57,085 and 61,625 respectively. The West Yorkshire claimant count rate was unchanged compared to September at 7.3%, but this is still up from 3.9% in March.

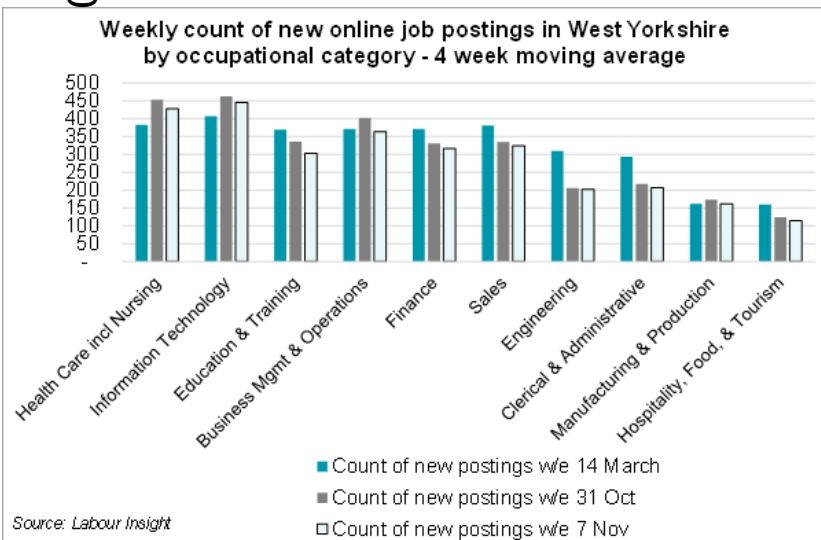
At local authority level, Bradford and Calderdale saw little change in their claimant numbers between September and October, whilst Kirklees and Leeds saw small declines of 0.8% and 0.6% respectively. Wakefield saw a larger decline of 1.9% (250 claimants in absolute terms).

Job vacancies fell in all WY council areas & the number of vacancies declined for most occupations



West Yorkshire vacancies down for 3rd consecutive week

The number of vacancies for jobs in West Yorkshire posted online during week ending 7 November was 6% lower than in the previous week (based on a 4-week moving average). Nationally, the number of vacancies posted fell by 20%. The imposition of restrictions appears to be negatively impacting on recruitment activity, with current weekly vacancies 7% below pre-crisis levels (w/e March 14).



Vacancies fell in all council areas for the second consecutive week

All local authority areas saw vacancy declines in the last week, ranging from 4% in Kirklees to 12% in Bradford. Current vacancies are 25% below pre-crisis level (w/e 14 March) in Calderdale and 17% lower in Leeds.

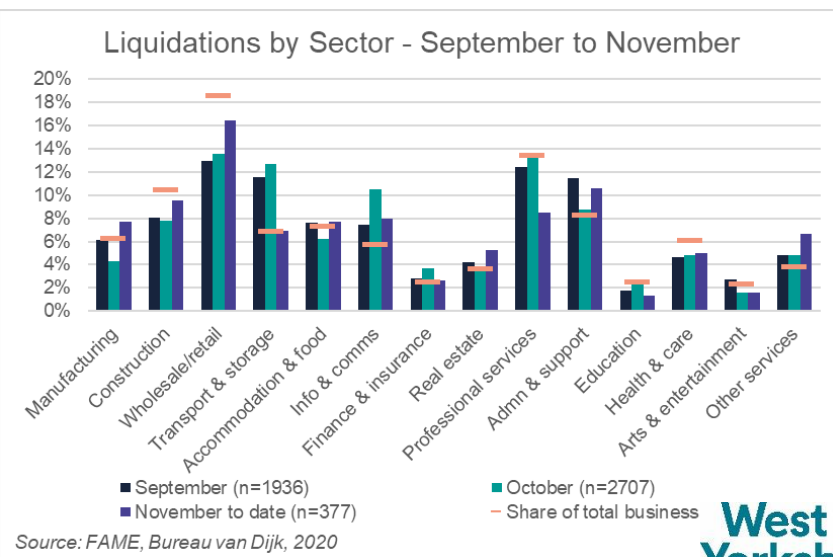
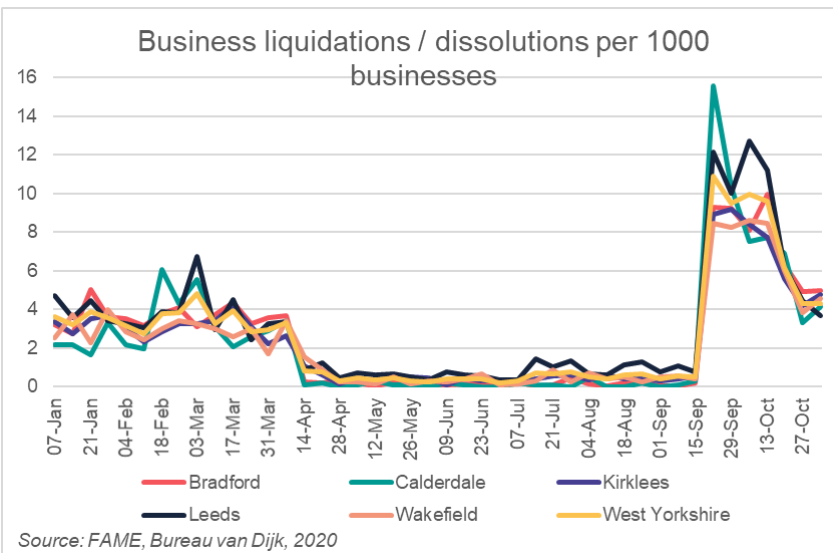
For the second consecutive week all occupational categories saw a decline in vacancies posted online. Education and Training and Business Management and Operations saw the biggest percentage falls, followed by Hospitality, food and tourism. Engineering, Clerical & administrative and Hospitality, food and tourism have the most ground to make up on pre-crisis vacancy levels.

Business failures falling from peak, but still higher than pre-lockdown

Just over 400 businesses were dissolved / liquidated in West Yorkshire in the week to November 3rd, the same as the previous week. This is down from over 900 per week in late September / early October, suggesting that spike was likely caused by a backlog of activity over the spring/summer. The number of liquidations remains 23% higher than in the first quarter of 2020, however.

4.3 businesses per 1,000 were liquidated in the week to November 3rd, in line with the UK average. This is relatively consistent across districts, ranging from 3.7 in Leeds to 5 in Bradford.

Although data is only available for 377 companies so far in November, the data that is available suggests an increase in the share of company failures in the wholesale & retail sector, as well as accommodation & food, manufacturing, construction, business administration and other services (which includes personal services amongst other things). The transport & logistics and information & comms sectors have seen their share of liquidations fall so far this month, though in the case of the latter its share remains higher than would be expected given its share of the business base. Other services companies and business administration are also over represented.



*Data includes companies whose registered office is in West Yorkshire, but whose physical location may be elsewhere

Source: FAME, Bureau van Dijk, 2020

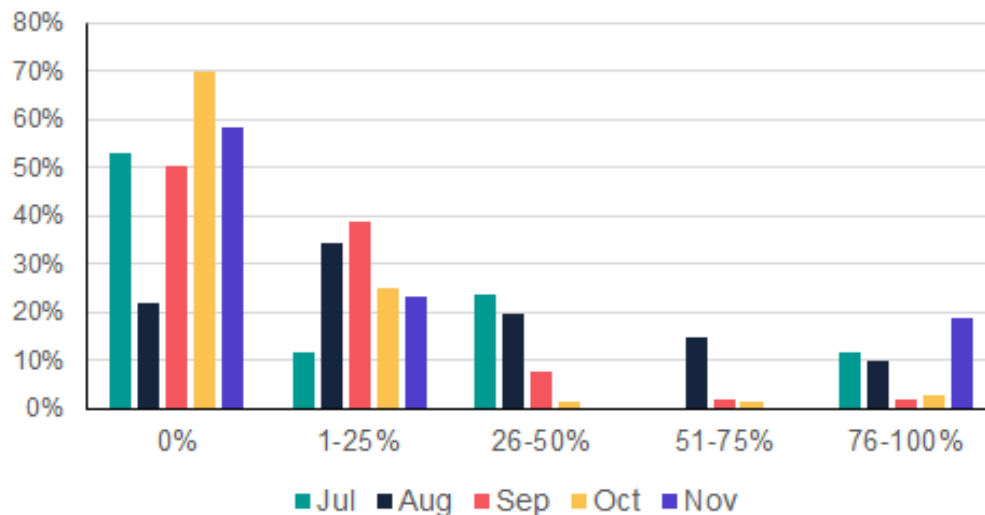
Growth manager interactions suggests companies may be returning to furlough

There is evidence this week that the new national restrictions, and lead up to them, is having an impact on businesses. Around 42% of businesses spoken to this week said they were using the furlough scheme, up from 30% during October. This is also reflected in the anecdotal evidence, with some businesses confirming they are returning to the scheme following the Chancellor's announcement last week. This includes business in sectors in and serving hospitality, and sectors supplying that industry.

Some of those using furlough say it will help to avoid redundancies for the time being at least, but there are others who are concerned that the support on offer in terms of grants will not be sufficient to meet costs during lockdown and may have no choice but to make redundancies. Again, this is particularly true for businesses whose trade has been most severely curtailed, and who have very little income. These companies are relying on cash reserves to get through the next few weeks/months.

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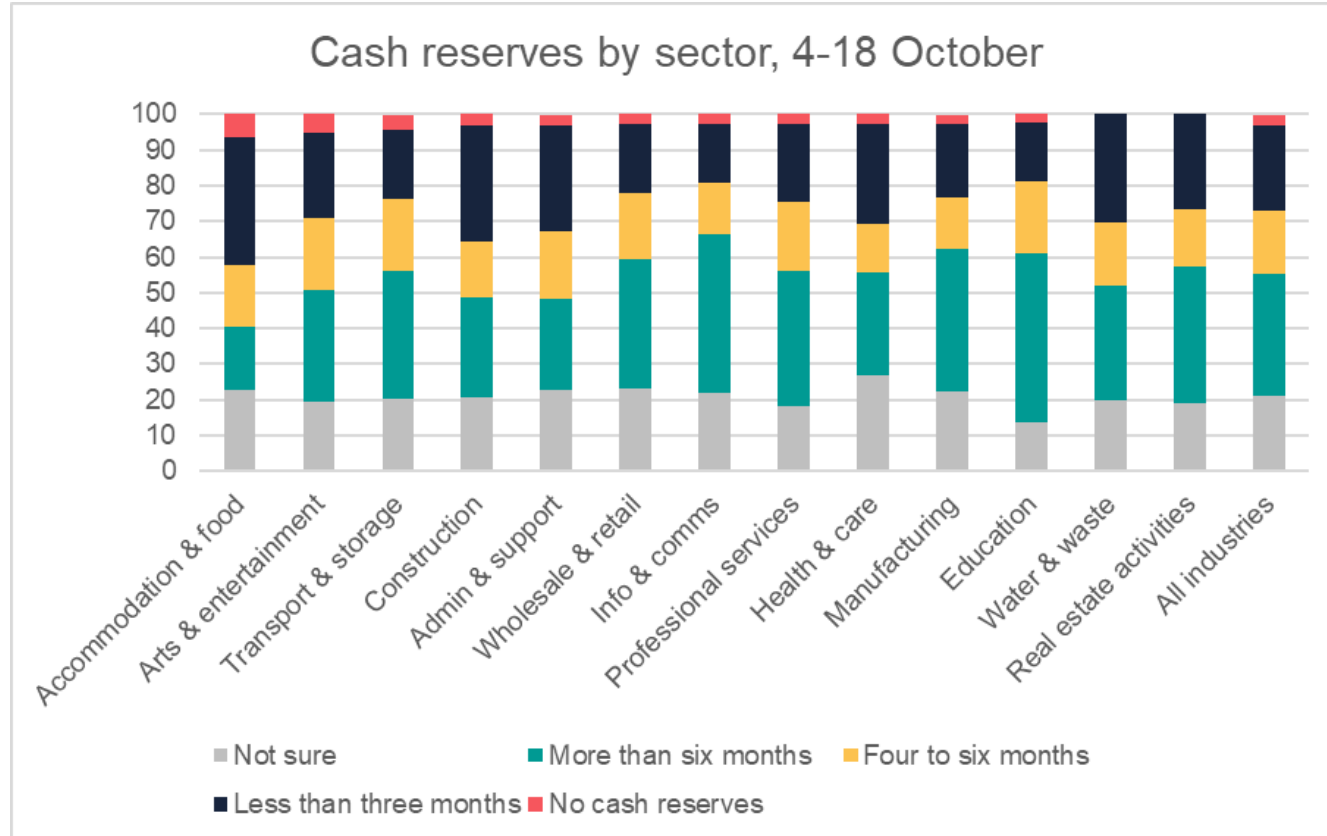
% of staff furloughed, July- November



More than a quarter of businesses have less than three months of cash reserves

The latest ONS BICS survey shows 24% of businesses say they have less than three months of cash reserves available, and a further 3% have no cash reserves at all. In accommodation & food, double this number (6.4%) have no cash reserves, and 36% have less than three months reserves. 5% of businesses in arts & entertainment have no reserves, and a further 24% have less than three months. Given the introduction of further restrictions on these sectors shortly after this survey, it would appear that this will pose a particular risk to those with low or no cash reserves.

