
Report to: Business Innovation and Growth Panel

Date: 26 November 2019

Subject: **Business Support**

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1 Purpose of this report

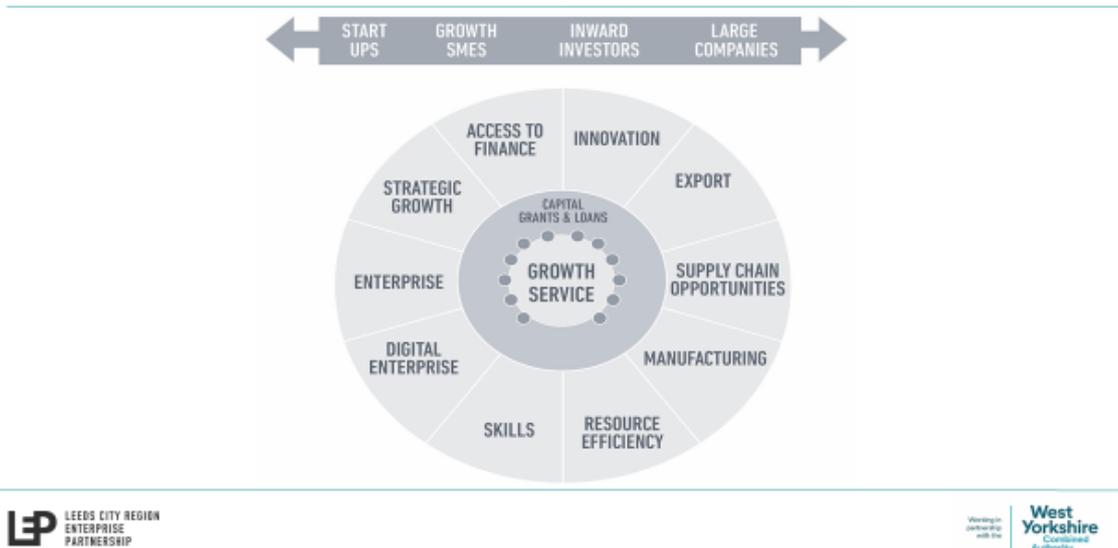
- 1.1 To provide the Panel with an update on business support activity being undertaken, including the LEP Growth Service, the Business Growth Programme, the Resource Efficiency Fund, Access Innovation, Strategic Business Growth, Travel Plan Network, the Northern Powerhouse Investment Fund, Investment Readiness and Brexit Business Support.

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 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) NPF 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

Brexit Business Support

- 2.3 The planned Brexit Business Support Scheme, which will provide businesses with advice and access to some funding to purchase specialist technical support, has been delayed until the New Year.
- 2.4 The Government's Brexit Roadshow event held in Leeds on 4 October 2019 had over 200 business attendees, which made it the most well-attended outside of London in the country. The Growth Service had a stand at the event and engaged with a large number of businesses on a range of issues, including employment, export/import, business planning advice and access to finance.
- 2.5 The Growth Service is also leading a Growth Hub Cluster for Yorkshire and Humber, which involves coordinating Brexit support activity and 'on the ground' business intelligence from across the four LEP geographies in the region. In Leeds City Region, this has included the appointment of consultants to develop closer working relationships with a number of our larger UK-owned businesses. The aim is to gather more current and detailed intelligence on issues facing the businesses and to help inform potential support interventions.
- 2.6 The remainder of this report also provides additional information related to Brexit preparation, response and intelligence gathering.

LEP Growth Service

- 2.7 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

- 2.8 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	April - October 2019
SMEs supported - light-touch & intensive (including enquiries/support from LEP products and services plus events)	3,025	1880

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	424
Intensive support to SMEs (including support from Growth Managers, and the LEP's core business support products)	1035	820
Delivery of Business Advice Pop Up events (with 7 in the 20% most deprived parts of the country)	14	6 (4 in the 20% most deprived area)
Proportion of businesses supported likely to recommend it	90%	81%
Service Expenditure (combined budget) - BEIS (£512,500) - Business Rates (£44,838)	£557,338	£148,075 (BEIS £136,056 BR £12,019)

2.9 The service is working towards an annual target to provide support to 3,025 individual businesses in 2019/20. 1880 individual SMEs have received support since 1 April, of which 424 have been intensively supported by the team of SME Growth Managers. An additional 396 businesses have received support from the range of LEP business support products, namely Resource Efficiency Fund, Access Innovation, Strategic Business Growth, Business Growth Programme.

