

Report to: Business Innovation and Growth Panel

Date: 25 February 2021

Subject: **Business Productivity and Resilience Plan**

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1 Purpose of this report

- 1.1 To seek feedback from Panel members on the further development of draft priorities for the Leeds City Region Business Productivity and Resilience plan, and endorsement for the draft priorities to progress to a public consultation.

2 Information

Background and rationale

- 2.1 At the November 2020 meeting, the BIG Panel endorsed the development of a Business Productivity and Resilience Plan, which will form part of the Strategic Economic Framework¹ (see below). This plan will be central to the regional priority of Boosting Productivity, and recognises that closing the gap to the UK average in Leeds City Region would be worth £8.5bn to the UK economy.



¹ <https://www.westyorks-ca.gov.uk/growing-the-economy/strategic-economic-framework/>

2.2 The Panel also provided feedback on a number of issues, which has been taken onboard in the development of the draft priorities laid out in this report:

- The need to reflect issues of mental health and good working practices in the business behaviours
- The need to demonstrate clear alignment to other strategies, particularly on innovation and skills
- Demonstrating the links to inclusive growth and tackling the climate emergency
- That the plan should set out what delivery looks like, including building on the experiences of the productivity pilot.

2.3 The draft priorities for the Plan are built on nine action areas (five behavioural and four transformational opportunities), contributing to three high level outcomes related to our regional priorities of Boosting Productivity, Enabling Inclusive Growth and Tackling the Climate Emergency.

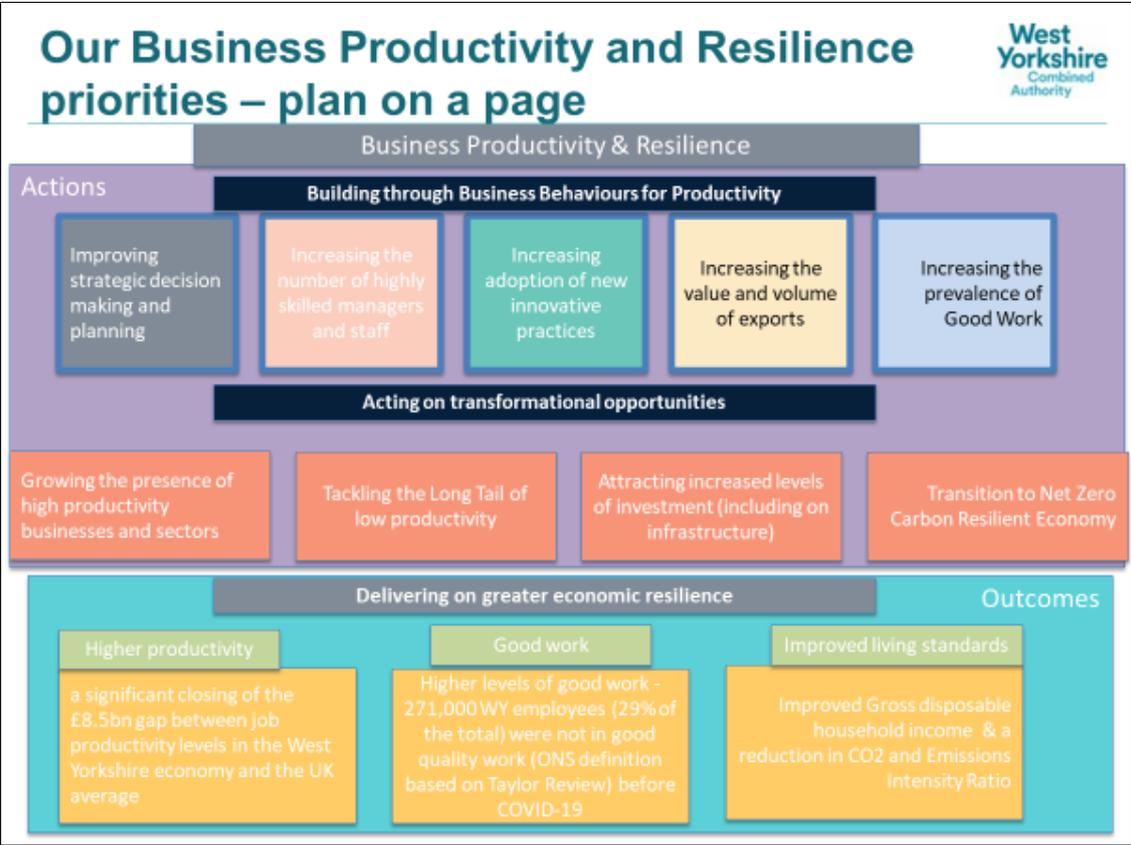


Diagram: Draft plan on a page for Business Productivity and Resilience

2.4 In responding to the feedback received, the business behaviours include a specific behaviour on good work, which captures important linkages to inclusive growth particularly around pay and wellbeing. Whilst there is no specific behaviour linked uniquely to tackling the climate emergency, it is recognised as a unique transformational opportunity through the transition to a net zero economy where positive and negative trade-offs with productivity will need to be managed. The behaviours in relation to skills and innovation map

across to the respective Employment and Skills and Innovation Frameworks. In total, the draft plan identifies five groups of behaviours:

1. Improving strategic decision making and planning
2. Increasing the number of highly skilled managers and staff
3. Increasing adoption of new innovative practices
4. Increasing the value and volume of exports
5. Increasing the prevalence of Good Work

2.5 In response to the feedback regarding setting out what delivery looks like, the plan is further developed to focus on what could be delivered across the action areas. As the focus is centrally on matters of **firm level** productivity and resilience, the plan sets out what this could look like in relation to three key groups of business, each with specific needs and opportunities:

- Pre-starts and start-ups
- Productivity Growth
- High growth and scale-ups

	Pre starts and start-ups	Productivity Growth	High growth and scale-up
Definition	Pre-starts, entrepreneurs, freelancers and those entering self-employment on the first steps of a productivity journey	Established businesses with low productivity, who may have only limited ambition to grow	Established businesses and entrepreneurs with high potential productivity and substantial growth potential
Behaviour focus: [Strategic decision making and planning (SDM) Skills (S) Innovation (I) Exporting (E) Good work (GW)]	writing a first business plan (SDM), seeking investment (SDM), openness to external support (SDM) entrepreneurship skills (S) commercialisation of an idea (I) start-up models that make a positive social impact (GW), increasing the diversity of entrepreneurs (GW)	productivity plans (SDM), openness to external support (SDM), leadership & management (S), increased basic skills (S) digital technology adoption (I) exploring new markets (E), living wage (GW), mental health support (GW), encourage employee engagement (GW)	Scale up plans (SDM) openness to external support (SDM), seeking equity investment (SDM) leadership & management (S), high performing workplaces (S), engaging with research institutions (I), mission based innovation (I), reaching global markets (E), all elements of a good work standard (GW)
Transformation opportunity	Attracting increased levels of investment, transition to net zero	Tackling the long tail of low productivity, transition to net zero	Growing the presence of high productivity businesses and sectors, transition to net zero

Diagram: *Draft targeting objectives for Business Productivity and Resilience*

2.6 Individual outputs will be added to the plan for each action areas and the three target business groups once agreement has been reached on the headline priorities of the plan. However it will be important that across these there is a strong emphasis on approaches that will increase the levels of engagement from groups and communities that are currently less likely to reach out to business or entrepreneurship support.

2.7 The four transformational opportunities recognise that there are some broader structural changes to the regional economy that could provide a significant additional boost beyond the five individual business behaviours. These involve

actions to grow the region’s economy, through investment, attraction of new businesses, start-up enterprises and talented individuals. They also involve actions to work with existing businesses to improve the productivity and resilience of sectors that are more likely to be characterised by low productivity, but where employment may be high (such as health and care, retail, hospitality and leisure). The four transformational opportunities in the draft plan are:

1. Growing the presence of high productivity businesses and sectors
2. Tackling the Long Tail of low productivity
3. Attracting increased levels of investment (including on infrastructure)
4. Transition to a Net Zero Carbon Resilient Economy

2.8 The views of the panel are welcome on all elements of the draft plan. Once these have been considered, in order to progress to the next stage, it is proposed that an external consultation and engagement exercise begin, taking place between now and the next meeting of the Panel. Collated feedback would then be presented alongside any revision to the priorities. It is also proposed that a stakeholder workshop be held, similar to events for the Employment and Skills Plan, to discuss the draft priorities. Feedback from the Panel on this proposal is welcome.

2.9 It is proposed that the following timeline of activity be endorsed by BIG Panel:

Actions	Timescale
External consultation exercise	February – March 2021
Priorities workshop	TBC March 2021
BIG Panel endorses Plan	May 2021
Formal sign off by LEP and CA	June 2021

3. Tackling the Climate Emergency Implications

3.1 There are no immediate implications directly arising, however business behaviours play a key role in tackling the climate emergency, and are recognised within the draft outcomes of the plan.

4. Inclusive Growth Implications

4.1 There are no immediate implications directly arising from this report, however the business productivity and resilience plan is aligned to the inclusive growth framework, particularly on the draft outcomes of good work and improved living standards.

4.2 In further development of the plan and specific outputs, it is proposed that the Good Work Standard being developed as part of the Inclusive Growth Framework is embedded within the plan. This is being discussed in more detail under agenda item 11.

4.3 A focus on promoting productive and resilient businesses at all stages of the business lifecycle will provide opportunities to develop and prioritise

interventions that target increasing engagement and support for both established and potential entrepreneurs in under-represented groups and communities.

5 Financial Implications

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

6 Legal Implications

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

7 Staffing Implications

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

8 External Consultees

8.1 No external consultations have been undertaken specifically on this report.

9 Recommendations

9.1 That the Panel provides feedback on the proposal and supports the timescales set out.

10 Background Documents

10.1 None

11 Appendices

11.1 None