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**Report to:** Leeds City Region Enterprise Partnership Board (LEP Board)

**Date:** 25 September 2019

**Subject:** **Business Innovation and Growth Panel**

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## **1. Purpose of this report**

- 1.1. To provide the Leeds City Region Enterprise Partnership (LEP) Board with a progress report on significant areas of activity related to the Business, Innovation and Growth (BIG) Panel.

## **2. Information**

### **Business Support**

#### Brexit Preparation and Response

- 2.1 An additional 8.5 SME Growth Managers are being recruited (five now in post) as part of the ongoing extension of the Growth Service, and in direct response to Brexit. This will bring the total number to 19 full-time equivalents, with the newly appointed ones providing more intensive support for a cohort of the most strategically important SMEs in each district. This is being determined by the size of the businesses, the sectors in which they operate and their exposure to international trade.
- 2.2 All of the Growth Managers are focussed on supporting businesses with Brexit preparation and response in the coming weeks and months, which includes a detailed toolkit and a train-the-trainer programme. They will also be attending the Brexit Business Roadshow in Leeds on 4 October 2019, along with the Growth Service Gateway Team and the LEP's Key Account Management team. In addition, the LEP Growth Service, following a request from Government, is coordinating Brexit business preparation activities and intelligence gathering across the Yorkshire and Humber Region.
- 2.3 A new £2m Leeds City Region Brexit Business Support Scheme has been designed that will provide SMEs with bespoke professional advice and guidance on issues directly related to Brexit, such as accreditations, regulatory changes, contractual matters, financial and risk planning and workforce planning. This is part of the package of Brexit-related interventions endorsed by the LEP Board in March 2019. A finance product was also part of the same package and is currently being developed.

## Business Productivity Pilot

- 2.4 The first pilot was launched in late 2018 and resulted in seven capital investment projects being supported with £516,000 of LEP investment from the Business Growth programme (BGP). These projects are now in delivery and the businesses involved have agreed to participate in a longitudinal survey for up to two years to track productivity improvements. The investment projects represent a good mix of manufacturing operations from both SMEs and large enterprises across the City Region, with the key difference to the main BGP being that the job creation requirement has been replaced by the need to demonstrate and measure productivity improvements.
- 2.5 At its meeting on 10 September 2019, the BIG Panel considered three options in relation to future investments in this area: -
1. Deliver a second pilot along the same lines as the first.
  2. Change the criteria for BGP to enable the main programme to support projects leading to productivity improvements, as well as those creating and/or safeguarding new jobs.
  3. Defer a decision until after the outcome on exiting the European Union (EU) is known.
- 2.6 The Panel recommended that the first of the above options be actioned by the Business Support Team so that more evidence on productivity improvements could be collected and considered (including to inform the Local Industrial Strategy), and so that business investment could continue to be supported and incentivised in response to Brexit. It was also keen to increase the amount ring-fenced for the second pilot to £750k so that more projects could be supported, and was also keen to move towards Option 2 above as core business, following the second pilot.

## Channel 4 Activity

- 2.7 There has been good progress on delivery against the commitments made by the City Region to Channel 4, including more intensive support for the creative and digital sector. This includes the delivery of the £2.5m #Welcome and #Grow programme to support business investment from new and existing businesses in the sector, and the finalising of the £1.5m Creative Industries Opportunities programme, following a period of extensive consultation with the creative sector, and with both the BIG Panel and the Employment and Skills Panel in early September 2019.

## **Trade and Investment**

- 2.8 Nine inward investment successes were recorded in May through to August since the last BIG Panel update for the LEP Board on 6 June 2019 (four of which remain confidential at the time of writing this report).
- OSO Polymers – Leeds, 260 jobs by 2022.
  - DXW – Leeds, 12 jobs.
  - UNTHA UK - Boroughbridge, 3 jobs

- Euro-Pro Europe Limited - Leeds ,9 jobs
- Oviva - Leeds, 30 jobs.
- Large chemicals company investing £2.7 million in their existing site to accommodate new product lines.
- Global aerospace company have committed to a new site in the City Region safeguarding 200 jobs and creating 50 new jobs.
- Food production company have invested into a new production line with plans to create 40 new jobs in the next 12 months.
- Professional services company have expanded their existing presence with plans to create 150 jobs.

2.9 46 new enquiries were received and 11 investor visits to the region were hosted during this same period.

2.10 The Trade and Investment team have attended a number of events and conferences over the past quarter with the aim to raise the profile of Leeds City Region and engage with industry.

2.11 This included attendance at

- Chem Expo (Harrogate)
- Making Pharma Expo (Coventry)
- Railtex (Birmingham)
- Med Tech Innovation Expo (Birmingham)
- Digital Health and Care Congress (London)
- City UK annual conference (London)
- Future of Place Festival (London)
- London Tech Week

2.12 Upcoming planned activities include

- SIBOS (London) – 23-26 Sept 2019
- SMART Cities Expo (Barcelona) – 18-21 Nov 2019
- China and Business of Design Week (China and Hong Kong) – 30 Nov to 15 Dec 2019
- Arab Health – Dubai – 27-30 Jan 2020
- MIPIM 2020 (Cannes) – 9-13 Mar 2020

2.13 KADA Research report on Creative Industries in the Leeds City Region: Review of International Trade Activity and Potential Opportunities has now concluded, which provides an interesting picture of a vibrant and growing sector, one which has exhibited growth at a much faster rate than the rest of the City Region's economy.

2.14 The **Key Account Management team** is currently engaging with over 125 companies across the region and actively account managing 85 of these. Approximately 65% of the companies are in the advanced engineering and manufacturing sector, with 20% from the creative and digital sector. Brexit challenges, opportunities and insights continue to be a priority with this activity

2.15 Since the start of June 2019, **the Investor Development team** has visited a further 31 plus companies and identified 13 active expansion/relocation projects.

### **3. Financial Implications**

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

### **8. Background Documents**

8.1 None.

### **9. Appendices**

9.1 None.