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Report to: Business Innovation and Growth Panel

Date: 7 September 2017

Subject: Access Innovation

1 Purpose

1.1 To update BIG Panel on the Access Innovation Programme.

2 Access Innovation

- 2.1 The £9.1m Access Innovation programme is now being delivered across the city region with funding from the European Regional Development Fund (ERDF) and the Local Growth Fund (LGF). It supports Small and Medium-sized Enterprises (SMEs) to develop new products and processes by linking them directly to the expertise and facilities within research intensive organisations, such as universities or Catapult Centres. It provides advice to businesses on which organisations can support them with their innovation activities, and also grants of between £5,000 and £50,000 towards the cost of working with the right organisations.
- 2.2 The programme has been developed in response to the relatively low levels of Research and Development (R&D) activity and investment amongst the business population of the city region. This has been evident across several proxy indicators of business innovation in LCR, including the number of registered patents, the take-up of R&D Tax Credits and the allocation of Innovate UK funding. The programme aims to address this situation by reducing some of the barriers to SMEs developing longer-term working relationships with research intensive organisations. In doing so, it will contribute to one of the city region's long-term ambitions as set out within the current Strategic Economic Plan i.e. 'to enable vibrant private sector growth based on innovation and exports'.
- 2.3 Access Innovation is one of the LEP Growth Service's key products to improve the competitiveness of SMEs across the city region. As such, it is now being actively promoted by the team of SME Growth Managers and the central Gateway. It also complements many of the other finance and innovation support products available in LCR, including the LEP Capital Grants, the Northern Powerhouse Investment Fund, Innovate UK, the Manufacturing Growth Programme, GamesLab, Export for Growth, Digital Enterprise and Innovate2Succeed.
- 2.4 The Access Innovation team is also working with a range of local and national partners to stimulate the appetite for innovation and Research and Development (R&D) investment amongst the city region's SME population. This involves one-to-

one support for individual SMEs from the programme's three Innovation Growth Managers, and the delivery of sector-specific workshops and events on the premises of well-known business innovators.

- 2.5 One of the programme's main longer-term aims is to build lasting relationships between SMEs and providers of R&D support. As well as the city region's universities, the Innovation Growth Managers have developed good working relationships with such organisations as the Digital Health Enterprise Zone and Digital Catapult, the Textiles Centre of Excellence and the national Physical Laboratory.
- 2.6 The Access Innovation Programme Advisory Group has BIG Panel-representation from Philip Wilson of Slipstream Engineering. The group's role is to provide strategic guidance for the project, make appropriate connections to other areas of support for innovation activity and put forward recommendations to the Combined Authority for the award of the grants. The Panel is asked to review and approve the group's Terms of reference as set out within the attached **Appendix 1**.
- 2.7 The programme began working with businesses in late June 2017 and has now provided support to 127 SMEs, 57 of which have received one-to-one support from the Innovation Growth Managers resulting in a detailed action plan for taking their innovation projects forward. Two applications for grants have been received and a number of other SMEs are currently working on their applications.
- 2.8 To date, the business sectors with the highest level of interest in the programme have been manufacturing, digital and healthcare. This will be built on in the next few months with more targeted marketing and communications activity, including eNewsletters and events.
- 2.9 BIG Panel will receive a detailed presentation on the programme at this meeting. This will include specific requests for advice and practical support from the Panel with the following:
 - 1. How can the programme attract more interest from SMEs in LCR?
 - 2. Which business networks and organisations should the programme connect with to increase interest and participation from SMEs and R&D-providers?
 - 3. BIG Panel is requested to approve the Terms of Reference for the Project Advisory Group.

3 Recommendations

- 3.1 That the update on the Access Innovation Programme be noted and feedback provided.
- 3.2 That members help to identify networks and organisation which might help increase SME engagement in Access Innovation.

3.3	That the Terms of Reference for the Project Advisory Group, attached at Appendix 1 , be approved.