
Report to: Business Innovation and Growth Panel

Date: 19 May 2021

Subject: **Made Smarter**

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1. Purpose of this report

- 1.1 To provide an overview of all activity relating to Industry 4.0, with particular focus on the Made Smarter pilot. Two short presentations will be given at the meeting.

2. Information

- 2.1 The adoption of digital technologies by our non-digital businesses is a key priority for the region and has been embedded in both the Digital Framework and the Innovation Framework, as well as sitting as one of the key priorities within the Local Digital Skills Partnership Action Plan.
- 2.2 To support these ambitions the Leeds City Region Made Smarter Board, chaired by Andrew Wright, was established in 2019 to provide strategic oversight of all activities, bring partners together and identify opportunities to drive forward the region's ambitions. Updates on the activity overseen by the Board is provided below. This board also acts as the regional steering group for the Interreg SMARTY project and will form a conduit for good practice to be shared between the project and other relevant work in the region and beyond.

Made Smarter Pilot

- 2.3 Securing investment has been a priority for the Made Smarter Board and continued lobbying of Government has taken place to allow the region to build on the activity that was piloted in the North West.
- 2.4 The Department for Business, Energy and Industrial Strategy (BEIS) has funded a Made Smarter Pilot Programme in the North West since 2018. The £20m programme was designed to test out the best approaches to raising awareness of the benefits of Industrial Digitalisation Technologies (IDTs) and

supporting SME manufacturers to adopt them into their businesses to improve productivity.

- 2.5 BEIS have announced that funding for Made Smarter Adoption will be used to enable scale up of the support offer piloted in the North West in three additional regions. These are Yorkshire and Humber (Y&H), West Midlands and the North East. A total of £4m was secured in the Spending Review, of which £1.5m was allocated to Yorkshire and Humber. The funding is for the 2021/22 financial year only.
- 2.6 BEIS require a representative pilot steering group in each region. In Yorkshire and Humber this will build on the success of the established West Yorkshire Made Smarter Board. Andrew Wright will chair the new pilot steering group and it is anticipated that each sub-region will be represented by two or three individuals, and that these will be a mix of academia and industry. Sheffield City Region Combined Authority will be the accountable body for the pilot programme, although the West Yorkshire Combined Authority and LEP Business Support team have been instrumental in the design of the model for the pilot and are actively involved in regular discussions with BEIS. LEP/Combined Authority officers are also represented on the BEIS Made Smarter Adoption Group, alongside representatives of all the regional pilots and the North West.
- 2.7 In line with the delivery model in the North West, and the requirements of BEIS, the Y&H model will have several key elements. The model will be flexible so that different elements will apply to different SMEs depending on needs.
 - Entry point is via Y&H Growth Hubs to coordinate with existing support to manufacturers.
 - In depth 'Digital Roadmapping' workshops to understand digital maturity and further support required
 - Specialist technical advice on IDTs and further project development
 - Made Smarter Leadership and Management training
 - Graduate Placements to facilitate technology adoption and talent retention
 - Capital Grants to purchase IDT equipment.
- 2.8 With the exception of the Growth Hub provision and the Capital Grant element (which will be delivered by the LEP / Combined Authority Business Support Team), all other elements will be openly procured with delivery expected to begin by the end of Summer 2021.
- 2.9 Successful delivery of the pilot programme in Yorkshire and Humber, and the other regions, will help BEIS' business case for securing a financial settlement for a longer-term Made Smarter programme for 2022/23 onwards.

SMARTY

- 2.10 The SMARTY project is helping to contribute to our understanding of good practice in the adoption of technologies across Europe and will support the long term roll out of the above programme. The project, by Interreg Europe, focuses on Smart SMEs for Industry 4.0, sharing good practices across the fourteen partner organisations. Since the last update to BIG panel in February 2020, three good practices put forward by the UK, out of twenty-six good practices suggested across all the partners, have been selected by the wider partners for presentation and further consideration. These were Access Innovation programme (shared in semester 2); Advanced Manufacturing Research Centre and DIHS in the UK; and 3M Buckley Innovation Centre (both shared in semester 3). Our regional partner, the Textiles Centre of Excellence, continues to collate examples of specific technology best practices.
- 2.11 The project is now in the fourth semester and attention is now turning to how the good practices that have been presented can be used to shape the regional action plans and inform the regional policy mechanisms to support SMEs to transition into Smart SMEs. From a Leeds City Region perspective, some of the learning obtained from the SMARTY project has been reflected in the newly adopted Innovation Framework as one of our regional policy mechanisms to support SMEs and will influence the planning and development of the Made Smarter Pilot referred to above.

Tech Adoption Pilot

- 2.12 One of the early challenges identified through the Made Smarter Board was a lack of detailed intelligence on the barriers to adoption of technology and examples of good practice of what works.
- 2.13 Through the Tech Adoption Pilot being delivered through the University of Huddersfield, the team have begun to explore, with a small cohort of manufacturers, the barriers to greater adoption of tech and propose a methodology for delivering Industry 4.0 support, based on the premise of a holistic approach to business support.
- 2.14 A presentation on the findings of this work will be presented to the Panel and the full report can be found in appendix 1.

3. Tackling the Climate Emergency Implications

- 3.1 There are no direct implications, however it is well evidenced that the adoption of technology across the manufacturing base can lead to improved innovation and positive net zero outcomes.

4. Inclusive Growth Implications

- 4.1 There are no inclusive growth implications arising from this report.

5. Equality and Diversity Implications

5.1 There are no equality and diversity implication arising directly from this report.

6. Financial Implications

6.1 There are no financial implications directly arising from this report.

7. Legal Implications

7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

8.1 There are no staffing implications directly arising from this report.

9. External Consultees

9.1 Discussions have taken place with the Leeds City Region Made Smarter Board.

10. Recommendations

10.1 That the Panel note the progress made to deliver against the digital transformation ambitions and provide feedback on the delivery proposals of the Made Smarter Pilot and the findings of the Tech Adoption Pilot.

11. Background Documents

None.

12. Appendices

Appendix 1 – Tech Readiness Review