

BUSINESS INNOVATION AND GROWTH PANEL

**MEETING TO BE HELD AT 2:00 PM ON THURSDAY 21 MAY 2020
AS A REMOTE MEETING - TO BE LIVESTREAMED HERE:
[HTTPS://WWW.YOUTUBE.COM/CHANNEL/UCAZJNSGPQZZT41VIBN
2ZK9A/LIVE](https://www.youtube.com/channel/UCAZJNSGPQZZT41VIBN2ZK9A/LIVE) (COPY AND PASTE THE LINK IN YOUR BROWSER).**

A G E N D A

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC**
- 4. MINUTES OF THE MEETING OF THE BUSINESS INNOVATION AND GROWTH PANEL HELD ON 26 NOVEMBER 2019**
(Pages 1 - 4)
- 5. CHAIR'S UPDATE**
- 6. COVID-19 ECONOMIC RESPONSE AND RECOVERY**
(Pages 5 - 12)
- 7. BUSINESS SUPPORT**
(Pages 13 - 38)
- 8. TRADE AND INVESTMENT**
(Pages 39 - 42)

Signed:



**Managing Director
West Yorkshire Combined Authority**

Signed:



**Managing Director
West Yorkshire Combined Authority**



**MINUTES OF THE MEETING OF THE
BUSINESS INNOVATION AND GROWTH PANEL
HELD ON TUESDAY, 26 NOVEMBER 2019 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Simon Wright	Yorkshire Bank
Martin Booth	Witt UK Gp
Philip Wilson	Slipstream Design
Councillor Darren Byford	Wakefield Council
Councillor Shabir Pandor	Kirklees Council
Councillor Alex Ross-Shaw	Bradford Council
Councillor Jane Scullion	Calderdale Council
Councillor Julie Heselwood	Leeds Council
Councillor Naheed Mather	Kirklees Council
Andrew Latchmore	Shulmans
Sandy Needham (Advisory Representative)	West & North Yorkshire Chamber of Commerce
Professor Lisa Roberts (Advisory Representative)	University of Leeds
Professor Liz Towns-Andrews (Advisory Representative)	University of Huddersfield

In attendance:

Kersten England	Bradford Council
Henry Rigg	West Yorkshire Combined Authority
Jonathan Skinner	West Yorkshire Combined Authority
Sarah Bowes	West Yorkshire Combined Authority
Alexander Clarke	West Yorkshire Combined Authority
Ian Smyth	West Yorkshire Combined Authority
David Shepherd	West Yorkshire Combined Authority
Ben Kearns	West Yorkshire Combined Authority

16. Apologies for Absence

Apologies for absence were received from Andrew Wright, Councillor Cheetham, Councillor Swift, Cllr Lewis, Mike Danby, Peter O'Brien, Mark Roberts, Marie Gilluley, Mark Robson and Amir Hussain.

17. Declarations of Disclosable Pecuniary Interests

There were no pecuniary interests declared at the meeting.

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

Resolved: That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendix 1 to Agenda Item 9 on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

19. Minutes of the Meeting of the Business Innovation and Growth Panel held on 10 September

Resolved: That the minutes of the meeting held on 10 September be approved.

20. Chair's Update

The Chair updated the Panel regarding the LEP merger. It was reported that due to the restrictions of the pre-election purdah period, the LEP Board had not been in a position to take a decision at its meeting on the 21 November and subsequently the decision had been deferred until early 2020. It was stressed that the LEP would ensure it is fully compliant with the Strengthening LEPs guidelines.

Members were also advised that due to the purdah period and uncertainty around Brexit, the submission of the Local Industrial Strategy had been delayed and would now be finalised and submitted to Government in early 2020.

Resolved: That the Chair's update be noted.

21. MIT REAP

Lisa Roberts provided an update on the MIT REAP programme which aims to strengthen local innovation ecosystems.

It was noted that one of the key 'must win battles' of the draft strategy was on using innovation to solve societal challenges such as tackling climate change, widening access to transport and healthy aging.

Panel members welcomed the update on the project and asked for greater stakeholder engagement across the region.

Members were informed of the next steps which included refining the draft strategy for an upcoming workshop in January which would be hosted in the Leeds City Region with further feedback and stakeholder engagement to follow.

The Panel also noted the opportunities afforded by the MIT REAP lite programme which was run by the Department for Business, Energy and Industrial Strategy (BEIS). An expression of interest was to be submitted for the Leeds City Region.

Resolved: That the update be noted.

22. Smarty Interreg programme

The Panel considered a report which provided an update on the European Union interregional cooperation project.

Members noted the intention of the programme which was to improve policy design and implementation in order to increase awareness and adoption of industry 4.0 solutions across SMEs.

Panel members noted the next steps which included the establishment of a working group, mapping of industry 4.0 assets within the region and identifying best practice.

Members were asked to notify officers if they wished to be part of the working group.

Resolved:

- (i) That the report be noted.
- (ii) That the Panel act as the principle stakeholder group for the project.
- (iii) That a working group be established to include BIG panel members.

23. Trade and Investment

The Panel considered a report which provided an update on Trade and Investment activity.

The Panel noted that there had been 14 investment successes in 2019-20 and that half of those were outside of Leeds.

Members questioned what more could be done to increase exports in the region. It was suggested that officers would consider what more the Combined Authority could do to promote exporting opportunities and would report back to

a future meeting.

Resolved: That the report be noted.

24. Business Support

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

The Panel noted that:

- Brexit support would recommence in the new year.
- A concerted effort had been made to understand large indigenous businesses.
- 'Be the Business' aimed to address underperformance of UK productivity. A mentoring scheme had been launched in the Leeds City Region to connect experienced mentors with emerging SMEs.
- Members were informed that work was underway with HMRC and BEIS on a pilot scheme to utilise real time business intelligence.
- The second phase of the productivity pilot was open to applicants until the end of the year.
- Inclusive growth outcomes for grants showed that 80% of jobs created on the Business Growth Programme payed the Real Living Wage.

Resolved: That the progress made to date on the delivery of business support activity be noted.

25. Future Business Finance - Progress Update

The Panel was provided with an update regarding the proposed future approach to business finance and investment management. The draft investment strategy was attached as exempt appendix 1 to the submitted report.

Deloitte had been commissioned to advise on gaps in the regional investment market, potential business finance models and advise on appropriate and robust procedures prior to launching a new fund.

Members discussed and provided feedback on the draft investment strategy, governance proposals and the next steps for implementation

Resolved: That the draft investment strategy and the Panel's feedback be noted.

Report to: Business, Innovation and Growth Panel

Date: 21 May 2020

Subject: **Covid-19 Economic Response and Recovery**

Director: Brian Archer, Director of Economic Services

Author: Henry Rigg, Head of Business Support

1. Purpose of this report

- 1.1 Present the Panel with progress on the delivery and development of products and services in response to the COVID-19 crisis.
- 1.2 Seek approval from the Panel for the continued delivery and development of products and services in response to COVID-19, and for input to wider recovery work.
- 1.3 Due to the fast-moving nature of this agenda item, verbal updates will also be given at the meeting.

2. Information

Background

- 2.1 The full implications of COVID-19 on the region and its economy are still to be understood. However, it is already clear that it will have a significant long-term impact. At a city region level, work is taking place both to support the immediate response and to begin to develop what might be required in recovery. This paper contains details on both of these elements.
- 2.2 Although it is too soon to define what will happen to the economy over the coming months, our response work and recovery planning to date has responded to significant evidence and intelligence gathered on a number of important issues being collected and collated in a weekly published monitoring report. Key issues raised to date include:
 - Cash flow and immediate access to finance
 - Implications for employment, self-employment and the skills system
 - Lockdown issues related to output and activity

- Supply chains and particularly the need for PPE and other medical equipment and services
 - Pressures for the transport system and on town/city centres
- 2.3 This work is being overseen by a new West Yorkshire Economic Recovery Board, which is a working group of the West Yorkshire Combined Authority (CA) and brings together the region's local authority leaders with representatives from key partnerships and stakeholders. At their first meeting on 30 April 2020, the Board agreed a strategic vision for recovery with three priorities:
1. developing resilient and thriving businesses, boosted by innovation, high skills and entrepreneurialism;
 2. developing an inclusive economy that provides people with a decent standard of living;
 3. promoting environmental sustainability in all parts of the region.
- 2.4 It will be important for all panels of the LEP to contribute to this work, with the BIG Panel having a particular focus on the first of these priorities.

Response to COVID-19

- 2.5 The CA / LEP has seen a significant increase in demand from businesses and individuals since the start of the Covid-19 crisis. For example, the Growth Service (renamed Business Support Service) has dealt with over 2,700 enquiries since the end of March to early May 2020, which is an increase of over 80% on the corresponding period of the previous year.
- 2.6 As a result of the above, the Business Gateway element of the service has increased its capacity by training an additional 10 members of staff from across the organisation to work alongside the existing two full-time Business Information Officers. At the time of writing (early May 2020) the need for this additional resource has dissipated as the volume of enquiries has reduced to circa 25% above pre-COVID-19 levels.
- 2.7 In addition to the above, the team of 21 SME Growth Managers (funded by the CA / LEP as part of the Business Support Service delivery model) have been actively supporting their own circa 1500 SME clients, and also helping their Local Authorities to respond to the huge demand for the business rates related grants across the City Region. Also, at the time of writing, the Local Authorities of West Yorkshire have delivered over £400m of the grants to 33,000 businesses in West Yorkshire alone, accounting for over 70% of those eligible. Work continues by the Local Authorities to reach eligible firms that have not yet come forward and to handle more complex cases that require further investigation.
- 2.8 The enquiries to the Business Support Service Gateway and Growth Managers since late March 2020 have been predominantly related to the Government support package i.e. business rates related grants, business loans, support for the self-employed and the Job Retention Scheme. This

support is detailed within the Business Support Product Portfolio, alongside the other support available to businesses in the City Region from the CA / LEP and its partners. The document has been made available to the wider business support community and is being regularly updated to include new and adapted products e.g. the Business Bounce Bank Fund, the Futures Fund and support from the Arts Council.

