

**MINUTES OF THE MEETING OF THE
BUSINESS INNOVATION AND GROWTH PANEL
HELD REMOTELY ON THURSDAY, 25 FEBRUARY 2021**

Present:

Andrew Wright (Chair)	Reliance Precision
Martin Booth	Witt UK Gp
Amir Hussain	Yeme Architects
Will Roebuck	E-Radar
Philip Wilson	Slipstream Design
Andy Peterson	Communis
David Sidlow	BorgWarner Ltd
Richard Paxman	Paxman Coolers Ltd
Councillor Darren Byford	Wakefield Council
Councillor Julie Heselwood	Leeds Council
Councillor Andrew Lee	North Yorkshire County Council
Councillor Simon Myers	Craven Council
Councillor Shabir Pandor	Kirklees Council
Councillor Jane Scullion	Calderdale Council

In attendance:

Kersten England	Bradford Council
Ian Smyth	West Yorkshire Combined Authority
Sarah Bowes	West Yorkshire Combined Authority
Henry Rigg	West Yorkshire Combined Authority
James Flanagan	West Yorkshire Combined Authority
James Hopton	West Yorkshire Combined Authority
Alexander Clarke	West Yorkshire Combined Authority
Amanda Potter	West Yorkshire Combined Authority
Jennifer Isles	West Yorkshire Combined Authority

60. Apologies for Absence

Apologies for absence had been received from Councillor Swift, Councillor Mather, Councillor Cheetham, Councillor Ross-Shaw, Stephen Barker, Mike Danby, Simon Wright, Lee Viney, and Marie Gilluley.

61. Declarations of Disclosable Pecuniary Interests

There were no declarations of pecuniary interests at the meeting.

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

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

63. Minutes of the Meeting of the Business Innovation and Growth Panel held on 24 November 2020

Resolved: That the minutes of the meeting held on 24 November 2020 be approved.

64. Chair's Update

Sue Cooke had been appointed to the panel as representative for Leeds City Region (LCR) universities following the departure of Liz Towns-Andrews.

It was noted that £8 million of funding had been allocated nationally by the government toward the 'Made Smarter' initiative, which supported digitalisation and automation, particularly for manufacturing SMEs. This would be targeted at several areas across the country, including the Yorkshire and Humber region, and previous work done by the regional Made Smarter panel was expected to be of great help in effectively using any available funding.

65. Economic Reporting

The Panel received an update on the latest economic and business intelligence of the region, as well as on the impact of Covid-19 and the EU exit.

The severe impact of the pandemic was highlighted, with GDP being estimated to have declined by 9.9% over 2020, the biggest fall in GDP for 300 years. Figures from the National Institute for Economic Research forecast a growth of 3.4% for 2021, revised downward from their earlier prediction of 6%. This suggested a recovery to some degree for the economy, though not as large as had been previously hoped.

It was noted that the LCR Business Survey was currently in progress, and the interim results were discussed by the Panel.

Panel members noted that recent Office for National Statistics surveys suggested over half of exporters had faced challenges with the movement of goods since the EU exit, particularly relating to documentation, duties and levies, and transportation costs. This was supported by feedback from growth managers locally.

The Panel questioned whether it would be possible to do a sectoral breakdown of the data provided by the LCR Business Survey in order to provide more granular information. It was advised that a further breakdown of trends between sectors was planned as more results were received.

Panel members noted the need to ensure that activity from all areas of the region was reflected in reports rather than overly focusing on central areas

such as Leeds.

Resolved: That the report be noted.

66. EU Exit and future trade policy

The Panel considered a report updating them on the impacts of the EU exit and its implications for the region, as well as on what support was being made available for businesses through the LEP.

In particular, the Panel was asked to provide feedback relating to three main areas:

1. Whether the Panel supported the areas of short-term focus in terms of the support offered to businesses?
2. What future trade priorities would be, and what new opportunities may exist for businesses subsequent to the EU exit?
3. How could the domestic infrastructure of the region be developed to best take advantage of these opportunities, and what were the most important areas for development going forward?

