
Report to: Business Innovation and Growth Panel

Date: 28 May 2019

Subject: **Business Support**

Director(s): Henry Rigg, Interim Executive Head of Economic Services

Author(s): Henry Rigg and Melissa Liburd

1 Purpose of this report

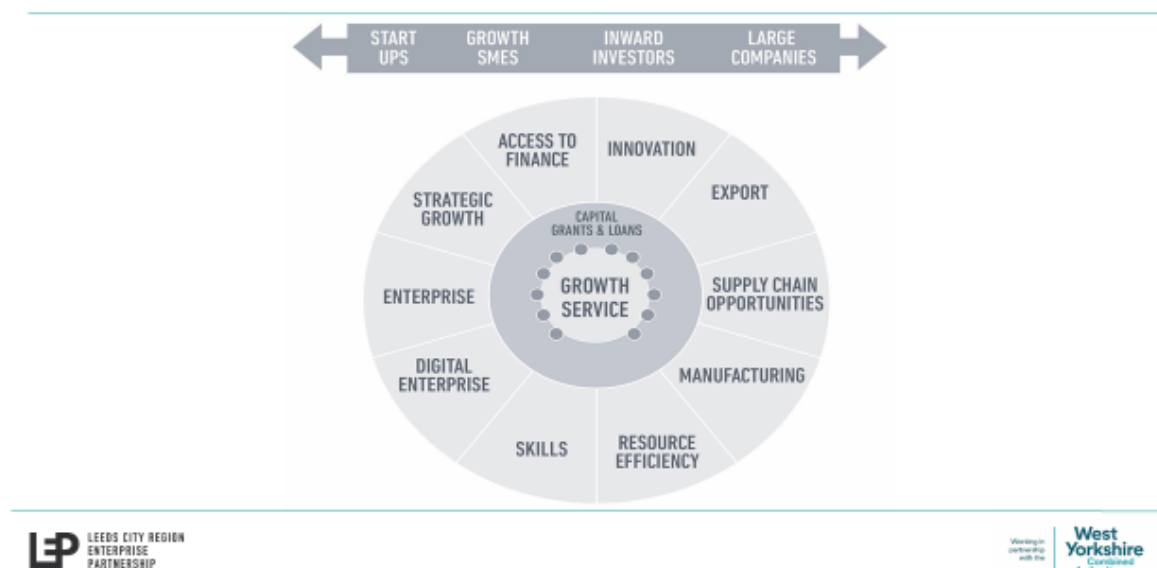
- 1.1 To provide the Panel with an update on business support activity being undertaken, including the LEP Growth Service, the Business Growth Programme, the Resource Efficiency Fund, Access Innovation, Strategic Business Growth, Travel Plan Network, the Northern Powerhouse Investment Fund, Investment Readiness and Business Resilience.
- 1.2 In addition, to seek views from the Panel on the proposed changes to the guidance and criteria for the Business Growth Programme as set out within Appendix 2.

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 from the Northern Powerhouse Investment Fund and the Start-Up Loans Company. The private sector also 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 eco-system 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 emerging 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 Low Carbon 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 2018/19. **Appendix 1** provides more detailed information on the scope, scale and impact of the service.

Table 1: Performance against headline targets 2018-19.

Target Measure	Target	Achieved March 2019
SMEs supported - light-touch & intensive (including enquiries/support from LEP products and services plus events)	2750	2920
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	693
Intensive support to SMEs (including support from Growth Managers, and the LEP's core business support products)	900	1510
Delivery of Business Advice Pop Up events (with 7 in the 20% most deprived parts of the country)	12	13 (7 in 20% most deprived)
Proportion of businesses supported likely to recommend it	85%	86%
Service Expenditure (combined budget) <ul style="list-style-type: none">- BEIS (£512,500)- Business Rates (£88,000)	£600,500	£555, 659 (£512,500 - BEIS) (£43,159 - BR)

- 2.5 The service has exceeded its annual target for 2018/19 to provide support to 2750 individual businesses. 2920 individual SMEs received support between 1 April 2018 to 31 March 2019, of which 693 were intensively supported by the team of SME Growth Managers. 1,510 businesses have received support from the range of LEP business support products, namely Resource Efficiency Fund, Access Innovation, Strategic Business Growth, Business Growth Programme and the Growth Managers.
- 2.6 Table two below presents the new service targets for 2019/20, and progress against these will follow in the next Panel update.

