
Report to: Business Innovation and Growth Panel

Date: 27 February 2020

Subject: **Business Support**

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

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

1 Purpose of this report

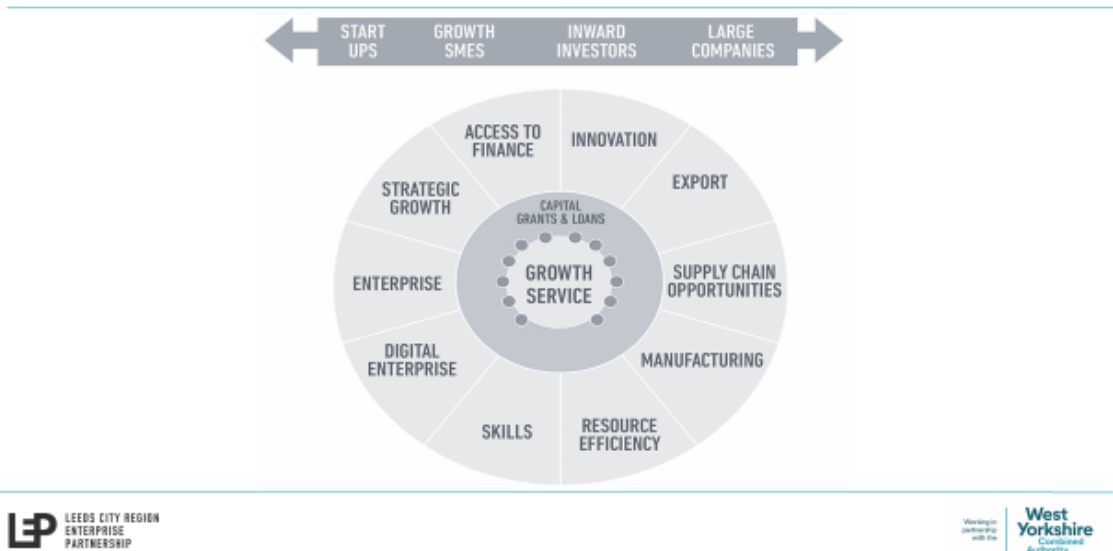
- 1.1 To provide the Panel with an update on business support activity being undertaken, including the LEP Growth Service, the Business Growth Programme, the Resource Efficiency Fund, Access Innovation, Strategic Business Growth, Travel Plan Network, the Northern Powerhouse Investment Fund and Investment Readiness.
- 1.2 Business support activity related to the transition period following the UK's departure from the EU is covered within agenda item 11.

2 Information

Business Support Context and Strategy

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

Figure 1 : Business Support Eco-System



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

Figure 2: Business Support Policy Logic Model

Business support policy logic model

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

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

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

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

LEP Growth Service

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

Progress to date

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

Table 1: Performance against headline targets 2019-20.

Target Measure	Target	April to December
SMEs supported - light-touch & intensive (including enquiries/support from LEP products and services plus events)	3,025	2382
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	525
Intensive support to SMEs (including support from Growth Managers, and the LEP's core business support products)	1035	1088
Delivery of Business Advice Pop Up events (with 7 in the 20% most deprived parts of the country)	14	7 (5 in the 20% most deprived area)
Proportion of businesses supported likely to recommend it	90%	85%
Service Expenditure (combined budget) - BEIS (£512,500) - Business Rates (£44,838)	£557,338	£324,676 (BEIS £308,755 BR £15,920)

- 2.5 Between April and December 2019, the service has provided support to over 2380 individual SMEs against an annual target of 3,025. The support has resulted in over 3233 interactions, meaning many businesses have used the service on several occasions. The team of SME Growth Managers have provided intensive support to 525 individual businesses and an additional 510 businesses have benefitted from the range of LEP business support products, namely Resource Efficient Business, Access Innovation, Strategic Business Growth, Investment Readiness and the Business Growth Programme.

