
Report to: Business, Innovation and Growth Panel

Date: 19 May 2021

Subject: **Economic Recovery & Business Support Update**

Director: Brian Archer, Director of Economic Services

Author: Henry Rigg, Head of Business Support

1. Purpose of this report

- 1.1. To provide the Panel with an update on Economic Recovery and Business Support activities since the last meeting of the Panel in February 2021.

2. Information

Response & Recovery Products and Services

- 2.1 As set out within the Economic Reporting paper at Item 6, small businesses, in particular, continue to face significant challenges as a result of the pandemic. These include cashflow management impacted negatively by substantial drops in income, loss of customers and clients and the need to adapt and pivot service and product offerings at pace. The products set out in the table below have been introduced by the LEP and Local Authorities over the last 12 months to support small businesses with some of these ongoing challenges.
- 2.2 The LEP continues to experience high demand from businesses resulting from the COVID-19 crisis. For example, the Business Support Service supported 8,000 businesses in 2020/21, which is an increase of over 4,500 compared to the previous year. Many of the businesses supported over the last 12 months have been in the retail, leisure and hospitality sectors, and their associated supply chains. However, it is important to note that demand for support remains high across all sectors, particularly related to access to finance and business planning.
- 2.3 Additional challenges regarding safe and compliant re-opening, and adaptation to the different stages of the Government's Roadmap, are now facing many businesses, particularly in the retail, leisure and hospitality sectors. At the time of writing (late April 2021), there is evidence of businesses across the City Region reopening successfully and of footfall and customer

traffic increasing. However, there clearly needs to be ongoing close monitoring of the situation and the ability to tailor support to changing demand from firms. The Government's new Restart Grants are clearly supporting businesses in this process by providing one-off grants of up to £6,000 to eligible non-essential retail businesses, and grants of up to £18,000 for eligible businesses in hospitality, accommodation, leisure, personal care and gym sectors. The Local Authorities have been delivering the grants since the start of April 2021 as part of the wider package of grants, with over £80m distributed to date.

- 2.4 The table below sets out the response products that have been introduced by the LEP and the Local Authorities since April 2020, and highlights the number of businesses supported and the monetary values involved.

Table 1 COVID-19 Business Support Products in Leeds City Region, 2020/21

Project	Funding	No. of Businesses Supported	Delivery Partners
Local Authority Grants (since Nov 20)	£296m	100,000 payments	Local Authorities (lead)
Additional Restrictions Grant (since Nov 20)	£30m	13,500 payments	Local Authorities (lead)
COVID-19 Recovery Grants (ERDF & LGF)	£2.8m	1114	Umi Commercial
Digital Resilience Vouchers (up to £5,000)	£1.06m	400	Leeds City Council
Peer Learning Project	£90,000	60	University of Leeds Business School
Small Business Membership Scheme – allowing access to legal, HR, financial and wellbeing support	£300,000	1350	W&NY Chamber, Mid-Yorkshire Chamber, FSB
Cyber Security Support Scheme	£100,000	160	North East Business Resilience Centre
Business Resilience Webinars	£15,000	180	Biskit

- 2.5 With the exception of the Local Authority grants, which continue to be delivered at pace and in very high volumes, the above projects have now completed. The Business Support Team is now working closely with Policy colleagues to develop new interventions and secure the required external finance to deliver them.
- 2.6 Between November 2020 and late April 2021, the West Yorkshire Local Authorities (supported by the LEP SME Growth Managers and the Business

Support Service Gateway, providing access to information and referrals to the various grants) had delivered over £300m of grant funding via over 100,000 payments to businesses.

- 2.7 In addition to those businesses forced to close because of regional and national restrictions, the discretionary elements of the grants schemes have been utilised across West Yorkshire to support a broader range of firms and sectors, informed by a framework developed with Local Authority partners. This has included support for some Third Sector organisations, private day nurseries, suppliers to retail, leisure and hospitality (e.g. events companies and food & drink wholesalers and manufacturers), parts of the manufacturing sector more reliant on leisure and hospitality, and some sections of the self-employed community that have been unable to access meaningful support from the Self-Employed Income Support Scheme or Universal Credit e.g. taxi drivers.

Business Support Service, 2020/21

- 2.8 The service has had an unprecedented year in terms of the high volume of business support enquiries, and the amount and intensity of support provided to businesses across a wide range of sectors. As the table below shows, just short of 8,000 businesses have been supported in the year, which is over 4,500 more than in 2019/20. The number of businesses supported with an intensive assist in 2020/21 (defined as a grant of at least £1,000 and/or support of at least three hours) was also significantly higher in 2020/21 (4,441) than in 2019/20 (1,393).

Table 2 Business Support Service Performance, 2019/20 – 2020.21

Definition	2019/20	2020/21
Businesses Supported	3301	7999
Intensive Assists (grant of £1k &/or 3 hours of support)	1393	4441
Jobs Created / Safeguarded	1048	4046
Grant funding invested	£8.8m	£14.1m

- 2.9 The significantly higher demand for, and take-up of, support has clearly been as a result of the impact of the pandemic. Positively, this has brought the service into contact with some sectors and sub-sectors where engagement has been typically low e.g. retail, leisure and hospitality. There has also been a clear increase in the appetite for external business advice and guidance amongst those running and managing SMEs, which is similarly positive. Businesses have been keen to access help with longer-term planning and skills development in order to build resilience and capacity to respond to any future challenges, and this has also contributed to the large increase in customer traffic and take-up of support in 2020/21. The ability of the service to manage this increased demand by moving at pace and with agility to put in

place and deliver a wide range of new support products, is testament to the hard work, commitment and ingenuity of the teams involved.

- 2.10 Less positive in terms of the impact of the pandemic on the demand for business support, is the continued low take-up of products related to R&D/ innovation and resource efficiency. Dialogue with other LEPs and Growth Hubs confirms that this is also a trend in other regions i.e. short-term business investments reprioritised or delayed as more pressing matters are dealt with. Interest from businesses, and those that advise them, in LEP support for these critical areas is now starting to increase. This can be partly attributable to the continued networking with key partners in the private and public sectors, alongside some proactive marketing and communications activities e.g. a telemarketing campaign for resource efficiency. However, the main LEP products in this space (Connecting Innovation and ReBiz) are still considerably below their target profiles, although they both do still have circa two years of delivery remaining.

Resilience Products and Services

- 2.11 Despite the obvious and widespread economic challenges at present, activity levels on the **Business Growth Programme** (BGP) 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 from the programme. This has been evident in the fact that the third and fourth quarters of 2020/21 saw the highest consecutive quarters for grant approvals for over three years.
- 2.12 At the Business Investment Panel on 8 April 2021, an application for grant support of £250,000 was approved for an early-stage business that is establishing a new distribution hub for independent pharmacies in the UK. The business, which has a number of individuals leading it with considerable recent experience of the industry, will operate from premises at 'Logic Leeds' within the Aire Valley Leeds Enterprise Zone. Total project costs amount to approximately £6 million, primarily related to investment in capital equipment. The business intends to create 81 new jobs within the next 18 months, all paying the Real Living Wage and above.
- 2.13 In order to raise awareness, and increase the take-up, of publicly-funded business support by the Black and Minority Ethnic (BAME) business community, features on three BAME-led businesses based in Kirklees and Bradford were included in the Asian Standard newspaper in early April 2021. All three case studies featured businesses that had accessed the BGP, and wider LEP support, and subsequently achieved growth. To complement the case studies, and promote the crucial role of the SME Growth Managers across the City Region, articles focussed on two Growth Managers from BAME backgrounds were also featured in the publication. All of the case studies also appear on the LEP website – [Communications Team \(365\) - FINAL - All Documents \(sharepoint.com\)](#)