Table 2: Headline targets 2019-20.

Target Measure	Target
SMEs supported - light-touch & intensive (including enquiries/support from LEP products and services plus events)	3,025
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 (£44,841)	£557,341

Service developments

- 2.7 The expansion to the service, and specifically to the SME Growth Manager function, commenced on 1 April 2019. Supported by the European Regional Development Fund (ERDF), it will provide a cohort of the City Region's larger SMEs with a more intensive account-management support function via the recruitment of 8.5 new Growth Managers. This project is also known as Business Resilience as it focusses on supporting firms to adopt longer-term approaches to financial and risk planning. Further information on the project is provided at 2.47 below.
- 2.8 The service continues to provide feedback to BEIS from businesses across the City Region about the impact of Brexit. This supports the Government's aim to capture more 'real time' intelligence from businesses about the perceived, and reported, effects of Brexit. Since the start of the recording period in January 2019, 63 businesses from a range of sectors across the City Region have provided feedback on the actual or likely impact on their operations, and on the activity they are undertaking in response to the challenges and opportunities.
- 2.9 The service delivered the latest Leeds City Region SME Support Network event on 5 March 2019 in York. The events are for public sector business support professionals to share best practice and 'on the ground' intelligence on issues affecting their clients. They also provide the opportunity to keep up

to speed with the latest business support offers from all partners. The York event focussed on Brexit and particularly the practical information and support available to businesses from Government and other key stakeholders. Over 50 people attended and guest speakers included West and North Yorkshire Chamber of Commerce, the Department for International Trade (DIT) and BEIS. The service also sponsored a Brexit 'health-check' workshop delivered by the Mid-Yorkshire Chamber of Commerce in March 2019 in Huddersfield.

- 2.10 The latest Professionals' Perspective Network event for private sector business intermediaries was held on 21 March 2019, and this also concentrated on the impact of, and preparations for, Brexit. The event was also supported by a representative from BEIS and DIT, who presented on the benefits of trading under the British brand globally, pre and post-Brexit. The session was also used to explore how the LEP and its partners can help accountants, solicitors and business funders better communicate key messages to their clients about the wide range of support available to businesses in the City Region. This has contributed to the current 'Let's Talk More' business engagement campaign.
- 2.11 The service recently participated in a pilot with HMRC and BEIS focussed on the identification of businesses with high growth potential. It involved HMRC writing to approximately 1,500 businesses in the City Region whose recent performance put them in a high growth category. The letters informed the businesses of this and then specifically invited them to contact the Growth Service to find out more about the LEP's high growth support via the Strategic Business Growth Programme (SBG). The pilot commenced in late March 2019, and resulted in almost 100 enquiries to the service. To date, this has yielded almost 80 detailed discussions with businesses and 48 referrals to the SBG programme. Subsequently, seven of the businesses are now in receipt of the full package of support from the programme, with 24 others going through the diagnostic approach.
- 2.12 SME Growth Manager meetings over the last quarter featured presentations from the University of York on the Product and Process Innovation (PAPI) programme, from Leeds City Council on the next phase of Digital Enterprise and from Combined Authority colleagues on the latest support for firms to take on Apprentices. These meetings are held every month to support the professional development of the Growth Managers and the Gateway team, whilst building strong working links with key partners.
- 2.13 The service continues to participate in the Northern Powerhouse Growth Hub Network and attended the latest regional meeting on 14 March 2019. The team are assisting other growth hubs within the network by sharing best practice around the service's evaluation framework. This framework has been developed to better understand and evidence the impact of the service on businesses who have accessed support from the LEP.
- 2.14 Support is also ongoing for the Better Business for All (BBFA) Regional Group. The York based SME Growth Manager attend the business insight training for regulators on 26 March 2019 as a guest speaker. This was