- 2.9 Many of the businesses contacting the Business Support Service have requested support with contingency planning. In addition to the much higher volume of enquiries received, the average length of the calls has been nearer to 15 minutes as opposed to the pre-COVID-19 average of circa five minutes. The understandable requirement, from small firms in particular, for longer conversations, including an important element of emotional support and provision of a 'sounding-board', has resulted in the development of the new Business Coaching Scheme.
- 2.10 This is providing small firms with two hours of free expert coaching from private sector intermediaries, such as large accountancy practices and business consultants. To date, over 60 volunteer coaches have signed up to the scheme via a social media campaign, and over 30 coaching relationships have already commenced. Although coaches are being asked to volunteer two hours of support, many are providing much more than this, which typifies the generosity evident within the business support community's response to the crisis.
- 2.11 A number of the current products delivered by the Business Support team have been adapted to meet the current situation, and to reach a larger audience of SMEs. This includes the expansion of the Strategic Business Growth project to provide additional intensive support for the 400 high growth firms supported to date, as well as a number of resilience and recovery webinars that have been available to all businesses. In addition, the current Investment Readiness project has also moved a large proportion of its delivery to on-line, with new webinars focussed on access to finance, including how to access the new Coronavirus Business Interruption Loan Scheme (CBILS), how to present strong business cases and investment propositions, and how to embed robust financial management. To date, over 20 new webinars have been delivered with almost 200 businesses participating, including 72 that are new to the programme. Feedback from businesses has been very positive so far.
- 2.12 The City Region's scale-up programme, Strategic Business Growth (SBG), has also adapted its delivery model to provide a range of new webinars, including how to pivot for success, the mindset gym, people management and leadership groups. At the time of writing, 265 people from 85 businesses had registered for the webinars. The tender exercise to appoint a delivery partner(s) for the next phase of SBG closed in early May 2020 with 13 responses received. The outcome of this will be reported at the next meeting of the panel.

- 2.13 It is also important to stress that the wide range of products and services available to businesses in the City Region are still being accessed, with over 20 applications for capital grants related to business expansions having come forward since late March 2020. In addition, applications for grant support from businesses seriously affected by the floods in early 2020 are also now being submitted for appraisal. The accompanying report on Business Support provides more detail on the current project delivery for the Business Growth Programme, the Productivity Pilot, Access Innovation, Resource Efficiency Fund and the Travel Plan Network.

PPE and Healthcare Supply Chain

- 2.14 In partnership with Local Authorities (through Growth Managers and the Employment Hubs), the University of Huddersfield's Supply Chain programme, Medilink, the Department for International Trade and the Textiles Centre of Excellence, the CA/ LEP has established a programme of support for City Region businesses that want to manufacture and/or supply healthcare products into the NHS, social care sector and other emergency services. This includes Personal Protective Equipment (PPE) and other essential products and equipment, such as ventilators, mattresses, and sanitisers.
- 2.15 The above is being complemented by a ringfenced capital grant budget of £3m from the Business Growth Programme that, to date, has been utilised by City Region businesses to support the supply of parts for a major ventilator order from the NHS, a new sanitiser product for health and social care settings and the supply of over 12,000 mattresses for the new Nightingale hospitals, including the one in Harrogate. In addition, there are two major applications in the pipeline for substantial PPE manufacturing facilities to be established within the City Region. The aim of this work is to build a more resilient and sustainable supply chain for healthcare products capable of serving health and social care providers in the Leeds City Region and across the country.
- 2.16 The CA / LEP has also established an access point and gateway for businesses in the City Region, and further afield, interested in supplying PPE products. The service is also working closely with procurers in the health and social care sectors, and with the Yorkshire Purchasing Organisation (YPO), to directly link supply and demand. To date, over 70 businesses have contacted the gateway, with 12 being referred directly to senior procurement leads in the NHS and Local Authorities, 30 to the YPO and the others accessing support from the partners referenced above to get them into stronger positions to supply the products. Further information, including the detailed specifications for PPE products, can be found at : - <https://www.the-lep.com/business-support/personal-protective-equipment-ppe/>
- 2.17 In early April 2020, Chair of the LEP, Roger Marsh OBE, instigated weekly meetings between the four Yorkshire and Humber LEP Chairs and representatives of all the major banks in the region since (including BIG Panel members). These constructive sessions, which have also included the British Business Bank and business representative organisations (Chambers of Commerce, FSB and CBI) have been useful in unblocking some of the access

issues with the CBILS. They have also improved the referral routes between banks and the Growth Hubs, and have been instrumental in lobbying for, and supporting the design of, the new Bounce Back Loan Scheme.

- 2.18 The LEP continues to lead the Yorkshire and Humber Growth Hub Cluster, which involves coordinating activity, and capturing and reporting intelligence, across the wider region on the business impacts of COVID-19. A cluster coordinator will shortly be appointed to formalise and drive forward the collaboration, and to identify and implement business support interventions across the region with the expected uplift funding from the Government and the EU.

Recovery planning and product development

- 2.19 Although response activity will continue for some time to come, businesses and individuals are rightly looking towards what next and how the economy will recover post-COVID-19. At the City Region level, work has commenced at pace to create an economic recovery plan (in line with the vision at 2.3 of the West Yorkshire Economic Recovery Board), acknowledging that any plan will need to be updated as further information, intelligence and decision making occurs. The approach for this work is focussed on a four-stage cycle:

1. Data and intelligence,
2. Scenarios,
3. Narratives
4. Products and programme.

- 2.20 The economic recovery plan will consider what is needed at the city region level to support recovery, and what the risks and opportunities are to existing challenges for the region's economy. In particular this relates to key BIG Panel agendas including: how to improve regional productivity, low levels of R&D and innovation, persistent inequalities and how businesses can support clean growth.

- 2.21 Key questions being considered for the recovery plan in meeting these existing challenges, which Panel members are asked to consider, include:

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

- 2.22 Acknowledging the importance of continuing to develop the recovery planning in line with emerging evidence and policy, a number of recovery-related products are already in development, with others under consideration, that respond to some of the challenges that have already emerged. It is important to stress that funding has not been identified for these products at this stage, and it will be critical to balance timely interventions with making the most significant possible impact, particularly as difficult decisions on priorities will need to be made.

- 2.23 The products under consideration will be discussed in more detail at the meeting, but are currently focussed on advice, support and funding for business recovery, support for businesses to innovate and diversify, support to build digital capacity to enable more effective remote-working (including cyber security) and more support for pre-start and start-up firms.

3. Clean Growth Implications

- 3.1 Clean Growth will continue to be supported through the current and new products delivered in response to Covid-19. The reduction in travel and the increased use of ICT to facilitate effective remote working is clearly having a positive impact on the environment. Businesses will continue to be supported to apply innovation and digital technologies to adapt their products and services to meet current and future demand.

4. Inclusive Growth Implications

- 4.1 As part of the current Inclusive Growth framework, any businesses that receive grants from the above products would be required to contribute to Inclusive Growth actions and outcomes via their funding agreements.

5. Financial Implications

- 5.1 The delivery and development of new recovery products would require either increased flexibility on the use of current funding streams (e.g. grants awarded for capital investment to be used for working capital, or, the procurement of professional advice with recovery / contingency planning), or new funding altogether.

6. Legal Implications

- 6.1 As above, delivery of some of the proposed products will require contractual approvals from Government, and/or, new funding allocations that would result in new contractual obligations for the CA.

7. Staffing Implications

- 7.1 Delivery of the products included in the report would require changes to current staff roles and/or additional staff to be recruitment

8. External Consultees

- 8.1 No specific or official external consultations have been undertaken in relation to this report. However, it has been informed by ongoing dialogue and consultation with a wide range of partners, including Local Authorities, Universities and Colleges, Business Representative and Membership Bodies, and direct with some individual businesses.

9. Recommendations

- 9.1 That the Panel notes progress on the delivery and development of products and services in response to the Covid-19 crisis.
- 9.2 That the Panel approves the work to deliver and further develop products and services in response to Covid-19.
- 9.3 That the Panel provide feedback on the developing recovery work, in particular on the key questions set out at 2.21.

10. Background Documents

There are no background documents referenced in this report.

11. Appendices

None

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Report to: Business Innovation and Growth Panel

Date: 21 May 2020

Subject: **Business Support Update**

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

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

1 Purpose of this report

- 1.1 To provide the Panel with an update on business support activity and plans undertaken since the last meeting in late February 2020. This includes the LEP Growth Service, the Business Growth Programme, the Resource Efficiency Fund & REBiz, Access Innovation & Connecting Innovation, Strategic Business Growth (extension and new programme), Travel Plan Network, the Northern Powerhouse Investment Fund, #Grow and Investment Readiness.
- 1.2 Business support activity and plans specifically related to the COVID-19 situation is covered within agenda item 6.

2 Information

Business Support Context and Strategy

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

Figure 1 : Business Support Eco-System



2.2 Figure 2 below sets out a logic model for the City Region’s business support provision as part of the policy framework for the new local industrial strategy. This also reflects the importance of providing our uniquely large SME base with a cohesive and progressive programme of support, underpinned by a continued emphasis on Digital, Innovation and Clean Growth as priority areas.

Figure 2: Business Support Policy Logic Model

Business support policy logic model

CONTEXT: The long term vision for the City Region economy is *‘to be a globally recognised economic powerhouse that creates good growth, jobs and prosperity’*. Important in realising this ambition is private sector leadership driving a more productive region. The productivity gap is growing between Leeds City Region & the wider UK (& other advanced economies). This is a problem because real terms living standards can only be increased sustainably by increasing productivity. As described in the city region’s policy framework, driving up productivity and growth requires an environment that enables businesses to start-up, innovate, trade and invest.

RATIONALE: e.g. There is a wealth of evidence that suggests business practice has a significant role to play in business productivity. The Leeds City Region has a productivity gap with the UK, driven by a longer tail of unproductive firms, below average private sector investment in innovation, lower levels of skills and weak competition. Business support plays a significant role in addressing these issues, providing advice, guidance, funding and mentoring to help businesses grow and become more productive, which ultimately supports increased living standards.

INPUTS	ACTIVITIES	OUTPUTS	OUTCOMES	IMPACTS
<ul style="list-style-type: none"> European Regional Development Fund European Social Fund Local Growth Fund BEIS (DIT & Growth Hubs) LCR Business Rates Pool Innovate UK / KTN Universities / HEFCE British Business Bank & EIB Business-match 	<ul style="list-style-type: none"> LEP products (capital grants, Access Innovation, SBG, REF, Investment Readiness, TPN, Productivity Pilot and IG Outcomes) NPIF Export for Growth Manufacturing Growth Programme Knowledge Transfer Partnerships Ad.Venture Digital Enterprise 	<ul style="list-style-type: none"> Businesses supported Grants provided Private investment leveraged Co-operation between businesses and research institutions Skills and training 	<ul style="list-style-type: none"> Jobs created Increased exports New products to market Follow on investment Increased research and innovation Enterprises established Resource efficiency Increased skills 	<ul style="list-style-type: none"> Economic output Increased productivity More firms engaged in R&D Increased business scale ups Higher skilled jobs Improved living standards

EXTERNAL FACTORS: e.g. macro-economic, devolution, Brexit, national policy, business demand, other business support providers

LEP Growth Service

- 2.3 The Growth Service provides businesses in Leeds City Region with direct access to the full range of publicly-funded products and services available to help them grow and/or sustain. This includes those delivered directly by the LEP and those available via partner organisations.

Progress to date

- 2.4 Table 1 below highlights the annual service performance against the headline targets for 2019/20. Appendix 1 provides more detailed information on the scope, scale and impact of the Service.

Table 1: Performance against headline targets 2019-20.

