
Report to: West Yorkshire Combined Authority

Date: 9 March 2021

Subject: **Innovation Framework**

Director: Alan Reiss, Director Policy Strategy and Communications

Author: Sarah Bowes, Policy Manager, Digital & Innovation

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	

1. Purpose of this report

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

2. Information

Innovation Framework

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 the 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 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 (part of our devo commitment) 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 to 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."
- 2.8 Following LEP Board and the consultation (and the consensus of the importance of an additional priority around net zero), the draft priorities (emerging from the evidence) are as follows:
 1. Inclusive innovation – by and for everyone
 2. A focus on healthtech
 3. Prioritise net zero ambitions

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

2.9 The 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. It is important to note that this consultation formed only one part of engagement to develop the framework, with significant additional input from members of the West Yorkshire Innovation Network, the LEP Board and BIG panel. It was also developed following previous engagement to develop the 'Ideas' section of the draft Local Industrial Strategy.
- 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 lifesciences sector and 17% from manufacturing and Creative/Digital respectively.
- 2.13 Responses were split 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:

Priority	Strongly agree or agree
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%

- 2.16 A number of open text responses identified a significant gap (and opportunity) in creating an additional priority around net zero to ensure we focus efforts and capitalise on the opportunity. This was reinforced at LEP Board.

Next steps

- 2.17 In line with the organisation's approach to developing agile and flexible policy products, Combined Authority are asked to endorse the overarching vision and 12 priorities of the Innovation Framework.
- 2.18 Once agreed 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 their innovation ambitions alone.
- 2.19 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. Tackling the Climate Emergency 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. Inclusive Growth Implications

- 4.1 There are positive inclusive growth implications directly arising from this report.

5. Financial Implications

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

6. Legal Implications

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

7. Staffing Implications

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

8. External Consultees

- 8.1 Consultation has taken place specifically with the West Yorkshire Innovation Network, Yorkshire Universities, the Business Innovation and Growth and via YourVoice. LEP Board have also provided their endorsement subject to the inclusion of a twelfth priority around net zero.

9. Recommendations

- 9.1 That the Combined Authority endorses and approves the overarching vision and priorities of the innovation framework and its positioning as part of the Strategic Economic Framework.

10. Background Documents

- 10.1 There are no background documents referenced in this report.

11. Appendices

- 11.1 Appendix 1 - Draft Innovation Framework.