designed to help regulators better understand the role of the Growth Hubs, and the work of SME Growth Managers, particularly in relation to the proactive engagement of businesses. Following the session, the Growth Manager produced a document for the regulators with practical tips on the support available for businesses, and will now attend a team meeting with the City of York Council's Public Protection Team to better align the support offer within the York district.

Marketing and communications

- 2.15 The marketing strategy focuses on three priority areas, as part of the wider 'Let's talk real business' marketing theme:
- Engaging and supporting new Growth Service customers
 - Providing additional support to existing Growth Service customers
 - Developing the private sector intermediary network as a route to market
- 2.16 Ten case studies, including video case studies, are now in the production phase featuring a range of businesses and sectors across the City Region that have received support from the LEP and its local and national partners. A full range of case studies can be found at <http://www.the-lep.com/case-studies/>.
- 2.17 To help increase awareness of the Growth Service, work is taking place to better target intermediaries as influencers of SMEs. The key messages from a session held with business intermediaries in March 2019 was that they wanted straightforward sharable LinkedIn content and to add more value to their clients. As a result a 'Let's talk more' campaign was launched in early April. There is a specific web page for intermediaries now on the LEP website [http://www.the-lep.com/for-business/let-s-talk-more-\(1\)/](http://www.the-lep.com/for-business/let-s-talk-more-(1)/)
- 2.18 Over 12,000 business contacts across the City Region are in receipt of the SME eNewsletter on a quarterly basis. Featured content over the last quarter included promotion of the Pop Up Business Advice cafés, support to recruit Apprentices, the Scale-up institute's national survey of high growth firms and the Innovate UK Regional briefing. Please see <https://mail-the-lep.com/t/3LTT-FFI7-4782RMB83/cr.aspx>
- 2.19 Social media activities underpin all of the marketing campaigns and initiatives. A social media campaign was used to promote all of the Business Advice Pop Ups to end of March 2019, as well as the latest 'Let's talk more campaign' and other district-based events. This included the Kirklees Business Conference on 13 March 2019, which the service exhibited at.
- 2.20 The team of SME Growth Managers continue to be proactive in coordinating/facilitating district-based business engagement activities. The SME Growth Manager for York delivered an additional six masterclasses in partnership with the private sector, which attracted 104 attendees and a positive feedback response of 97%. Business topics included:- 'marketing on a shoestring', leadership, social media and use of Google analytics. In addition, one of the Bradford Growth Managers is working with local accountants to

better engage with, and increase take-up of mainstream business support from, parts of the Asian business community.

- 2.21 The SME Growth Manager for Selby supported the delivery of Selby Business Week (4-8 March 2019). Over 230 businesses attended various seminars and networking events, including workshops on Cyber Crime (Police Regional Crime Unit) and Making Tax Digital. Local businesses, including Lambert Engineering in Tadcaster, shared their own growth stories, challenges and successes, including a focus on apprenticeships and leadership and management. The weeklong event resulted in 26 new business contacts for the SME Growth Manager and further information about the event can be found here <https://www.selby.gov.uk/news/media-releases/business-week-coming-selby>
- 2.22 The team worked with the SME Growth Managers and local businesses to deliver 13 Pop-up Business Support Café events throughout the 2018-19 financial year, exceeding the original target of 12. The 'Pop-Up' model involves business experts volunteering their time to advise owners of smaller or start-up firms on such important topics as marketing, business planning and access to finance. The final two sessions of 2018-19 were delivered in Holmfirth (27 February 2019) and Bradford (20 March 2019).
- 2.23 The above events have proven to be an effective and cost-efficient way for the LEP to engage with the private sector in some of the City Region's more outlying and disadvantaged areas. Over the course of the 2018-19 financial year, 175 individuals attended these sessions representing 150 business. 491 individual advice sessions were delivered, equating to 165 hours of business support. Feedback on the events has been consistently high since the launch of the 'Pop-Up' approach in 2016, with 90% of attendees rating them as good (29%) or excellent (61%). **Appendix 1** also provides further information about the impact of the events.

Business Growth Programme (BGP)

- 2.24 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.
- 2.25 An additional £7m was recently secured for the programme from the Growth Deal allocation that takes the total allocation to £49.7m. Of this, £5.38m is being used to provide match-funding for four projects being supported by the European Regional Development Fund (Access Innovation, Strategic Business Growth, Digital Enterprise and Ad:Venture). Table 2 below presents progress on BGP since LGF funding commenced in April 2015.

Table 2: Programme performance against headline targets

Target Measure	6-Year Target (April 15 to March 21)	Achieved (as of Apr 19)
Expenditure	£44.32m	Committed - £32.89m Actual - £28.48m
New Jobs Created	4,100	Committed – 5,435 + 1,693 safeguarded Actual – 4,012 + 1,682 safeguarded
Businesses Supported	No contractual target	Committed - 587 Actual – 525
Number of Grants Awarded	765	Committed - 709 Actual – 615
Public/ Private Sector Leverage	£168.5m	Committed - £346.8m Actual - £268.4m
Total Cost Per Job	No contractual target	Committed - £6,052 Actual - £7,099

2.26 As the above table highlights, the programme is achieving a good return in terms of cost per new job at just over £7,000. This figure would be lower if the 1,682 actual safeguarded jobs were included in the overall calculation and would equate to £5,002 per job.

2.27 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. This can be partly attributed to the relatively low number of manufacturers in North Yorkshire and the existence of a similar grant scheme in that area.

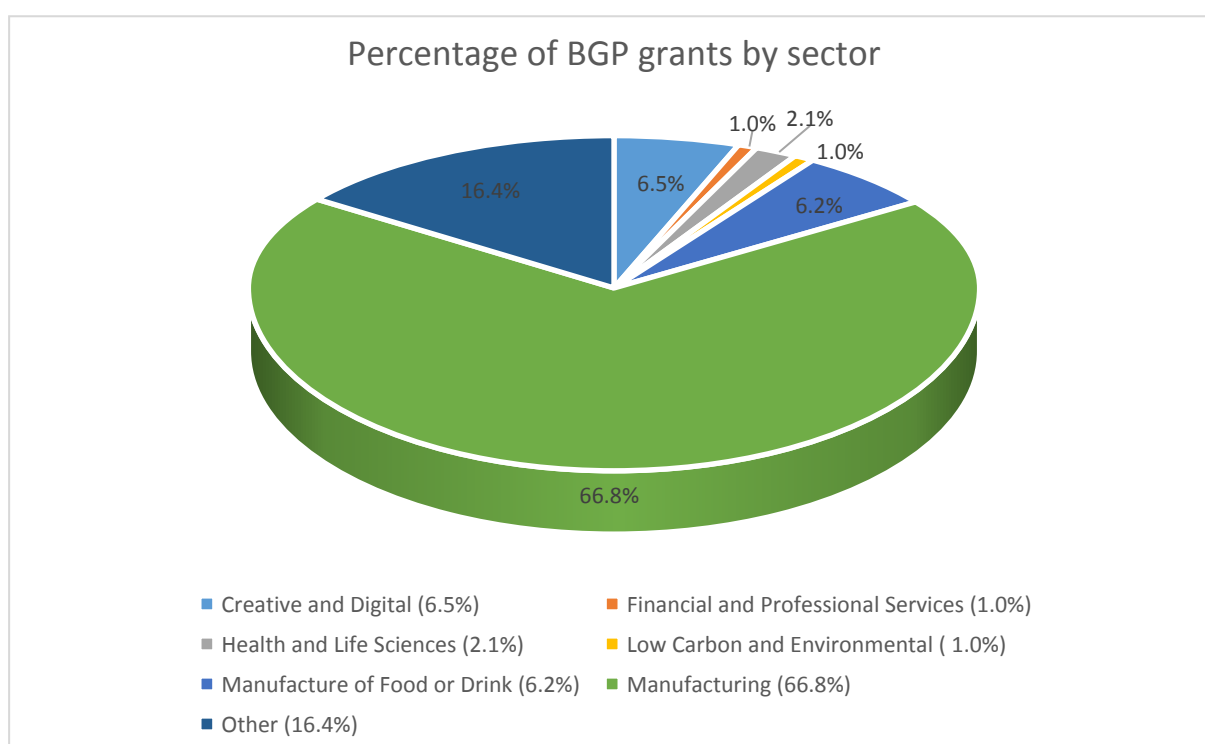
Table 3: Grant awards by district April 2015 – March 2019

District	SME Stock %	Number of Grants	% of Number of Grants	Value of Grants	% of Value of Grants
Barnsley	5.94%	37	5.37%	£1,770,039	5.51%
Bradford	14.48%	107	15.53%	£5,394,814	16.78%
Calderdale	7.50%	100	14.51%	£4,880,503	15.18%
Craven	3.22%	12	1.74%	£338,285	1.05%
Harrogate	8.48%	23	3.34%	£882,612	2.75%

Kirklees	13.48%	120	17.42%	£4,866,358	15.14%
Leeds	26.75%	204	29.61%	£9,072,630	28.22%
Selby	3.44%	3	0.44%	£203,800	0.63%
Wakefield	9.45%	67	9.72%	£4,202,740	13.07%
York	7.24%	16	2.32%	£532,656	1.66%
TOTAL	100.00%	689	100.00%	£32,144,437	100.00%

2.28 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 67% of all grants awarded since April 2015. The next most popular sectors are Creative and Digital and Food and Drink, with 6.5% and 6.2% of grant awards respectively. Other sectors represent 16.4% of grant awards. Projects defined as 'other' mostly relate to industries associated with the manufacturing sector such as warehousing and distribution.

Figure 2: BGP Grants by Sector April 2015 – March 2019



2.29 Following ongoing dialogue with businesses, local partners and members of the Business Investment Panel in the last six months, some proposed changes to the programme guidelines and criteria are set out at Appendix B. These relate to sector priorities for grant support, support for property fit-out projects, additionality and added value, applications from large businesses and multiple applications. The views of Panel members on the options for

change are welcomed, and will be used to inform a revised report for consideration by the LEP Board in June 2019.

Inclusive Growth

2.30 Following the report on Inclusive Growth commitments at the February Panel meeting, and subsequent consideration at the LEP Board in March 2019 and the Combined Authority in April 2019, the revised criteria will be applied to the BGP from 1 July 2019 onwards. This will incorporate the following changes : -

- The Inclusive Growth criteria and commitments will be applied to all business support programmes with a grant element, and not just to BGP.
- The grant value at which businesses will need to adopt the Inclusive Growth commitments will be lowered from £50,000 to £25,000, with businesses receiving grants between £25,000 and £50,000 being required to make one commitment.
- All businesses in receipt of support from the LEP will be strongly encouraged to make Inclusive Growth commitments, and will be supported to do so irrespective of the nature or value of support provided.

Productivity Pilot

2.31 A more detailed update on the Productivity Pilot is provided at Item 7.

Resource Efficiency Fund

2.32 The Resource Efficiency Fund (REF) is being delivered through the Growth Service until October 2019 as a key product to improve productivity and efficiency for SMEs in the City Region. It is jointly funded by the Local Growth Fund (LGF) and the European Regional Development Fund (ERDF), and provides 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. Outline ERDF business cases for a successor project in both Leeds City Region and the York & North Yorkshire LEP area have been approved and a combined full application is now being developed for submission on 12 June 2019.