Service developments

- 2.6 As part of progressing the Service Quality Enhancement Plan, the team are now working with ICT colleagues to explore options for new channels and technologies for the helpline function to enhance service delivery. These options include better use of technology to screen and field enquiries and implementing more agile methods of working. Additionally, work is underway to develop the CRM system to enable more consistent collection and reporting of data within the Service and more broadly across Economic Services. Colleagues at Calderdale Council are currently trialling these new developments and are also appraising options for the continued professional development of the Growth Managers e.g. the SFEDI occupational standards for business support professionals.
- 2.7 The latest Professionals' Perspective Network event for private sector business intermediaries took place in late November 2019. The theme was on productivity and growth, which included a guest presentation on the Government-backed initiative, 'Be the Business'. This is designed to help address the underperformance of UK productivity through a business mentoring scheme. The target for Leeds City Region is to match 50 SMEs 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. Attendees were also made aware of the second round of the Productivity Pilot (see more details below) and the application process to share with their clients.
- 2.8 Recent presentations at the monthly SME Growth Manager meetings have included: - a refresh of the Skills Service offer from the West Yorkshire Consortium of Colleges and the 'Better Business For All' campaign involving regulators operating across the City Region. The Growth Managers were also provided with an update on the new ReBiz programme, which succeeds the Resource Efficiency Fund and will provide continued advice and funding on better use of utilities and recycling / reuse.
- 2.9 As well as building strong links with partners, the above meetings support the professional development of both the Growth Managers and the Gateway team. They also provide a platform for the Growth Managers to share best practice about business engagement and client support. Over the last quarter, the group have worked together sharing practical tips on networking, business intermediary engagement, social media platforms and business planning tools.

Marketing and communications

- 2.10 A proactive marketing campaign to drive more customer traffic to the Hub, and more widely promote business support across the City Region, commenced in early January 2020. Activities include digital display ads across multiple websites and LinkedIn (featured throughout February) and a 'time to grow' advert in the Yorkshire Post (featured on 16 and 30 January).

- 2.11 Social media platforms have also been used to promote the service's range of business case studies and, in doing so, raise the profile of support available to businesses via the LEP and its local and national partners. Promotion of video case studies via these channels resulted in 728 visits to the LEP's website case study pages. Likewise, these platforms have been used to promote the Productivity Pilot, resulting in 4,421 social impressions and 345 visits to the programme page on the website. The full range of case studies can be found at <http://www.the-lep.com/case-studies/>.
- 2.12 The quarterly SME newsletter featured content about Investment Readiness workshops, the newly launched ReBiz programme, the Productivity Pilot and the ongoing Business Pop Up events. It was issued to 10,216 business contacts, resulting in a 12.75% open rate. The most popular feature was the Productivity Pilot with the greatest click through response rate. The latest newsletter items can be found via the following link : <https://mail-the-lep.com/t/3LTT-1327S-19ZIK0ZJ87/cr.aspx>
- 2.13 The service has now delivered eight 'ask the expert' business pop-up events in the City Region so far, this financial year. The model involves business experts volunteering their time to advise owners of start-up and micro firms on a range of business topics and 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 latest events took place in Bradford City Centre (22 Dec 19) and Steeton near Keighley (23 Jan 2020). Since April 2019, over 60 businesses have benefited from 156 free business advice sessions. The remaining events for 2019/20 will take place in February and March in Hebden Bridge, Ossett, Batley, Huddersfield, Leeds and Saltaire.

