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

**Date:** 20 January 2021

**Subject:** **Innovation Framework**

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

- 1.1 To provide LEP Board with an update on the development of the Leeds City Region Innovation Framework and seek endorsement from the LEP Board for the adoption of the Framework as part of the Strategic Economic Framework.

## **2. Information**

### Background

- 2.1 The current 'Leeds City Region Innovation Strategy: A smart specialisation approach' was developed in 2014 to inform the development of both the Strategic Economic Plan and local ESIF Strategy. Significant time has passed since these strategies were prepared, and new challenges and opportunities have emerged over the last six years.
- 2.2 The impact of COVID-19 and the importance of innovation to both individual business recovery and broader economic resilience cannot be underestimated. The Economic Recovery Plan sets out some key actions to drive innovation as part of economic recovery, but the longer-term structural changes need concerted and focused attention through a dedicated innovation 'strategy'.
- 2.3 Much work has been progressed since 2018 around the evidence and priorities for innovation to support the Local Industrial Strategy and its Ideas section. However, there is uncertainty over the status of Local Industrial Strategies due to changes in the Government's approach and, in any case, the focus on innovation in draft Local Industrial Strategies is relatively narrow, concentrating on achieving the Government's 2.4% R&D target rather than a broader definition of what constitutes innovation and innovative activity and behaviours.

- 2.4 Activity to drive business innovation in Leeds City Region will require a collaborative effort across all Partners involved in innovation. Developing a strong strategic narrative for the West Yorkshire Innovation Network (bringing together all the key innovation support providers in Leeds City Region) and its key actors is key in maximising the opportunity to drive prosperity, economic success and wellbeing across Leeds City Region. The West Yorkshire Innovation Network will use the framework to guide all individual and collective activities.
- 2.5 This is all set in the context of awaiting the publication of the final National R&D Roadmap, the BEIS R&D Place Strategy, and announcements around the Shared Prosperity Fund and Levelling up fund.
- 2.6 As highlighted above, much of the evidence base and emerging priorities have already been identified through work to develop the Local Industrial Strategy: much of these are structural, long term issues. Work has taken place over the last 6 months with a range of partners to help further refine our innovation vision and priorities which were originally identified from the LIS evidence base, and from earlier engagement with the BIG Panel and the West Yorkshire Innovation Network. Following this engagement, it has been agreed that a stand-alone strategic document is required, and that it should be positioned as an agile and flexible framework as opposed to a strategy.
- 2.7 The proposed vision for the Innovation Framework is:

*“A place that is globally recognised for developing an open, inclusive, thriving and coherent innovation ecosystem, where SMEs, budding entrepreneurs and individuals are inspired to innovate, and can easily navigate the support landscape and connect and collaborate with others to create new and better solutions for business growth and societal good.”*

This links strongly into the draft Inclusive Growth Framework being considered.

- 2.8 The draft priorities – emerging from the evidence - are as follow:

1. Inclusive innovation – by and for everyone
2. A focus on healthtech
3. A strengthened relationship with Innovate UK.
4. Innovation finance availability
5. A focus on innovative start ups
6. A new mission based approach to innovation
7. A strengthened HE-SME relationship
8. Investing in centres of excellence which match industry strengths.
9. Creation of peer to peer innovation support networks
10. Increasing adoption of new innovative practices
11. Connecting the landscape

- 2.9 To secure as much buy in and support to the Framework from people who will ultimately be impacted by it, an online consultation was launched in

November. This was supported by a focused communications and marketing campaign which included the use of social media, LEP newsletter and direct mailout.

### Consultation responses

- 2.10 The Framework was [consulted](#) on between November and December 2020 using the YourVoice platform. 35 responses were received: 66% of those responses were from individuals; 34% from a business or organisation.
- 2.11 Of those businesses who responded 75% were from SMEs (33% from businesses with less than 10 employees). 25% were from larger businesses or organisations (250 employees or more).
- 2.12 25% of businesses were from the health and life sciences sector and 17% from manufacturing and Creative/Digital respectively.
- 2.13 Responses were received from across the region: Bradford 25%; Calderdale 33%; Kirklees 33%; Leeds 43%; Wakefield 17%. Businesses were able to add multiple locations so the totals add up to more than 100%.
- 2.14 67% said that pandemic has increased the importance of innovation to their business.
- 2.15 Overwhelmingly the responses supported the eleven priorities set out:

<b>Priority</b>	<b>Strongly agree or agree</b>
Inclusive innovation	86%
A focus on HealthTech	71%
A strengthened relationship with Innovate UK	82%
Availability of innovation finance	86%
A focus on innovative start ups	76%
Mission based innovation	52%
Strengthening the HEI-SME relationship	73%
Investing in centres of excellence	84%
Peer to peer networks	78%
Adoption of innovation practices	81%
Connecting the landscape	79%

### Next steps

- 2.16 In line with the Combined Authority’s approach to developing agile and flexible policy products, LEP Board are asked to endorse the overarching vision and 11 priorities of the Innovation Framework.
- 2.17 Once finalised the Framework will guide future activity and investment across all partners in Leeds City Region – this is critical as the LEP and CA cannot achieve our innovation ambitions alone.

2.18 A set of proposed indicators is set out in the draft Framework. Following approval, these will be finalised and reported against annually. BIG Panel will own the Framework and will receive regular updates on progress to deliver against it.

### **3. Clean Growth Implications**

3.1 There are positive clean growth implications which will emerge from the Innovation Framework, utilising innovation to drive the clean growth agenda.

### **4. Financial Implications**

4.1 There are future financial implications from a range of partners in delivering the strategy.

### **5. Legal Implications**

5.1 There are no immediate legal implications directly arising from this report.

### **6. Staffing Implications**

6.1 There are no immediate staffing implications directly arising from this report.

### **7. External Consultees**

7.1 Consultation has taken place specifically with the West Yorkshire Innovation Network, Yorkshire Universities, the Business Innovation and Growth Panel and via YourVoice.

### **8. Recommendations**

8.1 That LEP Board endorse the overarching vision and priorities of the Innovation Framework, and that it is proposed to the Combined Authority for adoption as part of the Strategic Economic Framework.

### **9. Background Documents**

9.1 None.

### **10. Appendices**

10.1 Draft Innovation Framework