Target Measure	Target	Apr 2019–Mar 2020
SMEs supported - light-touch & intensive (including enquiries/support from LEP products and services plus events)	3,025	3301
Intensive support to SMEs by Growth Managers (ongoing support over the year i.e. several meetings, diagnosis of need, personal referral to relevant products/services, support with funding applications etc).	630	721
Intensive support to SMEs (including support from Growth Managers, and the LEP's core business support products)	1035	1393
Delivery of Business Advice Pop Up events (with 7 in the 20% most deprived parts of the country)	14	11 (7 in the 20% most deprived area)
Proportion of businesses supported likely to recommend it	90%	88%
Service Expenditure (combined budget) - BEIS (£512,500) - Business Rates (£44,838)	£557,338	£547,644 (BEIS £512,497 and BR £35,147)

- 2.5 The service surpassed its annual target to support 3025 businesses by 9%. A total of 3301 individual SMEs received support between 1 April 2019 to 31 March 2020, of which 721 were intensively supported by the team of SME Growth Managers. 1393 businesses benefitted from the range of LEP business support products, namely Resource Efficient Business, Access Innovation, Strategic Business Growth, Investment Readiness and Business Growth Programme. The support has resulted in over 4479 interactions, meaning many businesses have used the service on several occasions.
- 2.6 Table two below presents the new service targets for 2020/21, and progress against these will follow in the next Panel update.

Table 2: Headline targets 2020-2021.

Target Measure	Target
SMEs supported - light-touch & intensive (including enquiries/support from LEP products and services plus events)	3300
Intensive support to SMEs by Growth Managers (ongoing support over the year i.e. several meetings, diagnosis of need, personal referral to relevant products/services, support with funding applications etc).	630
Intensive support to SMEs (including support from Growth Managers, and the LEP's core business support products)	1035
Delivery of Business Advice Pop Up events (with over half in more disengaged / disadvantaged parts of the City Region)	14
Proportion of businesses supported by the Growth Service likely to recommend it	90%
Service Expenditure (combined budget) <ul style="list-style-type: none"> - BEIS (£512,500) - Business Rates (£9691) 	£522,191

Service developments

- 2.7 Following testing of the new updates to the CRM system by colleagues at Calderdale Council, the Service went live with these updates on 1 May 2020. The developments will enable more consistent collection and reporting of data more broadly across Economic Services. They also allow for clients supported via ERDF projects to submit signed documents online, which will reduce time and resources for all parties.
- 2.8 The continued professional development of the SME Growth Managers includes Social Media Training (beginner through to advanced) and SFEDI accreditation (occupational standards for business support professionals). Both activities commenced in March 2020 and are now being delivered remotely. Social Media Training is also being delivered more widely across the CA's Economic Services department, enabling colleagues to better engage businesses online, which is obviously critical in the current climate.
- 2.9 SME Growth Manager meetings are now taking place remotely. Presentations over the last quarter include: - programme updates from the University of York's Process and Product Innovation (PAPI) programme and the LEP's Investment Readiness scheme, as well as Natwest's 'Back Her Business' campaign. In addition to building strong links with partners, these meetings support the professional development of both the Growth Managers and the Gateway team. They also provide a platform for the Growth Managers to share best practice about business engagement and client support. Over the last quarter, the group have worked together sharing practical tips on the use

of social media platforms, as well as the work they are doing to assist businesses during the Covid-19 pandemic.

- 2.10 The latest Professionals' Perspective Network event for private sector business intermediaries took place in late February 2019 and was hosted by Santander Work Café in Leeds City Centre. The focus was on skills, which included a guest presentation on Leeds University's internship programme and showcased a successful case study about Ponderosa. An update was also given about developments within the LEP's employment and skills initiatives. Attendees were invited to participate in 'mini vlogs', providing tips to businesses about contingency planning and risk management following the UK's exit from the EU.

Marketing and communications

- 2.11 The proactive marketing campaign to drive more customer traffic to the service, and to promote business support more widely across the City Region, has continued over the last quarter. Following on from digital display ads and press releases in the Yorkshire Post in January and February 2020, a digital banner was live on the Business Desk website throughout March until 19 April 2020. It also provided information to businesses about support available in response to COVID-19.
- 2.12 In addition to the development of 10 video business case studies, an agency has been commissioned to produce five press releases for the Growth Service, focussing on business success stories following support that they have received from the LEP and its partners. The full range of case studies can be found at <http://www.the-lep.com/case-studies/>.
- 2.13 As part of the service's market plan, owners / managers of SMEs were invited to participate in a survey in early March 2020. The aim was to glean a better understanding of their growth-related goals, and of where they most typically turn for support and advice. The survey also provided insight into their current knowledge of the LEP's products and services, including the Growth Service and the products accessed via it. A link to the survey can be found here <https://wh.snapsurveys.com/s.asp?k=158075246632> and the findings will be used to inform future messaging approaches to owners / managers.
- 2.14 A specific Covid-19 newsletter was issued to over 10,000 businesses who are signed up to regular newsletter updates. It highlighted the range of support that businesses can access in response to the crisis, including the Government's financial assistance packages, free coaching sessions from the LEP with business volunteers, tips for effective ICT-enabled home-working and new webinars for all businesses as part of the Investment Readiness and Strategic Business Growth programmes. It also promoted good news stories about some of the City Region's manufacturers that are supplying equipment and goods to the NHS. Businesses were also directed to a survey conducted by the British Chamber of Commerce about the impact that Covid-19 is having upon their business. <https://mail-the-lep.com/t/3LTT-144GZ->

<225MARLFB0/cr.aspx>. Further details of the support available to businesses (now and in development) is contained within the report at agenda Item 6.

- 2.15 The Service sponsored the Social Enterprise Yorkshire and Humber Awards in early March 2020, celebrating the work of some of the City Region's most successful social enterprises. Several planned events that were due to be delivered throughout March to May have been cancelled or postponed due to Covid-19. These events include the Leeds City Region SME Support network, Women In Business networking event (hosted by Huddersfield Giants), Kirklees Business Conference and Selby Business Week. Alternative dates for later in the year will be set.
- 2.16 The service delivered 11 of the planned 14 'ask the expert' business pop-up events over the 2019-20 financial year. The model involves business experts volunteering their time to advise owners of start-up and micro firms on a range of business topics, and is a cost-effective way for the LEP to engage with the Private Sector in some of the City Region's more outlying and disadvantaged areas. The final three events scheduled to take place mid-late March 2020 in Ossett, Batley and Huddersfield were also postponed due to COVID-19. Despite this, 62 businesses (77 individuals) benefited from 178 free business advice sessions during 2019/20.

ERDF Growth Service (Business Resilience Programme)

- 2.17 The team of SME Growth Managers has spent a significant amount of time providing support to clients and other businesses within their districts around COVID-19. They have also assisted the Business Rates teams within their own Local Authorities, helping to field enquiries linked to the delivery of the COVID-19 grant schemes. The recent crisis has presented opportunities for the team to identify eligible businesses and provide ongoing support through the ERDF Growth Service project, particularly around business recovery and continuity planning.
- 2.18 Discussions are taking place with each Local Authority to consider re-profiling project outputs for 2020. The proposal is to reduce the number of 12-hour intensive assists and increase the number of three hour assists to businesses. The suggested changes will help to capture the volume of eligible clients supported by the SME Growth Managers throughout the COVID-19 crisis. The proposed changes will be presented to the ERDF Contract Manager for approval by the end of May 2020.
- 2.19 Procurement for the Business Diagnostic Tool and Peer to Peer workshops has taken place. The contract to deliver the Business Diagnostic Tool has been awarded to BankSearch Ltd. An inception meeting took place in April 2020 where two SME Growth Managers were present to ensure the content of the tool remains fit for purpose for businesses in the COVID-19 environment. Training for the SME Growth Managers took place at the end of April and the Business Diagnostic Tool went live at the beginning of May.

2.20 The contract to deliver the Peer to Peer workshops has been awarded to Otley-based business consultancy, Biskit. An inception meeting took place on the 20 March 2020 to re-design the delivery of the workshops in response to COVID-19. Facilitated workshops commenced on 21 April and are being delivered via a virtual, interactive platform, to a maximum of ten business leaders per session. Workshop content is being influenced and led by businesses and their needs. Early findings show that businesses welcome assistance with business planning, guidance on how to innovate and maximise future opportunities, financial assistance, as well as motivational support to keep going in these difficult times.

Business Growth Programme (BGP)

2.21 The BGP provides grants of between £10,000 and £250,000 to businesses in the City Region towards capital investment (land, building, plant, equipment, machinery) that will lead to new job creation. Grants contribute up to 20% of the total cost of an investment, with businesses needing to demonstrate that they have access to the remaining finance required.

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

Table 3: Programme performance against headline targets

Target Measure	6-Year Target (April 15 to March 21)	Achieved (as of 31 Mar 20)
Expenditure	£44.32m	Committed - £37.43m Actual - £31.69m
New Jobs Created	4,100	Committed – 5,968 + 1,693 safeguarded Actual – 4,605 + 1,682 safeguarded
Businesses Supported	No contractual target	Committed - 651 Actual – 599
Number of Grants Awarded	765	Committed - 807 Actual – 731
Public/ Private Sector Leverage	£168.5m	Committed - £380.93m Actual - £312.53m
Total Cost Per Job	No contractual target	Committed - £6,273 Actual - £6,8797,054

2.23 As the above table highlights, the programme is achieving a good return in terms of cost per new job at under £7,000. This figure would be lower if the 1,682 actual safeguarded jobs were included in the overall calculation and would reduce the figure to £5,032 per job.

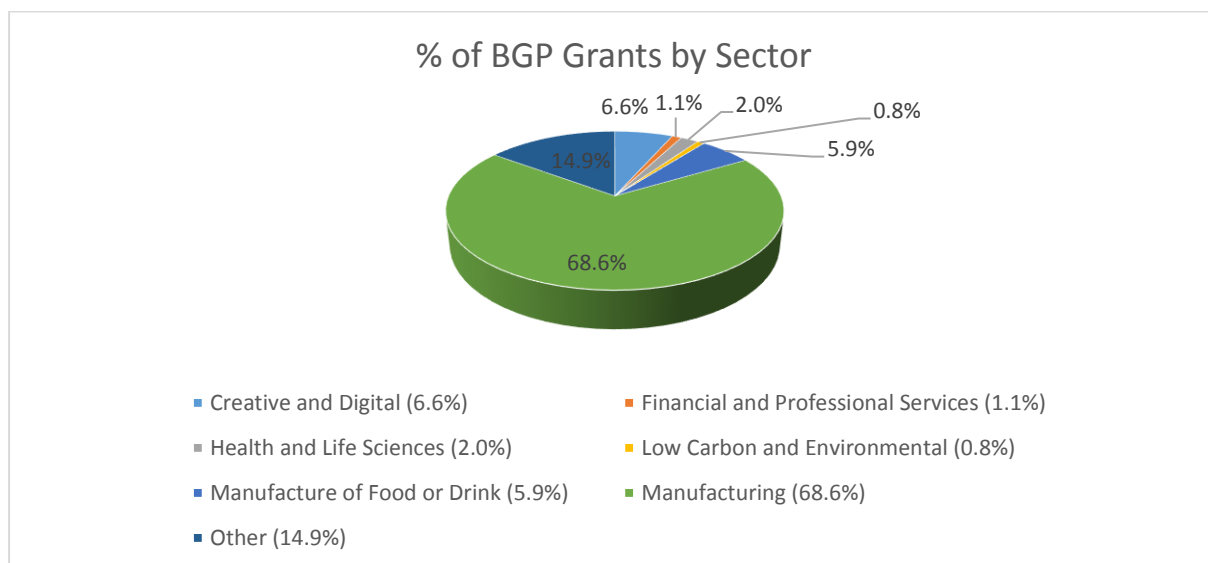
2.24 The table below compares the proportion of SMEs per district within the City Region against the proportion of all grants awarded. It shows that West Yorkshire districts (particularly Calderdale and Kirklees) all perform well in terms of successfully accessing the programme, but that the North Yorkshire districts have a proportionately lower take-up rate. The main reasons for this are lower numbers and concentrations of manufacturing businesses in these areas and the fact that the more established route to support for some North Yorkshire businesses is through the North Yorkshire LEP Growth Hub (with which there is a close working relationship).

