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

Date: 20 January 2021

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 held on 8 September 2020.

2. Information

Business Support

COVID-19 and EU Exit

- 2.1 The accompanying report at agenda item 7 sets out in more detail business support activities in response to COVID-19. This includes the range of new and adapted products in delivery to support businesses with the impacts of the pandemic. Similarly, the report at Item 6 provides an update on the support being put in place to help businesses respond to the impact of the end of the of EU Exit Transition Period.

Business Support Service

- 2.2 The Service Gateway continues to handle a very high level of customer traffic as a result of the pandemic and has already surpassed the annual target for 2020/21 of supporting 3,300 businesses, with 3,576 supported as of December 2020. Just over 2,000 businesses had received intensive support by the end of November 2020, which includes direct grant funding and/or one-to-one advice from a business support professional. The support so far in 2020/21 has resulted in over 2800 support interventions, highlighting that firms continue to re-engage with the service following their initial support.
- 2.3 The service received circa £240,000 of additional funding from Government in early January 2021 to build capacity to support firms across the region to respond to the end of the EU Transition Period on 31 December 2020. More detail on this is provided in the EU Exit report at Item 6.

Business Growth Programme

- 2.4 Despite the obvious and widespread economic challenges at present, activity levels on the capital grants to businesses programme remain high. Food and drink manufacturing (and its supply chain e.g. machinery providers), creative & digital and healthcare & medical technology are the sectors with ongoing high demand for capital investment grants. This has been evident in the fact that the second and third quarters of 2020/21 saw the highest consecutive quarters for grant approvals (67 in total) for over three years. At the time of writing (late December 2020), there are also several other large capital grant applications in the pipeline from existing Leeds City Region businesses.
- 2.5 Grants for two large capital investment projects from existing Leeds City Region businesses were approved at recent meetings of the Business Investment Panel. The first was from a York-based food and drink manufacturer that is investing £1.47m in premises and equipment. The project is being supported with a £200,000 grant and will lead to the creation of 16 new jobs. The second was from a Bradford-based manufacturer of chemicals that is moving to a new production facility within the district. The overall £8m investment includes fit-out and new equipment, with the £235,000 grant contributing to the latter. 20 new jobs will be created.

Other LEP and Partner Products

- 2.6 The contract for delivery of the second phase of the LEP's high growth support programme – Strategic Business Growth – has been awarded to Oxford Innovations Services Ltd (OISL) following a robust open tender exercise that completed in Autumn 2020. The programme will support circa 500 SMEs over the next two and a half years with a bespoke and blended package of support, including coaching, peer-to-peer learning and access to grant finance. The programme is expected to create over 800 jobs in the supported firms, whilst also assisting them to improve productivity and competitiveness, including through access to new customers, diversification of product and service offerings and the enhancement of leadership and management skills.
- 2.7 The take-up of support across the LEP's clean growth and innovation product portfolio has slowed in recent months as some businesses re-prioritise their investment plans and activities in light of the pandemic. However, the delivery and marketing teams continue to work closely with key stakeholders and business networks to promote the significant funding and advice packages available within Connecting Innovation, REBiz and the Travel Plan Network. This also includes the positioning and promotion of the wider support offer in the region related to R&D incentives, energy efficiency and the circular economy, and sustainable and active travel. Closer partnership-working with the Manufacturing Growth Programme and the Supply Chain Development programme has resulted and a recent rise in referrals and ongoing work is planned for the first half of 2021.
- 2.8 The Circular Economy Manager within REBiz continues to make good progress on several business investment projects, and was involved in producing blogs, speaking at events and providing training sessions for the

team of SME Growth Managers throughout November 2020 (Circular Yorkshire month). The Travel Plan Network has also recently undertaken work to engage females and Black and Minority Ethnic (BAME) employees in active travel, particularly cycling and walking. This included support being provided to the Bradford Teaching Hospital, which was showcased at the COMO UK online event in November 2020.