Service developments

2.10 The team has developed a Service Quality Enhancement Plan as recommended in the latest annual evaluation of the Growth Service (see Executive Summary at Appendix 2). This will encompass a number of service improvements in direct relation to some of the recommendations of the evaluation, including:

- Exploring new channels and technologies to meet changing business needs – i.e. better use of technology to screen and field enquiries, implementing more agile methods of working.
- Further promotion and use of the National Business Support Helpline and its content where it meets local requirements, potentially using the Growth Service helpline to focus more on those firms with productivity or Scale Up potential.
- Promotion of professional development standards, such as SFEDI qualifications, to enhance the consistency and quality of service provision amongst SME Growth Managers.
- Refreshing SME campaigns and messaging so that these are less reactive and better able to capture the voice of business, possibly by commissioning more market research to better understand the current and future needs of businesses.
- Refreshing the structure of the LEP website to offer inspirational and engaging themes that meet the needs of business at different stages of maturity, including through more dynamic business-to-business content..

- 2.11 'Be the Business', a Government-backed initiative aimed at addressing the underperformance of UK productivity, has launched its business mentoring scheme within Leeds City Region. The programme aims to facilitate knowledge transfer, exchange of ideas, expertise and experience to shape the future direction of SMEs with a focus on delivering a step-change in business productivity and growth. The introduction of the mentoring scheme follows on from a successful pilot of 180 matches between businesses and mentors made across Greater Manchester, Birmingham, the North East of England and London in the last 12 months. The target is now to match 50 SMEs in Leeds City Region with experienced mentors from some of the UK's leading businesses (including GSK, Amazon and The John Lewis Partnership) by the end of March 2020. This offer is now integrated within the Growth Service and is being actively promoted by the SME Growth Managers.
- 2.12 Work is progressing on the HMRC and BEIS-led pilot scheme focussing on the improved use of data to develop a greater understanding of the types of businesses that use Growth Hubs. Along with 12 other Growth Hubs, the Growth Service has now entered into a Memorandum of Understanding with HMRC and the first batch of data on businesses supported has been submitted for analysis. The pilot will track the growth journeys of the businesses alongside a control group of businesses not supported to date in order to determine the impact of support.
- 2.13 The team is engaged with representatives of NatWest, who are involved in a national piece of work exploring how best to accelerate female entrepreneurship. This follows on from a piece of research (the Rose Review 2019), which examined some of the barriers facing women looking in relation to starting and growing businesses. The team is connecting NatWest's district based business development managers to initiatives taking place within the City Region, as well as looking at opportunities to collaborate on a number of potential activities over the next 12 months.
- 2.14 The service delivered the latest Leeds City Region SME Support Network event on 24 September in Halifax. 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. This latest event focussed on opportunities and support to the City Region's creative and digital businesses, particularly in the context of Channel 4's HQ relocation to Leeds. Over 50 people attended and guest speakers included Creative England and Digital Enterprise, as well as the LEP's Trade and Investment team, focussing on the new #Grow scheme, and Employment and Skills team, focussing on skills and career development opportunities within the sector.
- 2.15 The latest Professionals' Perspective Network event for private sector business intermediaries took place on 24 September 2019 and focussed on the challenges and opportunities arising from Brexit. It was attended by representatives from mainstream banks, venture capitalists, the British Business Bank, legal firms and large professional services providers.

Attendees shared a broad range of issues facing their clients and their own businesses, and provided useful feedback on the LEP's proposed interventions to help businesses prepare and respond.