ERDF Growth Service (Business Resilience Programme)

- 2.14 All of the new SME Growth Managers have now been appointed which takes the team to 19 FTEs and 21 individuals. The ERDF extension to the Growth Manager function is focussing on the larger end of the SME market, and on those firms involved in international trade, either directly or via their positions within global supply chains. To this end, it also has a clear focus on supporting businesses with forward planning, future-proofing and general resilience e.g. cashflow and currency management, contracts with overseas suppliers and customers, and potential regulatory divergence.
- 2.15 The team has collectively supported 103 businesses since the start of the additional ERDF funding period (April 2019), with three hours of assistance (P13s), which is 26 ahead of the profile for this stage in delivery. The Growth Managers are making good progress supporting businesses with 12 hours of assistance and have a current pipeline of 15 businesses they are currently supporting. Two key pieces of work are currently taking place to support the intensive business assist outputs (12 hours per business). Tenders have gone out for the development of a Business Diagnostic Tool and a series of

Peer to Peer group sessions for business owners. Delivery is expected to commence in March 2020.

Business Growth Programme (BGP)

- 2.16 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.
- 2.17 The total allocation for the programme is £49.7m. Of this, £5.38m is being used to provide match-funding to four projects being supported by the European Regional Development Fund (Access Innovation, Strategic Business Growth, Digital Enterprise and Ad:Venture). Table 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 31 Dec 19)
Expenditure	£44.32m	Committed - £36.15m Actual - £31.63m
New Jobs Created	4,100	Committed – 5,838 + 1,693 safeguarded Actual – 4,485 + 1,682 safeguarded
Businesses Supported	No contractual target	Committed - 634 Actual – 573
Number of Grants Awarded	765	Committed - 786 Actual – 694
Public/ Private Sector Leverage	£168.5m	Committed - £371.28m Actual - £300.99m
Total Cost Per Job	No contractual target	Committed - £6,193 Actual - £7,054

- 2.18 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 £5,122 per job.
- 2.19 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.

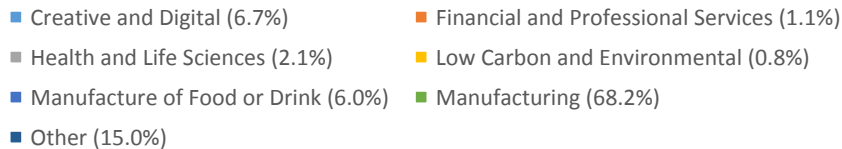
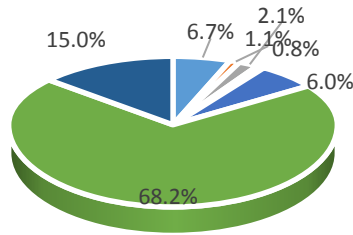
Table 3: Grant awards by district April 2015 – December 2019

District	SME Stock (%)	Number of Grants	% of Number of Grants	Value of Grants	% of Value of Grants
Barnsley	5.9%	38	4.8%	£ 1,792,141	5.0%
Bradford	14.5%	128	16.3%	£ 6,270,166	17.3%
Calderdale	7.5%	107	13.6%	£ 5,074,336	14.0%
Craven	3.2%	15	1.9%	£ 396,762	1.1%
Harrogate	8.5%	28	3.6%	£ 1,068,909	3.0%
Kirklees	13.5%	139	17.7%	£ 5,693,474	15.7%
Leeds	26.8%	232	29.5%	£ 10,064,925	27.8%
Selby	3.4%	5	0.6%	£ 258,800	0.7%
Wakefield	9.5%	78	9.9%	£ 4,999,994	13.8%
York	7.2%	16	2.0%	£ 532,057	1.5%
Total	100.0%	786	100.0%	£ 36,151,563	100.0%

2.20 The below chart presents the number of grants awarded via sector and highlights the continued importance of the programme to the manufacturing sector, which accounts for 68.2% of all grants awarded since April 2015. The next most popular sectors are Creative and Digital and Food and Drink, with 6.7% and 6.0% of grant awards respectively. Other sectors represent 15.0% 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 – December 2019

Percentage of BGP Grants by Sector



Grants to Flooded Businesses

- 2.21 Following the widespread and devastating flooding to businesses across Leeds City Region (current estimate of up to 900 affected, with the Calder Valley most severely impacted) caused by Storms Ciara and Dennis in February 2020, the LEP and CA has allocated £3m of the BGP budget to establish two sub-funds. These are an Emergency Response Fund and a Flood Recovery Fund. The former will provide grants of up to £2.5k per applicant to support with immediate clean-up/repair costs, replacement of white goods and other smaller items of equipment/kit, and the replacement of essential stock.
- 2.22 The second fund will focus more on mid-term recovery as was the case in 2015/16 following Storm Eva, and will support businesses to meet the cost of replacing larger items of capital equipment, and/or, renovating and repairing damaged premises. Allocations across the two funds will be dependent on need, demand and the provision of any direct Government funding. Panel members will receive regular progress reports on the take-up of the funds over the rest of the year.

Productivity Pilot

- 2.23 The second round of the Productivity Pilot launched on 1 November 2019, with businesses invited to complete applications by 31 January 2020. The pilot aims to incentivise productivity improvements within a small cohort of businesses, rather than requiring projects to lead to the creation of new jobs.
- 2.24 14 applications have been received with a combined grant request of £934,025 against the budget allocation of £750,000. Three applications have been received from businesses in Barnsley, two from Bradford, two from Harrogate, three from Kirklees and four from Leeds. Seven applicants are small businesses (with fewer than 50 employees), three are medium businesses (50-249 employees) and four are large businesses (250 or more

employees). The applications will be considered in late February 2020 by a panel with representation from the private sector and academia, with decisions following in early March 2020.

Inclusive Growth

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

2.26 The number of inclusive growth commitments obtained to date on each programme is provided below.

Table 4: Number of inclusive growth commitments by programme (to December 2019)

Programme	Total number of commitments since introduction of Inclusive Growth criteria	No. of mandatory commitments obtained from businesses	No. of voluntary commitments obtained from businesses
Access Innovation	9	1	8
Business Growth Programme	103	96	7
Productivity Pilot	9	8	1
Strategic Business Growth	1	1	0
Strategic Inward Investment Fund	12	8	4
#Grow	10	9	1
#Welcome	6	4	2
Total	150	127	23

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

Table 5: Number of inclusive growth commitments by commitment type (to December 2019)

Commitment	Number	Percentage of all commitments
Inspire the next generation by working with schools and/or colleges	36	24%
Develop a Skills Plan including apprenticeships	24	16%
Undertake an energy audit to identify ways to reduce energy consumption	24	16%
Offer more sustainable 'green travel' options to employees	19	13%
Other	12	8%

Offer training to low paid staff to help them progress	10	7%
Pay small business suppliers in accordance with the Prompt Payment Code	10	7%
Commit to paying staff the Real Living Wage within an agreed timescale	9	6%
Undertake a supply chain audit to identify opportunities to buy more from local suppliers	4	3%
Offer work opportunities to local people with disabilities or health issues	2	1%
Total	150	100%

2.28 Of commitments agreed with businesses to date, the highest number are for working with schools and/or colleges (24%), followed by developing a skills plan and undertaking an energy audit to identify ways to reduce energy consumption (both 16%).

Case studies

2.29 Below are some brief examples of businesses that have received grants and contributed to inclusive growth. There are many others across the range of commitments, but these provide pen portraits of the business contribution.

2.30 A Leeds-based business that has received an Access Innovation grant has committed a member of staff to becoming an Enterprise Advisor. The business will be working with a local school to help develop its enterprise curriculum.

2.31 A manufacturer from Kirklees that has accessed a Business Growth Programme grant has become an accredited Real Living Wage Foundation employer.

2.32 A recipient of a Digital Inward Investment Fund (#Welcome) grant has offered a scholarship to someone from an underrepresented group.

Resource Efficiency Fund

2.33 The Resource Efficiency Fund (REF) was delivered through the Growth Service until December 2019. It was jointly funded by the Local Growth Fund (LGF) and the European Regional Development Fund (ERDF), and provided advice and funding (grants of up to £10,000) to SMEs to identify and implement improvements related to their use of resources i.e. water, waste and energy.