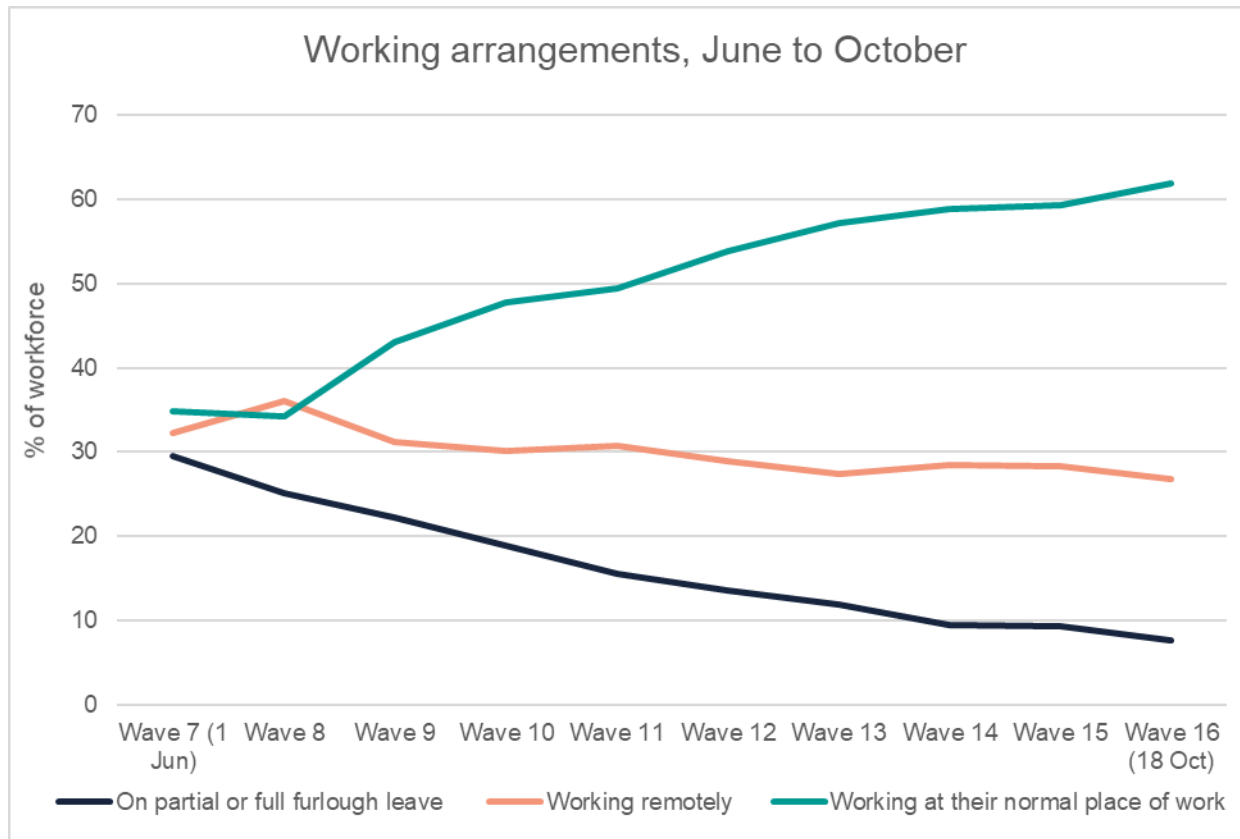
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8% of workers still furloughed in mid-October, with home working still high

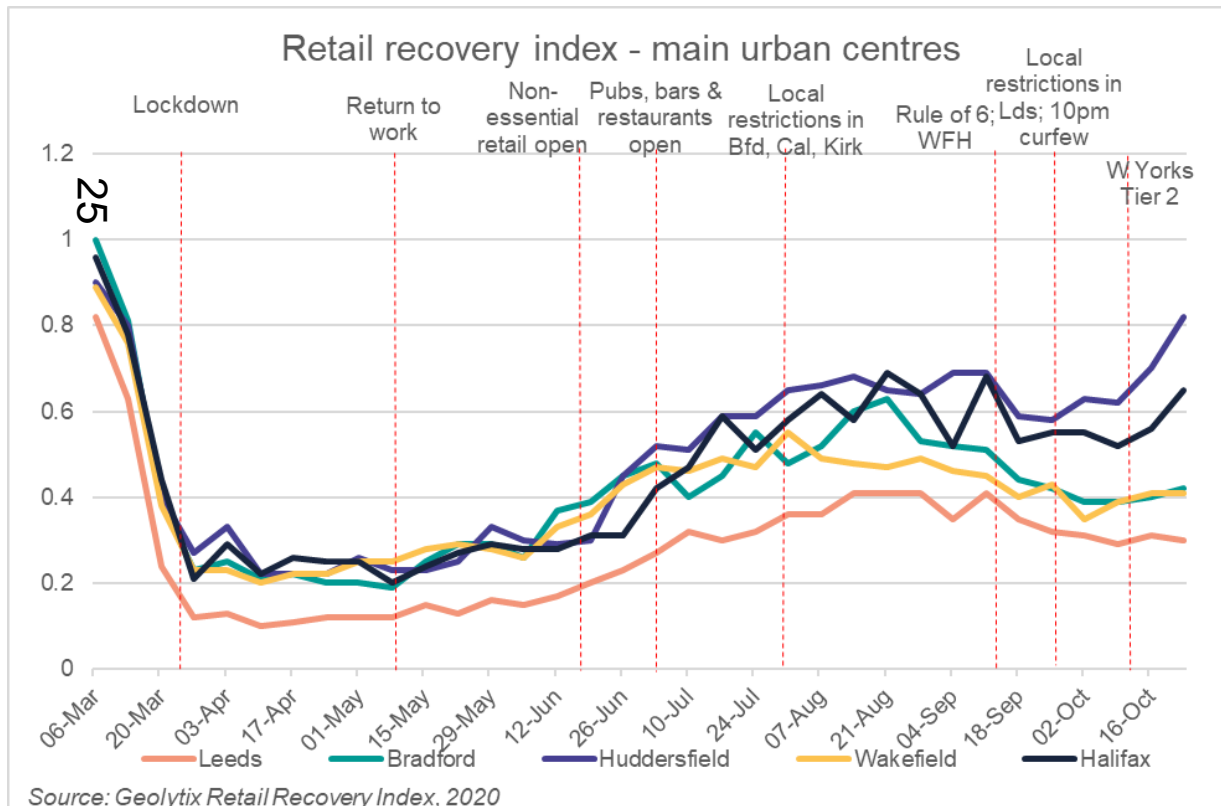
The patterns of people's working places remained similar in the fortnight to October 18th, with the proportion of people working in their usual place increasing to 62%, up slightly from 59% a fortnightly earlier. 7.8% of workers were still furloughed in the fortnight to 18th October, down 1.5 percentage points from 9.3%, with a similar percentage point fall in home working from 28.3% to 26.8%. This suggests little change in peoples' approach to home working from the changing advice, with the increase in normal working likely related to declining furlough use, with these jobs largely focused on consumer service and leisure industries.

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Retail activity / footfall is below March levels in urban centres, but trends vary

Location intelligence company Geolytix have created a retail recovery index, using anonymised, aggregated mobile phone data to understand trends in people movements since the start of lockdown since March. The index creates a composite baseline score for each place using data from January and February and assigns this a score of 1. The index then tracks changes in the volume of movements on a weekly basis. Broad trends are shown for this week, but will be tracked on a weekly basis in the coming months.

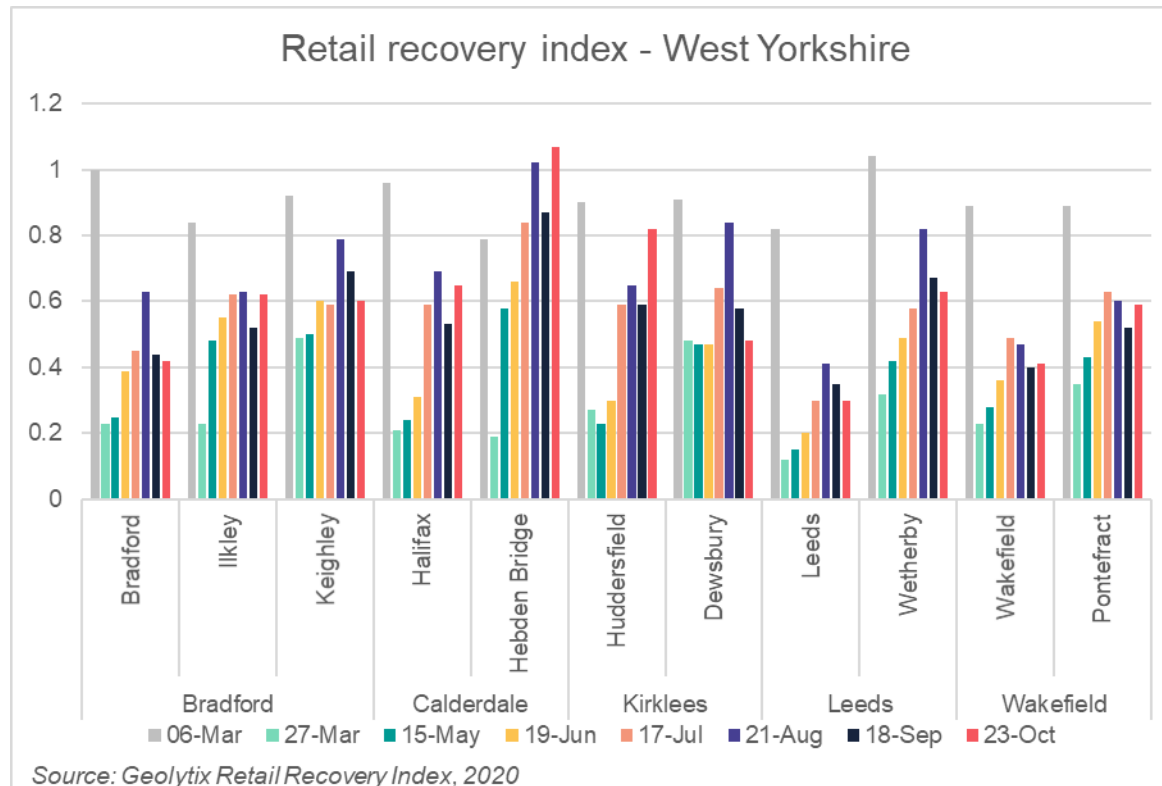


Footfall fell to around a quarter of usual levels at the start of lockdown in 4 of the main urban centres, and further still (12%) in Leeds. A gradual increase began from the easing of restrictions in May, and accelerated with the reopening of non-essential retail in June. This levelled off and began to fall in some places from mid-August, though has remained higher and continued to increase through October in Halifax and Huddersfield. Suggesting relatively little impact on movement as a result of local restrictions.

Many places saw a spike in activity in August, but this has since changed

The Geolytix data also looks at a range of other places across West Yorkshire, to understand how activity in retail centres varies across places. This shows that smaller towns have generally seen faster recovery than the main urban centre in each district, with the exception of Huddersfield / Kirklees. In some places, most notably, Bradford, Keighley, Dewsbury and Wetherby, activity peaked in August around the Eat out to Help Out scheme, but has fallen back since. Hebden Bridge is the only place tracked where activity was above March levels in the w/e 23rd October. In most places, activity is between 40% and 60% of baseline, though it is lower in Leeds (30%) and higher in Huddersfield (82%).

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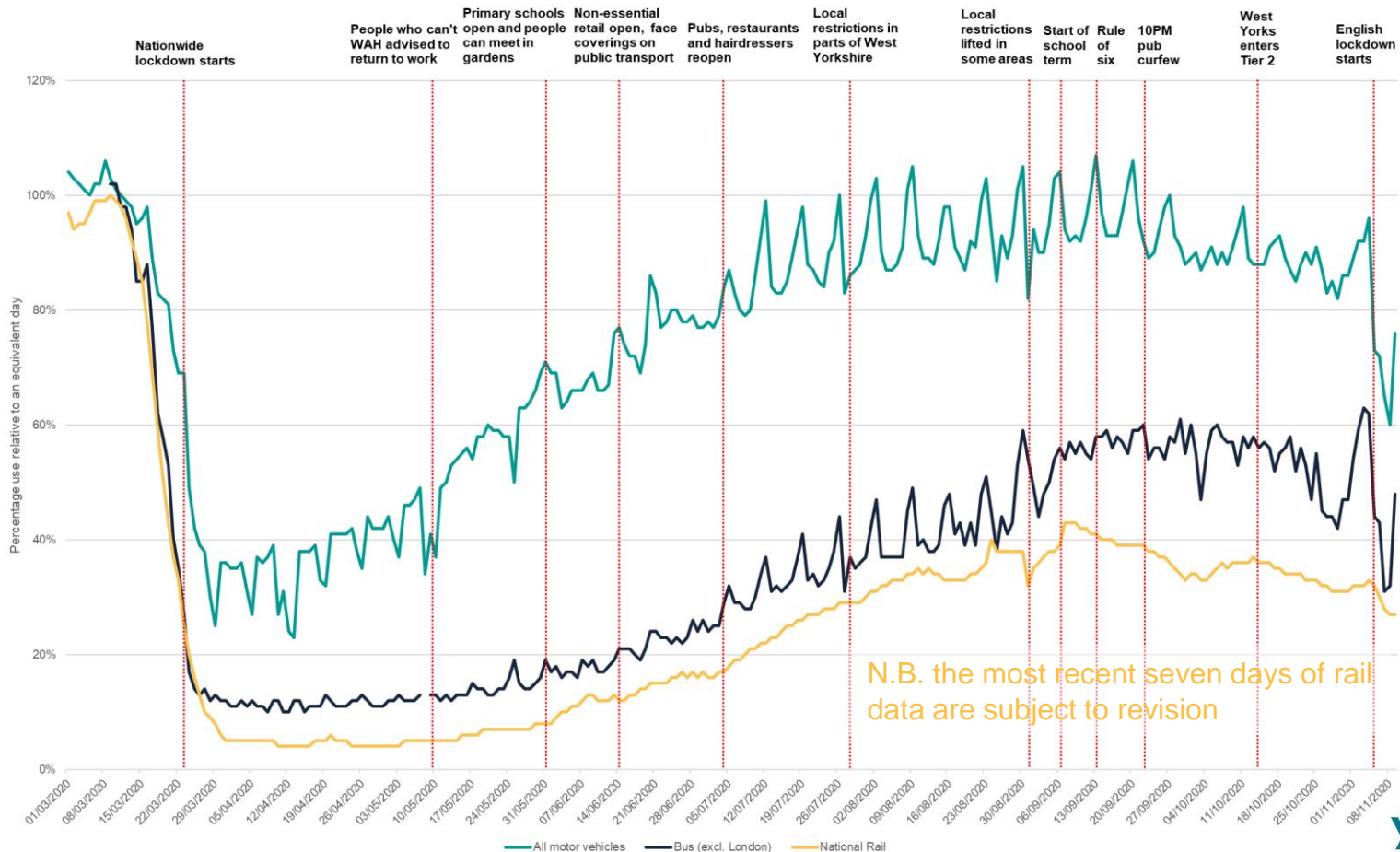
Transport Insights



