

2 September 2020

MCA/LEP Business Support Operating Model

Purpose of Report

To raise awareness of, and engage members of the Board, in work that has started to examine the options for how business support should be organised to meet the business-facing objectives of the Renewal Action Plan and the Strategic Economic Plan.

Thematic Priority

1. Ensure new businesses receive the support they need to flourish.
2. Facilitate and proactively support growth amongst existing firms.

Freedom of Information and Schedule 12A of the Local Government Act 1972

The paper will be available under the Mayoral Combined Authority Publication Scheme.

Recommendations

Business Growth Board Members:

1. To note the commencement of this commission aimed at further developing the approach to business support, investment and engagement.
2. To provide any steer and direction deemed necessary to shape the progress and eventual outcome of this commission.

1. Introduction

- 1.1** The MCA Executive Team is working with PwC to examine alternative models for the delivery of the business growth and support agendas and trade and investment functions of the MCA and LEP. The objective of this paper is to raise awareness of, and engage members of the Board in, work that has started to examine the options for how the region wide functions should be organised to meet the business-facing objectives of the Renewal Action Plan (RAP) and the Strategic Economic Plan (SEP).
- 1.2** This is a ten-week programme of work, concluding at the end of September, to assess the current model for business support and develop a range of options for how this could be delivered to support the ambitions of the new SEP and RAP in the City Region.
- 1.3** The process of developing the SEP and the impacts of Covid-19 have shown that the vulnerabilities and weaknesses in the SCR economy prior to the Covid-19 crisis will be exacerbated. SCR may escape some of the worst initial impacts due to the structure of our economy but in the medium to long-term we are even more exposed. The systemic and fundamental economic challenges remain and will need to be addressed. These

challenges may be further exacerbated by the transition from the EU at the end of this year.

2. Proposal and justification

2.1 The intended benefits of any changes to the operating model include the following:

- Improve collaboration and building strategic relationships with businesses and entrepreneurs to help local businesses develop and stay local;
- look nationally and internationally to the markets and companies that will enhance and strengthen our capabilities;
- improve partnerships between businesses, academia and the public sector to collaborate in translational research and innovation to grow the economy through greater levels of commercialisation, modernisation and productivity;
- acting to enable greater business density in our key growth areas and networks to increase diversity, improve resilience and deepen relationships;
- developing a range of investment mechanisms to be better able to meet need, improve funding sustainability and obtain greater social value for the public investment made;
- developing business plans seeking to increase investment in business-driven innovation within the city region, based on the above developments;
- investing in business leadership;
- Better support SME's and supply chains;
- creating opportunities for businesses to participate and diversify into new sectors and export markets.

To deliver these changes, there will need to be MCA and LEP will need to adopt new approaches that:

1. A greater focus on active engagement with a range of indigenous businesses;
2. Enhanced work with businesses of all size who recognise the need to invest in change and growth;
3. Look outwards to enhance national and international influence and competitiveness;

2.2 There are two aspects to the review being undertaken. Looking at the operating model (how the city region business support teams are structured to deliver the business facing objectives of the RAP and SEP) and delivery model (looking at options of service delivery). The project plan can be summarised in three steps:

1. Mobilisation: background research; literature review; data analysis
2. Discovery and access: current model appraisal; design principles; options identification
3. Option appraisal: assess future options; explore mechanisms and implementation

A wide range of stakeholders will be engaged with to inform this commission and the outcomes of the work will be reported to a future Business Growth Board

3. Consideration of alternative approaches

3.1 Business as usual

This option means continuing to work with businesses as we have done in previous years. The evidence illustrates that whilst we have been effective in creating jobs, this has not led to a step-change in our economic fortunes. This has been the case for

decades so change will not be quick nor be easy. Continuing with the same approach, however, will not lead to the transformation required in the economy.

3.2 Different operating models

PwC has already identified UK and international case studies of how we could change our operating and delivery models. These will be assessed as part of the options appraisal.

4. Implications

4.1 Financial

There are no immediate financial implications associated with this report. Some financial outlay may be required to set up the preferred new operating model, once one is identified and agreed.

4.2 Legal

There are no legal implications associated with this report.

4.3 Risk Management

This approach should mitigate the risk of local businesses with the potential to innovate choosing to relocate outside of the City Region and will ensure the MCA and LEP deliver the SEP and RAP and create stronger, greener and fairer South Yorkshire.

4.4 Equality, Diversity and Social Inclusion

The premise of changing the MCA and LEP's business support, investment and engagement operating model is to create an economy that works for everyone.

5. Communications

5.1 N/A at this stage.

6. Appendices/Annexes

6.1 *NONE*

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Background papers used in the preparation of this report are available for inspection at:

Other sources and references: