

Report to: Business, Economy & Innovation Committee

Date: 29 March 2022

Subject: **Manufacturing Task Force & SMARTY Action Plan**

Director: Liz Hunter, Director Policy & Development

Author: Mitchell McCombe, Policy Officer

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" 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:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this report

- 1.1 To update the committee on the work of the Manufacturing Task Force and to seek endorsement from the committee on the SMARTY (Smart SMEs for Industry 4.0) Action Plan.

2. Information

Manufacturing Task Force

- 2.1 The Manufacturing Task Force (“the Task Force”) was set up in November 2021 as part of the Mayor’s “supporting local businesses and championing the regional economy” pledge.
- 2.2 The Task Force is chaired by Andrew Wright, Deputy Chair of the Business, Economy and Innovation Committee. It comprises of the four manufacturing alliances in West Yorkshire, Make UK, and nine manufacturing businesses. The purpose of the Task Force is to develop an Action Plan for the region, which is expected in Summer 2022.
- 2.3 The Task Force has so far made strong progress and has established sub-groups to deep dive into particular topics important to the manufacturing

sector: (1) productivity and innovation, (2) attractiveness and trade, (3) sustainability and net-zero, and (4) employment and skills. During these meetings, the Task Force has identified a series of early-stage focuses and objectives, which will develop over the duration of the Task Force's operations.

- 2.4 Recommendations within the Action Plan will be targeted at the Combined Authority, businesses, central government and other regional partners who can support the future resilience and competitiveness of the manufacturing sector.
- 2.5 The Action Plan will be brought to this committee for approval at a later date in 2022. More information on the taskforce can be found [here](#).

SMARTY Action Plan

Overview of the SMARTY Interreg Programme

- 2.6 The Combined Authority is currently part of a European Union funded Interreg Europe Project called SMARTY (Smart SMEs for Industry 4.0)¹, which has been running since 2019 and will conclude in July 2023.
- 2.7 Interreg Europe projects are focussed on policy exchange, where regions come together to share good practice on a particular topic and then look to implement one or more of these good practices, or elements of them, in their own region.
- 2.8 The Combined Authority is working in partnership with the Textiles Centre of Excellence, who are the other West Yorkshire partner involved in SMARTY. Other partners on SMARTY are from other EU countries such as Italy, Belgium, Finland, Slovenia, Spain and Poland.
- 2.9 The Leeds City Region Made Smarter Board is our regional stakeholder group which acts as the governance body for the SMARTY project. Membership of this group is comprised of regional experts spanning industry, business support, and academia. The Board is chaired by Andrew Wright as Deputy Chair of the Business, Economy and Innovation Committee.
- 2.10 SMARTY shares best practices on policy interventions designed to stimulate the adoption and implementation of industry 4.0 practices among SMEs. Industry 4.0 refers to using digital developments, automation and data exchange to improve manufacturing technologies and processes. This could include things like artificial intelligence or cloud computing. SMARTY operates in two phases:
 - Phase I focuses on the learning experience and sharing of best practices from across the regions. On SMARTY, these have focused on: innovation

¹ <https://www.interregeurope.eu/smart/>

ecosystems, strategic partnerships and digital innovation hubs, digitalisation for green the transition and sustainability, and skills for industry 4.0.

- Phase II focuses on the development of a regional Action Plan which will see a region adopt a number of good practices to implement over twelve months.

- 2.11 SMARTY is now entering Phase II and the Combined Authority is now required to submit an Action Plan outlining the actions that will be delivered in the region over the course of twelve months in response to the learning from best practices. This has been a joint exercise completed together with the Textile Centre for Excellence, and with oversight from the Made Smarter Board. The actions in the plan can be actions that the Combined Authority will deliver through policy instruments that it has control over, or it may also be through partners and related to national or other international policy instruments.
- 2.12 The region will also be hosting a physical meeting of the SMARTY project in West Yorkshire from 5-8 April, organised by the Textile Centre of Excellence. Other members of the Committee would also be welcome to participate in these activities and information can be circulated.

SMARTY Action Plan

- 2.13 The region's draft Action Plan produced by the Combined Authority in consultation with the Made Smarter Board (Appendix 1) covers three actions.
- 2.14 Specific elements of these actions will need to be delivered over the next twelve months (April 2023) as part of Phase II of SMARTY, although it is recognised that full project or programme delivery may take place over a longer timescale. The Actions are:
- **Action 1 – Innovation Framework:** how we will develop a regional innovation policy which succeeds the ERDF Operational Strategy for England. The committee should note that while this has been identified as an action, adoption of the Framework already been completed by the Combined Authority.
 - **Action 2 – Innovation Challenge Competition Pilot:** outlining proposals to develop a challenge competition pilot for West Yorkshire. This adopts the best practices which were presented by the Regional Government of Catalonia during Phase I of SMARTY. This action is being led by the Combined Authority.
 - **Action 3 – Industry 4.0 Hub:** detailing proposals to use funds from the Brighthouse Towns Deal to develop an Industry 4.0 Hub – adopting the practice shared in Phase I by partners in Tuscany, Italy. This action is being led by the Brighthouse Towns Deal Board (for the purposes of the

SMARTY action plan the relevant partner lead is the Textiles Centre of Excellence).

- 2.15 Phase II of the project will include regular reporting on progress relating to implementing each action.
- 2.16 The draft Action Plan will be formally submitted to the Interreg Secretariat in April 2022. As such, the committee is asked to provide any comments on the action plan included at appendix 1 and to provide its endorsement subject to any amends for the draft Action Plan to be submitted.

3. Tackling the Climate Emergency Implications

- 3.1 The Manufacturing Task Force has established a sustainability and net-zero sub-group which is looking into the existing challenges for manufacturers surrounding decarbonising operations, supply chains and logistics.
- 3.2 The SMARTY Action Plan includes an action to develop a challenge competition pilot. This pilot will be focused on developing solutions to tackle the climate emergency.

4. Inclusive Growth Implications

- 4.1 The Manufacturing Task Force is investigating a number of challenges facing the sector and will cover some elements of making the sector a more attractive and inclusive place to work.
- 4.2 The SMARTY Action Plan incorporates delivery of the Innovation Framework. The Framework has a central priority to make innovation available to and for, everyone in the region.

5. Equality and Diversity Implications

- 5.1 The Manufacturing Task Force [Terms of Reference](#) outline a commitment to equality, diversity and inclusion. Membership has sought to reflect the diversity of the region's business make-up.
- 5.2 The SMARTY Action Plan details proposals for the Innovation Challenge Competition and Innovation Framework. Both of these will seek to address equality and diversity issues. Challenge competitions are recognised for lowering the barrier of entry to innovation and through solving societal issues that may affect marginalised areas of society.

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 The Leeds City Region Made Smarter Board (which acts as the main governance board for SMARTY) has been consulted on the draft Action Plan.

10. Recommendations

- 10.1 That the committee notes the update on the work of the Manufacturing Task Force.
- 10.2 That the committee endorses the SMARTY Action Plan, and delegates approval of any further amendments to the Head of Business, Innovation, Skills & Culture Policy.

11. Background Documents

[Overview](#) of the Manufacturing Task Force

West Yorkshire [Innovation Framework](#)

BEIC Agenda Item on [Innovation Challenge Competitions](#) – 5 January 2022

12. Appendices

Appendix 1 – SMARTY Action Plan