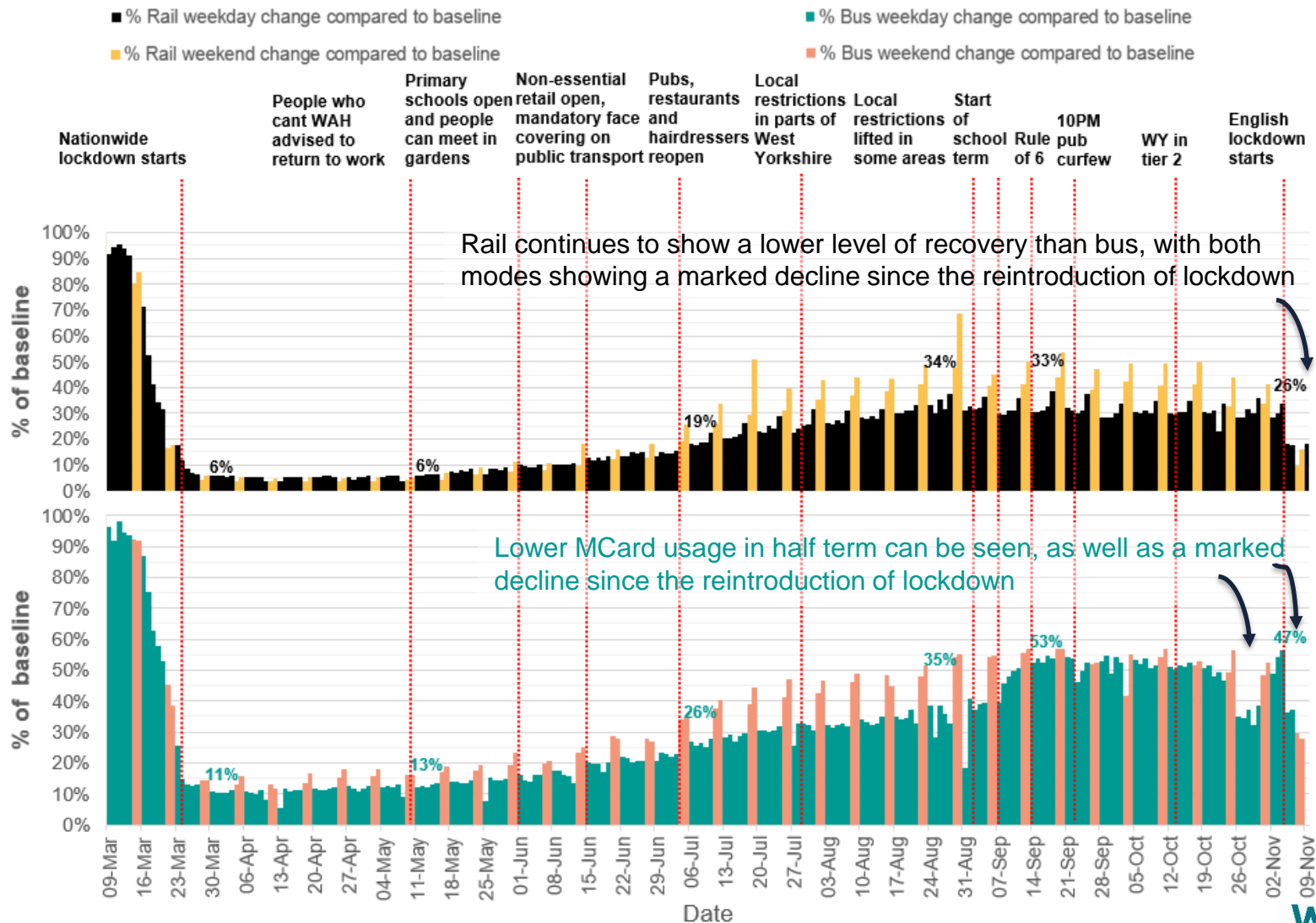
National DfT data shows reduced transport use after English lockdown

Data for Great Britain shows that motor vehicle, bus and rail travel declined following the reintroduction of restrictions on 5th November, with rail being the least impacted although this mode had struggled the most to recover. The level of use across all modes remains higher than was seen in the national restrictions in March, likely due to schools and more businesses remaining open. Interpretation should be cautious as the restrictions were imposed recently and rail data may be subject to revision. Similar trends occur locally.

DfT transport use during the coronavirus (COVID-19) pandemic



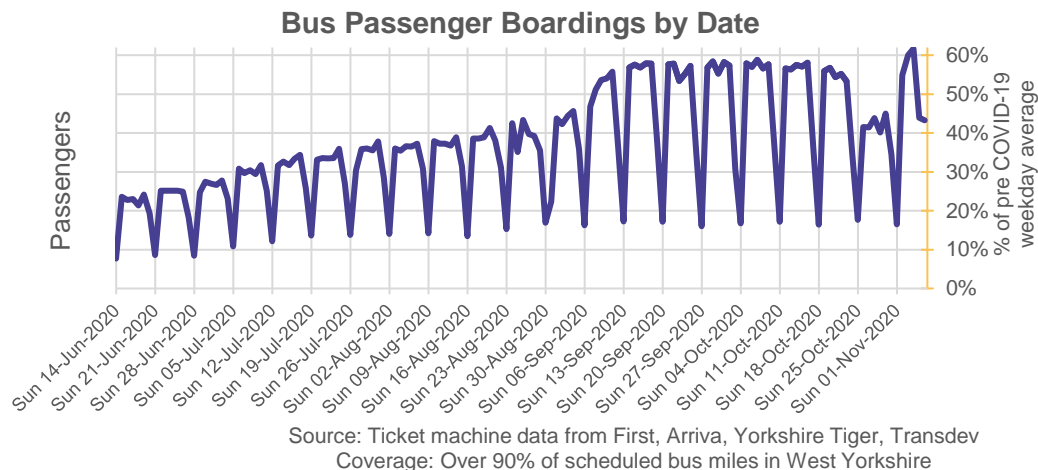
Local rail and bus proxies show notably lower levels since the reintroduction of restrictions in England



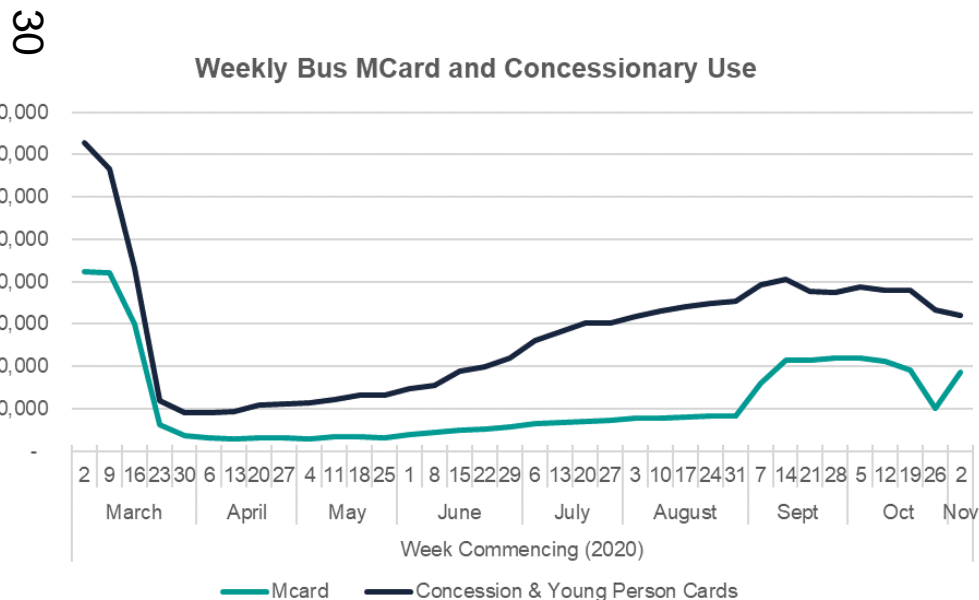
Baseline period is Monday 2nd - Friday 6th March 2020 (weekdays) and 29th Feb -1st March and 6th-7th March (weekends)

Source: Leeds Rail Station Footfall - Network Rail (top) and MCard and English National Concessionary Travel Scheme (ENCTS)

Bus use in West Yorkshire showing impacts of half-term and the introduction of the new lockdown



Bus patronage including operators' own tickets shows a marginal downward trend from mid-September, then half-term, a pre-lockdown surge, and then the effects of the new lockdown. 4th November was the busiest day since 18th March. The data available is up to 6th November. The next slide reveals differences within the overall trends.



For the week beginning Monday 2nd November 2020, the combined level of MCard and concessionary fare use shows a reduction of 56% against the week beginning 2nd March 2020, an increase of 17% against the previous week. This shows a bounce back from half term levels in the previous week despite the English lockdown measures imposed on 5th November – but new rules may not have fed through to weekly totals yet.

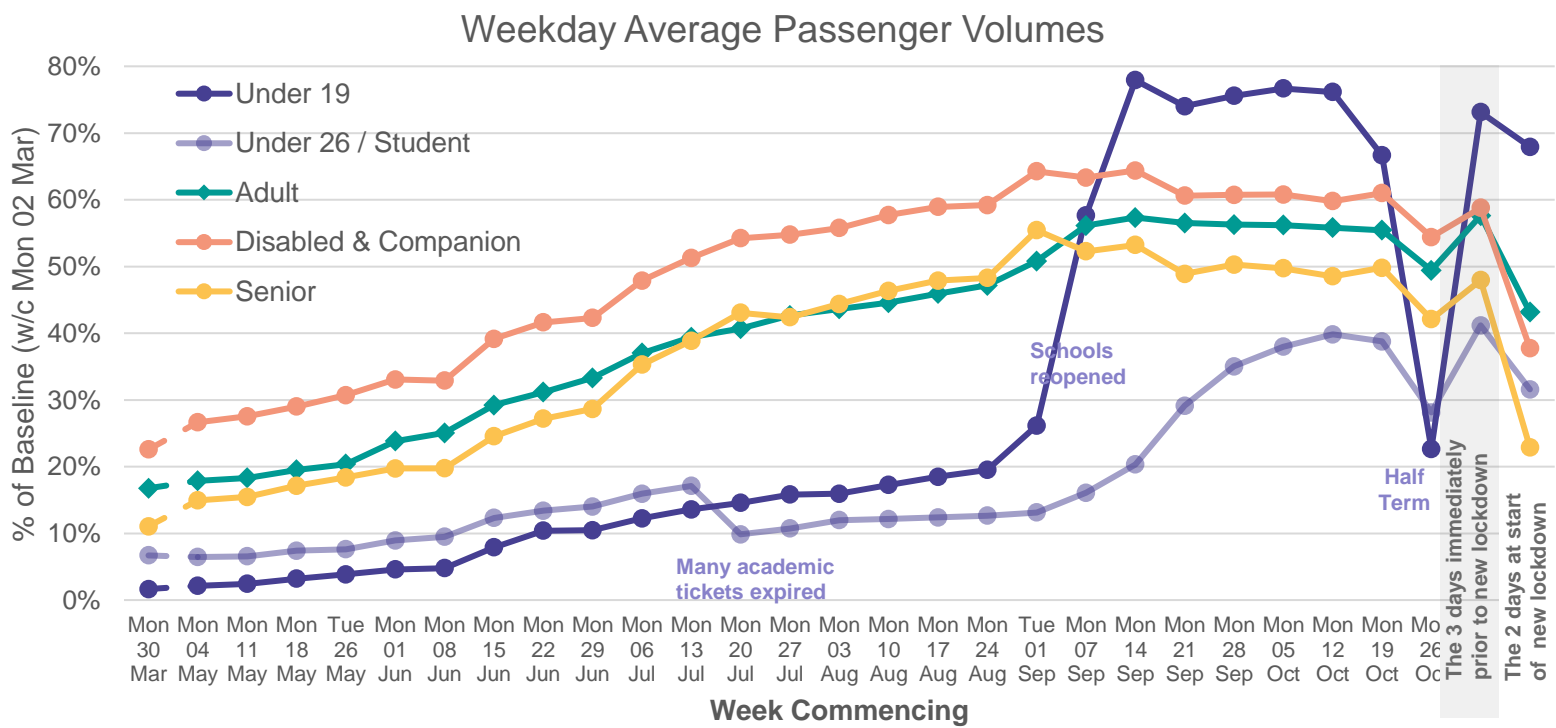
Bus use: Use reduced at start of new lockdown but under 19s more affected by half term

Data from bus ticket machines reveals a drop in use by all cohorts during half-term, especially by under 19s. There was a surge in use in all cohorts in the days before the new lockdown, then a marked reduction in use as lockdown started. Use by senior and disabled passes reduced to a level similar to that seen at the start of June and use by adults similar to late July / early August. The reduction in use by younger cohorts was not as large. Data is for weekdays excluding bank holidays, with ticket types assigned to broad cohorts.

Thousand passengers per weekday before COVID

- Adult**
221,000
- Under 19**
101,000
- Senior**
74,000
- Under 26 / Student**
34,000
- Disabled & Companion**
29,000
- Miscellaneous**
9,000

Data from First, Arriva, Yorkshire Tiger and Transdev



Baseline period is w/c Mon 02 Mar. Source: Bus operators electronic ticket machine data, passenger boarding locations in West Yorkshire. First, Arriva, Yorkshire Tiger and Transdev account for over 90% of bus services in West Yorkshire. Graph shows First and Transdev.

Cycling: Seasonal Reduction in Daily Trips

Cycle counters recorded notable increases in weekend cycling in October 2020 compared to the previous year. Two of the sites where counts doubled are on traffic free routes, Wykebeck Way, located on the National Cycle Network approaching Roundhay Park, and Methley Bridge, which now connects to a new 1.3km cycle lane opened in October 2020. The Regent Street at Gower Street counter on the approach to Leeds City Centre, now connects to improved cycle infrastructure at Eastgate delivered as part of the Connecting Leeds programme, also saw weekend counts double.

This indicates that improved infrastructure and traffic free cycle routes encourages leisure cycling, even during darker months.

32

Change in Total Cycle Count October 2019 to 2020

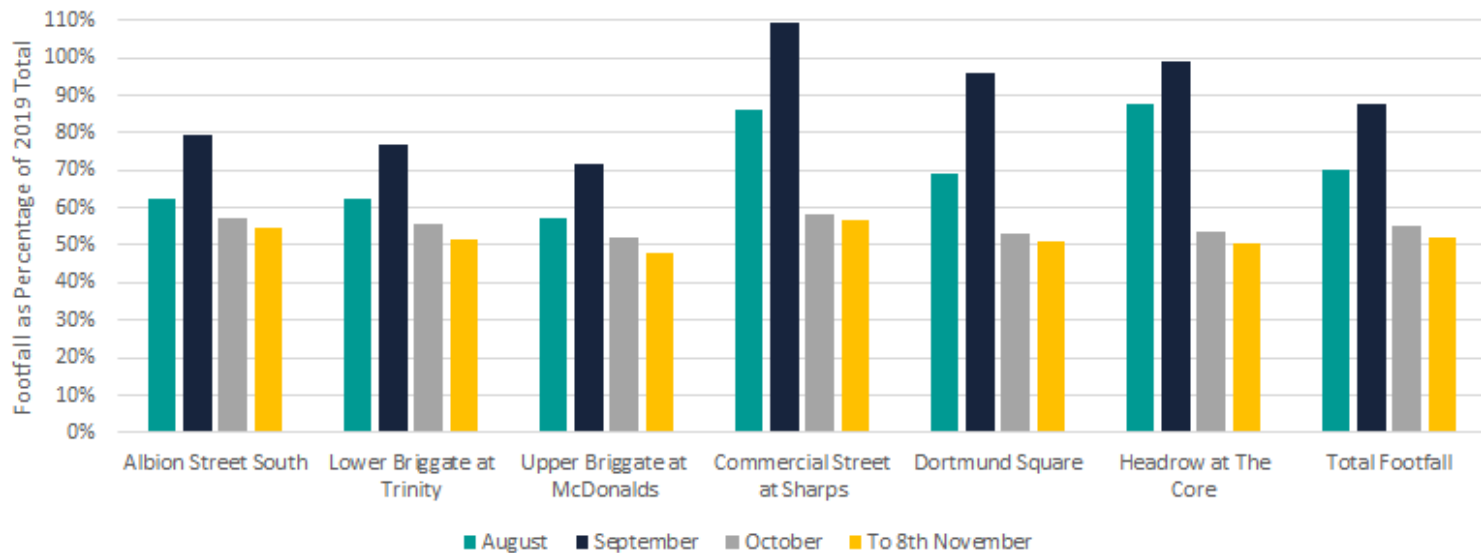
Counter Location	Weekday	Weekend	Total
Valley Road, Bradford	91%	183%	103%
Cardigan Lane, Leeds	52%	117%	60%
March Lane, Leeds	103%	172%	111%
Meanwood Road, Leeds	52%	60%	53%
Regent Street at Gower Street, Leeds	59%	92%	64%
Regent Street at Hope Road, Leeds	141%	210%	150%
Sheepscar Junction, Leeds	76%	162%	84%
St Peter's Street, Leeds	110%	189%	119%
Wellington Road, Leeds	68%	123%	75%
Wykebeck Way, Leeds	101%	228%	131%
Methley Bridge, Wakefield	153%	231%	175%

Footfall

October saw city centre footfall drop 88% from September in response to tiered local lockdowns. Weekday total footfall fell to 69% of the October 2019 total and weekend footfall to 51%, indicating a marked decrease in city centre leisure trips.

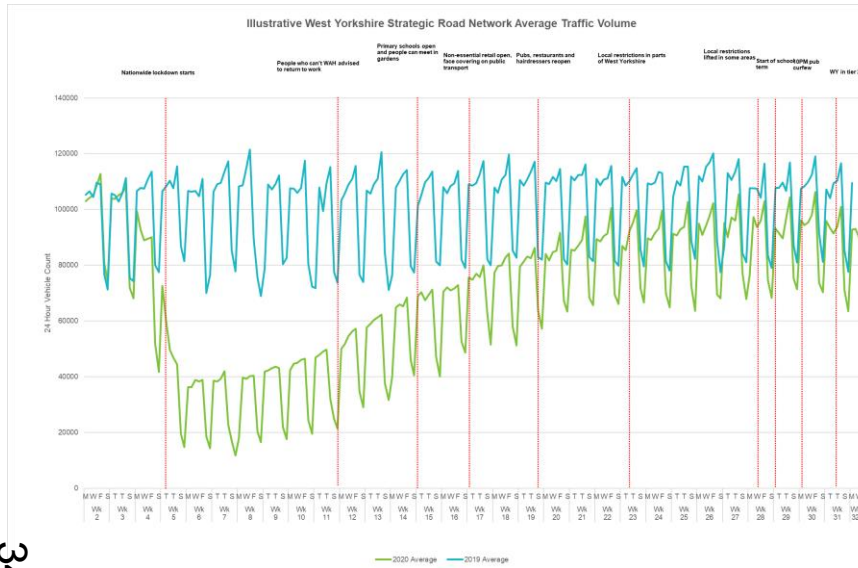
Having only four days of footfall data following the start of the second lockdown available it is too soon to draw conclusion on the impacts of the latest restrictions.

Change in Leeds City Centre Total Footfall 2019 to 2020



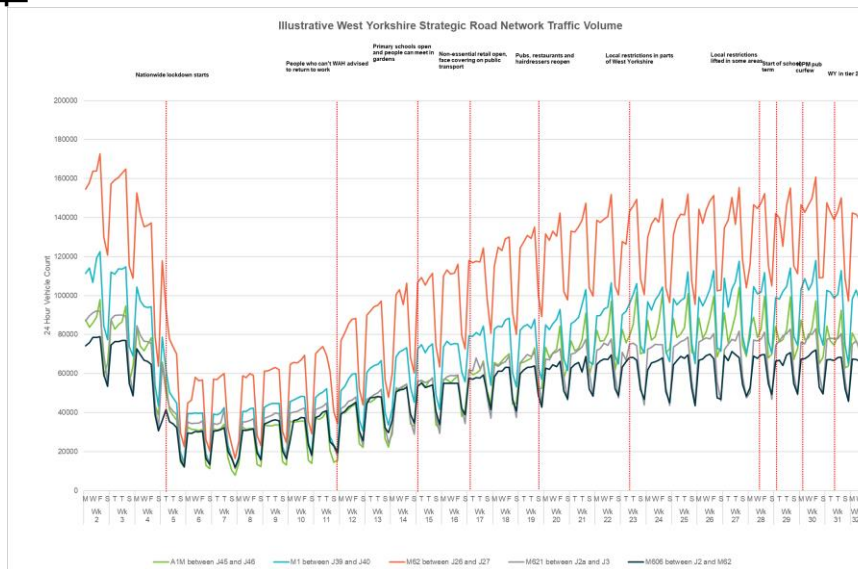
33

Traffic on West Yorkshire's strategic road network remains below 2019 levels



Traffic volumes were taken at a point on each strategic road in West Yorkshire to show change.

Traffic on the West Yorkshire strategic road network continues to track below 2019 levels. For the latest full week with comparable data (w/c 21st September) average traffic flows across selected points on the network were 14% below the same week in 2019.



Comparing routes through 2020, the A1(M) showed the greatest level of recovery with the latest full week flow (w/c 21st September) being 6% below the week commencing 2nd March 2020.

The M621 shows the lowest level of recovery with the latest full week flow (w/c 21st September) being 14% below the week commencing 2nd March 2020.

34

Air Quality – NO₂ Concentrations Rising but Peak Hours Decreasing

While October saw NO₂ concentrations begin to exceed levels recorded in 2019, the number of hours in which they exceed the lowest band of the DEFRA Air Quality Index decreased compared to 2019. This shows that while car volumes have recovered, fewer trips take place during the traditional AM and PM peaks, resulting in less congestion and therefore fewer spikes in NO₂ concentrations.

This reduction in congestion now means that at a number of sites, highlighted green in the chart below, there are now no hours where the lowest band of the DEFRA Air Quality Index is exceeded in the given time period.

35

Change in Average NO₂ µg/m³ October 2019 to 2020

Monitoring Site	Morning 00:00 - 07:59	Midday 08:00 - 15:59	Evening 16:00 - 23:59
Mayo Avenue, Bradford	68%	91%	88%
City Centre, Leeds	78%	99%	98%
Headingley, Leeds	89%	109%	109%
Castleford, Wakefield	69%	91%	93%
Newton Bar, Wakefield	73%	99%	97%
Park Street, Wakefield	70%	140%	122%

Change in Hours Exceeding Lowest Point of NO₂ DEFRA Air Quality Index (67 µg/m³) October 2019 to 2020

Monitoring Site	Morning 00:00 - 07:59	Midday 08:00 - 15:59	Evening 16:00 - 23:59
Mayo Avenue, Bradford	-133	-440	-497
City Centre, Leeds	-20	-38	-63
Headingley, Leeds	-4	-7	-13
Castleford, Wakefield	-6	-37	-42
Newton Bar, Wakefield	-32	-81	-113
Park Street, Wakefield	-3	1	-8

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Report to: Business Innovation and Growth Panel

Date: 24 November 2020

Subject: **Business Productivity and Resilience Plan**

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

Author(s): Alex Clarke, Business Growth and Resilience Policy Manager

1 Purpose of this report

- 1.1 To seek feedback from Panel members on the proposal to develop a standalone Leeds City Region Business Productivity and Resilience plan.

2 Information

Background and rationale

- 2.1 In terms of business facing policy, the Leeds City Region has for a number of years taken its lead from the Strategic Economic Plan. With that plan to be removed from March 2021, and within the context of the recently agreed Strategic Economic Framework¹, there is a need to reassess policy priorities.
- 2.2 Over the past 18 months, a significant amount of input and engagement has taken place with partners, including the BIG Panel, on the development of a local industrial strategy, which contained specific priorities around how to increase productivity, and in particular on the foundation of business environment. However, there is uncertainty over the status of Local Industrial Strategies due to changes in the Government's approach and the implications of COVID-19.
- 2.3 This uncertainty creates a gap in our Strategic Economic Framework around our priority of boosting productivity. As discussed previously at the BIG Panel, closing the gap to the UK average in Leeds City Region would be worth £8.5bn to the UK economy. Whilst the Economic Recovery Plan contains very important links to this long-term agenda, and particularly the question of building economic resilience, its focus is restricted to the short-term implications of recovery from COVID-19. There is an opportunity therefore to develop a specific plan about how we will tackle those longer-term challenges.

¹ <https://www.westyorks-ca.gov.uk/growing-the-economy/strategic-economic-framework/>

Much of the work that has gone into development of the Local Industrial Strategy will be important for this proposed plan, as set out below.

- 2.4 Activity to drive business productivity in Leeds City Region will require a collaborative effort across different agendas, linking clearly to what we can do collectively to increase skills, innovation and investment. In a challenging environment, it will be critical to demonstrate the importance of productivity in building resilience, generating new opportunities for jobs and enterprises and improving long-term living standards.
- 2.5 Connected to this, developing a strong strategic narrative for the Leeds City Region on our approach to supporting businesses will also have a significant impact on connected priorities of enabling inclusive growth and supporting clean growth. There is a wealth of evidence that supports the fact that good work has a positive impact on productivity and that clean growth can increase resource efficiency and stimulate innovation. However, it will also be important to factor in trade-offs between priorities and to mitigate any negative impacts.

Business Productivity and Resilience Plan

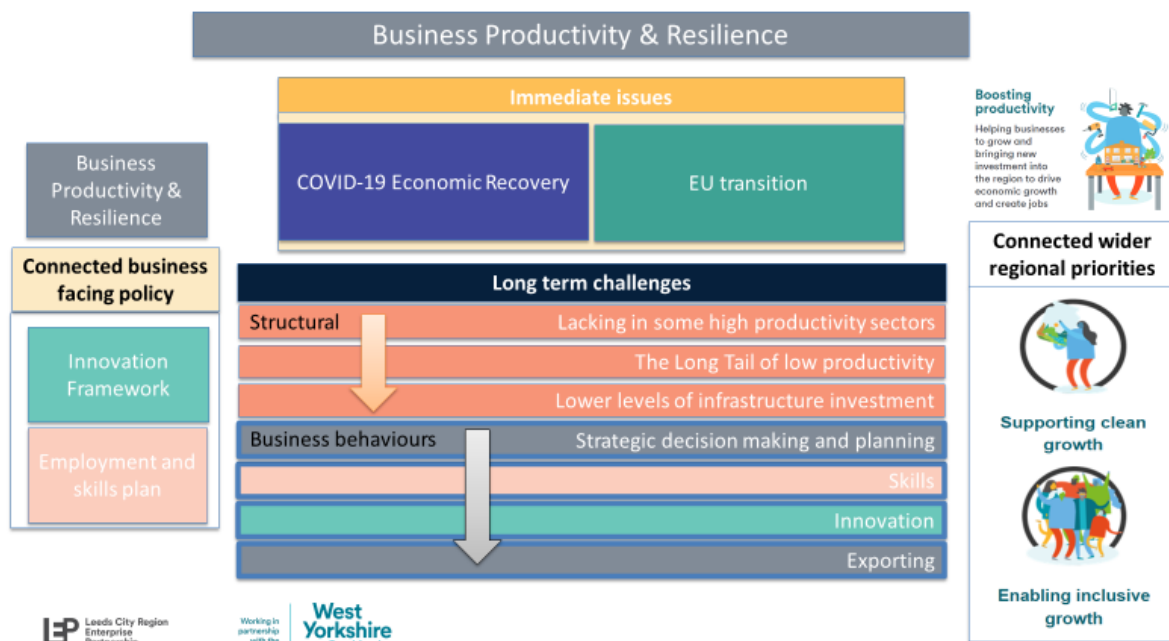


Diagram: Draft summary of issues for Business Productivity and Resilience

- 2.6 As highlighted above, much of the evidence base and emerging priorities on long-term productivity have already been identified through work to develop the Local Industrial Strategy: much of these are structural and included matters beyond the immediate activity of businesses. The proposal for the business productivity and resilience plan is to focus centrally on **matters of firm level productivity and resilience**. Previously with BIG Panel we discussed an approach based on business behaviours, and a starting point will be to reflect on that work.

2.7 There will need to be some recasting and a review of the work done for the Local Industrial Strategy in light of COVID-19 and to ensure alignment with the Economic Recovery Plan. Evidence and priority identification will also need to consider any specific issues associated with the UK’s transition to an independent trading state outside of the European Union. As the primary focus is on the behaviours of businesses, external consultation and engagement will be vital, and the plan will need to clearly set out the impact and outcomes it is expected to achieve, linked to the indicator framework being developed for the Strategic Economic Framework.

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

Actions	Timescale
Stocktake by BIG Panel	November 2020
Review of evidence base and gap analysis	November / December 2020
Development of priorities	December 2020 / Jan 2021
External consultation	January 2021
Endorsement at BIG Panel	February 2021
Formal sign off by LEP and CA	June 2021 (following purdah)

2.9 Once agreed, the Business Productivity and Resilience Plan / Framework will form part of the Strategic Economic Framework.