- 2.14 The programme will continue throughout 2021/22 with £7m of funding from the Combined Authority's Getting Building Fund allocation. The pipeline of enquiries and emerging applications confirms that demand will remain high throughout the first quarter of 2021/22, and that changes to the criteria, particularly to the maximum size of grant, may need to be introduced to avoid the programme closing to new applications at the end of the second quarter of 2021/22.
- 2.15 As part of the Economic Recovery Plan for West Yorkshire, a new £6m **Enterprise Programme** for the region is in development, with delivery expected to commence in late Summer 2021. There has been an ongoing increase in the demand for support from new-start and early-stage firms over the last 12 months, driven in-part by the increase in redundancies and the need for many entrepreneurs to pivot and diversify their products and services via new ventures. Furthermore, the end of furlough support later in the year is likely to further increase demand. Additionally, there is a recognised gap in the provision of start-up support in the City Region for new firms that are not necessarily going to achieve growth or high growth in their formative periods.
- 2.16 To help address the above factors, a new Business Start-Up programme will be commissioned this summer. It will provide practical support and guidance to anyone who wants to set up a new venture in the region, irrespective of the sector or of the individual growth forecasts. The programme will be delivered as a key component of the existing, well-established Ad:Venture programme, which is primarily aimed at new-starts and early-stage firms with demonstrable growth potential. This will ensure that the start-up support ecosystem is better coordinated and that the customer journey is clear and consistent. It will also deliver on the value for money test by utilising some of the existing start-up support infrastructure that has already been supported with public funding. Engaging with all parts of the City Region and all demographic groups, particularly those less engaged with public support but with clear enterprise characteristics, will be a priority for the programme.
- 2.17 The above programme contributes to Workstream 2 of the 'ladder of enterprise support' that the LEP and Combined Authority is developing with partners across the region. Workstream 1 is being led by Employment and Skills and focusses on the promotion of enterprise as a viable and achievable career option i.e. exploring if enterprise is right for you, and Workstream 3 is focussed on support for 'scale-up' new ventures i.e. those smaller number of start-ups that are capable of achieving significant growth (20% year-on-year) in their early years and that, therefore, require more intensive support around such matters as access to finance, intellectual property and recruitment.
- 2.18 The inaugural **West Yorkshire Innovation Festival** took place 15-19 March 2021, coordinated by the LEP and supported by numerous members of the West Yorkshire Innovation Network. During the course of the week, 41 remote online events were held involving 23 different partners and attracting over 1,150 attendees. The festival website had over 4,200 hits and there was media coverage from ten sources, including UKSPA, the BusinessDesk.com and the Telegraph & Argos.

- 2.19 Roger Marsh OBE, Chair of the LEP, opened the festival and chaired a panel of innovation experts that explored the opportunities that innovation presents to businesses in the City Region, more important than ever when considering the current low take-up on innovation support as referenced at 2.10 above. The week progressed with sessions on the various support opportunities available to SMEs and start-up businesses in the City Region, including the LEP's Connecting Innovation. It also involved 1-2-1 support 'surgeries' for businesses to gain advice and guidance on their innovation plans and projects, and case study sessions with several of the City Region's most successful innovative entrepreneurs and businesses, including Produmax, Paxtons, Traveleyes, Beer Hawk, Yeme Architects and Sewtec.
- 2.20 The event also covered sessions on how to embed an innovation mindset and culture within your organisation, lessons learned (good and bad) from the impact on innovation of COVID-19, and the future of innovation in terms of healthcare, tech and transport. An interview with Sir George Buckley, former Chair of 3M, closed the festival.
- 2.21 Recordings of the sessions are available by signing up to the LEP's YouTube playlist at www.wyinnovationfestival.com. This site will be regularly updated with a summary of the evaluation of the event and plans for next year's event.
- 2.22 The second phase of the **Peer Learning** support programme will commence shortly following an open procurement, which resulted in the Leeds University Business School being awarded the delivery contract. With £180k of funding from the Department for Business, Energy & Industrial Strategy (BEIS), the programme will support at least 132 SMEs (in 12 cohorts) through a structured programme of peer learning, challenge and support. This is part of a national programme being delivered by the LEPs and their Growth Hubs through a co-design model with BEIS.
- 2.23 A pilot project for an online platform for SMEs to make connections with local private sector expertise has been agreed with **Enterprise Nation**. Enterprise Nation has previously worked closely with BEIS and has an established national online community for SMEs with access to advice, support, events and blog content. The pilot programme will be for a West Yorkshire specific platform for local SMEs to access local expertise from the private sector, and also to make connections with advisors working on the main LEP programmes, including with the network of SME Growth Managers. The platform is expected to launch in late May 2021.
- 2.24 The LEP has joined forces with NatWest and Huddersfield Giants to deliver a series of **Women in Business** events. The first event was held on 8 December 2020, followed by a second event on 21 January 2021 and a third on 9 March 2021. The first event showcased local businesswoman, Claire O'Connor, owner of babyballet, who talked about the journey of building her business. The second event focused on the Be the Business Female Entrepreneurship Mentoring Programme, which is currently being piloted in Leeds City Region and the West of England. Speakers included Ella Mesma, owner of Business Yoga, who is a mentee on the programme. The third event

in the series was held to celebrate **International Women's Day**, with inspirational speakers including BBC Sports reporter, Tanya Arnold, and renowned journalist, Miriam Walker-Khan. Over a 1,000 people have viewed the events on YouTube and they were also screened on LinkedIn. Links to the events can be found below:-

https://www.youtube.com/watch?v=aBV_mKNvMR4&t=278s

<https://www.youtube.com/watch?v=p4miAL0O23g&t=2s>

https://www.youtube.com/watch?v=JxGc_CjKD-Y

- 2.25 The **Circular Economy (CE) pilot**, which is being delivered as part of the wider ReBiz programme across West and North Yorkshire, is gaining good traction with businesses and stakeholders alike. The CE Manager has been proactive in raising the profile of the pilot and of CE more broadly across the region. This has included training for the SME Growth Managers and, subsequent, 'hands-on' support on recycling and re-use activities being delivered to 12 businesses. A total of 44 referrals have now been made into the project with quality leads also being provided by partners from the Manufacturing Growth Programme, the LEP's Strategic Business Growth programme and Chambers of Commerce. A series of webinars are also being developed in partnership with the University of Huddersfield to be delivered within the coming months. The aim is to create a more permanent and dynamic platform where businesses can share knowledge, experience and innovative solutions to CE concepts.
- 2.26 Work has continued over the last quarter with the **Travel Plan Network – Regional Healthcare** project to support the development of a travel plan strategy for the group. A draft document has been produced for existing members and work is taking place to recruit all of the Clinical Commissioning Groups and the Teaching Hospital Foundation Trusts within the region as part of the wider regional approach.
- 2.27 Employees of Bradford Teaching Hospital Trust volunteered to trial proposed walking routes identified by Living Streets from Bradford Interchange to St Luke's Hospital. The aim is to encourage more employees to participate in active travel as part of their commute and between the hospital sites. Real Time Screens have also been installed within the hospital sites to increase use of public transport.
- 2.28 Meetings have also been held with the Universities of Bradford and Huddersfield to help shape a social media campaign involving students promoting sustainable travel options over various media platforms. Travel data shared with the team shows that 60% of students at the University of Huddersfield live on the M62 corridor and commute by car, presenting a significant opportunity for promoting car sharing. Likewise, car parking issues present ongoing challenge at the University of Bradford, despite many students living within a three-mile radius of the campus. The team are now working with the University of Bradford to gain travel data from students, and will focus the campaign on promoting active travel and public transport options over car use.

3. Tackling the Climate Emergency Implications

- 3.1 The Business Support Service has a Clean Growth and Innovation workstream that underpins all activities delivered by the service. There are two primary products in the offer to businesses in the City Region that are actively contributing to tackling the climate emergency. These are:- REBiz (support for SMEs to reduce their use of energy and water, and to increase and improve their recycling and reuse), and Travel Plan Network (support for employers of all sizes to introduce more sustainable and active travel options within their operations). However, many other products are making active contributions to the clean growth agenda e.g. funding and advice to introduce digital manufacturing models that use less energy, and capital grant investment to facilitate the production of reusable materials and products. In addition, the Inclusive Growth options referenced at point 4 below, also include grant-recipients making clean growth-related commitments e.g. taking part in the Bike Friendly City Scheme, developing the skills of employees around the clean growth agenda or localising supply chains where possible.

4. Inclusive Growth Implications

- 4.1 Businesses in receipt of grants over £25,000 in value are required to contribute to the Inclusive Growth agenda e.g. training lowest paid employees, offering work opportunities to under-represented groups or partnering with a local school. In addition, grants available via the Business Growth Programme are linked to payment of the Real Living Wage for employees of applicant businesses and the Panel is actively engaged in the current work being undertaken on the Good Work Standard.

5. Financial Implications

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

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 No external consultations have been undertaken.

9. Recommendations

- 9.1 Panel members are requested to note the progress set out within the report on support for businesses in the City Region.

10. Background Documents

None.

11. Appendices

None.