2.33 Over 600 businesses have engaged with the project to date, with 582 having received visits from the two REF Managers. These have resulted in 317 assessments being commissioned and the completion of 305 assessment reports that identified clear actions the firms can take to improve their resource efficiency. 130 grant applications have been approved, and payments totalling £747,974 having been made to 113 businesses. Progress is in line with contractual targets.

2.34 Projects approved since the last meeting of the Panel have mostly been in the areas of basic heating, lighting, insulation and compressor investments. However, a standout project is one to install a large waste wood heater that will save the client around 400,000 kWh of gas and 74t of CO₂e

(equivalent). To date, total estimated CO2 savings across all approved projects stands at 2,338 tonnes per annum, with estimated savings to the recipient-businesses of £590,502 per annum.

Access Innovation

- 2.35 Access Innovation is being delivered across the City Region with funding from the European Regional Development Fund (ERDF) and the Local Growth Fund. Its primary objective is to help SMEs to become more productive and competitive through the development of new 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 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.
- 2.36 To date, the programme has engaged with 504 SMEs, 263 of which have received one-to-one support from the three Innovation Growth Managers, resulting in detailed action plans for taking their innovation projects forward. 45 applications for grants have been approved to date with a collective value of £1,764,340. A further four applications, totalling £140,000, have been received and are currently being appraised. A number of other applications of varying sizes are currently being developed with support from the Innovation Growth Managers.
- 2.37 The highest number of enquiries and approved applications to date are from the healthcare and life sciences, manufacturing and digital sectors. The programme team continue to build strong working links with organisations in these sectors, including Innovate UK, Knowledge Transfer Network, local manufacturing alliances, National Physical Laboratory, Digital Catapult, Centre for Process Innovation, Advanced Manufacturing Research Centre, Translate/Grow Med-Tech, the Yorkshire & Humber Academic Health Science Network and universities within and outside the City Region.
- 2.38 As part of the Access Innovation programme, the Combined Authority is working with RTC North to support SMEs to increase their innovation capacity. RTC commenced delivery of its range of specialist workshops and advice sessions in November 2018, and so far 142 SMEs have been supported. The provision will run until Autumn 2019 and will provide a stronger pipeline of innovation-ready SMEs that can be supported by innovation support products available in the City Region.
- 2.39 In response to the interim evaluation, and the team's experience to date of delivering the programme, the Combined Authority submitted an outline business case in November 2019 for additional European Regional Development Funds. Subsequently, an invitation to submit the full business case by 28 May 2020 has been received. This is for a successor programme to commence on completion of Access Innovation in December 2019. The working title for the programme is 'Connecting Innovation', to signify the importance of connecting ideas and links between partners, and connecting

SMEs with funding and support from across the regional and sub-regional innovation eco-system.

- 2.40 The Connecting Innovation proposal incorporates the feedback from the innovation discussion item at the November 2018 Panel meeting. In particular the proposal recognises the importance of clear, coordinated, communication and messaging to support a culture of innovation within the region. Whilst the new programme will not begin until 2020, planning is underway to undertake market research with SMEs to identify appropriate messaging. The Panel will be kept apprised of the application's progress