3 Clean Growth Implications

3.1 There are no immediate clean growth implications directly arising, however business behaviours play 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

Report to: Business, Innovation and Growth Panel

Date: 24 November 2020

Subject: **Business Support (including COVID-19 Response) and Productivity Pilot**

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 activities, including those in response to the COVID-19 pandemic.

2. Information

COVID-19 Response

- 2.2 The Combined Authority/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 5,000 enquiries from businesses in the period from the end of March 2020 through to early October 2020 (a 60% increase on the corresponding period last year). As a result of the continued high volume of enquiries, and to prepare for the likely continuation of this, the service has recruited an additional Business Support Officer and Service Manager for the Gateway.
- 2.3 A major contributor to the above increase has been the arrival of the COVID-19 Recovery Grants that the CA Business Support Team is now delivering with an additional £1.8m from the European Regional Development Fund (ERDF). The CA is delivering the grants scheme across all of West and North Yorkshire following a request from the Ministry for Housing, Communities and Local Government (MHCLG) to link the funding to the existing Leeds City Region Growth Service.
- 2.4 Almost 3,600 applications were received by the deadline of 5 October 2020 and these were mostly from small firms requesting grants (average request of £2,700) for small capital investments (predominantly ICT-related) and consultancy support to develop recovery and resilience plans. Approximately half of the applications are from West Yorkshire businesses and the majority of these are from the Retail, Hospitality and Leisure sectors. The CA is exploring the possibility of investing an additional amount of funding into the allocation for West Yorkshire so that more of the eligible applications can be supported. It is expected that the supported investments will be complete by the end of the calendar year.

- 2.5 The Digital Resilience Voucher scheme is now well underway as part of the wider Digital Enterprise programme. It is 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. Over 500 applications with a collective value of almost £2m are now being appraised, with over 350 being awarded to date.
- 2.6 Furthermore, the LEP's Small Business Membership Scheme is now in operation and is supporting small businesses across West Yorkshire with the cost of joining the Federation of Small Businesses, the Mid-Yorkshire Chamber of Commerce or the West and North Yorkshire Chamber of Commerce for a 12-month period. As a result, members are benefitting from valuable support with such matters as legal, HR, financial, health and safety, and physical and mental wellbeing.
- 2.7 In addition, the CA and LEP is supporting businesses with recovery and resilience through the Peer Networks project being delivered by the University of Leeds Business School which provides action learning support for SMEs via a cohort model over 12 weeks (almost 30 SMEs recruited to date), and the Cyber Security Support Scheme, providing practical help and advice to small firms on how to operate safely and securely within the digital environment. The scheme is being delivered by the North East Business Resilience Centre and has been developed in consultation with the National Cyber Security Centre.
- 2.8 By the end of October 2020, the Local Authorities of West Yorkshire had delivered over £500m of grant funding to over 40,000 businesses via the Small Business Grant Fund, the Retail, Hospitality and Leisure Grant Fund and the Discretionary Grant Fund. Local Authorities, with support from SME Growth Managers and the LEP Gateway Team, have been able to target the discretionary fund at a broader range of sectors to meet ongoing need and demand, including private day nurseries, suppliers to retail, leisure and hospitality and manufacturers.
- 2.9 At the time of writing (early November 2020), detailed guidance on the support available for businesses within the national lockdown period to 2 December 2020, has just been published. This also covered grant support for hospitality and leisure firms in West Yorkshire that had to operate within additional restrictions from the start of August to 4 November 2020. Furthermore, the guidance set out more detail on the use of the £46.6m discretionary funding for West Yorkshire that was awarded on a headcount basis of £20 per business. The LEP has worked with Local Authority teams to develop a framework for this funding (known as the Area Restrictions Grant - ARG), and this will be used to inform how the district-based schemes are designed and implemented. The groups of businesses outlined within the framework as being in scope for the ARG are: businesses forced to close that do not pay direct Business Rates, businesses not forced to close but that have been severely impact by closed sectors, and self-employed businesses with fixed overheads that have not accessed other Government support.

Business Support Service

- 2.10 The Service Gateway continues to handle a very high level of customer traffic as a result of the pandemic, and at the half year point had already achieved over 80% of its annual target to provide support to 3,300 businesses. Just over 1,100 businesses had received intensive support by the end of September 2020, which includes direct grant funding and/or one-to-one advice from a business support professional. The support so far in 2020/21 has resulted in over 2550 support interventions, highlighting that firms continue to re-engage with the service following their initial support.
- 2.11 The service is expecting additional funding from Government to build capacity to support firms across the region to prepare for, and respond to, the end of the EU Transition Period on 31 December 2020. More detail is provided in the Trade and Investment report and there will be a further discussion at the meeting.

Business Growth Programme

- 2.12 Despite the obvious and widespread economic challenges at present, activity levels on the capital grants to businesses programme remain high. Food and drink manufacturing (and its supply chain e.g. machinery providers), creative & digital and healthcare & medical technology are the sectors with ongoing high demand for capital investment grants. This has been evident in the fact that the second quarter of 2020/21 has seen the highest number of grant approvals (32) since the first quarter of 2018/19 (37). As set out below in the Trade and Investment section, there are also a number of significant capital grant projects – with large employment growth potential - in the pipeline for the Strategic Inward Investment Fund (please see Trade and Investment report for more detail).
- 2.13 Grants for two large capital investment projects from existing Leeds City Region businesses were approved at recent meetings of the Business Investment Panel. The first was from a York-based food and drink manufacturer that is investing £1.47m in premises and equipment. The project is being supported with a £200,000 grant and will lead to the creation of 16 new jobs. The second was from a Bradford-based manufacturer of chemicals that is moving to a new production facility within the district. The overall £8m investment includes fit-out and new equipment, with the £235,000 grant contributing to the latter. 20 new jobs will be created.

Productivity Pilot

- 2.14 Leeds Beckett University and the University of Huddersfield are undertaking a study of the businesses supported within the first Productivity Pilot, which completed in summer 2019. This involves a detailed analysis of the productivity measures included within each of the supported businesses' productivity plans, alongside a more qualitative assessment of the overall impact of the investments on productivity within the firms. This will include an understanding of what other activities the businesses have undertaken alongside the capital investments to engender a culture of continuous

improvement. The initial findings will be presented by Leeds Beckett University within Item 7 of the meeting.

Other LEP and Partner Products

- 2.15 The contract for delivery of the second phase of the LEP's high growth support programme – Strategic Business Growth – has been awarded to Oxford Innovations Services Ltd (OISL) following a robust open tender exercise over the summer. The programme will support circa 500 SMEs over the next two and a half years with a bespoke and blended package of support, including coaching, peer-to-peer learning and access to grant finance. The programme is expected to create over 800 jobs in the supported firms, whilst also assisting them to improve productivity and competitiveness, including through access to new customers, diversification of product and service offerings and the enhancement of leadership and management skills.
- 2.16 The take-up of support across the LEP's clean growth and innovation product portfolio has slowed in recent months as some businesses re-prioritise their investment plans and activities in light of the pandemic. However, the delivery and marketing teams continue to work closely with key stakeholders and business networks to promote the significant funding and advice packages available within Connecting Innovation, REBiz and the Travel Plan Network. This also includes the positioning and promotion of the wider support offer in the region related to R&D incentives, energy efficiency and the circular economy, and sustainable and active travel. Closer partnership-working with the Manufacturing Growth Programme has resulted and a recent rise in referrals and similar work is planned with the Supply Chain Programme.
- 2.17 The Circular Economy Manager in the team continues to make good progress on several business investment projects, and has been active in producing blogs, speaking at events and providing training sessions for the team of SME Growth Managers throughout November (Circular Yorkshire month). The Travel Plan Network has also recently undertaken work to better engage females and Black and Minority Ethnic (BAME) employees in active travel, particularly cycling and walking. This has included support being provided to the Bradford Teaching Hospital, which was showcased at the COMO UK online event on 17 November 2020.
- 2.18 The University of Huddersfield has recently launched its Manufacturing Champions programme with match-funding of £200,000 from the Combined Authority/LEP, and the remainder from the European Regional Development Fund. The three -year programme will provide intensive support to a small number of SME manufacturers with scale-up growth potential, both in terms of employment and turnover. The onboarded firms will need to pass a robust and detailed application process, which will then provide them with access to a blended package of support, including grant finance, technology adoption, leadership and management, and some peer learning. 22 businesses from across a range of manufacturing sub-sectors (including food and drink, electronics, chemicals and healthcare) have to date been selected to access the comprehensive support programme.

- 2.19 The LEP is working in partnership with Be the Business and Natwest to promote the new Female Entrepreneurship Mentoring Platform and programme that has been introduced in response to the 2019 Rose Review of Female Entrepreneurship. The initiative is being piloted in West Yorkshire and the West of England and was launched on National Mentoring Day on 27 October 2020. This is an extension of the mainstream mentoring service that the LEP has been working with Be the Business for several months, and it includes a 12-week tailored package of mentoring support from established female business leaders leading smaller enterprises.

3. Clean Growth Implications

- 3.1 Clean Growth is embedded within the above activities, particularly within the inclusive growth commitments required of all business grant-recipients. Phase 2 of the Resource Efficiency Fund (ReBIZ) is also now in delivery via the Business Support Team and includes a new sub-project focussed on the Circular Economy.

4. Financial Implications

- 4.1 There are no direct 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 For the LEP Board to note progress on significant areas of activity related to the BIG Panel.

9. Background Documents

- 9.1 None.

10. Appendices

- 10.1 None.

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Report to: Business, Innovation and Growth Panel

Date: 24 November 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.

2. Information

2.1 At September's panel the Trade and Investment team shared the pivot strategy to reflect current economic uncertainty and changing nature of investment. The strategy 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

2.2 COVID-19 and the economic repercussions have enabled a review of the team's sector priorities to focus on potential growth and resilient sub-sectors. The following initiatives are now underway with the aim to increase the profile of Leeds City Region and attract new investment:

- Attraction of back and middle office e-commerce operations. E-Commerce companies have seen an exponential rise in orders. The team is actively targeting organisations that are making structural changes to their back and middle office operations and developing new digital technology platforms.
- Food & Drink Supply Chain resilience programme. In a partnership with MIDAS and three major food retailers the team is embarking upon an initiative

to identify weaknesses in the food retailers supply chain where potential inward investors can be pro-actively approached with a value proposition to establish manufacturing in the North of England.

- An initiative is underway to position the region as a viable alternative to the 'Golden Triangle' to Israeli med-tech companies and VC funds. The team has begun work with the British Embassy in Israel to facilitate a competition where med-tech firms explore the region as an alternative to London and the South-East. It also offers the opportunity for UK MedTech companies to export to Israel.

2.3 As part of the Pivot Strategy the team has developed 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.

2.4 Marketing content has been developed and this will now be shared with key intermediaries and stakeholders.

2.5 The team executed a three-month campaign highlighting the #Welcome initiative alongside the London Tech Week. This attracted interest from creative, digital and tech related businesses and culminated in several new enquiries from businesses looking to relocate to the City Region.

Inward Investment Activities and Performance

2.6 Since July there have been five new project successes. These include the expansion of a regional engineering business, the attraction of three small medical companies operating in the fields of therapeutics, optical-tech and nutraceuticals and a life sciences manufacturer expanding in Dewsbury. Altogether these have created c.20 new jobs and safeguarded 46 roles.

2.7 During July to end of September the team received 45 new enquiries and generated 10 new enquiries through engagement with existing investors.

2.8 Trends that have been identified in the enquiries the team is receiving and the activities that are underway:

- A larger proportion of the project enquiries being received are relevant for non-core city regions (see next point)
- A significant increase in industrial, manufacturing, and warehousing enquiries
- A significant decrease in large scale office-based enquiries from business, professional and financial services sector

- As company revenues decrease labour costs are becoming relatively more expensive. This is starting to make automation more appealing for businesses leading to more widespread labour substitution
- A small number of companies are noticing delays at the borders are becoming more frequent
- Off market real estate opportunities exist as companies are starting to mothball floors and execute lease breaks
- The COVID-19 crisis has instigated major disruption to Developers and Property Agents and deep-rooted changes to the personnel operating in the regions real estate sector. This could have a negative impact on the regions ability to secure, relocate and attract businesses

2.9 Despite the current economic uncertainty, the enquiry pipeline is strong with several large-scale inward investment enquiries being handled across the team.

2.10 The team is extremely busy working on these enquiries actively participating in several bid processes and the enquiries represent a significant opportunity to offset some of the recent negativity caused by the COVID-19 pandemic.

2.11 The enquiries straddle the following sectors and collectively represent over 2,400 jobs and the attraction of high-value economic activity in highly sustainable and resilient sectors:

- Manufacturing facilities for businesses operating in the tele-health, electric-vehicle manufacture, quantum technologies, artificial intelligence sensors, chemicals and food and drink sector.

Investor Development

2.12 DIT (the funder) undertook a mid-year review of the Investor Development teams activity and concluded that they are satisfied with how the team is performing. The team have successfully engaged with over 100 businesses, understood future plans and shared critical business insight to help shape local and national policy. A strong pipeline of potential expansions in the city region remains.

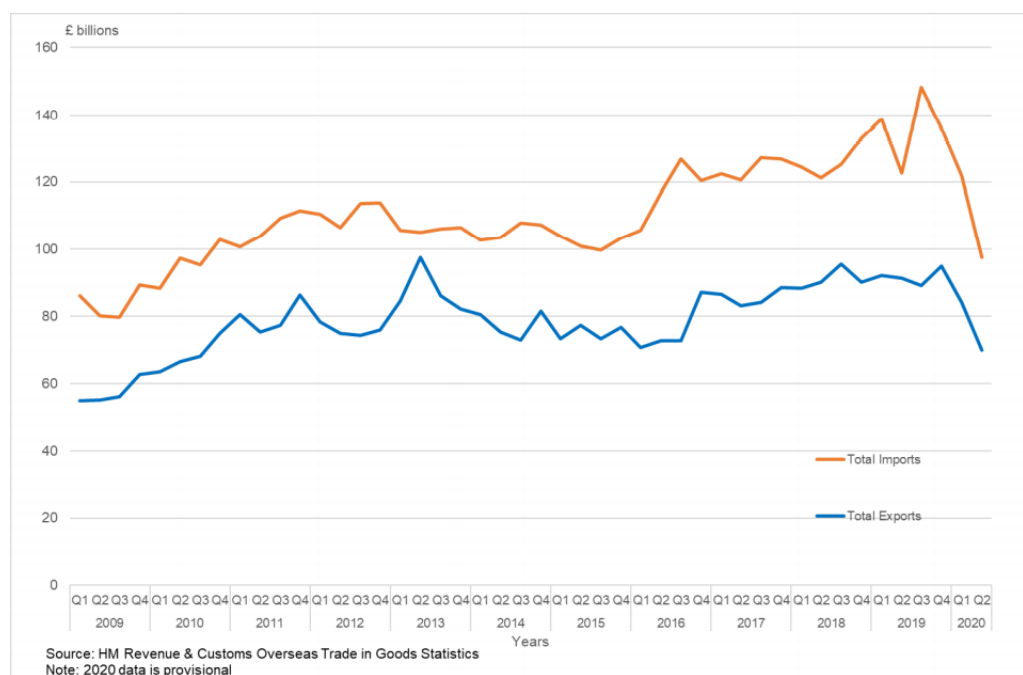
2.13 As a result of COVID-19 the team quickly mobilised to engage with some of the region's largest employers. The team is now continuing this work on an on-going basis to help protect their operations and navigate through the COVID-19 crisis.