- 2.16 Monthly SME Growth Manager meetings take place for the team to share best practice, build strong links with partners and support the professional development of both the Growth Managers and the Gateway Team. Presentations over the last quarter featured the relaunch of the Digital Enterprise scheme, Department for International Trade's export support, Be the Business mentoring scheme and the Enterprise Advisor Network. The SME Growth Managers have also been involved in a consultation exercise on the Business Growth Programme to support the development of a successor programme in 2021.
- 2.17 Work continues to support the 'Better Business for All' (BBFA) campaign to improve working links between businesses and regulators. The team hosted the West Yorkshire Regulators group meeting in September 2019 and attended the regional BBFA Group meeting in early November 2019.

Marketing and communications

- 2.18 A number of written case studies are in development, following on from 10 video case studies that have been developed 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/>.
- 2.19 Events over the last quarter included exhibitors at Halifax's digital festival (18-20 Sept) Bingley Business Expo (25 Sept), Huddersfield Business Week (30 Sept – 4 Oct), Bradford Manufacturing festival, and Leeds Manufacturing week. The team also presented at NPL's Innovation using emerging technologies event on 22 Oct at the 3MBIC event and the SME Growth Managers have attended a number of district based events. The team have also supported all seven of the regional Brexit specific events organised by BEIS and DIT as both exhibitors and/or guest speakers to promote the support available to businesses via the Growth Service.
- 2.20 Over 12,000 business contacts across the City Region are in receipt of the SME e-Newsletter on a quarterly basis. Featured content over the last quarter includes the newly launched Productivity Pilot, Brexit information and event links, ask the expert pop-ups, #Grow, Investment Readiness workshops, NP11 Energy and Clean Growth Conference and Innovation Week. A separate Brexit focused newsletter was also issued to businesses advising them of the tools and information to help them prepare for a no deal EU exit. The newsletters can be accessed via <https://mail-the-lep.com/t/3LTT-FFI7-4782RMB83/cr.aspx>.
- 2.21 Social media activity which underpin the marketing campaigns and initiatives, have had a prominent focus on Brexit under the 'let's talk Brexit' banner. Likewise an article was released in late September 2019 in the Yorkshire Post

directing businesses to the Growth Service, as well as the Government’s website and national events for more information and support.

- 2.22 The team have delivered four of the planned 14 ‘ask the expert’ business pop-up events across West Yorkshire. The model involves business experts volunteering their time to advise owners of start-up and micro firms on a range of business topics and are a cost efficient way for the LEP to engage with the Private Sector in some of the City Region’s more outlying and disadvantaged areas. The last two took place in Halifax as part of Halifax Digital Festival and The textile centre in Huddersfield as part of Huddersfield Business Week. Three more have been scheduled to take place at the end of November/early December in Wakefield, Leeds and Bradford.

ERDF Growth Service (Business Resilience)

- 2.23 Two additional SME Growth Managers took up their positions in Harrogate and Calderdale in early October 2019, and a new one for Kirklees has also recently joined the team following a retirement. The additional post for York is expected to be filled this month, but there are continued challenges in filling the 1.5 FTE posts in Bradford following two unsuccessful recruitment rounds. Therefore, there are currently 16.5 Growth Managers in place, with one more to follow shortly.
- 2.24 The team has collectively supported 39 businesses since the start of the additional ERDF funding period (April 2020), with three hours of assistance and are currently on track to achieve the outputs for 2019-20. Two key pieces of work are currently taking place to support the intensive business assist outputs (12 hours per business), including the development of a business diagnostic tool as well and a series of business resilience-themed workshops. Procurement for both of these elements will take place over the next quarter with delivery expected to commence in early 2020.

Business Growth Programme (BGP)

- 2.25 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.
- 2.26 The total allocation for the programme is £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 21 Oct 19)
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Expenditure	£44.32m	Committed - £35.10m Actual - £30.66m
New Jobs Created	4,100	Committed – 5,570 + 1,693 safeguarded Actual – 4,357 + 1,682 safeguarded
Businesses Supported	No contractual target	Committed - 621 Actual – 563
Number of Grants Awarded	765	Committed - 763 Actual – 680
Public/ Private Sector Leverage	£168.5m	Committed - £367.09m Actual - £291.11m
Total Cost Per Job	No contractual target	Committed - £6,303 Actual - £7,038

2.27 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 reduce the figure to £5,078 per job.