- 2.9 The LEP is coordinating the first West Yorkshire Innovation Festival – proposed to run 15-19 March 2021. It will consist of a week of events hosted by the LEP and partners across the innovation network, with the objectives of raising the profile of innovation across the Leeds City Region by showcasing the expertise, resources, innovative businesses and amplifying the activity happening in the region, increasing the appetite for businesses to innovate and helping them to access the relevant support, and aligning the West Yorkshire Innovation Network partners through a collaborative event to promote, highlight and encourage more innovation in the region. The festival is being framed around the eleven priorities of the Innovation Framework (see agenda item 12).
- 2.10 The University of Huddersfield has recently launched its Manufacturing Champions programme with match-funding of £200,000 from the Combined Authority/LEP, and the remainder from the European Regional Development Fund. The three-year programme will provide intensive support to a small number of SME manufacturers with scale-up growth potential, both in terms of employment and turnover. The onboarded firms need to pass a rigorous and detailed application process, which tests their growth potential through technology adoption and their commitment to productivity improvements over a sustained period. The programme delivers a blended package of support, including grant finance, technology adoption, leadership and management, and some peer learning. 28 businesses from across a range of manufacturing sub-sectors (including food and drink, electronics, chemicals and healthcare) have to date been selected to access the comprehensive support programme.
- 2.11 The LEP joined forces with NatWest and Huddersfield Giants to deliver a Women in Business event on 8 December 2020. This was to mark the Leeds City Region launch of the Be the Business Female Entrepreneurship Mentoring Programme, which is currently being piloted in the City Region and the West of England. Livestreamed on YouTube and LinkedIn, speakers included local business owner, Claire O'Connor, owner of babyballet, who talked about the journey of building her business, which now has over 100 franchises around the world. The event has currently been watched by hundreds of people on YouTube and Linked In.
- 2.12 The above mentoring programme has been introduced in response to the 2019 Rose Review of Female Entrepreneurship and includes a 12-week tailored package of mentoring support from established female business leaders leading smaller enterprises.

Trade and Investment

- 2.13 In November's board paper the Trade and Investment team shared the five core workstreams as part of a pivot strategy to reflect current economic uncertainty and changing nature of investment.
- Communicating trade deals and strategic export opportunities
 - Capitalising on sector specific opportunities for inward investment
 - Capitalising on north shoring and reshoring trends
 - Maintaining close and sustained relationships with the region's key businesses and large employers
 - Shaping and influencing Department for International Trade (DIT) and Northern Power House (NPH) strategies and activity
- 2.14 COVID-19 and the economic repercussions have enabled a review of the team's sector priorities to focus on potential growth and resilient sub-sectors. The following initiatives are now underway with the aim to increase the profile of Leeds City Region and attract new investment:
- Attraction of back and middle office e-commerce operations.
 - Food & Drink Supply Chain resilience programme.
 - Position the region as a viable alternative to the 'Golden Triangle' to Israeli med-tech companies and VC funds.
- 2.15 As part of the Pivot Strategy the team has developed a new suite of messages that will play into the economic trends being experienced following the COVID-19 crisis. These predominantly relate to the trend whereby major organisations are reconsidering their real-estate footprints to balance out the shift between remote working and the need to maintain a requirement for employee interactions.
- 2.16 Despite the current economic uncertainty, the enquiry pipeline is strong with several large-scale inward investment enquiries being handled across the team. A significant proportion of the team's resources is being expended on securing 3-4 large inward investment projects which if secured will create over 1000 jobs.
- 2.17 As part of the pivot plan the team will assess what further initiatives and profile raising may be required to support trade and investment in Europe once a new relationship with the EU is formed.
- 2.18 As a result of COVID-19 the investor development function quickly mobilised to engage with some of the region's largest employers. The team is now continuing this work on an on-going basis to help protect their operations and navigate through the COVID-19 crisis.
- 2.19 Following an evaluation of which large employers could be most at risk the team has written out too many businesses requesting closer strategic dialogue. The changing lockdown picture and the extension of the furlough

scheme are new, critical factors that will alter the dynamics of their situation.

- 2.20 A substantial amount of work is underway to tailor existing LEP products and services to become even more effective at addressing some of the challenge's businesses will face following the end of the transition period.
- 2.21 The team is planning and executing a series of export initiatives to inspire businesses to resume or start exporting. These will focus on the following:
- Advanced Textiles: The Textile Showcase document (<https://www.investleedscityregion.com/textiles/>) was launched during the WTIN Innovate Textile & Apparel Virtual Trade Show in October during our Leeds City Region: Fabrics of the Future roundtable. We are now delivering a communications programme to disseminate to a wide international audience.
 - China e-commerce: Following the successful Future of Tech event as part of Leeds Digital Festival, a focussed trade initiative with one of the world's largest e-commerce companies is being developed.
 - Work is firmly underway to develop a system that will allow the LEP reinforce key messages to Leeds City region businesses on emerging trade deals.
- 2.22 Following the successful launch of the Northern Asian Powerlist, the Consul General of India's office held a Leeds City Region virtual roundtable in November. The discussion explored opportunities to strengthen links between Leeds City Region and India.
- 2.23 Strong support was received from Leeds City Region delegates following the decision not to undertake a LCR delegation to MIPIM Cannes in March 2021. This has been ratified by the event organisers postponing the show until later in the year. The team will continue to keep a watching brief on future attendance.
- 2.24 Progress has been made in terms of recovering costs from MIPIM 2020 and a process is underway to offer partial refunds to sponsors.

3. Clean Growth Implications

- 3.1 Clean Growth is embedded within the above activities, particularly within the inclusive growth commitments required of all business grant-recipients. Phase 2 of the Resource Efficiency Fund (ReBIZ) is also now in delivery via the Business Support Team and includes a new sub-project focussed on the Circular Economy.

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.