2.14 Following an evaluation of which large employers could be most at risk the team has written out too many businesses requesting closer strategic dialogue. Obviously, the newly announced national lockdown and the extension of the furlough scheme are new, critical factors that will alter the dynamics of their situation.

International Trade and EU exit transition period

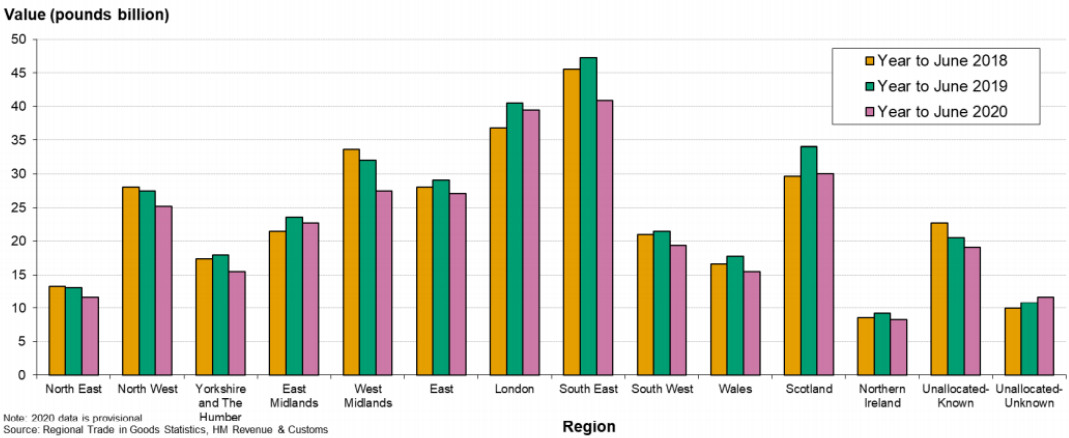
- 2.15 More work is still required to assess the policy implications of the end of the EU transition period, and further reports will be brought to BIG Panel in the New Year on these. However, a substantial amount of work is underway to tailor existing LEP products and services to become even more effective at addressing some of the challenge's it is known that businesses will face following the end of the transition period.
- 2.16 A verbal update will be provided explaining what activities the LEP has taken to alleviate the impacts of BREXIT and discuss some additional measures the LEP is now taking and considering.
- 2.17 Global trade recorded a 5% drop in the third quarter of 2020 compared to the same period the previous year, according UNCTAD's new Global Trade Update published on 20 October. Depending on how the COVID-19 pandemic evolves in the winter months, UNCTAD expects the value of global trade to finish the year 7% to 9% below the level of 2019.
- 2.18 The latest UK monthly figures from Her Majesty's Revenue and Customs (HMRC) for trade August 2020 show total exports of goods for August 2020 were £23.1billion. This was a decrease of £2.2 billion (8.6%) compared with July 2020, and a decrease of £4.8 billion (17%) compared with August 2019. Exports to both EU and Non-EU markets have fallen.

2.19 **Quarterly UK Trade in Goods, 2009 – 2020**



2.20 From a regional perspective, when comparing the annual period ending June 2020 with the annual period ending June 2019, all English regions experienced decreases in the value of exports.

2.21 **UK Exports by Region, 2017 Q3 to 2020 Q2**



2.22 The team 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.

2.23 This is proving an extremely worthwhile exercise as all partners pivot, to tackle COVID-19 challenges and prepare to handle the likely fallout of the UK's departure from the EU.

2.24 DIT have formally launched the new internationalisation fund. Established to support SME's between now and 2023, it will provide companies with financial support to explore new markets. It will be managed by Capita and more details have been requested by us on exactly how much funding will be made available to West Yorkshire businesses.

2.25 DIT also launched its new export growth plan. This includes the introduction of 64 new International Trade Advisors and an Export Academy in the Northern Powerhouse, Midlands Engine and the South West region. The aim is to support businesses to grow their overseas trade to help them recover from the economic impact of COVID-19.

2.26 As part of the pivot plan the team will assess what further initiatives and profile raising may be required to support trade and investment in Europe once a new relationship with the EU is formed.

2.27 To date initiatives as detailed under 2.2 and the development of supporting marketing will enable targeting of potential inward investors in Europe. In addition, the team in partnership with DIT are carrying out a targeted lead generation campaign in Europe with the aim to attract investors to the city region in the healthcare and life sciences sector.

2.28 The team is planning and executing a series of export initiatives to inspire businesses to resume or start exporting. These will focus on the following:

- Advanced Textiles: The aim is to introduce the high-quality products and services created by West Yorkshire businesses to a wider international audience. This will involve having a substantial presence at the WTiN Innovate Textile and Apparel Virtual Trade Show
- China e-commerce: Following the successful Future of Tech event as part of Leeds Digital Festival, a focussed trade initiative with one of the world's largest e-commerce companies is being developed
- Work is firmly underway to develop a system that will allow the LEP reinforce key messages to Leeds City region businesses on emerging trade deals.

Emerging markets

2.26 Following the successful launch of the Northern Asian Powerlist, the Consul General of India's office has been in touch to advise that he will visit Leeds in early November. The team is putting together a virtual visit programme.

2.27 Close attention continues to be given to the strategic relationship between the UK and China now. 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.

International Profile-Raising Activity

2.28 Strong support was received from Leeds City Region delegates following the decision not to undertake a LCR delegation to MIPIM Cannes in March 2021.

2.29 Some progress has been made in terms of recovering costs from MIPIM 2020 and a process is underway to identify if it is possible to offer partial refunds to sponsors.

2.30 SMART Cities Expo event in November has been rescheduled as a digital event. Following discussions with the organisers a decision was taken not to participate in the virtual event that is planned for later this year. SMART City Expo delegates from previous years have been made aware and are broadly supportive.

NP11 Trade & Investment Forum

2.31 DIT is soon to unveil its new Investment Strategy which we are told is 90% complete. There is still a chance to provide more input and it was presented to us in an NPH T&I leaders forum last week.

- 2.32 Cath Richardson (Head of NPH, DIT) is now in situ following her recent maternity and David Phillips is now staying on three days per week to ensure a smooth handover.

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

- 9.1 None

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Report to: Business Innovation and Growth Panel

Date: 24 November 2020

Subject: **Innovation Framework**

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

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

1 Purpose of this report

To provide Panel members with an update on progress to develop a new Leeds City Region Innovation Strategy and seek feedback on the vision and priorities and next steps.

2 Information

- 2.1 Panel members received a report at the last meeting setting out plans to develop a Leeds City Region Innovation Framework and the rationale behind this. This was supported by Panel members.
- 2.2 Since the last meeting, conversations have progressed with a range of Partners to help further refine the vision and priorities which were originally identified from the LIS evidence base, and from earlier engagement with the Panel and the West Yorkshire Innovation Network.
- 2.2 The proposed vision is: “A place that is globally recognised for developing an open, inclusive, thriving and coherent innovation ecosystem, where SMEs, budding entrepreneurs and individuals are inspired to innovate, and can easily navigate the support landscape and connect and collaborate with others to create new and better solutions for business growth and societal good.”
- 2.3 The draft priorities are as follow:
1. Inclusive innovation – by and for everyone
 2. A focus on healthtech
 3. A strengthened relationship with Innovate UK
 4. Innovation finance availability
 5. A focus on innovative start ups
 6. A new mission based approach to innovation
 7. A strengthened HE-SME relationship

8. Investing in centres of excellence which match industry strengths
9. Creation of peer to peer innovation support networks
10. Increasing adoption of new innovative practices
11. Connecting the landscape

Further details are in appendix 1 for which Panel feedback is sought.

- 2.4 The Panel are also asked to support a public consultation opening on the 25th November.

3 Clean Growth Implications

- 3.1 There are positive clean growth implications which will emerge from the Innovation Framework, utilising innovation to drive the clean growth agenda.

4 Financial Implications

- 4.1 There are future financial implications from a range of partners in delivering the strategy.

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 Consultation has taken place with the West Yorkshire Innovation Network, Yorkshire Universities, the Chair of the Business Innovation and Growth Panel and the Leeds City Region lead CEX for innovation. Previous discussions have taken place at the Business Innovation and Growth Panel.

8 Recommendations

- 8.1 That the Panel provides feedback on the priorities and activities set out and supports the public consultation from the 25th November.

9 Background Documents

None

10 Appendices

Appendix 1 – Innovation Framework – DRAFT Vision and Priorities

Draft Vision and Priorities

November 2020

What is innovation?

An unhelpful word which many people struggle to identify with.

- “Having impact by putting ideas into practice”
- “Achieving impact by implementing new ideas”
- “The commercialisation of ideas and knowledge by businesses”
- “Introducing new products process or services to effect positive change in a business”
- “Helping develop behaviour change across the SME community”
- “The art or science of translating existing inventions or new ideas into practical products processes and services”
- “Growing your business by doing things differently”.
- “A means to an end – not the end itself”

Our initial innovation poll

We asked you to tell us five words that best describe what innovation means to you.

These were the top 5 responses across both individuals and businesses

- Creativity
- New
- Change
- Improvement
- Collaboration

Our vision

Our vision for innovation for the Leeds City Region is:

“A place that is globally recognised for developing an open, inclusive, thriving and coherent innovation ecosystem, where SMEs, budding entrepreneurs and individuals are inspired to innovate, and can easily navigate the support landscape and connect and collaborate with others to create new and better solutions for business growth and societal good.”

Our innovation focus and priorities (draft)


Our innovation focus

Based on the evidence, our focus is twofold.

- We must support our **leading frontier businesses** (and more cautious innovators) to 'do more' innovation, particularly more radical, Research & Development led innovation.
- At the same time as supporting this 'radical innovation', it is essential that we support the **broader diffusion of ideas and technology** into our micro dominant business base, within both our urban and rural settings, to further drive-up innovative activity, behaviours and productivity in the wider business base, and support our net zero ambitions.
- And across these, we need to support greater diversity in innovation – across individuals, businesses and society, supporting innovative behaviours and activities across the region.

Our innovation focus

For both of these:

- We must focus on supply and demand side issues to make a step change in progress that is needed. We may not have a large original equipment manufacturer to drive innovation through the supply chain, we do have significant public sector health assets, whose purchasing and procurement  power we will work to leverage.
- We must also retain a focus on innovation for good, solving the most pressing societal challenges.

The ambitions that follow are based on the evidence, and an attempt to tackle long standing structural issues. These will only be realised by joined up strategic investment and interventions across a range of partners.

This Framework is therefore the beginning of a journey to achieve a common set of ambitions.

Our priorities

	ACTION	High level description	
1. Inclusive innovation – by and for everyone	2	A focus on Healthtech	11. Connecting the landscape
	3	A strengthened relationship with Innovate UK	
	4	Innovation finance availability	
	5	A focus on innovative start ups	
	6	A new mission-based approach to innovation	
	7	A strengthened HEI - SME relationship	
	8	Investing in centres of excellence which match industry strengths	
	9	Creation of peer-to-peer innovation support networks	
	10	Increasing adoption of new innovative practices	

1. Inclusive innovation – by and for everyone

We will: create a more diverse, inclusive and open innovation ecosystem, with the underpinning principle of innovation - by and for everyone

By:

- Embedding inclusivity in all the priorities as an underpinning theme in the IF, particularly in the design and execution of challenges competitions/ mission-based innovation activities.
- Ensuring diversity and inclusion support is a key factor in new innovation investment decisions through future funding streams.
- Working through the WYIN (West Yorkshire Innovation Network) to ensure existing programmes focus sufficiently on broadening participation.
- Developing a pipeline of future budding entrepreneurs and innovators and appropriate support through the Employment and Skills Plan
- Learning from examples of non-mainstream innovation already taking place in pockets in the region and supporting others to follow, particularly around frugal (or non tech) innovation.

Which will result in: An increased awareness, interest and participation in innovation by those underrepresented groups, including BAME, women and those from disadvantaged backgrounds.

More innovation activity

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We will develop plans and build on existing programmes and activities to further support our frontier companies and 'cautious innovators' to develop increased absorptive capacity, ensuring that those businesses with growth potential proactively invest in R&D (Research & Development) and innovation to contribute to the national 2.4% R&D target and R&D roadmap.

2. A focus on Healthtech

We will: prioritise sectoral innovation investment in Healthtech as proof of concept around targeted innovation support in Leeds City Region (LCR), building on existing strengths and assets and emerging opportunities

By:

- Joining up and securing investment for the Healthtech ecosystem aligned to an agreed vision and strategy for action across the breadth of partners;
- Focusing interventions and efforts on growing our industry base, attracting new companies and translation into the health and care system.
- 29 Prioritising Connecting Innovation grant funding on health innovation opportunities
- Working with the Science and Technology Facilities Council to explore opportunities to develop a Healthtech cluster in LCR

Which will result in:

- Leeds City Region positioned as a leader in the Healthtech space, the place for businesses to create and deliver innovations in Healthcare.
- Attract further investment into Healthtech from a range of agencies moving forwards
- A strong industry led cluster to service the health and care system more efficiently.
- A model for rollout to support other sectors to drive innovation.

And strengthened inclusion:

By – engaging with a broad range of stakeholders

And for – innovation to deliver healthcare benefits for all.

3. A strengthened relationship with Innovate UK

We will: strengthen our relationship Innovate UK as the UK's national innovation agency, whilst establishing a stronger relationship with UKRI and key research councils.