2.34 714 businesses engaged with the project, resulting in 372 assessments being completed that identified clear actions the firms could take to improve their resource efficiency. 160 grants were paid out totalling £978,783, leveraging nearly £1.2 million of SME spend.

- 2.35 The programme overachieved on most of contracted outputs but fell slightly short on total enterprises supported at 285 (94% of target). This was mainly down to a greater level of businesses than expected progressing from assessment to grant support – a sign of the success of the wrap around support.
- 2.36 An independent evaluation of the programme has been undertaken with the following key findings:
- The project was designed very effectively and drew on bespoke research including a focus group with small businesses to understand their perception of resource efficiency, and the barriers they face when considering investment.
 - Businesses had a wide range of initial aims when contacting the service. The most common aims were obtaining financial support (31% of responses); gaining expertise and help (22% of responses); and, reducing energy use (21% of responses).
 - Project activities were delivered effectively and 89% of businesses were either highly satisfied or satisfied overall. 97% of businesses agreed, or strongly agreed, that the resource efficiency assessment was ‘thorough and explored all relevant areas of the business.’
 - Stakeholders were very positive about the project’s design, delivery and impact. For example, 93% of stakeholders agreed, or strongly agreed that the ‘project had clear aims, objectives and overall rationale.’ 91% of stakeholders agreed, or strongly agreed that the project management team was effective.
 - The project clearly delivered on its objective to assist businesses to invest in resource efficiency. 24% of businesses supported had not previously invested in resource efficiency and the most significant barrier identified was ‘other competing pressures on time and money’ with 95% of total responses.
 - 28% of businesses stated that they invested in measures above and beyond those listed in the grant application at an average cost of £11,937. Multiplying this average cost by the 284 enterprises supported by the project equates to total additional expenditure of £0.95M.
 - On average, businesses safeguarded or created 9.87 jobs each over the three-year REF delivery period and attributed 11.5% of them to REF support. This equates to 322 jobs and Gross Value Added of £15,001,336 across the 284 enterprises supported. (*Note at the time of evaluation, supported businesses were expected to be 284*)
 - The evaluation team conclude that the REF project was well designed and delivered and demonstrates significant good practice.
- 2.37 An estimated 2,422 tCO₂ savings per annum (over 7.6 million kWh of energy savings) have been made through grant supported improvements, with estimated savings to the businesses of £663,241 per annum. The evaluation of the programme estimated that it delivered £5.34 in net GVA for every £1 of expenditure, providing “excellent value for money”.
- 2.38 The new REBiz successor programme, also supported by ERDF and the Local Growth Deal, and covering an extended geography of Leeds City

Region and North Yorkshire, started on 1 January 2020. It is currently procuring suppliers and starting to engage with businesses, and will continue the existing programme whilst also introducing a new circular economy pilot to explore business model innovation to support more resource efficient business.

Access Innovation

- 2.39 Access Innovation is being delivered across the City Region with funding from ERDF and LGF. Its primary objective is to help SMEs to become more productive and competitive through the development and enhancement of new/existing products, processes and services. The programme links SMEs directly to specialist expertise and facilities within research intensive organisations, such as universities, Catapult Centres and some private sector 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.
- 2.40 722 SMEs have engaged with the programme to date resulting in 290 receiving one-to-one support from the three Innovation Growth Managers, and 216 receiving 12 hours of innovation capacity support from RTC North (see below for more details). 52 SMEs have been awarded grants to access specialist expertise through collaborative innovation projects, and ten have secured grant funding for the purchase of capital equipment that facilitates the development or commercialisation of new products or processes. The approved grants to date have a collective value of £1.7m (plus £2.3m match funding from the SMEs). A final batch of applications of varying sizes are currently being developed with support from the Innovation Growth Managers.
- 2.41 The highest number of enquiries and approved applications to date are from the healthcare and life sciences, manufacturing and digital sectors. The programme team has built 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.
- 2.42 As part of the programme, the LEP 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 has over-achieved on their contracted target, supporting 216 SMEs with 12 hours or more of innovation support in the process.
- 2.43 At the start of the support provided by RTC North, the beneficiaries are asked to rank their innovation capacity from 1 (very low) to 10 (very high). At the end of the support, the same question was asked. On average, there was a 34% increase in the levels of self-declared innovation capacity as a result of the support received. This activity will provide a stronger pipeline of innovation-ready SMEs that can be supported by innovation support products available in the City Region for the coming months and years.

