

Report to: Business, Economy and Innovation Committee

Date: 19 October 2022

Subject: **Pipeline Development**

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| 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 provide the Committee with an update on the progress of current and future activity on the Business and Innovation programme pipeline.

2. Information

Pipeline updates

Background

- 2.1 A separate paper to this Committee outlines the current business environment in the context of recent Government announcements. Programmes and initiatives within the business and innovation pipeline will both ensure businesses can access the tools to tackle the current cost of living crisis and can build their long-term resilience against future turbulence.
- 2.2 The remainder of the paper sets out planned delivery for 2023 and beyond however the Committee will recall a number of other programmes in delivery which complement the offer below. This includes the gainshare funded £6m Entrepreneurship Programme, 'Enterprise West Yorkshire' (see item 10), and oversight of the regional Made Smarter Programme.

Current activity for 2023 delivery

- 2.3 We are progressing the business cases for a number of interventions and programmes to ensure they are ready for delivery.

Business West Yorkshire (working title) and West Yorkshire Innovation Support Programme

- 2.4 At the last meeting, a detailed discussion took place to shape Business West Yorkshire and the West Yorkshire Innovation Support Programme:
- 2.5 **Business West Yorkshire (working title)** is an evolution of the current Growth Service. It will act as the infrastructure for all business support within the Combined Authority, meaning that businesses can access any available support through one “gateway”. All business enquiries will be routed through the gateway to receive holistic, one-to-one support from a Growth Manager, who will then refer the business to the relevant support programme(s) that best suits their needs. The new programme will have a stronger focus on Equality, Diversity and Inclusion, delivering targeted support for women, people from a minority ethnic background and people with a disability. It has a value of £5.3m over three years, which includes a contribution from all Local Authority delivery partners.
- 2.6 **West Yorkshire Innovation Support Programme** will come under the Business West Yorkshire brand and has been developed based on best practice and lesson learnt from the Connecting Innovation programme. It will enable businesses to access innovation support through strategic grants, innovation vouchers and be an access point to wider innovation support services in the region. It has a value of £5.6m over three years.
- 2.7 Both programmes have now been through our assurance processes, with a recommendation to go to the final approval at the next Combined Authority meeting on 21 October 2022.

Connecting Innovation update

- 2.8 The Innovation Support Programme is the successor to the Connecting Innovation Programme and takes significant learning from this previous programme which has helped to evolve the offer. The Connecting Innovation programme experienced a significant decrease in demand and take-up of grant investment from businesses in the period from April 20 to late 21. This was as a direct result of the impact of the pandemic that saw many SMEs de-prioritising investments not deemed as essential in order to build cash reserves and strengthen financial resilience.
- 2.9 The latest Leeds City Region Business Survey, carried out throughout June and July 2022, suggests that **64% of businesses in the area had undertaken some form of innovative activity over the last three years.** This is down from 69% in 2020, and 71% in 2017. It is likely that Covid has had an impact on these figures. In some ways, Covid will have prompted

innovative approaches to work, but in other areas it may have constrained cash flow, leaving less money to be used to invest in innovation.

- 2.10 For this reason, the programme recently asked the Government for permission to reduce the overall value so that we can focus on further delivery now that demand has returned.

Future Programme Development

- 2.11 Over the last twelve months, the Business, Economy and Innovation Committee has been working on the following programmes, currently in development for delivery from 2023 onwards.

Digital Transformation

- 2.12 The digital transformation programme will support SMEs to explore and access transformative digital technology through a voucher scheme, one to one advice and mentoring, to help them to scale and grow.
- 2.13 Consistent access to digital support for businesses is crucial in order to support our businesses to thrive, transform and innovate. The development of the digital transformation programme is being led collaboratively by the Combined Authority and Leeds City Council and will be delivered by all West Yorkshire Local Authorities. We are currently progressing this through the Combined Authority's Assurance Framework. Leeds City Council have a strong track record of delivering this type of programme, currently delivering the successful Digital Enterprise programme across the region, working with partners from across all Local Authorities.

Enterprise Programme

- 2.14 The enterprise programme will support start-ups in the region to establish themselves and grow. This will be achieved through one to one advice, workshops, grants and voucher schemes, and targeted support for underrepresented groups.
- 2.15 The development of the enterprise programme is being led collaboratively by the Combined Authority and Leeds City Council and will be delivered by all West Yorkshire Local Authorities. Leeds City Council are working with the Combined Authority to develop a future programme, which will build on the success of the AD:Venture programme that is currently being delivered across West Yorkshire.

Export support

- 2.16 Work is ongoing to develop an export support programme which will support SMEs in the region to reach new international markets. This will be achieved through facilitating new overseas trade opportunities, consultancy to support businesses to improve their potential for export activity, and an online

resource to help businesses navigate the export support offers available to them. The programme will target key sectors, underrepresented groups and businesses with high growth potential, and will encourage collaboration across the region. The proposed route to market will be through a call for specialist suppliers to deliver this work.

Regional Knowledge Transfers pilot

- 2.17 Early discussions are taking place between the Combined Authority and Innovate UK about how we can support SMEs in the region to access Knowledge Transfers and support from Higher Education institutions. It is noted from the previous committee meeting that a programme of engagement with universities was requested, and this will form part of the development work for this activity.

Business growth and innovation: open call for projects

- 2.18 The open call for projects will be developed in close consultation with the Committee. The calls will be flexible and will respond to immediate economic challenges and changing regional priorities, ensuring that businesses can access the growth and innovation support they need. For example, projects could support exploration of alternative business models, additional or bespoke innovation activity, or specific support for enterprise. Exact details of the call will be developed in discussion with the committee.

Development funding

- 2.19 In 2021/22, £500k was secured from Gainshare allocation to support development work aligned to the Mayoral pledges. An overview of how this funding has been used to support development activity is set out below:

| Activity | Spend |
|--|--------------|
| 1 x L grade post (for 3 years) | 183,897 |
| 1 x K grade post (for 3 years) | 161,598 |
| Manufacturing taskforce expenses | 120 |
| West Yorkshire Innovation Festival | 25,000 |
| Mayoral Innovation Prize pilot (contribution) and evaluation | 60,000 |
| Mapping of the digital sector | 50,000 |
| | 480,615 |

3. Tackling the Climate Emergency Implications

- 3.1. All programmes being developed will support and encourage businesses to decarbonise and improve their environmental sustainability, reducing their overall carbon impact and help achieve the region's net zero ambitions.

4. Inclusive Growth Implications

- 4.1. Any new programmes in this pipeline will include targets to ensure geographical representation across the region and within some of our most deprived communities.

5. Equality and Diversity Implications

- 5.1. Each of the programmes being developed will have targets attached to ensure proactive engagement with underrepresented groups, including women, Black and Minority Ethnic groups, and people with disabilities. Work will be undertaken to ensure we are engaging with key, influential networks and that our services are proactively promoted and easily accessible to all.

6. Financial Implications

- 6.1. Funding routes have been agreed for each programme and are assured through the Assurance Framework.

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. Consultation has taken place with District Officers, West Yorkshire Innovation Network and this Committee.

10. Recommendations

- 10.1. That the Committee notes the activity currently underway.

11. Background Documents

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

12. Appendices

- 12.1. Appendix 1 – Overview of Business and Innovation programmes