By:

- Building on and strengthening our relationship with Innovate UK to deliver against the 4 priorities:
- Drive increased regional visibility across UKRI (UK Research & Intelligence) to promote areas of expertise and improve alignment of funding to regional priorities.
- Continuing to influence and shape the national R&D Place Strategy and make the case for levelling up and increased investment.
- Delivering aligned communications and joined up programmes, particularly showcasing successes.
-  Ensuring UKRI / Innovate UK have a clear understanding/recognition of Leeds City Region strengths and opportunities and priority sectors.

Which will result in: a much more joined up (strategically and operationally) approach to supporting the regions businesses, reducing fragmentation and confusion – and more Innovate UK investment into local businesses, and greater understanding of LCR priorities at a national level.

And strengthened inclusion:

Working with Innovate UK to lead on key programmes including the national Young People's Innovation Programme to secure alignment and maximise participation.

4. Innovation finance availability

We will: convene and work across partners to develop joined up specific innovation finance provision from pre-start to scale-up across Leeds City Region to support innovators from much more diverse backgrounds.

By:

- Focusing specifically on the innovation finance needs of business:
 - Working with partners to put in place more targeted financial provision to support and encourage more diversity in innovation.
 - Putting in place a renewed focus on investment in responsible innovation and an added emphasis on social innovation and net zero ambitions.
 - Securing additional investment to support (and de-risk) early stage innovation development and R&D opportunities.
- More generally, working across the emerging Business Growth and Productivity Plan to:
 - Better understand the overall investment landscape and connect the offer for businesses at all stages
 - Identifying means to fill the investment gap of between £100k-1m in particular
 - Putting in place mechanisms to attract additional Venture Capital investment into Leeds City Region by building the profile of place and showcasing the offer.

Which will result in:

The right finance being available and accessible for a range of businesses at the right stage of their business journey.

And strengthened inclusion:

- By supporting a broader range individuals to successfully secure investment to develop ideas and grow their business.

5. A focus on innovative start-ups

We will: focus targeted support on innovative start-ups, with a strong focus on developing a diverse and inclusive pipeline and solving societal challenges including particularly around health and climate challenges.

By: learning from our participation in the MIT Regional Entrepreneurship Acceleration Program programme and building on the initial pilot programmes to address the issues new innovative businesses face with appropriate interventions including:

- A graduate enterprise programme to support new Integrated Development Environments
- Corporate ventures
- Finance to support this distinct group.
- Inspiring and incentivising young people and individuals from more diverse backgrounds to engage in starting up innovation driven enterprises.
- Commercialising unused intellectual property across the region

Which will result in: Leeds City Region being recognised as the place to locate and grow an innovative start up with a full range of appropriate support available.

And strengthened inclusion:

By – engaging with a broad range of stakeholders to understand the barriers to innovation participation / what innovation means for them and appropriately supporting a diverse entrepreneurial start up led recovery.

And for – to ensure that new products and processes are created by a much more diverse range of individuals than currently, ensuring new products can adequately respond to the needs of a greater proportion of the population.

6. A new mission-based approach to innovation

We will: adopt a mission-based approach to stimulating innovation

By:

- Stimulating the market and building a culture of innovation across our business base by focusing on the biggest challenges the citizens of the region identify and using challenge-based competitions for industry and diverse communities to come together and address (for example addressing health inequalities or climate/carbon challenges)
- Utilising the research power of our Higher Education Institutes and big business to drive this activity through both institutional expertise and through supply chains.
- Creating linkages to investment opportunities for local investors
- Concerted effort around comms and marketing to support all innovation activity
- Explore establishing a public engagement accelerator programme which combines small grants, bespoke support and partnering opportunities for innovators and those who need to engage the public on questions of science, research and innovation
- Shouting much more loudly about innovation and the opportunities for both businesses and individuals

Which will result in: an increased buzz and appetite/ interest in innovation and innovative activity across the region.

And strengthened inclusion:

By – engaging with a broad range of stakeholders to identify the challenges and gain buy in and support

And for – to ensure that new products and processes are created by a much more diverse range of individuals than currently, ensuring new products can adequately respond to the needs of a greater proportion of the population – and also are addressing societal challenges.

7. A strengthened HEI - SME relationship

We will: strengthen the untapped potential that exists between the Higher Education Institute (HEI) and Small to Medium sized Enterprise (SME) base to drive business innovation in the region.

By:

- Working in partnership with Yorkshire Universities and the West Yorkshire Innovation Network (WYIN) to:
 - Deliver a comms and marketing campaign to raise the appetite – and interest- of businesses to work with Universities.
 - Focus on increasing investment in Knowledge Transfer Partnerships as a tried and tested means to increase knowledge transfer.
 - Establish an awards and recognition programme for academics who successfully engage with new SMEs in the region.
- 27 • Explore scaling up and rolling out projects like First Steps (University of Huddersfield) which provide an accessible taste for businesses working with universities
- Develop proposals to establish multi-disciplinary teams across universities to support the mission-based challenge approach.
- Supporting universities to utilise supply chain relationships with large businesses to support local innovation needs.
- Working collaboratively via continuous integration to develop a service standard to ensure a consistent approach across academia to business engagement on innovation.

Which will result in:

Increased demand driven by greater awareness and understanding of the support available and how to access it by businesses – and targeted attention on supply side issues which may act as barriers to collaboration.


And strengthened inclusion:

By creating accessible routes into higher education innovation support from a greater range of businesses.

8. Investing in centres of excellence which match industry strengths

We will: strengthen our innovation infrastructure by investing in new flagship centres of innovation excellence.

By: making the case for capital investments which align to industry strengths across Leeds City Region, in particular safe spaces for innovation which allow businesses to locate and collaborate and build strong partnerships with local HEIs, for example:

-  Advanced Machinery and Productivity Institute
- ActEarly Institute
- Leeds pop up innovation hub

Which will result in:

- Strengthened clusters to support industrial activity
- Greater brand and profile-raising opportunities.

And strengthened inclusion:

By ensuring new investments are positioned across the ecosystem and established with the needs of a diverse range of businesses in mind.

9. Creation of peer-to-peer innovation support networks

We will: create an innovation peer to peer support network to utilise the power and credibility of small businesses themselves to support other businesses.

By: utilising the expertise of the WYIN and Connecting Innovation to establish a West Yorkshire Innovation Business Network to bring together the private sector to provide peer support across the ecosystem, including rolling out Innovation Champions for the region.

Which will result in:

Informed and supported businesses, tapping into the expertise of their peers and facilitated by the WYIN & Connecting Innovation.

And strengthened inclusion:

By using the power of role models from diverse backgrounds to inspire and support a new generation of business leaders.

Innovation diffusion

Innovation diffusion, supporting all businesses to benefit from the diffusion of ideas, presents a huge opportunity to improve productivity in the region.

10. Increasing adoption of new innovative practices

We will: support the adoption of new innovative practices into SMEs and micros

By:

- Strengthening the evidence base to understand what works in innovation diffusion, what the business base needs are, and putting in place appropriate intervention to support all businesses.
- Create the right messages to promote business improvement to SMEs and micros, using case studies and appropriate language

For manufacturers:

- Working with key industry partners, HEI and Government we will take learning from existing programmes we are involved in (Smarty Interegg) and lobby for further activity/funding within the region, e.g. Made Smarter roll out.
- Creating a focused comms and marketing campaign to inspire and educate and demystify I4.0
- Explore opportunities to establish demonstrator facilities in key locations to support businesses to ‘try before they buy’ and explore the feasibility of a targeted Supplier Peer Learning programme.

Which will result in:

- Greater take up of innovative practices (digital technologies and leadership and management practices etc) which will result in more productive innovative businesses.
- Increased appetite from industry to explore increased use of digital tech and opportunities to de-risk investment through demonstrator hubs.

Connecting the landscape

Connecting the innovation landscape in Leeds City Region to better support SMEs and innovators to 'do more'.

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11. Connecting the landscape

We will: support and facilitate connectivity across the innovation ecosystem

By:

- Convening, between partners, the West Yorkshire Innovation Network (strategic group) to identify opportunities to better signpost and align the existing offer and improve collaboration for future delivery.
- Embedding Connecting Innovation as the region's innovation connecting and signposting facility – the gateway for all innovation support in Leeds City Region
- Identifying the most effective routes to businesses, particularly those less engaged to date
- ∞ Working towards better joined up intelligence from across the network – and shared with the network to better understand businesses and business needs and wants.
- Work through the Made Smarter Board and WYIN to align existing initiatives, tools and techniques to better support businesses

Which will result in:

- Greater awareness of innovation support and greater take up of support
- Increased profile of innovation across Leeds City Region
- Better, less fragmented provision.

Contact us

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The logo for West Yorkshire Combined Authority is positioned in the upper left quadrant. It features the words "West Yorkshire" in a large, bold, dark teal font, with "Combined Authority" in a smaller, lighter teal font below it. The logo is set against a white circular background that is partially obscured by a large, stylized teal graphic on the right side of the page. This graphic consists of two overlapping, curved shapes that resemble a thick, stylized letter 'C' or a partial circle, with the inner curve being a lighter shade of teal and the outer curve being a darker shade.

**West
Yorkshire**
Combined
Authority

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Thank you



Report to: Business Innovation and Growth Panel

Date: 24 November 2020

Subject: **Connecting Innovation and the West Yorkshire Innovation Network**

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

Author(s): Louise Bermingham, Senior Service Manager (Innovation)

1 Purpose of this report

- 1.1 The purpose of this report is to inform the Panel in relation to the new Connecting Innovation programme and its role in facilitating the West Yorkshire Innovation Network proposed in the West Yorkshire Devolution Deal.
- 1.2 A presentation will be provided at the meeting.

2 Information

Connecting Innovation

- 2.1 The Connecting Innovation programme commenced in June 2020 and runs until March 2023. In response to discussions with Innovate UK and lessons learnt on the predecessor Access Innovation programme, 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.
- 2.2 The programme, which is funded through the European Regional Development Fund (ERDF) and the Northern Powerhouse Growth Deal, supports four Innovation Growth Managers (IGM) to undertake this impartial brokerage and support service to eligible SMEs.
- 2.3 The role of the IGM is two-fold: Primarily it is to understand the plethora of innovation support available to LCR based businesses - both regionally and nationally. That knowledge and understanding of the innovation landscape, coupled with the ability to work with, and diagnose an individual business' needs, enables them to navigate a business through that landscape and signpost to the most appropriate and relevant source of support available. The

IGM is also then available to provide support at a greater depth and duration of time to ERDF eligible SME's, in order to support them on their innovation journey. The time allocation available per business through the ERDF support is 12 hours – however in reality – some businesses will receive more than this, some less, dependent upon the needs of the business.

- 2.4 Connecting Innovation also employs a full-time Communications and Marketing Officer post to support the wider objectives promoting the uptake of innovation and research and development across the City Region and promoting the West Yorkshire Innovation Network as an enabler of this. Through a detailed strategy it is intended to gain intelligence and information about how businesses view innovation; their perceived barriers to accessing support to that would otherwise increase their capability, and understanding their preferred language to communicate messages in the most appropriate way. A plan to utilise preferred engagement methods and promoting the support offering of CI and the wider landscape in an appropriate language will then be executed in order to promote the offer available, support the business community to access and promote collaborative working. This will be in conjunction with ongoing events and campaigns to further promote the innovative businesses of the LCR; their innovation journeys and successes achieved; and showcase best practice to others – demonstrating how it can be done.
- 2.5 Two grant pots are also available by application, through CI, with the role of the IGM at the core of their success - to identify eligible SMEs with suitable projects to fund, and work with them to produce robust applications in order to minimise failure rates of applications.
- 2.6 The larger 'Targeted Innovation Fund' with a total project value of up to £100,000 is reserved towards those high impact projects resulting in a new to market innovation and demonstrate alignment and realisation of key strategic opportunities.
- 2.7 With an emphasis on creating new to firm innovations, the smaller of the two funds – the 'Innovation Project Fund' is primarily aimed at SME's that have not previously undertaken collaborative innovation projects – whether that be with research organisations or the private sector. The project must have a maximum value of £25,000.
- 2.8 Both funds are available at a maximum 50% intervention rate, dependent upon state aid criteria when applied to the individual business circumstance.
- 2.9 Connecting Innovation is the City Region's key vehicle for achieving the ambitions set out in devolution deal to establish a West Yorkshire Innovation Network.

West Yorkshire Innovation Network

- 2.10 In 2017 an MoU between Leeds City Region LEP and Innovate UK was agreed, demonstrating the commitment of both parties to joining up, and

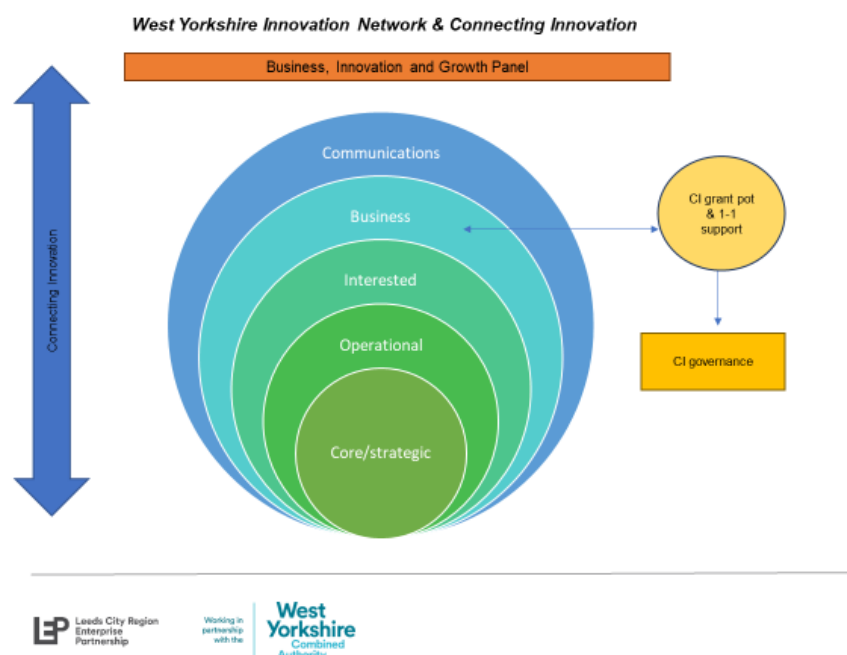
deepening the impact of, innovation support across the City Region to increase innovation rates. The Business Innovation and Growth Panel was key to making this happen.