Panel members praised the support that was outlined within the report, noting that a large number of enquiries had already been received. Although funding was currently only extended to the end of March 2021, the need for on-going support was highlighted, with complex issues including mixed loads, rules of origin, and difficulties with European partners providing the required levels of documentation all likely to remain challenging issues for regional businesses to navigate. It was also noted that some aspects had not yet been agreed with the EU, such as a Data Adequacy Agreement or Financial Services Equivalence agreement, and these would need to be solved on a national level.

The low number of legal enquiries that had been received was questioned by the Panel. It was advised that this was similar to other regions, and it was believed that more pressing issues such as those mentioned above, as well as questions regarding VAT, were currently taking up focus, but that the number of legal enquiries would rise in coming months. The need to further promote the legal guidance available was noted.

The Panel raised the concern that most support was currently aimed at existing exporters rather than new ones and noted the recent trade deal with Turkey as an example of the EU exit potentially creating new opportunities for businesses that may not have considered access to these markets before. The need to take an active role in creating vision and propositions for businesses to respond to was highlighted. The Panel also noted the need to support regional strengths. The manufacturing, financial, higher education, and IT sectors were all highlighted as key sectors for regional growth in the long-term.

Panel members discussed the use of technology as a resilience tool and as an enabler, and noted the need to include schools and other stakeholders in an effort to collaborate in the successful move to a greater focus on IT, as well as

the importance of supporting businesses in becoming more capable and better able to access the greater eCommerce marketplace.

Resolved: That the report and the Panel's feedback be noted.

67. COVID-19 Economic Recovery – Entrepreneurship

The Panel considered a report framing a discussion around the realisation of Economic Recovery Plan priorities relating to entrepreneurship.

The report identified three main strands of support for entrepreneurs which would strongly benefit from further investment:

- **Community-based programme support/entrepreneur development** – support targeted at those in the pre-startup stage and engaging with groups who may not have typically thought of themselves as entrepreneurs or considered that they could take that role, as well as those struggling to format and present their ideas to access other sources of support.
- **New business start-up programme** – support for new and on-going entrepreneurs, complimenting the Ad:Venture programme, particularly in the difficult period after initial enthusiasm begins to fade.
- **Innovation-driven entrepreneurs** – support targeted at those intending to start businesses offering completely new products and services, or doing things in a way that has not been done before. It was highlighted that the pilot programme for this strand showed a high degree of diversity in the businesses being supported.

£6 million of funding was potentially available over the next year to support entrepreneurship in the region, and it was suggested that this funding be spread over these three strands. Panel members were asked for their input on the suggested areas, as well as how the LEP could ensure support reached those that needed it, how to best use existing connections, and what role the LEP should play within the entrepreneurship ecosystem. Several points were raised:

- The need to ensure graduates were included within the community-based programme support strand, as new graduates could expect to face difficulties in the job market this year, exacerbated by the end of the furlough scheme.
- The potential benefits of using different models in relation to the innovation-driven entrepreneurs programme, to ensure that new opportunities are found while also building on existing regional programmes such as the Grow MedTech initiative.
- How linking into existing businesses, networks, and the wider business community could assist new or potential entrepreneurs in commercialising their ideas.
- That the funding represented a good opportunity to engage with the business-to-consumer sector more actively, due to coming from the mayoral gainshare resource and not being subject to ERDF restrictions.

Resolved: That the report and the Panel's feedback be noted.

68. Business Productivity and Resilience Plan

The Panel considered a report on the further development of draft priorities for the Leeds City Region Business Productivity and Resilience Plan, particularly in respect of how the regional priority for boosting productivity could be addressed in the absence of a local industrial strategy, and were asked to offer feedback and endorse the suggested timeline of activity.

The first stage of the external consultation process had taken place earlier in the week, and academic experts had praised the presented draft plan and offered useful insights. The consultation process would continue on the Combined Authority's Your Voice platform, leading to a priorities workshop due to take place in March.

Resolved:

- i) That the panel endorse the timescale suggested in the report.
- ii) That the report be noted.

69. Inclusive Growth Framework

The Panel considered a report on the Inclusive Growth Framework and its business-related implications.