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

District	SME Stock (%)	Number of Grants	% of Number of Grants	Sum of Grant Awarded	% of Value of Grants
Barnsley	5.90%	39	4.8%	£ 1,817,141	4.9%
Bradford	14.50%	131	16.2%	£ 6,443,965	17.2%
Calderdale	7.50%	106	13.1%	£ 4,977,990	13.3%
Craven	3.20%	16	2.0%	£ 431,762	1.2%
Harrogate	8.50%	28	3.5%	£ 1,068,909	2.9%
Kirklees	13.50%	142	17.6%	£ 5,755,953	15.4%
Leeds	26.80%	240	29.7%	£ 10,928,240	29.2%
Selby	3.40%	5	0.6%	£ 258,800	0.7%
Wakefield	9.50%	84	10.4%	£ 5,217,053	13.9%
York	7.20%	16	2.0%	£ 532,057	1.4%
Total	100.00%	807	100.0%	£ 37,431,871	100.0%

2.25 The below chart presents the number of grants awarded via sector and highlights the continued importance of the programme to the manufacturing sector, which accounts for 68.6% of all grants awarded since April 2015. The next most popular sectors are Creative and Digital and Food and Drink, with 6.6% and 5.9% of grant awards, respectively. Other sectors represent 14.9% of grant awards. Projects defined as 'other' mostly relate to industries closely aligned to the manufacturing sector, such as warehousing and distribution.

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



Grants to Flooded Businesses

- 2.26 Following the widespread and devastating flooding to businesses across Leeds City Region (current estimate of up to 900 affected, with the Calder Valley most severely impacted) caused by Storms Ciara and Dennis in February 2020, the LEP and CA allocated £3m of the BGP budget to establish two sub-funds. These are an Emergency Response Fund and a Flood Recovery Fund. The former provides grants of up to £2,500 per applicant to support with immediate clean-up/repair costs, replacement of white goods and other smaller items of equipment/kit, and the replacement of essential stock. The second fund focuses more on mid-term recovery as was the case in 2015/16 following Storm Eva, supporting businesses to meet the cost of replacing larger items of capital equipment and/or renovating and repairing damaged premises.
- 2.27 Take-up on the Emergency Response fund has been lower than expected, as the most affected local authorities (Bradford, Calderdale, and Wakefield) were able to access the national Bellwin scheme. A small number of grants have been paid to businesses in Leeds and York. Work is ongoing with potential applicants to the Flood Recovery Fund, with a number in Calderdale and Wakefield expected to come forward in the coming weeks.

Productivity Pilot

- 2.28 The second round of the Productivity Pilot launched on 1 November 2019, with businesses invited to complete applications by 31 January 2020. The pilot aims to incentivise productivity improvements within a small cohort of businesses, rather than requiring projects to lead to the creation of new jobs.
- 2.29 15 applications were received with a combined grant request of £970,208 against the budget allocation of £750,000. The applications were considered

in late February 2020 by a panel with representation from the private sector and academia. Ten applications were recommended for approval, with a collective value of £731,388, subject to appropriate due diligence being carried out by officers at the Combined Authority. Three are businesses in the Leeds district, two each from Bradford, Harrogate and Kirklees, and one from Barnsley. Two are large businesses and eight are SMEs. Due diligence has now been completed and all formal approvals were made by the end of April 2020. The panel will be kept updated as the investment projects progress and the productivity plans are implemented.

- 2.30 £3m of the overall budget has been ring-fenced for potential grant investment for businesses that are manufacturing products, including PPE and ventilators, directly to the NHS and/or social care provision. Further details of this are set out in Agenda Item 6.

Inclusive Growth

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

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

Programme	Total no. of commitments	No. of mandatory commitments	No. of voluntary commitments
#Grow	18	14	4
#Welcome	6	4	2
Access Innovation	6	1	5
Access Innovation Equipment Grants	3	0	3
BGP Enquiry	163	143	20
Productivity Pilot	17	16	1
Strategic Business Growth Programme	1	1	0
Strategic Inward Investment Fund	17	13	4
Total	231	192	39

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

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

Commitment	Number	% of all commitments
Inspire the next generation by working with schools and colleges	52	22.5%
Undertake an energy audit to identify ways to reduce energy consumption	38	16.5%
Develop a Skills Plan including apprenticeships	34	14.7%
Offer more sustainable 'green travel' options to employees	26	11.3%
Other	21	9.1%
Offer training to low paid staff to help them progress	17	7.4%
Pay small business suppliers in accordance with the Prompt Payment Code	15	6.5%
Commit to paying staff the Real Living Wage within an agreed timescale	14	6.1%
Undertake a supply chain audit to identify opportunities to buy more from local suppliers	11	4.8%
Offer work opportunities to local people with disabilities or health issues	3	1.3%
Total	231	100.0%

- 2.34 Of commitments agreed with businesses to date, the highest number are for working with schools and/or colleges (22.5%), followed by undertaking an energy audit to identify ways to reduce energy consumption (16.5%).

Resource Efficiency Fund & Resource Efficient Business (REBiz) Programme

- 2.35 The Resource Efficiency Fund (REF) was delivered through the Growth Service until December 2019. It was jointly funded by the Local Growth Fund (LGF) and the European Regional Development Fund (ERDF), and provided advice and funding (grants of up to £10,000) to SMEs to identify and implement improvements related to their use of resources i.e. water, waste and energy.
- 2.36 714 businesses engaged with the project, resulting in 372 assessments being completed that identified clear actions the firms could take to improve their resource efficiency. 160 grants were paid out totalling £978,783, leveraging nearly £1.2 million of SME spend. The programme overachieved on most of its contracted outputs but fell slightly short on total enterprises supported at 285 (94% of target). An estimated 2,422 tCO₂ savings per annum (over 7.6 million kWh of energy savings) have been made through grant-supported improvements, with estimated savings to the businesses of £663,241 per annum.

- 2.37 The new REBiz successor programme, also supported by ERDF and the Local Growth Deal, and covering an extended geography of all West and North Yorkshire, started in early 2020. It will continue to deliver grants and advice to improve resource efficiency, whilst also introducing a new circular economy pilot to explore business model innovation in more depth.
- 2.38 REBiz is a £6.099 million project, including £2.8 million of ERDF, and will run until 31 December 2022. It has already engaged with 83 businesses as of late April 2020, with six businesses being approved for grant funding and one business having already completed its investment.
- 2.39 Whilst there have been some unforeseen delays with procurement, suppliers have now been contracted for both resource efficiency audits and circular economy support. New posts in the delivery team have also now been recruited to, including the Circular Economy Manager and Resource Efficiency Manager for North Yorkshire.
- 2.40 The programme has been affected by the COVID-19 situation more than some other programmes as the majority of support requires a physical visit to site to undertake audits. However, the team is using digital technology to manage the situation where possible and REBiz remains open to businesses.

Access Innovation/Connecting Innovation

- 2.41 Access Innovation is also being delivered across the City Region with funding from ERDF and LGF. Its primary objective is to help SMEs to become more productive and competitive through the development and enhancement of new/existing products, processes and services. The programme links SMEs directly to specialist expertise and facilities within research intensive organisations, such as universities, Catapult Centres and some private sector R&D specialists. It provides advice to businesses on which organisations can support them with their innovation activities, and also grants of between £1,000 and £30,000 towards the cost of working with the relevant expert organisations.
- 2.42 732 SMEs have engaged with the programme to date resulting in 290 receiving one-to-one support from the three Innovation Growth Managers, and 216 receiving 12 hours of innovation capacity support from a procured delivery partner, RTC North. 56 SMEs have been awarded grants to access specialist expertise through collaborative innovation projects, and 13 have secured grant funding for the purchase of capital equipment that facilitates the development or commercialisation of new products or processes. The approved grants to date have a collective value of £1.7m and have generated additional match funding from the SME-recipients of £2.3m.
- 2.43 The programme was due to finish at the end of June 2020, however, the COVID-19 pandemic has led to delays with many SME projects due to the other business priorities, unavailability of specialist expertise and reduced project management capacity within the SMEs due to furlough. As a result, the primary funder (Ministry for Housing, Communities and Local Government) has agreed to a three month extension to the programme to allow as many projects as possible to fully complete. A small number of applications, some

with a focus on the COVID-19 response, are currently being developed with support from the Innovation Growth Managers.

- 2.44 An independent evaluation of the Access Innovation programme is currently being undertaken by RSM UK and is expected to produce a final report by the end of May 2020. Findings from the evaluation will inform the delivery of the successor programme, Connecting Innovation (more details below), and a summary will also be included in a future update to BIG Panel.
- 2.45 The Combined Authority has now received confirmation of a successor programme, Connecting Innovation, also funded by ERDF and LGF. The new programme, which launched in April 2020, will amplify the importance of connecting ideas and links between partners, and of connecting SMEs with funding and support from across the regional and national innovation ecosystem.
- 2.46 In 2017 an MoU between Leeds City Region LEP and Innovate UK was agreed, demonstrating the commitment of both parties to joining up, and deepening the impact of, innovation support across the City Region. Connecting Innovation, launched in April 2020 is the City Region's key vehicle for achieving the ambitions set out in the MoU, and for delivering the joint ambition to establish a West Yorkshire Innovation Network (as specified in the devolution agreement).
- 2.47 Connecting Innovation will have two distinct grant elements that very closely align to priorities in the emerging Local Industrial Strategy. The first is for larger grants to businesses to encourage more radical R&D led innovation within priority growth sectors. The second is for smaller grants to support the broader diffusion of ideas and technology into the wider business base, to further drive innovative activity, collaboration, behaviours and productivity.
- 2.48 Clear coordinated communication and messaging to support a culture of business innovation within the region is seen as fundamental to the success of the programme. To reflect this, recruitment is underway for a Marketing and Communications Officer funded by the programme. The role will lead both SME engagement for Connecting Innovation as a programme, but also coordinate communications with partners to help simplify the innovation ecosystem for SMEs. Recruitment is also underway for two new Innovation Growth Manager posts and a part-time Project Assistant. These new roles are in addition to the current Access Innovation team which will move over to Connecting Innovation on 1 July 2020.