2.11 Building on this, the West Yorkshire devolution deal, signed in March 2020, set out the following:

“The West Yorkshire Combined Authority and Government will establish the West Yorkshire Innovation network through the Connecting Innovation programme. This network will provide a dual-hub for the community of innovative entrepreneurs, startups and SMEs in the West Yorkshire ecosystem. This dual-hub will be anchored through a physical presence at the NEXUS Innovation centre (University of Leeds) and the 3M Buckley Innovation Centre (University of Huddersfield) initially, with further regional opportunities to be explored in the future. This network will bring together business support services from the Growth Hub, local Universities and the Innovate UK ‘family’ (including Knowledge Transfer Network, Enterprise Europe Network and Catapult network). Activities will be supported through regular events in order to raise aspirations and improve the chances of success for our businesses competing for UK Research and Innovation (UKRI) funding”.

2.12 The WYIN is a multi-layer approach and includes the following:

- The Core (Strategic) layer – involving key players from organisations across the innovation ecosystem to provide direction for the network and its activities.
- The Operational layer – involving organisations and individuals from across the business support landscape. Led by Connecting Innovation in its role as impartial objective broker of innovation support services.
- Interested parties – the broader landscape of business support providers who will have an interest in the developing innovation ecosystem.
- The Business Network – envisaged to be a peer to peer support network focused on innovation, drawing in businesses who have engaged with all the ecosystem support to add value to the existing offers.
- Communications layer – identified as critical ingredient of increasing innovation rates in Leeds City Region this will involve raising the profile of all innovation support in Leeds City Region, as well as increasing visibility of innovation, showcasing success stories and more generally creating a greater buzz around innovation.



- 2.13 Discussions are underway about creating vertical strands of activity around specific and focused thematic priorities, e.g healthtech.
- 2.14 The ultimate ambition of the network is to create a better offer and experience for businesses seeking innovation support, joining up activity better and identifying gaps in provision (and opportunities to fill those gaps).

3 Clean Growth Implications

- 3.1 The Targeted Innovation Fund specifically targets transformational innovation in the low carbon sector as one of its primary strategic focuses, aligning with the emerging Innovation Framework, Innovate UK and COVID-19 recovery plan strategic priorities.

4 Financial Implications

- 4.1 The Connecting Innovation programme is fully funded through ERDF (£2,028,886) and Growth Deal (£750,961), attracting £1,277,925 of SME match over the lifetime of the programme. The total programme value is £4,057,772.

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 notes the introduction of the new Connecting Innovation programme and its role in facilitating the Devolution Deal ambition to establish a West Yorkshire Innovation Network to expand and deepen the impact of innovation support across the City Region.

9 Background Documents

None

10 Appendices

None

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Report to: Business Innovation and Growth Panel

Date: 24 November 2020

Subject: **Employment and Skills Plan**

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

Author(s): Sonya Midgley, Policy Manager, Economic Policy

1 Purpose of this report

- 1.1 To provide an update to the Panel on the Employment and Skills Plan (2021-2025) workplan and an overview of the feedback from the consultation and engagement phase

2 Information

Background

- 2.1 The current Employment and Skills Plan; Skilled People, Better Jobs is due to expire at the end of this year. In March, the Employment and Skills Panel agreed the plan would be refreshed and published in early 2021.
- 2.2 The Employment and Skills Plan is a key part of the Strategic Economic Framework (SEF) which will replace the Strategic Economic Plan (SEP) in March 2021.¹
- 2.3 Since then there have been a number of significant changes to the economy and labour market. The Combined Authority has published an Economic Recovery Plan in response to economic challenges of COVID-19, with a significant portion of its response focussed on skills and employment.
- 2.4 The emerging Leeds City Region Local Industrial Strategy had a strong focus on skills and employment issues through the business, ideas and people foundations. With the current government position on the status of LISs uncertain, the work down here will be reviewed and recast in the light of the challenges to employment posed by COVID-19, and captured in the revised Employment and Skills Plan.

¹ <https://www.westyorks-ca.gov.uk/growing-the-economy/strategic-economic-framework/>

- 2.3 There have also been several national policy announcements in relation to skills and employment over the last 6 months, some in response to COVID-19, including:
- **National Skills Fund** will remain a national programme, and will replace the National Retraining Fund. The funding will be used for:
 - Bootcamps – Leeds City Region were asked to submit a bid through a competitive process
 - Fully funded level 3 qualifications
 - **FE Transformation Fund** - £1.5bn capital funding to support the conditions, improvement and upgrading of FE estate
 - **National review of Levy Transfer approach/rulings** to include increased funding for SMEs and removal of funding for new Level 8 Apprenticeships
 - **Competition for further 8 IoTs** has started with the City Region in scope worth £120m
 - £111m for expansion of **traineeships**
 - £32m for recruiting extra **career advisers**
 - £17m for **Sector Based Work Academies** in England
 - £101m for school and college leavers to take **high value level 2 and 3 courses**
 - **Youth Hubs** – 33 hubs announced nationally. While West Yorkshire didn't get a formal Hub our Local Authorities are working closely with DWP to replicate the offer based around the LEP Employment Hub programme
 - **Kickstart** - £2bn to support employers to offer a six-month work placement to unemployed young people (aged 16-24) on Universal Credit
- 2.4 Further significant announcements are expected later in the year, including a white paper on FE Reform that will take “a holistic look at post-16 education and training” to rebalance higher and further education.
- 2.5 There is a current consultation on level 3 qualifications, which those with an interest are encouraged to respond to. These are complex reviews that will inform which technical qualifications should sit alongside T-levels and A-levels.² Alongside this, there is a call for evidence on the level 2 qualifications to identify what works well and needs to be improved for post-16 learners. The call for evidence is open until 31 January 2021.³
- 2.6 These national announcements have so far set out national programmes, with a little or no detail on the role of Combined Authorities or LEAs, and therefore do not currently offer opportunities to provide a flexible response to local need. We continue to make the case for the importance of devolution when

² <https://consult.education.gov.uk/post-16-qualifications-review-team/review-of-post-16-qualifications-at-level-3/>

³ <https://consult.education.gov.uk/post-16-qualifications-review-team/level-2-and-below-call-for-evidence/>

addressing local skills needs, as highlighted by the Future Ready Skills Commission. Alignment of these new national policies with local delivery will also be considered within the revised plan.

Feedback on consultation and engagement

- 2.5 To date, over 170 key stakeholders and partners participated in workshops to discuss the key priorities, challenges and barriers for employment and skills in the Leeds City Region.
- 2.6 An online public engagement survey attracted a further 113 responses from individuals, businesses, third sector organisations and organisations operating in the skills sector.
- 2.7 Key findings from the workshops and online survey include:
- Further support required for employer engagement in careers education, particularly work experience. Suggestions that engagement activities should begin in primary school.
 - Action required to tackle the decline in apprenticeship offerings and take-up, particularly for young people under 25. Support to be targeted largely at employers and parents/carers of young people.
 - Encourage adaptability and resilience to allow workforce mobilisation, tackling skills gaps and labour market diversification.
 - Highlight the benefits of a diverse workforce for business productivity, performance and impact.
 - Priorities for the region in the short-, medium- and long-term, with reference to the pandemic, its resulting recession, and Brexit.
 - A focus on particular challenges and key sectors, for example digital skills, green skills in the construction and infrastructure sector, and the impact of health on employment and skills.

Next steps

- 2.8 The priorities for the Employment and Skills Plan will be developed with consideration of; the feedback from the consultation phase, publication of the LEP's annual labour market analysis published early next year, and the FE Reform white paper expected this year.
- 2.9 Engagement with partners and stakeholders on the emerging priorities will continue.
- 2.10 An in-depth workshop to explore priorities will be arranged for members of the Business and Innovation Growth and Employment and Skills Panel, date to be advised.
- 2.11 The revised plan will be published in 2021.

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 provides feedback on the progress to date, and how best to align engagement with the Business, Innovation & Growth Panel in the future.

8 Background Documents

None

9 Appendices

None

Report to: Business Innovation and Growth Panel

Date: 24th November 2020

Subject: **Local Digital Skills Partnership Update**

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

Author(s): Mark Temple, Local Digital Skills Partnership Manager

1 Purpose of this report

- 1.1 To seek feedback on the development of the Local Digital Skills Partnership (LDSP) and its Board, the key focus areas across West Yorkshire and its immediate priorities and how it interacts with this Panel.

2 Information

Background and rationale

- 2.1 In the Digital Strategy, published in March 2017, the Government set out its commitment to improving the digital skills capabilities of individuals and organisations across England. It was recognised that a partnership approach was required to drive up digital skills. As a result, the Government announced the formation of a National Digital Skills Partnership bringing together public, private and charity sectors and key regional stakeholders to develop a more collaborative, coordinated, and innovative approach to meeting the digital skills challenge.
- 2.2 The West Yorkshire Combined Authority is the seventh area to secure funding for a Local Digital Skills Partnership (LDSP) through its ambitious devolution plans. This partnership will bring together the region's leading employers, SMEs, digital entrepreneurs, representatives from the Combined Authority and LEP, DCMS, as well as universities, colleges and other training providers.
- 2.3 This public-private partnership will help identify what digital skills provision is needed across the West Yorkshire and, importantly, encourage partners to work together strategically to address these and emerging needs, and to attract and retain investment and talent in the region. The aim is to deliver maximum, sustainable impact at scale and to ensure that local people form the talent pool needed for local business, with key themes focused on:

- To inspire the growth of digital skills across West Yorkshire by reducing the digital divide with opportunities for all
- To transform digital skills through adoption across SMEs of West Yorkshire to grow the local economy and boost productivity
- To inspire and influence the workforce of the future by collaborating with education providers and employers to ensure the future generation have the skills to meet the needs of the economy

2.4 The West Yorkshire LDSP was formally launched on 15 October 2020, with over 90 attendees and including an introduction from the Minister for Digital & Culture Caroline Dineage, and keynote speeches from Councillor Hinchcliffe, Kersten England, Andrew Wright, Amir Hussain and contributions from Lloyds Banking Group, BT, and Good Things Foundation.

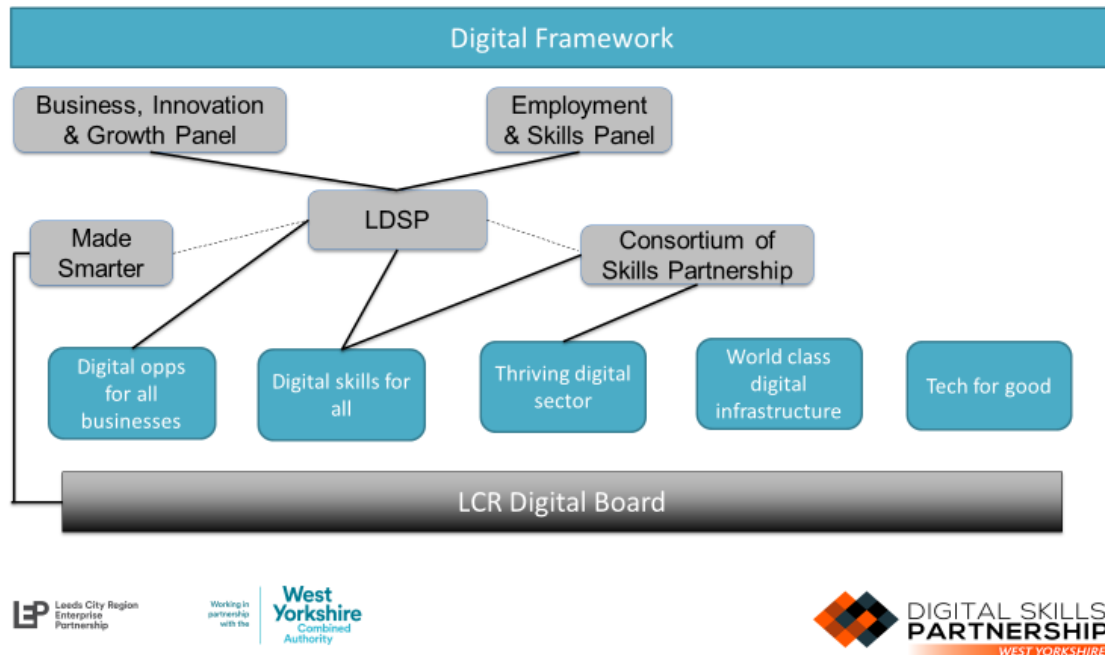
Context

2.5 The challenge was significant prior to the current pandemic but has been amplified as a result. We now have the opportunity to develop sustainable programmes to enhance digital skills growth, support the recovery, and contribute to a more sustainable and inclusive economy. The following statistics highlight both the challenge and the opportunity:

- 11.9m people in the UK do not have basic digital skills
- 1.9m households in the UK are still without connectivity and therefore increasing isolation
- 22% of adults within West Yorkshire do not have Essential Digital Skills for Life
- Only 42% of adults in West Yorkshire have Essential Digital Skills for Work
- £84.5bn could be added to the UK economy if all SMEs attained Basic Digital Skills
- SMEs with only basic digital skills benefitted by an additional £103k in turnover in 2018, this had increased to £262k in 2019
- 51% of businesses have pivoted online through the pandemic to engage with customers more
- 46% of UK businesses have increased automation, post lock-down. However, only 46% expect their use of digital to increase in the future.

3 Governance & Board Formation

3.1 The LDSP will align with Business, Innovation & Growth Panel and Employment and Skills Panel, and Made Smarter Board, with close alignment to Consortium of Skills Partnership and Digital Board.



Board Formation

- 3.2 Development of a formal LDSP Board is the next stage in the evolution towards tangible action to build upon the great local work ongoing within West Yorkshire.
- 3.3 The Board will be formed of both large businesses (national and regional), SMEs, sector experts, skill providers, educators, third sector, as well as CA engagement in alignment with wider strategic aims. The Board will be underpinned by additional partnerships engaged to support “task and finish” activity to deliver specific programmes of intervention and support.
- 3.4 The LDSP Board will meet bi-monthly initially, to develop priority focus areas (skills gaps), methodology of delivery and evaluation, as well as measures of success. Priority focus areas will be developed by building regional evidence of need and opportunity of impact. Specific and detailed actions will be formulated following the first Board meeting in November.

Actions	Timescale
Engagement of “partners” post LDSP launch	September/October 2020
Development of Terms of reference for LDSP Board	October 2020
Formal engagement of LDSP Board	October/November 2020
Initial meeting of LDSP Board	November 2020
Development of priorities- data gather	November 2020-January 2021
Approval of priorities	March 2021

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 progress to date, and how best to align engagement with the Business, Innovation & Growth Panel in the future.

9 Background Documents

None

10 Appendices

None