Several questions were raised in the report for the Panel to consider, including the relevance of the Framework's goals and ambitions, the usefulness of the proposed indicators, and whether the correct key Inclusive Growth challenges and opportunities had been correctly identified. The Panel were also asked what actions would contribute most toward addressing inequality across the region, and to building on assets and opportunities. Panel members discussed the following points:

- The Framework was praised for the inclusion of happiness and life satisfaction as considerations. It was noted that the happiness index had been on a slow decline for the past 10 years, speeding up just before the start of the pandemic, which could be related to the impact of austerity measures.
- The effects of inequality on statistics such as average lifespan was discussed, with gaps of 10-15 years existing between residents of some more well-off areas within the region and residents of the most deprived areas. Panel members also noted the importance of including years of healthy life when lifespan comparisons were made, as this was an area where West Yorkshire was underperforming compared to other regions.
- The substantial academic achievement gap between pupils on free school meals and the rest of their cohort was raised, with this gap being wider in West Yorkshire than in other regions.
- The Framework's aspirations were supported, but the need to translate the theory into application was highlighted, and Panel members questioned how existing businesses could engage with the Framework and practically use it to reposition their business. It was noted that a

pipeline of potential interventions existed and could be discussed further going forward.

- The potential for community support by businesses – and how that could be promoted through the Framework – was raised.
- The potential for businesses to adopt models offering workers buy-in to the business was discussed.
- Social consciousness was also highlighted as an important concern in recruitment, as research showed that a high number of young people said they would not work for a company that did not align with their social and ethical values.
- Panel members noted the importance of engaging with young people at an early age to encourage experimentation and innovation. Building strong relationships between schools and a wide range of businesses was seen as a vital step toward creating a continuous engagement with pupils and potentially supporting their own eventual entrepreneurship.

The Panel were also asked to nominate an Inclusive Growth Champion. This would be followed-up after the meeting.

Resolved:

- i) That the report and the Panel's feedback be noted.
- ii) That the Chair would follow up with Panel members to find a nominee for the position of Inclusive Growth Champion.

70. Good Work Standard

The Panel considered a report on options encouraging the creation of good work and encouraging employers to adopt inclusive and people-friendly employment practices.

As agreed at the September 2020 meeting of the Panel, the report set out three options for the development of a Good Work Standard for the region, which Panel members were asked to consider:

1. Implementing an existing model.
2. Building on an existing approach.
3. A bespoke model.

Panel members made the following comments:

- The Standard was noted as an important priority, as a third of West Yorkshire workers were currently not in good work.
- The positive effects of a healthy, well-paid and diverse workforce on productivity were noted, as well as the wider range of viewpoints and ideas that businesses could access with increased diversity.
- The need to act quickly worked against option 3, which would likely take a significant amount of time to implement. The LEP had an important role to play in helping the economy to open up again as the region exited lockdown, and it would be valuable to be able to provide a roadmap to employers on how to increase wellbeing amongst their workforce as soon as possible. The Standard also tied in with the Combined Authority's Economic Recovery Board priorities, which made

it particularly timely.

- Concerns were raised over whether requiring employers to meet a higher minimum wage level could reduce the number of people that could be employed, as well as how this would apply to contractors.
- It was suggested that the Good Work Standard could be incentivized by being considered as part of the bidding process for public procurement. This could prevent a 'race to the bottom' with companies being able to offer the lowest bid by paying their employees low wages. This was also tied into past experience with making the Real Living Wage part of the assessment for grant applications to the LEP.

The possibility of running a road test of the new Good Work Standard was also suggested. Panel member David Sidlow volunteered the potential use of his organisation going forward as a testing ground for its implementation after further development. As part of this, David Sidlow would join the reference group proposed by the report.

Resolved:

- i) That the report and the Panel's feedback be noted.
- ii) That the Panel endorse a combination of options 1 and 2 as presented in the report.
- iii) That David Sidlow would act as the Panel's representative on the proposed reference group.

71. West Yorkshire Innovation Network and Festival

The Panel considered a report and heard a presentation summarising plans for the West Yorkshire Innovation Festival, which had been conceived by the West Yorkshire Innovation Network as a way to celebrate and draw attention to successes in the region. The festival would take place over the week commencing 15 March 2021, and Panel members were asked to promote the event through their own networks.

Resolved: That the report be noted.

72. Business support update (inc. COVID-19 response)

The Panel considered a report updating them on business support activities, including in response to the Covid-19 pandemic.

Resolved: That the report be noted.

73. Trade and investment

The Panel considered a report updating them on Trade and Inward Investment activity since the last Panel meeting.

Resolved: That the report be noted.