Strategic Business Growth – support for SMEs with high growth potential

- 2.49 The current £6.12 million Strategic Business Growth (SBG) project delivered by the LEP and its appointed contractor, Winning Pitch, is part-funded by the European Regional Development Fund (ERDF) and the Local Growth Fund (LGF). The project, which officially came to an end as at 31 March 2020, provided small, ambitious businesses with a package of tailored support to help them achieve their growth potential. This included one-to-one business coaching, one-to-many workshops on key areas of business growth and peer-to-peer networks that allowed businesses to share their experiences and

expertise, as well as identify collaboration opportunities. This was complemented by a grant fund providing grant support of up to £40,000 to selected businesses.

- 2.50 Key contractual targets in terms of number of businesses intensively supported and jobs created were both surpassed. A total of 353 businesses fully engaged with the programme (against a contractual target of 302), including 329 that developed detailed growth action plans with their allotted account manager and received coaching support where specific needs were identified. As a result, 291 benefitted from a combined total of over 11,860 hours of coaching support and 112 attended an average of three of the one-to-many workshops available. 44 businesses also participated in the peer to peer leadership workshops offered through the programme. 39 businesses received grant support.
- 2.51 The 353 businesses supported through the programme have created 823 new jobs to date, exceeding the contractual target of 604 by just under 40%. Increased Gross Value Added (GVA) collected from 99 businesses amounted to £27.3m. Extrapolated across the 329 companies receiving intensive support gives a total of £90.85 million.
- 2.52 An extension to the project for the three year period 1 April 2020 to 31 March 2023 has recently been agreed. Total project value is £3.241 million with a 50% contribution from the European Regional Development Fund. The delivery model will be as per phase one of the programme, with a third party business support contractor to be formally procured through an open tender process which closed on 6 May 2020. It will be a £2 million contract, with key outputs being a minimum of 345 businesses intensively assisted and 690 new jobs created. This will be complemented by a grant fund of £500,000 with grants of between £5,000 and £50,000 available to support the 'on-boarded' businesses where financial, coupled with advisory support, will accelerate their growth.
- 2.53 An uplift to the Winning Pitch contract was agreed in April 2020 to provide business resilience assistance over a six week period to the cohort of SMEs supported by the original three-year programme. The support consists of a triage service to identify needs and follow up with advice and coaching, plus live webinars on topics such as – Pivot for success, Employee engagement, The mindset gym - and peer to peer leadership groups. These webinars have been made available to all businesses in the City Region.

Investment Readiness

- 2.54 The £1.23 million Investment Readiness programme, supported by funds from ERDF and the Leeds City Region Business Rates Pool, provides SMEs across the City Region with impartial advice and guidance on the full range of finance products available in the marketplace. The programme, which runs until 31 December 2021, assists businesses with accessing the finance they need to grow their operations. Support is accessed via the Growth Service and is a key referral product for Growth Managers, as well as for business

support professionals working on other projects e.g. Export for Growth, Manufacturing Growth Programme, Supply Chain Development programme and the Northern Powerhouse Investment Fund.

- 2.55 The programme is being delivered by a third-party business support provider, Winning Pitch Trading Ltd, in conjunction with accountancy firms Grant Thornton and Garbutt + Elliott. Support available through the programme includes a series of workshops covering key themes relating to finance, alongside peer-to-peer networks, 1-2-1 funding clinics and tailored coaching sessions with a Growth Finance Advisor.
- 2.56 During the quarter January-March 2020 delivery on the programme has continued to gain momentum. Winning Pitch Ltd has had enquiries from over 200 businesses who, where appropriate, will go forward for Information, Diagnostic & Brokerage if they have not done so already. There have been several workshops held across the City Region covering a wide range of topics related to accessing finance. Peer to Peer Leadership Networks are also a major part of the programme, which present a new approach to tackling the challenges of running and growing a business, by pooling the experience and expertise of other growth-orientated business owners within a confidential professional forum. These are facilitated by a high growth business specialist.
- 2.57 During the current COVID-19 outbreak, workshops have been converted into online seminars and an additional six topics have been added to the core offer, including specific ones related to national and City Region business support available in response to the COVID-19 pandemic. This includes information on how to access the new government schemes and managing cashflow during the current economic climate. Funding clinics and 1-1 support are taking place via Zoom.

Travel Plan Network

- 2.58 The Travel Plan Network (TPN) provides its business members with expert advice and guidance on implementing sustainable travel solutions and relocation support. An additional 77 new businesses joined the network over the course of 2019-2020, against an annual recruitment target of 96 new members. Proactive recruitment of businesses to the network, including introductory sign up visits, were forced to halt during March, due to the COVID-19 pandemic.
- 2.59 An additional three businesses requested to join the network in April 2020 bringing the total membership to 528. As a result, over 300,000 employees within West Yorkshire are eligible to access subsidised public transport options, cycling support and car sharing schemes in a concerted effort to create modal shifts and reduce single occupancy car use.
- 2.60 All client data has now been fully integrated into the CA/LEP's client relationship management system. This has improved the team's monitoring and reporting arrangements, particularly in relation to capturing partner referral channels. The latest data shows that 43 new members were referred to the

Corporate MCard scheme during 2019-2020. An additional 1,704 employees could now benefit from cheaper unlimited bus and rail travel within West Yorkshire, through an affordable monthly payment scheme (monthly salary deductions). Providing accessible and affordable travel for lower paid employees is a key priority for the service, and this is making a positive contribution to the principles of Inclusive Growth.

- 2.61 Over the last 12 months, the Business Travel Advisors have attended the monthly SME Growth Manager meetings. Attendance at these meetings has helped to keep the TPN high on the agenda, particularly within the context of inclusive and clean growth as well as business resilience. It has also provided an opportunity to increase the number and quality of client referrals to the team. Over the course of the year nine of the 23 referrals made by the SME Growth Manger team resulted in new members to the network. Another nine out of 14 businesses joined as a direct result of making an Inclusive Growth commitment to travel sustainably as recipients of LEP grant funding.
- 2.62 The project team is funded by a European partnership project, Interreg SHARE-North. The team, along with CoMo UK, were due to host a 3-day partners group meeting in mid-May 2020, which has now been cancelled due to COVID-19. However, several planned workshops will now take place as webinars over the course of May and June. Work is also taking place to complete a manual for municipalities, which has been designed as a practical guide for cities that highlights initiatives to support cleaner and greener cities and regained public space. The team has contributed case studies about businesses that have been supported by the TPN to increase shared mobility and active travel amongst their employees to help reduce single occupancy car use. The team is also providing a section that focuses on the effectiveness of engaging businesses to help engender behavioural changes as part of a wider response to the climate change emergency.
- 2.63 The team is currently working with local authority partners to commission a car sharing scheme for City Region businesses. Likewise, work is also taking place with local authority partners to shape the annual business travel survey which will now be issued in early Autumn 2020.
- 2.64 A collaboration between partners, including Leeds City Council, Fore Consulting (travel consultants), First and services with the Combined Authority has resulted in an extended bus service (bus 15) at the Logic Leeds site. This will improve connectivity between this business park and Leeds City Centre. The TPN has been instrumental in supporting this piece of work, assisting network members to establish new premises or relocate, including Amazon, John Lewis and Premier Farnell.
- 2.65 Sustainable travel campaigns, initiatives, offers to network members and good news stories are promoted through the TPN member monthly updates. Promotions and updates over the last quarter focused on local events involving cycling, walking and car sharing. These included: - Let's talk (6 Feb) focussing on how active travel can improve mental health and well-being, Enterprise Car Club, Cycle to work scheme, West Yorkshire Car Share, Bike

Friendly business scheme and Living Streets national walking summit (6 March). In addition, consultation opportunities on the Bradford Clean Air Zone were promoted, and members were also directed to the wider business support available during the COVID-19 pandemic. Lastly, members were also encouraged to retain their travel cards where possible and continue to travel sustainably in the business recovery phase of the pandemic.

#Grow

- 2.66 A total of £2.5m has been allocated through the Local Growth Deal to support the creative and digital sector through two grant schemes; #Welcome and #Grow. The former is an inward investment product designed to support small and medium sized business from the sector establish new operations in Leeds City Region.
- 2.67 #Grow has been developed to sit alongside #Welcome, to support creative and digital businesses with an existing presence in the City Region. It provides capital investment grants to digital businesses to support their growth and productivity. Grants of between £10,000 and £50,000 are available, as a contribution of up to 50% of eligible project costs. The priority sub-sectors for the fund are:
- Creative industries (including creative content e.g. TV, film and media and creative services);
 - IT, software and hardware;
 - Cyber securities and data protection technologies;
 - Smart technology, smart cities, Internet of Things and new technologies.
- 2.68 15 applications have been approved to date with a collective grant value of £454,062. These projects are linked to the creation of 77 new jobs. An adaptation of the scheme to support SMEs with the cost of implementing ICT to allow for effective remote-working is in development in partnership with colleagues delivering Digital Enterprise.

Impact Evaluation

- 2.69 All of the above CA / LEP programmes have been, or will be, independently evaluated to determine the impact of the support provided on the performance of businesses. As mid-term and project closure evaluations are completed, the key findings will be reported to the Panel, alongside recommendations for how future interventions can be improved.

Northern Powerhouse Investment Fund

- 2.70 The Northern Powerhouse Investment Fund (NPIF) formally launched on 22 February 2017 and has since invested £33.8m in 138 businesses in Leeds City Region. £1.9m has been invested in 51 businesses via the micro fund, £18.8m has been invested in 70 businesses via the debt fund, and £13.1m in 17 businesses via the equity fund.

- 2.71 NPIF promotion has continued by both the appointed fund managers and the British Business Bank with extensive networking and attendance at key events. The focus continues to be private sector professional intermediaries (e.g. banks, accountants, and solicitors), business membership organisations and the LEP Growth Service to continue to widen awareness of, and participation in, the fund. This activity is contributing to the high level of take-up in the City Region, which has so far received 19% of total enquiries resulting in 25% of all applications to the fund across the North. Across the whole fund, Growth Hubs and the LEPs' Access to Finance teams continue to be a strong and fertile source of introductions with good conversion rates into completed deals.

3 Financial Implications

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

4 Legal Implications

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

5 Staffing Implications

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

6 External Consultees

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

7 Recommendations

- 7.1 That the Panel notes the progress made to date on delivery of the above business support projects, programmes and services.

8 Background Documents

None

9 Appendices

Appendix 1 – LEP Growth Service Performance Update

Item 12 Appendix 1 - Analysis of enquiries to the LEP Growth Service 2019/2020

1. Analysis of business enquiries 2019/2020

- 1.1 The following information presents more detail on the performance of the service (Gateway and SME Growth Managers) throughout 2019-2020. It also provides comparisons to previous years in order to assess progress over time.
- 1.2 The annual service target was to support an overall total of 3025 individual businesses (yellow line). Figure 1 below shows that this target was exceeded as 3301 business (purple line) received support through the service gateway, various LEP projects, SME Growth Managers since 1 April 2019.