Strategic Business Growth – support for SMEs with high growth potential

- 2.41 The £6.12 million Strategic Business Growth (SBG) project is being delivered by the LEP and its appointed contractor, Winning Pitch. It is part-funded by the European Regional Development Fund (ERDF) and the Local Growth Fund (LGF). It provides small, ambitious businesses with a package of tailored support to help them achieve their growth potential. This includes one-to-one business coaching, one-to-many workshops on key areas of business growth and an important peer-to-peer element that allows businesses to share their experiences and expertise, and identify collaboration opportunities.
- 2.42 Ongoing analysis on the coaching support requested by SBG clients to date has identified that the three most common areas where support is being requested are process improvement, strategic business planning and marketing/sales respectively. 286 businesses are now fully engaged with the programme (against a target of 302 by December 2019), including 223 that have developed detailed growth action plans with their allotted account managers. Of these, 265 have benefitted from a combined total of over 6,299 hours of coaching support and 83 have attended on average two or three of the 42 workshops available.
- 2.43 The three most recently delivered workshops (delivered in Kirklees, York and Bradford respectively) covered: - 'Execution of the Strategic Plan', 'Retaining and bringing out the best in your Talent', and 'Find, Win, and Keep International Business'. These workshops have been consistently rated as very good or excellent by the attendees. Advisory support provided to date has led to the creation of 332 jobs, against a target of 596 by January 2020.
- 2.44 As of April 2019, 35 grant applications had been approved for businesses across the City Region representing all of the priority sectors of the current Strategic Economic Plan (low carbon & environmental, finance & professional services, digital & creative, food & drink, healthcare & life sciences and manufacturing). Grants are contributing towards investments in new machinery and fit-out/refurbishment of premises. The combined value of the 35 investment projects is over £3.9m, with the grant contribution being £907,771. Of these, 26 had completed their investments by the end of March 2019, receiving £575,583.53 in grants and providing over £1.82m of private sector match in the process. These grant projects are anticipated to lead to the creation of approximately 180 new jobs.

Investment Readiness and Business Resilience

- 2.45 The new £1.4m Investment Readiness project is on target to commence delivery from June 2019 for just under three years. Supported by ERDF and the Leeds City Region Business Rates Pool, it will provide SMEs across the City Region with advice and guidance on the full range of finance products available in the marketplace, and will assist them to access the finance they need to grow and/or sustain their operations. The support will be accessed via the Growth Service and will be a new referral product for the Growth Managers, as well as for all business support professionals working on other projects e.g. Export for Growth, Manufacturing Growth Programme and the Northern Powerhouse Investment Fund.
- 2.46 A £1.23m tender opportunity to appoint a primary contractor for the project closed in March 2019, and there was a healthy response from the market. Full appraisal of the returned tenders was undertaken in April 2019 and the successful organisation will be announced in mid/late May 2019.
- 2.47 Following direction from the Panel at its recent meetings, a new Business Resilience project is now being implemented as an enhancement of the City Region's Growth Service. The project will be an extension of the current Growth Manager function with an additional 8.5 to be recruited, and will aim to put some of the City Region's larger SMEs in stronger positions to benefit from future challenges and opportunities via more intensive account-management. This will focus on the importance of financial health and sustainability through more intensive support with such issues as cash-flow management, property requirements and supplier / customer relations.
- 2.48 Brexit preparation will clearly be an important factor with the above, but the project will also cover other new and emerging factors that firms may need to prepare for, such as clean air legislation, major infrastructure schemes (e.g. HS2) and ongoing changes to the national living wage.
- 2.49 The project successfully secured £1.7m from the European Regional Development Fund in March 2019, with match-funding provided from the Combined Authority and the City Region's Local Authorities via the current Growth Manager funding arrangement.

Travel Plan Network

- 2.50 The Travel Plan Network (TPN) provides its business members with expert advice and guidance on implementing sustainable travel solutions, including discounted public transport offers, cycling initiatives and relocation support. A total of 93 new members joined the network between 1 April 2018 and 31 March 2019, exceeding the target of 90 for 2018/19. An additional five businesses have joined the network since 1 April 2019 as part of a new target

to recruit 96 new members in 2019/20. An additional 10,000 employees now benefit from the membership. The total membership now stands at 453 businesses that employ almost 300,000 staff between them.

- 2.51 Work is nearing completion on the shared travel plans developed at ten multi-occupied sites, as part of phase one of a European-funded project (Interreg, SHARE-North). The project is delivered by a consortium of nine partners from across the North Sea Region (led by the City of Bremen) and is designed to promote shared mobility as a strategy to:

- Reduce transport emissions
- Regain street space for people
- Enhance quality of life and public health

- 2.52 The current Interreg programme deliverables focus on the promotion of shared mobility and sustainable travel solutions to businesses across West Yorkshire. This is achieved by the TPN team supporting employers at the identified sites to adopt and implement collaborative approaches that facilitate modal shifts within the commuting patterns and business travel of their employees. The partners are also developing a manual for municipalities, designed to share best practice about shared mobility in the North Sea Region.