2.28 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; a similar grant offer from North Yorkshire LEP available 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). For those programmes that are not as directly relevant to the manufacturing sector (e.g. Digital Enterprise, Adventure and Strategic Business Growth), take-up in the North Yorkshire districts is higher and more proportionate to the overall make-up of the City Region's business stock.

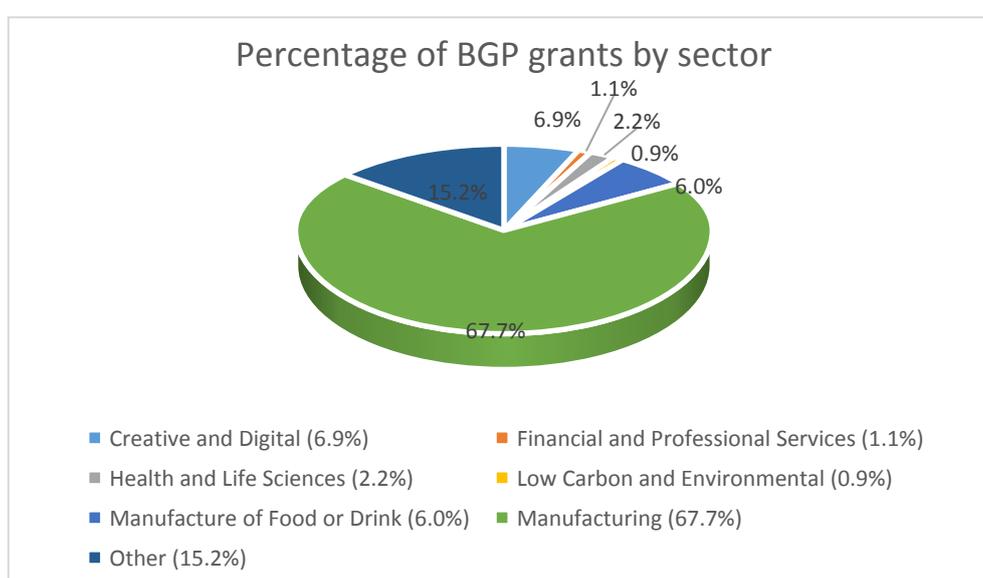
Table 3: Grant awards by district April 2015 – October 2019

District	SME Stock %	Number of Grants	% of Number of Grants	Value of Grants	% of Value of Grants
Barnsley	5.9%	38	5.0%	£ 1,792,141	5.1%
Bradford	14.5%	124	16.3%	£ 6,094,036	17.4%
Calderdale	7.5%	103	13.5%	£ 5,045,140	14.4%
Craven	3.2%	14	1.8%	£ 368,740	1.1%
Harrogate	8.5%	28	3.7%	£ 1,068,909	3.0%
Kirklees	13.5%	138	18.1%	£ 5,437,920	15.5%
Leeds	26.8%	223	29.2%	£ 9,779,565	27.9%
Selby	3.4%	4	0.5%	£ 233,800	0.7%

Wakefield	9.5%	75	9.8%	£ 4,746,866	13.5%
York	7.2%	16	2.1%	£ 532,057	1.5%
Total	100.0%	763	100.0%	£ 35,099,174	100.0%

2.29 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 67.7% of all grants awarded since April 2015. The next most popular sectors are Creative and Digital and Food and Drink, with 6.9% and 6.0% of grant awards respectively. Other sectors represent 15.2% of grant awards. Projects defined as 'other' mostly relate to industries closely aligned to the manufacturing sector, such as warehousing and distribution.

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



Productivity Pilot

2.30 The second round of the Productivity Pilot will launch 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. An update will be provided at the next BIG Panel meeting.

Inclusive Growth

2.31 The previously approved Inclusive Growth criteria and conditions have been in operation since last August (with a revised approach introduced from July 2019). This incorporates incentive-based criteria linked to the Real Living Wage for all programmes which create jobs, thus building on the success of the BGP experience to date. It also extends the list of inclusive growth commitments to the wider range of grant programmes and includes a lower threshold (£25,000 and above) at which grant recipients are asked to make commitments as a condition of the grant.