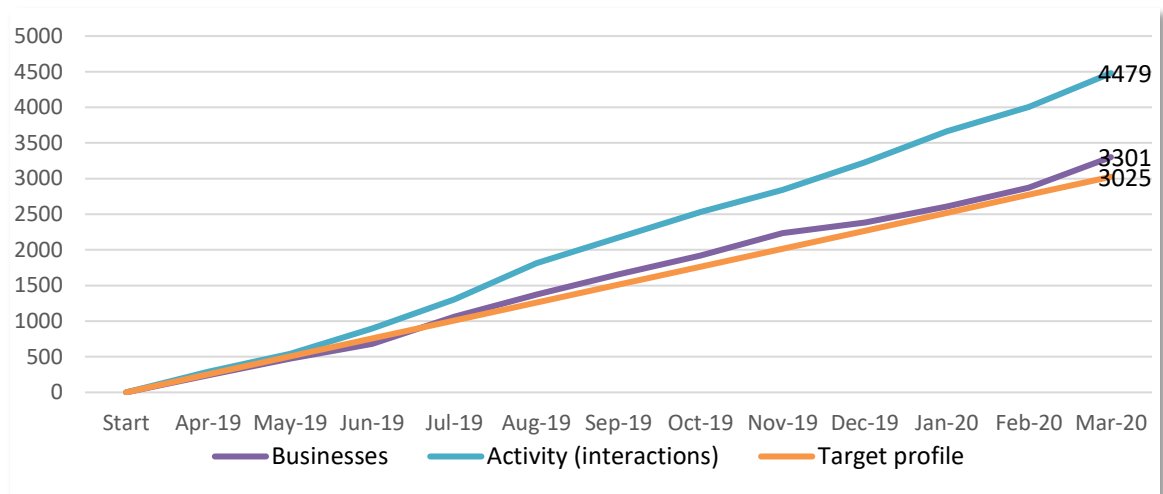


Figure 1: Projected and actual performance against the 2019/20 annual target (Apr 2019 – March 2020).

- 1.3 An additional 381 individual businesses were supported by the Service in comparison to the previous financial year. The trend of businesses accessing multiple business support products also continued for the fourth consecutive year with 20% of the 3301 accessing the service more than once. The findings indicate a high level of confidence amongst businesses with the service and the wider business support eco system.
- 1.4 Enquiries through the gateway are categorised as level 0 (non-target group), level 1 (light touch) and level 2 (more intensive) enquiries. Level 1 and 2 enquiries are from target client businesses i.e. those with the ambition and capability to grow. Figure 2 below shows the type of enquiries received by the gateway on a monthly basis, helping the team to identify any seasonal or other marketing related trends.

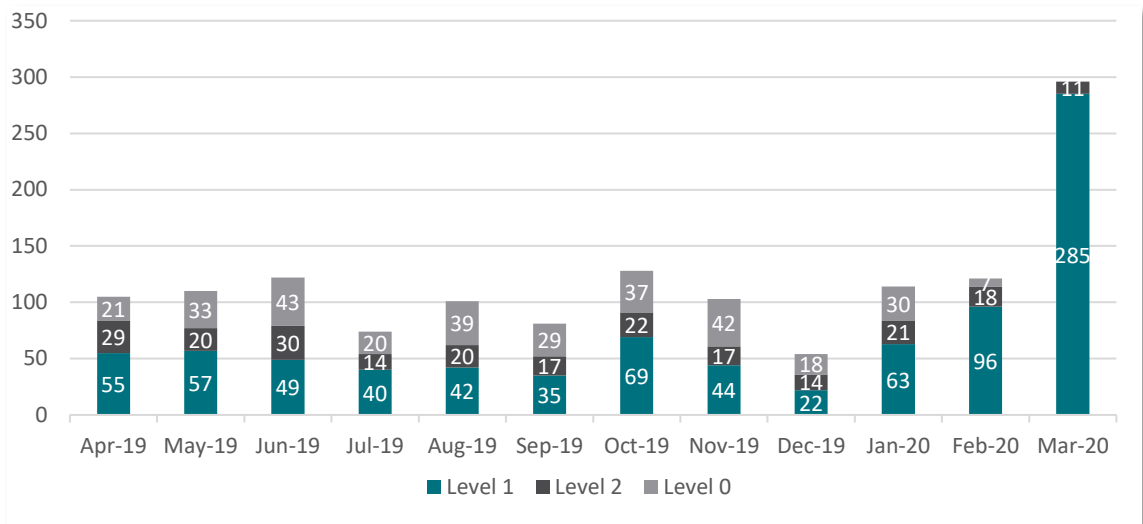


Figure 2: Enquires into the Gateway by client group (Apr 2019 – March 2020)

1.5 The gateway witnessed its highest number of enquiries from businesses in the final quarter as 581 businesses contacted the service during the months of January to March. The volume of enquiries increased by 132% compared with the same period over the previous year. Just over half of these enquiries were received in March and linked to businesses requesting assistance during the COVID-19 pandemic.

1.6 Figures 3 and 4 provide a month by month comparison of the volume of enquiries from target businesses over the last three financial years. The general trend shows a slight decrease in these type of enquiries indicated by the dark blue lines in both illustrations below with the exception of level one enquiries which peaked in March 2020.

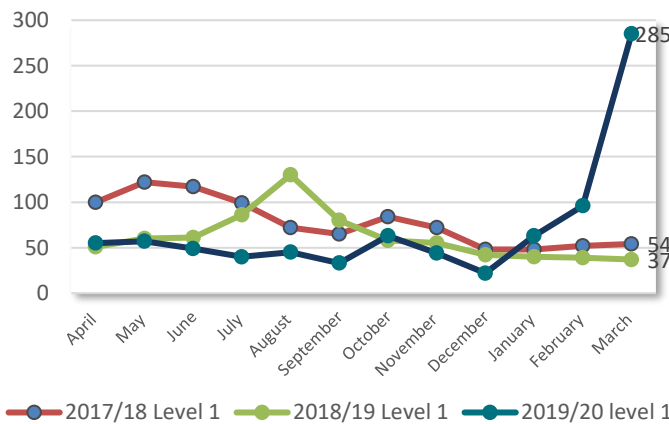


Figure 3. Gateway level 1 enquiries (April 2017 – March 2020)

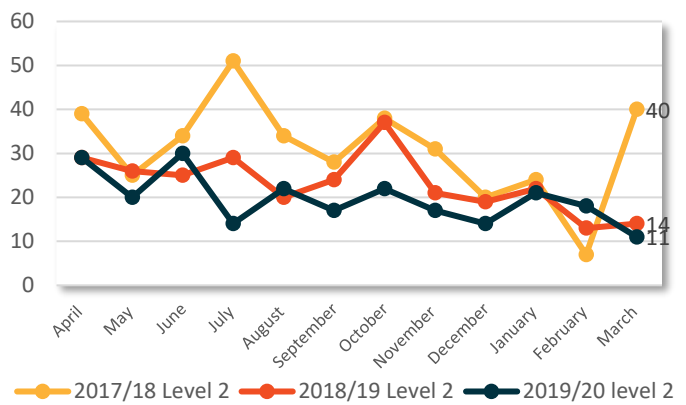


Figure 4. Gateway level 2 enquiries (April 2017 – March 2020)

1.7 Over the same two year period, the helpline has witnessed a steady increase in the number of enquiries from non-target businesses (e.g. pre start and early stage). Higher levels of activity into the gateway have traditionally correlated with the launch of new products and services, proactive business engagement via the helpline and dedicated marketing campaigns. As such, a marketing campaign to promote the Service more widely began on various digital platforms in early January 2020. The messaging was

targeted towards growth focussed businesses, although this campaign was temporarily suspended during the COVID-19 pandemic.

Table 1: Total enquiries into the gateway (July 2015 – March 2020)

Enquiry Type	Total July 15 – April 16	Total April 16 – Mar 17	Total April 17- Mar 18	Total April 18 -Mar 19	Total April 19 to March 20
Non Target Client Group	410	252	209	282	319
Light Touch Level 1	427	911	933	739	857
In depth Intensive Level 2	235	390	375	280	233
Total Gateway Interactions	1072	1553	1518	1361	1409

1.8 Every business contacting the gateway is asked how they have heard about the service. Existing knowledge of the LEP and internet searches continues to be the two most commonly cited responses. Interestingly, there was a 3.2% increase in respondents quoting advertising and a 0.9% increase in respondents quoting social media platforms as introductions to the service compared to the previous financial year.

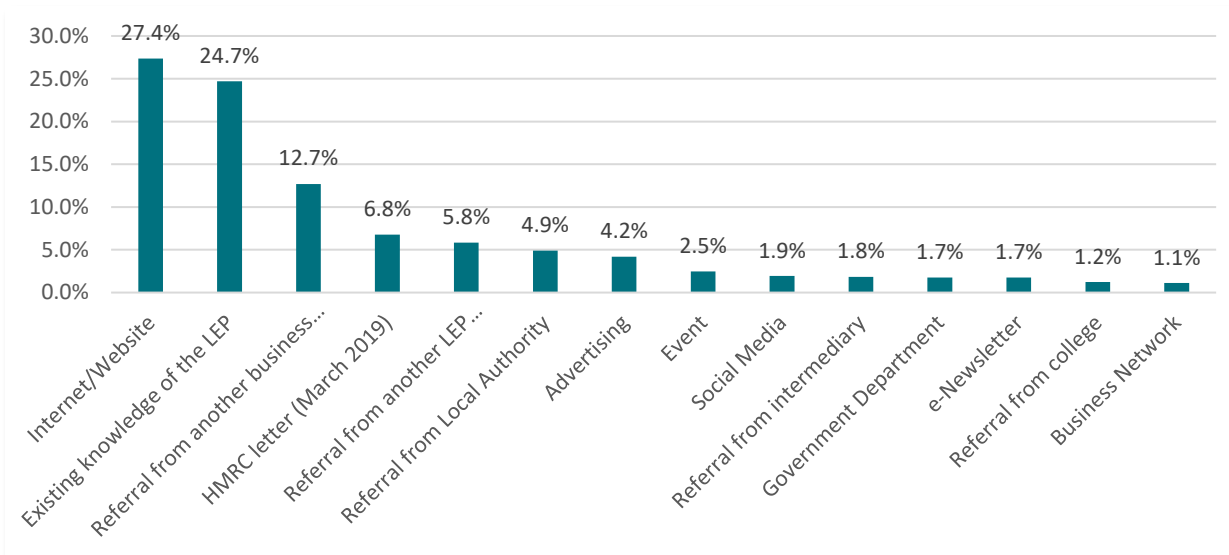


Figure 5: How customers report hearing about the service (Apr 2019 – Mar 2020)

1.9 Figure 6 shows the spread of level 1 and 2 enquiries to the gateway from across the City Region compared to the percentage of the City Region's business stock per district. Leeds based businesses continued to generate more enquiries than their proportion of overall business stock. This percentage showed a decrease at the early stage of the financial year but increased overall by 9% compared to 2018/2019, namely due to COVID-19 related assistance enquiries. Enquiries from Bradford, Calderdale and Wakefield are relatively even.