- 2.44 The programme will finish at the end of June 2020. In response to its interim evaluation, and the team's delivery experience to date, the Combined Authority submitted a full application in May 2020 for additional ERDF support for a successor programme: - Connecting Innovation. The new programme will amplify the importance of connecting ideas and links between partners, and of connecting SMEs with funding and support from across the regional and national innovation eco-system.
- 2.45 Connecting Innovation will have two distinct grant elements that very closely align to priorities in the emerging Local Industrial Strategy. The first is for larger grants to businesses to encourage more radical R&D led innovation within priority growth sectors. The second is for smaller grants to support the broader diffusion of ideas and technology into the wider business base, to further drive innovative activity, collaboration, behaviours and productivity.
- 2.46 The development of the new programme incorporates feedback from recent Panel meetings, particularly the importance of clear, coordinated communication and messaging to support a culture of business innovation within the region. The programme is expected to commence in April 2020 and 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 and delivery.

Strategic Business Growth – support for SMEs with high growth potential

- 2.47 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 ERDF and LGF, and 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.
- 2.48 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. 353 businesses are now fully engaged with the programme (against a target of 302 by January 2020), including 315 that have developed detailed growth action plans with their allotted account managers. Of these, 289 have benefitted from a combined total of over 15,600 hours of coaching support and 113 have attended an average of three workshops. 48 businesses have also participated in the peer to peer leadership workshops offered through the programme.
- 2.49 The 353 businesses supported to date through the programme have created 715 new jobs, exceeding the January 2020 target of 596 by 20%.
- 2.50 As of 31 December 2019, 38 SME grant applications had been approved for SMEs engaged with the programme, 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 38 investment projects is over £3.9 million, with the grant element being £910,718. Of these, 33 had completed their investments by the end of December 2019, receiving £806,350 in grants and contributing over £2.62 million of private sector match funding in the process.

- 2.51 An outline ERDF 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. The total project value of the proposed extension is £3.24m, with an ERDF request of £1.62m.

Investment Readiness

- 2.52 The £1.23 million Investment Readiness programme, supported by funds from ERDF and the Leeds City Region Business Rates Pool, provides SMEs across the City Region with impartial advice and guidance on the full range of finance products available in the market place. The programme, which runs until 31 December 2021, assists businesses with accessing the finance they need to grow their operations. Support is accessed via the Growth Service and is a key referral product for Growth Managers, as well as for business support professionals working on other projects e.g. Export for Growth, Manufacturing Growth Programme and the Northern Powerhouse Investment Fund.
- 2.53 The programme is being delivered by a third-party business support provider, Winning Pitch Trading Ltd, in conjunction with accountancy firms Grant Thornton and Garbutt + Elliott. Support available through the programme includes a series of workshops covering key themes relating to finance, alongside peer-to-peer networks, 1-2-1 funding clinics and tailored coaching sessions with a Growth Finance Advisor.
- 2.54 During the quarter October to December 2019, activity on the programme started to gain momentum, with 13 one to many workshops covering a variety of finance related topics held at various locations across the City Region. The first outputs were also reported during the quarter. A request for further ERDF funding to extend the project by a further 18 months to June 2023 will be submitted to the Ministry for Housing Communities and Local Government (MHCLG) in mid/late 2020 in response to the final call for ERDF projects, which was issued in mid-2019.