2.32 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.

Review of initial effectiveness – Real Living Wage

2.33 Prior to the introduction of the revised criteria, analysis of BGP grants awarded in the previous 12 months (June 2017 to June 2018) showed that **58% of the jobs created** were paying the Real Living Wage or above.

2.34 Since the introduction of the new criteria in July 2018, 141 BGP applications have been approved. These applications are linked to the creation of 676 new jobs, 542 of which are proposed to pay above the Real Living Wage. This represents **80% of all of the jobs to be created** via the investment projects to be supported on BGP. So far, 221 of these jobs have been created, 179 (81%) of which are paying at least the Real Living Wage, and this will continue to be closely monitored as the supported projects progress and the associated jobs are filled.

2.35 It is a requirement of recipients of the Digital Inward Investment Fund (#Welcome) and the Digital Investment Fund (#Grow) that all jobs must pay at least the Real Living Wage.

2.36 There have been no approvals for grants through the Strategic Inward Investment Fund since the introduction of the revised criteria in July 2019, but two of the grant recipients are fully accredited Real Living Wage Foundation employers, paying all employees the Real Living Wage.

Review of initial effectiveness – inclusive growth commitments

2.37 A summary of the commitments obtained to date across each grant programme is provided in table 3.

2.38 The criteria has been a mandatory requirement of recipients of BGP grants of £50,000 or above since 31 July 2018.

2.39 The criteria has been a mandatory requirement of recipients of grants of £25,000 or above across all grant programmes and a voluntary ask of businesses receiving a grant of between £10,000 and £24,999 since 1 July 2019.

Table 3: Number of inclusive growth commitments by programme

Programme	Number of grants approved since introduction of	Number of mandatory commitments obtained from businesses	Number of voluntary commitments obtained from businesses
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	inclusive growth criteria		
Business Growth Programme	90	85	5
Access Innovation	5	1	4
Strategic Inward Investment Fund	2	0	2
Strategic Business Growth Programme	1	1	0
Digital Inward Investment Fund (#Welcome)	3	3	0
Productivity Pilot	9	8	1
Total	110	98	12

2.40 A summary of the number of each commitment obtained to date is provided in table 4.

Table 4: Number of inclusive growth commitments by commitment type

Commitment	Number	Percentage of all commitments
Inspire the next generation by working with schools and/or colleges	20	18.2%
Develop a Skills Plan including apprenticeships	21	19.1%
Offer training to low paid staff to help them progress	9	8.2%
Offer work opportunities to local people with disabilities or health issues	2	1.8%
Offer more sustainable 'green travel' options to employees	14	12.7%
Undertake an energy audit to identify ways to reduce energy consumption	17	15.0%
Undertake a supply chain audit to identify opportunities to buy more from local suppliers	3	2.7%
Pay small business suppliers in accordance with the Prompt Payment Code	10	9.1%
Commit to paying staff the Real Living Wage within an agreed timescale	8	7.2%
Other	6	5.4%
Total	110	100%

- 2.41 Of commitments agreed with businesses to date, the highest number are for developing a skills plan (19.1%), followed by working with schools and/or colleges (18.2%).
- 2.42 Informal feedback from businesses has been positive to date, with the majority being receptive to the new approach. As perhaps expected, the smaller businesses have been those that have expressed some concern related to their more limited resources to implement the commitments.
- 2.43 Payment of the Real Living Wage has been the main challenge reported for businesses since the new approach has been implemented, in particular for those operating in lower value sectors, and/or, in geographical areas where wages are lower than the City Region average. These are often more disadvantaged areas, so the decision to adopt a two-tier grant rate has been beneficial to avoid an outright exclusion of certain firms in these locations from grant support.