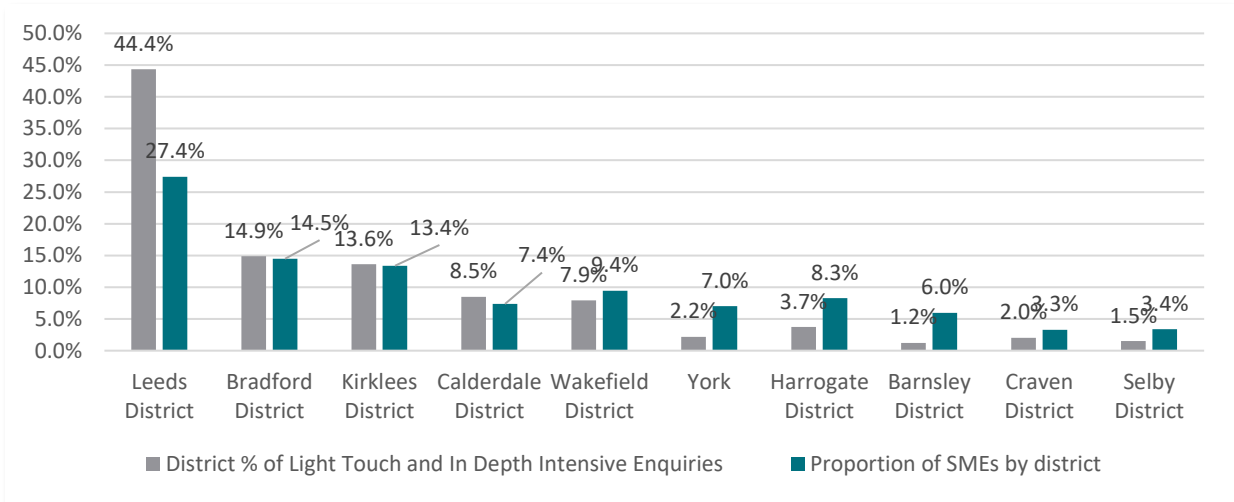


Figure 6: Ratio of Gateway enquiries compared to proportion of business stock per district (Apr 2019 – March 2020)

1.10 The Growth Managers worked towards an annual target to collectively account-manage 630 businesses. Table 2 below provides a breakdown of the number of clients supported by the managers in their districts. This figures show that they exceeded their overall targets by 14% and also account managed an additional 25 businesses compared to the previous year.

Table 2: SME Growth Manager clients by district (Apr 2019 – March 2020)

SME Growth Manager	Total Clients Apr 19 – Mar 20	Key Account managed Apr 19 – Mar 20
Bradford & Craven (x2 FTE)	143	130
Calderdale (x1 FTE)	72	63
Harrogate (x1 FTE)	69	62
Kirklees (x1.5 FTE)	87	78
Leeds (x2.5 FTE)	209	168
Wakefield (x1 FTE)	83	80
York (x1 FTE)	67	58
Selby (x0.5 FTE)	87	82
Total	817	721

- 1.11 As part of the ERDF project, the team of SME Growth Managers is targeted with providing three and 12 hour business assists. Table 3 below illustrates the progress made to date since the project launched on 1 April 2019. The team are ahead of their projected target of three hour business assists and jobs created per annum. Progress towards the 12 hour assists has been slightly slower. However, a number of these outputs could not be claimed towards the latter part of quarter 4 in 2019/2020 due to the suspension of visits to business premises during the COVID-19 crisis. The slight target deficit is expected to level out by the end of 2020 due to the number of pipeline businesses that the team are already supporting.

Table 3: SME Growth Manager ERDF outputs (Apr 2019 – March 2020)

	Target 2019/20	Actual 2019/20	Overall Programme Total 2019/22
3 Hour Support (P13)	126	131	659
12 Hour Support (C4)	32	22	318
Number of enterprises receiving support (C1)	32	22	318
Employment increase in supported enterprises (C8)	0	3	153

- 1.12 'Access to Finance' continues to be the most popular topic for support for both gateway enquiries and the SME Growth Manager clients, followed by 'Skills/Recruitment' and 'Business Planning'. There was a steady increase over the year with requests for support with research and development and exporting, particularly from SME Growth Manager clients. These areas are being better supported through the new ERDF Growth Service project focussing on improving business resilience. Helping businesses to innovate and export will be particularly important as part of helping businesses to recover post COVID-19 and within the context of the UK's exit from the EU.

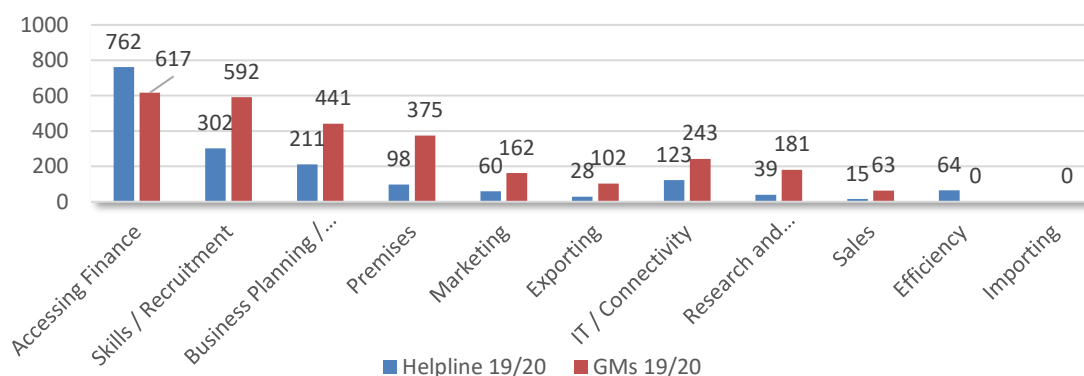


Figure 7: Topics for business support via the gateway and the SME Growth Managers (Apr 19 – March 2020)

1.13 Businesses from the manufacturing sector continue to provide the highest number of enquiries into the gateway. Similarly, it remains that the Growth Managers' clients are more likely to be in the LEP's priority sectors, particularly Advanced Manufacturing and Creative and Digital, then those firms that come directly through the gateway. This is attributable to the nature of the current support offer which lends itself to these two sectors, and the prominence of growing SMEs in the priority sectors across the city region's largest districts.

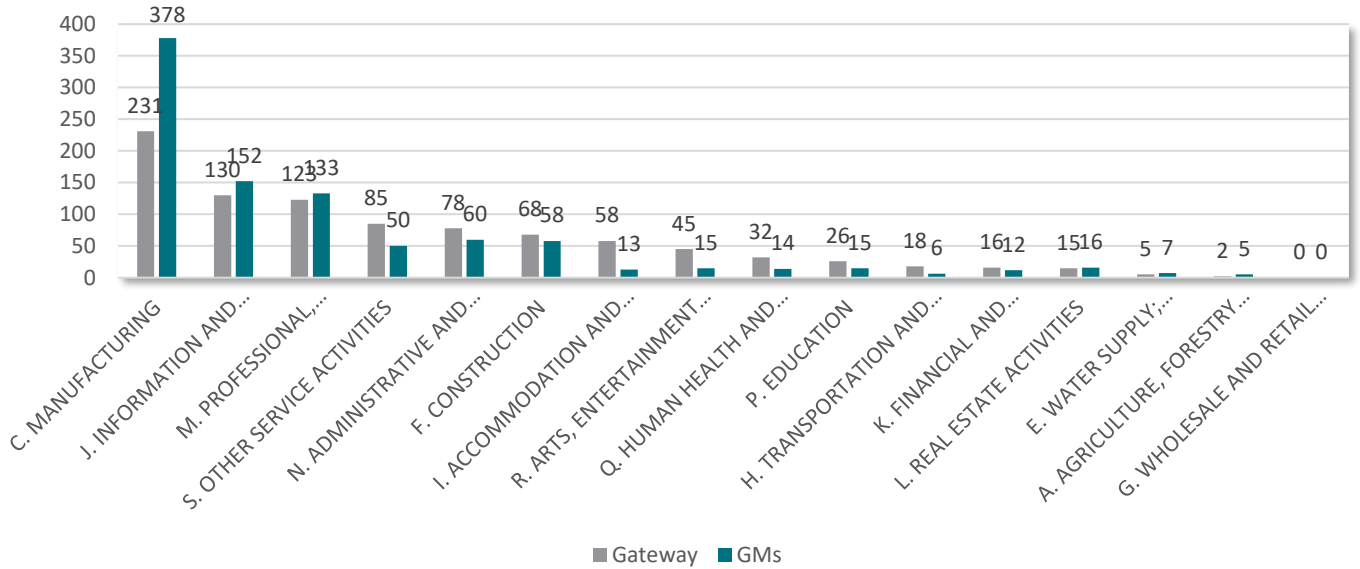


Figure 8: Number of Growth Service clients (Gateway and Growth Manager) by sector (Apr 2019 – March 2020)

1.14 Figure 9 below illustrates the breadth of referrals to business support products and organisations from both the gateway and Growth Managers. The highest number of referrals to programmes over the year is the Skills Service, LEP Capital Grants programme and the Digital Enterprise programme. The UK's exit from the EU saw many business raise concerns about the potential impact of skills shortages and may in part have influenced the number of referrals for support in this area.