- 2.53 Phase One of the project commenced in January 2016 and runs until 31 July 2019. In December 2018, the programme secretariat approved an extension, with Phase Two commencing on 1 August 2019 and completing on 31 December 2021. The new project deliverables for the team include:

- Providing more intensive support to 50 businesses located in electoral wards of the City Region with challenges related to clean air.
- Delivery of an educational campaign involving social media designed to promote shared mobility to young people at schools and colleges.
- Development of an interactive web platform for TPN members to share information about shared mobility and facilitate peer to peer learning.
- Delivery of an additional series of car park management sessions to businesses in the Leeds City Region.

- 2.54 The team attended a partners' meeting in Bremen in early April 2019, and delivered a presentation to members of the public and local councillors on the work of the TPN team. This resulted in requests from partners for help to establish their own sustainable travel networks, and also generated further enquiries about the partnership between transport operators in West Yorkshire, including delivery of the MCard offer to businesses and the public.

- 2.55 Seven car park management workshops were delivered at various business premises during Quarter One of 2019. 70 individuals attended the workshops representing over 50 businesses, and feedback was extremely positive with 96% of attendees being satisfied or very satisfied. The team will build on these sessions by producing practical guides for businesses to be made available online.

- 2.56 The TPN monthly news updates provide a platform to promote various sustainable travel campaigns, initiatives, offers to network members, good news stories and peer to peer support. Campaigns over the last quarter have

mainly focused on cycling and have included: - CityConnect's Access a Bike scheme for apprentices <https://cyclecityconnect.co.uk/accessabike>, Cycle to work scheme <https://www.cyclescheme.co.uk/community/featured/10-cyclescheme-myths> and Ride to Work Week (25 -31 March 2019). Members continue to be directed to wider business support provision, including pop-up business advice café events, and are encouraged to participate in consultation exercises involving major travel schemes throughout the region.

- 2.57 Relocation support for businesses moving to or within the City Region continues to be a key focus of the team's work. A number of events and staff travel days have been held at Premier Farnell, and at Wellington Place (for HMRC and NHS Digital) and Kirkstall Forge (for BUPA). Preparations are underway to support the imminent relocation of Channel 4 employees to the City Region.

Northern Powerhouse Investment Fund

- 2.58 The Northern Powerhouse Investment Fund (NPIF) formally launched on 22 February 2017, and has since invested £21.2m of funding in 92 businesses in Leeds City Region. £1.2m has been invested in 33 businesses via the micro fund, £10.6m has been invested in 46 businesses via the debt fund, and £8.4m in 13 businesses via the equity fund.
- 2.59 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 18% 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 .

Channel 4

- 2.60 The team continues to support with the delivery of Channel 4 related initiatives, particularly in relation to nurturing and supporting the local TV and production community.
- 2.61 During April and May 2019, the team has overseen the development of a concerted marketing campaign to raise the awareness of the LEP's existing business support schemes amongst the TV and production sector. This has involved working with Channel 4 to showcase the support available Channel 4 event in Leeds on 29 May 2019.

- 2.62 Following a recent recruitment process, the role of Creative Industries - Opportunity Programme Manager, has been filled. This will play a critical role in designing and managing a range of initiatives to develop the TV and Screen industries ecosystem in Leeds City Region.

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.
- 7.2 That the Panel considers, and provides views on, the proposed changes to the guidance and criteria for the Business Growth Programme (BGP) as set out within Appendix 2.

8 Background Documents

None

9 Appendices

Appendix 1 – LEP Growth Service Performance Update
Appendix 2 – Proposed Changes to the Guidance and Criteria for the BGP