Resource Efficiency Fund

- 2.44 The Resource Efficiency Fund (REF) is being delivered through the Growth Service until December 2019 (having recently had a two month extension approved) 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. An ERDF Full Application for a successor project covering both Leeds City Region and the York & North Yorkshire LEP area has been submitted and is currently undergoing appraisal. Initial clarifications from the Managing Authority have been dealt with and further feedback is expected in early November.
- 2.45 696 businesses have engaged with the project as of September 2019. These engagements have resulted in 361 assessments being commissioned and the completion of 357 assessment reports that identified clear actions the firms can take to improve their resource efficiency. 158 grant applications have been approved and payments totalling £ 888,631 having been made to 139 businesses, leveraging over £1 million of SME spend. Progress is broadly in line with contractual targets. The grant pot is now almost fully committed.
- 2.46 Projects approved since the last meeting of the Panel have been mainly in the areas of basic heating (including wood waste burners), lighting, insulation and compressor investments. To date, total estimated CO2 savings across all approved projects stands at 2,409 tonnes per annum, with estimated savings to the recipient-businesses of £655,891 per annum.

Access Innovation

- 2.47 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.

- 2.48 To date, the programme has engaged with 504 SMEs, 274 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. 58 applications for grants have been approved to date with a collective value of £4.1m. A number of other applications of varying sizes are currently being developed with support from the Innovation Growth Managers.
- 2.49 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, 3MBIC, Nexus, 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.
- 2.50 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 248 SMEs have been supported, of which 62 have received 12 hours or more of innovation support. The provision will run until late 2019 and will provide a stronger pipeline of innovation-ready SMEs that can be supported by innovation support products available in the City Region.
- 2.51 In response to the interim evaluation, and the team's experience to date of delivering the programme, the Combined Authority submitted a full application in May 2020 for additional European Regional Development Funds. 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.
- 2.52 The Connecting Innovation proposal incorporates the feedback from recent Panel meetings, particularly the importance of clear, coordinated communication and messaging to support a culture of business innovation within the region. Whilst the new programme is not expected to commence until 2020, planning is underway to undertake market research with SMEs to identify appropriate messaging. The Panel will be kept apprised of the new programme's ongoing development.

Strategic Business Growth – support for SMEs with high growth potential

- 2.53 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, as well as identify collaboration opportunities.
- 2.54 Ongoing analysis on the coaching support requested by SBG clients to date has identified that the three most common areas are in process improvement, strategic business planning and marketing/sales respectively. 352 businesses are now fully engaged with the programme (against a target of 302 by January 2020), including 321 that have developed detailed growth action plans with their allotted account managers. Of these, 291 have benefitted from a combined total of over 11,860 hours of coaching support and 112 have attended an average of three of the workshops available. 44 businesses have also participated in the peer to peer leadership workshops offered through the programme.
- 2.55 The 352 businesses supported to date through the programme have created 686 new jobs, exceeding the January 2020 target of 596 by 15%.
- 2.56 As of 1 October 2019, 37 SME grant applications had been approved 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 37 investment projects is over £3.9m, with the grant contribution being £908,398. Of these, 31 had completed their investments by the end of September 2019, receiving £714,043 in grants and contributing over £2.31 million of private sector match funding in the process.
- 2.57 An outline application was submitted under the most recent call for projects which closed on 30 September 2019. This relates to extending the project by three years from 1 April 2020 to 31 March 2023. Total project value £3.256 million, ERDF request £1.628 million.

Investment Readiness

- 2.58 The £1.23m Investment Readiness programme, supported by funds from ERDF and the Leeds City Region Business Rates Pool, will provide SMEs across the City Region with advice and guidance on the full range of finance products available in the market place. It will assist them with accessing the finance they need to grow 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.

- 2.59 Activity has now started on the Investment Readiness programme which is being delivered by Winning Pitch Trading Ltd, in conjunction with Grant Thornton and Garbutt + Elliott. Support available through the programme includes a series of ten workshops covering key themes relating to finance alongside peer-to-peer networks, 1-2-1 funding and tailored coaching sessions with a Growth Finance Advisor.

Travel Plan Network

- 2.60 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. The team is working to recruit an additional 96 businesses to the network this financial year and over 34 businesses have joined since 1 April 2019. The total membership now stands at 467 businesses that employ almost 300,000 staff between them.
- 2.61 The team is funded by a European project Interreg SHARE-North, and a key target is to provide intensive support to 50 businesses (over the lifetime of the project) located in electoral wards of the City Region with challenges related to clean air. As such the team have recently completed a mapping exercise with support from the CA's spatial intelligence team to better understand what air quality issues exist across the West Yorkshire districts and where, help to identify larger businesses within those districts, and proactively target them to join and receive assistance via the TPN.
- 2.62 The team are also regularly attending the monthly SME Growth Manager meetings which form part of the LEP's business Growth Service to help raise awareness about the support available to businesses via the TPN and encourage more client referrals. Additionally the team have been providing support to Leeds City Council's Clean Air Alliance (CAA) group and are looking to help the implementation of a proposed 'champion led modal shift' programme working with schools/businesses/faith organisations. Likewise, the team are also part of a transport working group for the main Climate Emergency Advisory Committee focusing on how the group can support businesses within Leeds with travel planning.
- 2.63 Work continues to assist those members relocating within the City Region, including Premier Farnell, Wellington Place (for HMRC and NHS Digital) and Kirkstall Forge (for BUPA) including support with shared travel plans were needed. Bradford Royal Infirmary have recently re-engaged with the team for further assistance around the development of a shared travel plan and two new members have joined requiring relocation assistance. The team have also met with Energy Savings Trust (EST) to discuss the free fleet reviews available to businesses to help make their fleets more efficient, cost effective and lower emissions. This information has been promoted more widely across the network via member updates as well as EST's Fleet Hero's awards 2019.

- 2.64 Sustainable travel campaigns, initiatives, offers to network members and good news stories are promoted through our TPN member monthly updates. Promotions and updates over the last quarter focused on local, national and global events as well as cycling and shared mobility including: European mobility Week (16-22 Sept), Cycle September, Let's Ride, World Car Free Day (22 Sept), City Connect's Bike Friendly Business scheme, Liftshare Week (7-13 Oct), International Walk to School Month (Oct). Minster Law based at Calder Park was also promoted as an exemplar of good practice for car sharing. Businesses were also directed to wider business support provision via the Growth Service including for Brexit related information and were encouraged to participate in the 'give an hour campaign' to help inform the career choices of young people.

Northern Powerhouse Investment Fund

- 2.65 The Northern Powerhouse Investment Fund (NPIF) formally launched on 22 February 2017, and has since invested £27.2m in 117 businesses in Leeds City Region. £1.6m has been invested in 44 businesses via the micro fund, £14.0m has been invested in 56 businesses via the debt fund, and £11.6m in 17 businesses via the equity fund.
- 2.66 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.

#Grow

- 2.67 A total of £13.45m was awarded to the West Yorkshire Combined Authority through the Growth Deal for use on inward investment grant programmes. £12.45m was allocated to Strategic Inward Investment Fund (SIIF) and £1m to the Digital Inward Investment Fund (#Welcome), another inward investment product offering grants of £10,000-£50,000 as a contribution of up to 50% of eligible project costs. This is designed to support small and medium sized businesses from the sector establish new operations in Leeds City Region.
- 2.68 In the context of Channel 4's investment in a new National HQ in Leeds City Region (City Region), there is an opportunity to generate enhanced growth in the creative and digital sector. To support this growth, in May 2019 Investment Committee and Combined Authority approved a change to transfer £1.5m from SIIF to #Welcome. A new grant scheme, #Grow, has been developed to support creative and digital businesses with an existing presence in the City

Region. SIIF currently stands at £10.95m, with £2.5m allocated to support #Welcome and #Grow. #Grow was launched at Halifax Digital Festival on Wednesday 18 September 2019.

- 2.69 #Grow offers support to digital businesses to invest in capital to support the growth of the business and create new jobs. Grants are available of between £10,000 and £50,000, 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.
- 2.70 A project team is now in place to support the delivery of #Grow, and a part-time Marketing Officer is also in place to support marketing activities that relate to #Grow and the Channel 4 Opportunity Fund. The fund is being actively promoted through the LEP's network of partners (including the SME Growth Manager function), and through an active marketing campaign, including social media promotion.
- 2.71 Three applications have been approved to date totalling £92,020, with the creation of 10 jobs. A further five applications are currently under review and we are working through a pipeline of 50 enquiries.

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

Appendix 2 – Growth Service Evaluation