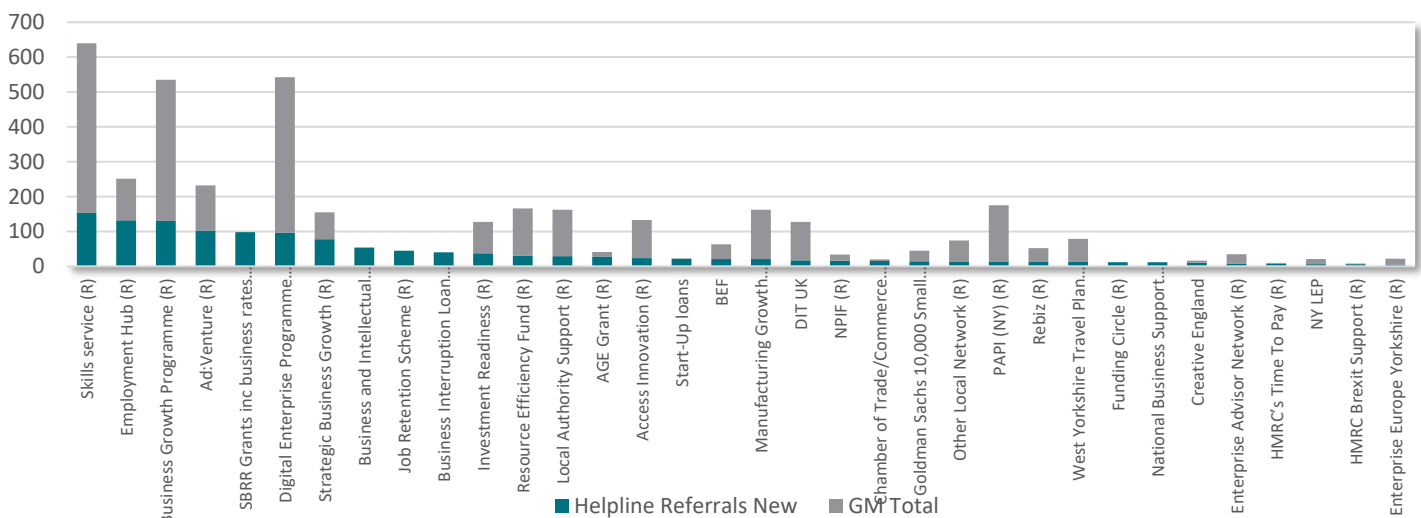


Figure 9: Number of business support referrals from the Gateway and SME Growth Managers (Apr 2019 – March 2020)

1.15 Business networks continue to be a good source of clients for Growth Managers in Harrogate, Bradford and York in particular. Proactive cold calling has also worked well for the Selby district-based Growth Manager captured below as local authority contacts. The use of Social Media, including LinkedIn searches and promotion of events via twitter have also been reported as effective engagement routes by several Growth Managers. This has been captured in the 'Other' category below.

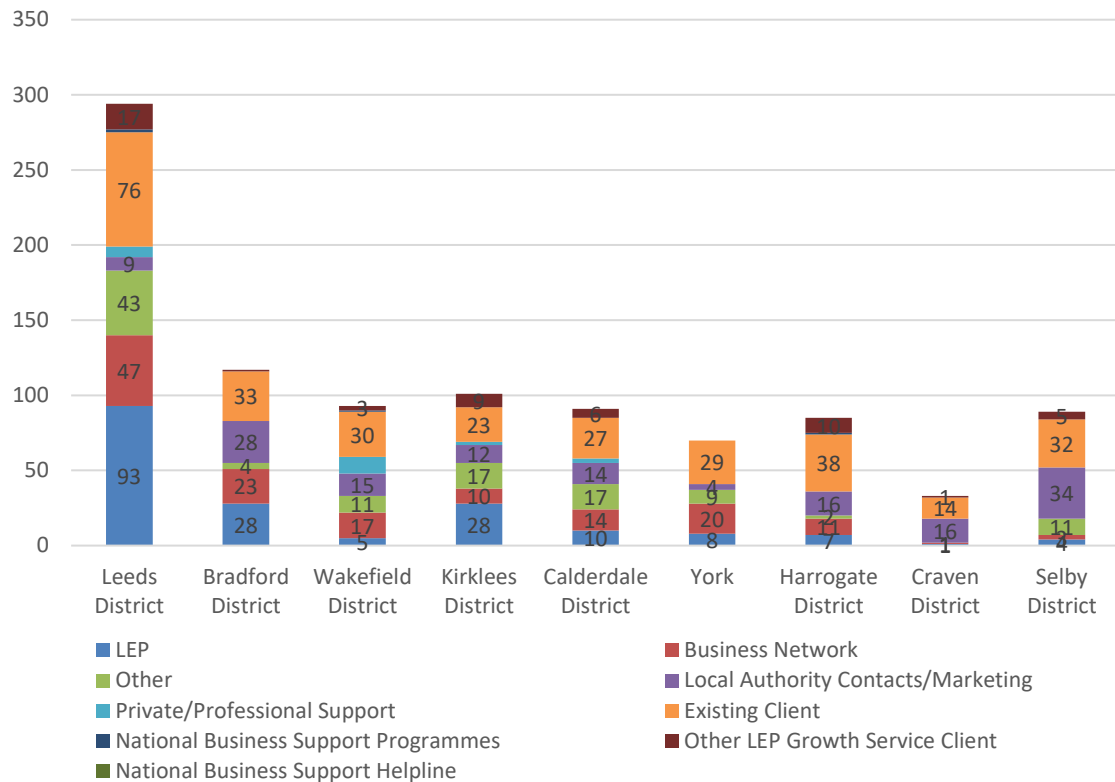


Figure 10: Source of Growth Manager Clients (Apr 2019 – March 2020)

1.16 The table below shows the number of Pop-Up 'ask the expert' business advice events delivered across the West Yorkshire districts within the city region. 11 of these sessions were delivered against a target of 14 with 7 of these delivered in 20% most deprived parts of the country. Three of these sessions were cancelled due to the COVID-19 pandemic. These peer to peer support events are consistently rated high by attendees in terms of levels of satisfaction as illustrated below.

Table 4: 'Ask the Expert' Business Pop-Up Events per District (Apr 2019- March 2020)

Business advice event	No. businesses attended	No. businesses rated the event Excellent	No. businesses rated the event Good	No. of businesses rated the event Poor	No. feedback forms returned	No feedback
Halifax (Calderdale)	9	8 (89%)	1 (11%)	0	9	0
Beeston (Leeds)	2	1 (50%)	1 (50%)	0	2	0

Elland (Calderdale)	13	9 (69%)	4 (31%)	0	13	0
(Dalton) Kirklees	5	3 (60%)	2 (40%)	0	5	0
Leeds	3	2 (66%)	1 (33%)	0	3	0
Bradford	6	3 (60%)	1 (20%)	0	5	1
Keighley (Steeton)	20	2 (50%)	2 (50%)	0	4	0
Wakefield (Ossett)	4	0 (0%)	0 (0%)	0	0	0
Huddersfield (Dalton)	10	2 (50%)	2 (50%)	0	4	0
Total:	72	30	14	0	45	1

Report to: Business, Innovation and Growth Panel

Date: 21 May 2020

Subject: **Trade and Investment**

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

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

1. Purpose of this report

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

2. Information

Trade & Investment team 2020/21 Forward Plan

- 2.1 Following an analysis of 2019/20 activity, the Trade and Investment team has developed a forward plan of proposed activity for 2020/21, which was approved at LEP board on 25 February.

Inward Investment Activities and Performance

- 2.2 A further 13 project successes were added in February and March 2020, bringing the total year end number of successful project wins for 2019-20 to 35 (against a target of 30).
- US Customer Support business TTEC have opened a new call centre with AI capability in Leeds with the creation of 250 jobs and 200 safeguarded jobs.
 - French investor Schneider Electric investing in their manufacturing capability to support the offshore wind sector.
 - Romanian tech company expanding their presence in Leeds.
 - New Zealand company Sysdoc have established a Digital Learning Hub in Leeds.
 - Taiwanese export trading company have established a sales office in Leeds.
 - German chemicals company have expanded their presence in Calderdale.
 - US engineering company investing in new product development and creating additional jobs in Kirklees.

- German Pharmaceutical company Thornton and Ross have made a number of investments in their manufacturing capability in Kirklees creating 90 jobs.
- UK Textiles company moving HQ to Bradford creating 30 jobs and safeguarding 20.
- ITN establishing a new northern production hub in Leeds creating 20 jobs.
- Australian fintech further growing their presence in Leeds.
- Prime Focus Technologies will establish a new media centre to manage Channel 4's content operations and online services in Leeds creating 70 jobs.

2.3 During February and March, 15 new enquiries were received and four investor visits to the region were hosted. The final year end KPI summary for New Enquiries is 137 of a target of 100. 71 of which were non-core city generated and 24 which were generated through investor development activity.

Investor Development

2.4 The Investor Development team were engaged to quickly open dialogue with the top 50 LCR businesses to discuss Covid-19 impact.

2.5 The team is engaged with approximately 35 of these businesses and is gathering vital intelligence that will assist the Combined Authority to develop its strategy around economic recovery.

2.6 The team is also fully engaged with its standard portfolio of businesses which is approximately 95 foreign owned companies in the region.

2.7 As the economy moves from stabilisation to recovery, it is possible that several investment projects will be identified. In this regard, the team will work with those businesses to secure them.

Sector, Trade and International Business Development Activity

2.8 MIPIM 2020, Cannes (9-13 Mar 2020) was postponed one week prior to the event and rescheduled to 2-5 June 2020. Since the escalation of the Covid-19 pandemic the event in June has also been cancelled and discussions are in place to establish whether a Leeds City Region delegation will take place at the rescheduled March 2021 event.

2.9 Our attendance at Barcelona SMART Cities Exhibition in November has been put on hold until we know more about the Covid-19 situation. The same stance will be taken on other planned overseas activity.

Creative Industries Opportunity Programme

- 2.10 We have taken the opportunity to bring forward planned activity to support the TV and Film industry in this difficult time. Nearly all TV production work has been suspended by the major broadcasters placing multi-million-pound contracts and revenues at risk for many of the region's independent production companies.
- 2.11 A small fund offering grants of between £2,500 and £25,000 will be established and operated in partnership with Screen Yorkshire. This support will go some way to making sure the hard-won gains from the successful Channel 4 relocation and subsequent inward investment from this sector are not lost. It will also mean the regions independent production companies maintain their existence and have products and projects they can pitch into the major broadcasters as soon as lockdown is lifted.

NP11 Trade & Investment Forum

- 2.12 The team is working hard alongside the Department for International Trade (DIT) and other Northern Powerhouse trade and investment teams to make the case for additional funding to support trade and investment work in the North.
- 2.13 The team is feeding into a newly formed committee that has been tasked to identify trade and investment initiatives and projects that could be announced to take place within the next 12 months. These initiatives are predominantly based on boosting international trade and signalling to the rest of the world that the UK is open for business.
- 2.14 Conversations with DIT Trade are ongoing in relation to solidifying agreements that were made during the devolution negotiations.
- 2.15 In the recent budget, the Chancellor announced some additional in year funding for boosting international trade advisors in the Northern Powerhouse (NPH) and for embedding inward investment officers in key overseas markets who would be responsible for promoting the NPH. The team is working with the NP11 Trade and Investment Forum to influence what this looks like.

China

- 2.16 With the support of HM Treasury, the team is making progress with the development of a proposal to create a FinTech Bridge, which will further strengthen UK-China relations as part of the UK-China Economic and Financial Dialogue.

Identifying PPE suppliers

- 2.17 A large majority of the team have been involved with assisting the emergency supplies of Personal Protective Equipment (PPE) to local NHS and Social Care workers on the frontline. Further information is available within the report at Item 6.

Financial Implications

3.1 There are no financial implications directly arising from this report

4. Legal Implications

4.1 There are no legal implications directly arising from this report

5 Staffing Implications

5.1 There are no staffing implications directly arising from this report

6. External Consultees

6.1 No external consultations have been undertaken.

7. Recommendations

7.1 That the BIG Panel notes and comments on the progress made to date on the delivery of Trade and Investment activity.

8. Background Documents

8.1 None

9. Appendices

10. None