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

Date: 16 January 2020

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 as discussed at the meeting in November 2019.

2. Information

Innovation

MIT REAP

- 2.1 The Panel received an update on progress to deliver the MIT REAP Leeds project which is on track to deliver a strategy by January 2020. To coincide with this, Leeds is hosting a visit from the other MIT cohorts at the end of January which will provide an opportunity to showcase good practice and case studies from across the region.
- 2.2 The Panel supported a proposal to bid to be part of an MIT REAP lite programme being led by BEIS, MIT and the University of Loughbrough. This programme, whilst following the same process as the current programme, will focus exclusively on the adoption of new technologies and leadership and management practices in SMEs. As such it aligns strongly with the Smarty Interreg project currently underway (see below).

Smarty Interreg

- 2.3 Aligned with the MIT REAP lite proposal above, the Panel discussed the European Interreg project which focusses on the sharing of best practice and learning across Europe on Industry 4.0.

The LEP, alongside the Textiles Centre of Excellence in Huddersfield, are the only UK partners in this four year project which aims to identify barriers around adoption of Industry 4.0 and develop a plan of action for interventions.

Business Support

Brexit

- 2.4 Activity progresses to support the City Region's businesses to prepare for the implications of Brexit. This includes the recruitment of an additional 8.5 SME Growth Managers to focus on business resilience and planning with some of our larger, internationally-active SMEs (taking the full resource to 19 full-time equivalent managers), and procuring Clarion solicitors to undertake some more detailed Brexit-related engagement with UK-owned large businesses (250+ employees) with operations in the City Region.
- 2.5 The LEP's Brexit Business Support Scheme has been temporarily postponed until the Government's position on any new business support related to Brexit is set out in more detail in early January 2020. A verbal update on this will be delivered at the meeting. The four Yorkshire and Humber LEPs continue to work closely on the design of new regional support interventions (including a business-led dynamic web platform), and on capturing more detailed and timely intelligence on the potential economic impacts of Brexit on the business base and local economies.

LEP Growth Service

- 2.6 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, including the Department for International trade, Innovate UK, Northern Powerhouse Investment Fund, universities and chambers.
- 2.7 Since its launch in April 2015, the service has supported over 13,500 individual businesses with over 21,000 meaningful interventions e.g. business grants, one-to-one advice, one-to-many workshops or peer-to-peer support. The recent independent evaluation of the service has provided a number of recommendations to further improve the customer experience, which will be implemented in the coming months via Service Enhancement Plan. These include: - making better use of new channels and technologies to engage a wider and more diverse business audience, ongoing professional development of the SME Growth Managers (including adopting professional occupational standards), use of more dynamic business-to-business web content to engage and enthuse businesses, and better utilising the National Business Helpline to increase the service's capacity to focus more on growth and scale-up potential firms.
- 2.8 The below link provides access to a number of case studies of businesses supported via the service in recent times <http://www.the-lep.com/case-studies/>.

Productivity Pilot

- 2.9 The second round of the Productivity Pilot launched in November 2019, with an increased budget of £750,000 allocated from the overall Business Growth Programme. As with last year's original scheme, businesses are being invited to put forward investments in capital equipment that will lead to clearly defined productivity improvements at the micro and macro level, as opposed to being required to create new jobs as with the core programme. Capital grants of between £25,000 and £100,000 are available to applicants, who are invited to submit a detailed Investment Plan alongside their applications. The plans also need to clearly set out what complementary activities the businesses will undertake to make the best possible impact on productivity e.g. upskilling key staff members, implementing a business improvement project (such as Lean or Six Sigma) or working towards a recognised industry or supplier accreditation.

Be the Business Mentoring Scheme

- 2.10 '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.
- 2.11 The 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.

Clean Growth

- 2.12 The Resource Efficiency Fund programme completed at the end of 2019 and achieved the following positive outcomes: - an estimated 2,409 tonnes per annum of CO2 savings, with estimated savings to the recipient businesses of over £650,000 per annum, and grant investment of almost £900,000 into 139 SMEs to facilitate the reduced use of energy and water, and improved approach to waste. Its successor programme, ReBiz, will commence in January 2020 for three years and will incorporate a new element focussed on the circular economy, alongside a larger grant offer and continued resource efficiency assessments for businesses.

Trade and Investment

- 2.13 Six inward investment successes were recorded since the last BIG Panel update to the LEP Board on 25 September 2019 (three of which remain confidential at the time of writing this report).

- Large chemicals company investing in additional premises to accommodate future growth.
- Manufacturer of construction materials have expanded at their existing site to incorporate the installation of a new production line.
- Swedish engineering firm Novotek have established a new office and Innovation Lab in Leeds creating 12 new jobs.
(<https://www.investleedscityregion.com/all-news-and-blogs/novotek-opens-new-offices-and-innovation-lab-in-leeds/>)
- A South African investment crowdfunding platform has established a small office in the City Region (Wakefield).
- Iwoca – leading FinTech SME lender in the UK are establishing a new office in Leeds creating 70 new jobs.
- Hothams - A gin company from Hull are expanding into the region and establishing a gin school in Leeds creating six jobs.
(<https://www.yorkshirepost.co.uk/business/hotham-s-gin-school-expands-into-leeds-1-10071284>)

2.14 56 new enquiries were received and six investor visits to the City Region were hosted during this same period.

2.15 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.

2.16 This included attendance at

- SIBOS (London) – 23-26 Sept 2019. This included a roundtable fintech event in partnership with KPMG and the Deputy Mayor of London Rajesh Agarwal.
- SMART Cities Expo (Barcelona) – 18-21 Nov 2019. A Leeds City Region delegation made up of 60 people from local authorities, universities, developers and businesses operating within the Smart Tech space in a public / private partnership represented the region.
- The Offsite Construction Show (London) – 20-21 Nov 2019

2.17 Upcoming planned activities include

- China (Hangzhou and Qingdao) – 7 Dec to 14 Dec 2019
- Arab Health (Dubai) – 27-30 Jan 2020
- MIPIM 2020 (Cannes) – 9-13 Mar 2020

2.18 A verbal report on the China visit in December 2019 will be provided at the meeting.

2.19 The Key Account Management team is currently engaging with over 125 companies across the region and is 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, which has been bolstered by the recent appointment of Clarion to undertake some detailed consultation with a number of our large UK-owned businesses.

Creative Industries Opportunity programme

- 2.20 Final business case documentation has been submitted to the Combined Authority's assurance team, with approvals expected in December 2019. The programme will then be launched in the New Year.
 - 2.21 The programme is committed to supporting inclusive growth. This included sponsorship of a recent event hosted by the Women in Film and TV (WFTV) network, which is dedicated to advancing the professional development of women working in media. The event, 'WFTV: An Audience with Sally Wainwright' was held at Northern Ballet on 15 October and was well-attended by individuals from across the UK. It featured an in-depth discussion with Sally Wainwright on her Halifax-based drama, 'Gentleman Jack'.
- 3. Clean Growth Implications**
- 3.1 Please see point 2.10 above.
- 4. Financial Implications**
- 4.1 There are no direct financial implications directly arising from this report.
- 5. Legal Implications**
- 5.1 There are no legal implications directly arising from this report.
- 6. Staffing Implications**
- 6.1 There are no staffing implications directly arising from this report.
- 7. External Consultees**
- 7.1 No external consultations have been undertaken.
- 8. Recommendations**
- 8.1 For the LEP Board to note progress on significant areas of activity related to the BIG Panel.
- 9. Background Documents**
- 9.1 None.
- 10. Appendices**
- 10.1 None.