Travel Plan Network

- 2.55 The Travel Plan Network (TPN) provides its business members with expert advice and guidance on implementing sustainable travel solutions and relocation support. The team has welcomed 61 new businesses to the network since 1 April 2019 against an annual target to recruit 96 new members. As a result, an additional 3913 employees across West Yorkshire can now access subsidised public transport options, cycling support and car sharing schemes

in a concerted effort to create modal shifts and reduce single occupancy car use.

- 2.56 The total membership now stands at 494 businesses, employing some 300,000 staff between them. Of the members that have joined the network this financial year, 23 have been referred to the Corporate MCard scheme. An additional 1,704 employees could now benefit from cheaper unlimited bus and rail travel within West Yorkshire, through an affordable monthly payment scheme (monthly salary deductions). Providing accessible and affordable travel for lower paid employees is a key priority for the service, and this is making a positive contribution to the principles of Inclusive Growth.
- 2.57 The team is funded by a European partnership 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. Recruitment of businesses to meet this important target is now underway.
- 2.58 The TPN regularly features at the monthly SME Growth Manager meetings in order to raise awareness of sustainable travel, particularly within the context of inclusive and cleaner growth as well as business resilience. The meetings also provide an opportunity to increase the number and quality of client referrals to the service, which has seen 10 such Growth Manger referrals in the last quarter.
- 2.59 Sustainable travel campaigns, initiatives, offers to network members and good news stories are promoted through the TPN member monthly updates. Promotions and updates over the last quarter focused on local events involving cycling and shared mobility. These included: -celebrating 5 years of City Connect, winter wheelers 'love to ride' campaign (1-25 December 2019), promotion of the MCard tickets, clean air zone funding for vehicles, Northern Rail prize draw, as well as electric vehicle showcase and trial scheme events. Members were also kept informed about developments with major transport schemes, including Leeds Headrow and Castleford Rail Station, and were also encouraged to participate in consultation opportunities for the Calder Corridor Improvement, as well as the design of a new cycling app.

Northern Powerhouse Investment Fund

- 2.60 The Northern Powerhouse Investment Fund (NPIF) formally launched on 22 February 2017 and has since invested £29.4m in 124 businesses in Leeds City Region. £1.8m has been invested in 48 businesses via the micro fund, £15.3m has been invested in 59 businesses via the debt fund, and £12.3m in 17 businesses via the equity fund.
- 2.61 NPIF promotion has continued by both the appointed fund managers and the British Business Bank with extensive networking and attendance at key events. The focus continues to be private sector professional intermediaries (e.g. banks, accountants and solicitors), business membership organisations

and the LEP Growth Service to continue to widen awareness of, and participation in, the fund. This activity is contributing to the high level of take-up in the City Region, which has so far received 19% of total enquiries resulting in 25% of all applications to the fund across the North. Across the whole fund, Growth Hubs and the LEPs' Access to Finance teams continue to be a strong and fertile source of introductions with good conversion rates into completed deals.

#Grow

2.62 A total of £2.5m has been allocated through the Local Growth Deal to support the creative and digital sector through two grant schemes; #Welcome and #Grow. The former is an inward investment product designed to support small and medium sized business from the sector establish new operations in Leeds City Region.

2.63 #Grow has been developed to sit alongside #Welcome, to support creative and digital businesses with an existing presence in the City Region. It provides capital investment grants to digital businesses to support their growth and productivity. Grants of between £10,000 and £50,000 are available, as a contribution of up to 50% of eligible project costs. The priority sub-sectors for the fund are:

- Creative industries (including creative content e.g. TV, film and media and creative services);
- IT, software and hardware;
- Cyber securities and data protection technologies;
- Smart technology, smart cities, Internet of Things and new technologies.

2.64 Ten applications have been approved to date (to the end of December 2019) totalling £327,472. These projects are linked to the creation of 53 new jobs.

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