

Audit Finance and Governance Panel

DRAFT Minutes of the meeting held on Tuesday, 27th June 2023 via Microsoft Teams - Paper A

Attendance

Board Members

Stephen Savage (Audit, Finance and Governance Chair)
James Newman (Chair HEY LEP)
Dafydd Williams (ABP Ports)
Ian Millington

Secretariat

Teresa Chalmers (HEY LEP)

Guests

Chris Howell (HEY LEP)
Les Selby (HEY LEP)

1. Welcome, Apologies, and Declarations of Interest

Stephen Savage welcomed the members to the Panel.

The minutes of the last meeting were approved as a true record, arising items were covered in today's agenda.

Apologies were received Mark Pearson-Kendall (Andrew Jackson Solicitors)

SS welcomed IM, as the new Panel member; IM has been a member of the LEP and former Humber LEP's Investment Panel for a number of years. IM gave a resume of his background which included over 30 years in the banking industry. JHN thanked IM for his support.

2. LEP and Devolution Update

JHN updated on the current situation with the LEP - very recent developments had seen a change of approach with the two local authority leaders. Cllr Anne Handley (ERYC) had made it very clear that she was focussed on a mayoral devolution deal/combined authority (MCA,) as she believed this presented the most favourable opportunity for the region in terms of investment and having a voice at government discussions. Cllr Mike Ross (HCC) had agreed to consider the implications of this approach, so the prospects are now much better in achieving what the private sector has asked for.

The LEP is continuing its discussions with both local authorities at the same time at the local authorities (LAs) are speaking to government. (The deals are led by local elected leaders). Prior to this development

conversations re integration had considered the creation of a regional skills mechanism but other parts of the LEP may have been integrated in one of each LAs. However, this may now change and the opportunity for the LEP to move as one entity into the shadow Combined Authority would be the better outcome.

The LEP continues to deliver a significant amount of activity in inward investment, SME and business support, export, and skills in addition to the management and delivery of the new loans and grants available from the residual Local Growth Fund. The expertise within the team would be an important asset to the new Combined Authority.

Due to the cessation of EU funds, two staff members will leave the team this week and a further three will be affected once the administration close down is complete. All five of these staff members are on fixed term contracts and can participate in HCC redeployment services.

Conversations regarding the Humber activity continue; government still wish to see effective arrangements in place that will align with both the HEY and GL devolution deals. The Humber Leadership Board continues and may be revisited in terms of membership and areas of focus. Pat Doody, former GLLEP Chair has now retired from this role and Neal Juster, the Lincoln VC has taken his place (JHN due to have lunch with Neil shortly). JHN and TC are meeting with Peter Campey (DBT) this week to discuss LEP and devo progress.

The Humber Freeport is now established and the recent recruitment to the new chair role was unsuccessful; Simon Bird (ABP) will continue as acting chair until such time as a new process takes place. Interviews for the CEO are ongoing over the next few weeks. DW added that the Freeport Co have until 31 July to meet all six government required criteria; 4 of which have been achieved to date, 1 is in progress and the final area is the AMEP delivery plan, which is moving on.

IM asked what investment was likely as a result of an MCA and could the LEP be funded by this. JHN said in his view, approx. £12-15M per year for 30 years, based on the North Yorkshire settlement. The LAs could borrow against this amount to fund the LEP and/or use the capacity funds which are provided as part of the deal. SS said this sounded very sensible as the LEP as an entity, despite its size, had continued to deliver all outcomes and this should be recognised. JHN added that whatever arrangements were made there was a need for a strong private sector voice, and it was likely that though the LEP name may disappear, a new business board will emerge and in the previous devolution 'ask' the chair of the LEP would become chair.

Action: AFG member to note the report.

3. LEP Finance- Outturn report

GS presented the outturn from financial year 22/23 including overall summary, income, Growth Funds, loans/grants and the reserve position with proposed uses. There is adequate resources to cover any potential redundancy and pension strain costs if needed. All LEP staff participate in the ERYC pension fund. JHN raised that some of the reserves such as that ringfenced for energy-related activity may be needed. GS said that this information will be presented to the LEP Board who can make recommendations on reserve spend.

Action: AFG member to note the report

4. Integrated Care System and Board (ICS/ICB) Project

CH presented the paper on behalf of the Employment and Skills Board. An opportunity had arisen to bid for some non-recurrent funding from the Humber and North Yorkshire Integrated Care Board to develop a series of pilots to attract people into working in health and social care. The total funding package was £300k for a two-year period.

The project will focus on two cohorts; young people aged 16-18 and adults over 19 years to raise their understanding of the many roles in the health and social services sector. There are over 300 such opportunities and to date, many people do not recognise the service needs for such areas as estate management, administration, technical services etc.

The focus will be on non-traditional entrants and pilot projects will focus on supporting people who experience barriers to their career aspirations for example those with learning difficulties, neurodiversity or socio-economic challenges. Operational details are still to be finalised and will be developed in partnership with stakeholders.

The funding is primarily to employ staff resource to deliver a range of careers activities including work experience, career leader training and one to one support.

The proposed structure included in the paper sets out the staffing model; it should be noted that the project lead is an uplift of an existing Enterprise Coordinator role, two of whom are already employed in the LEP, and this will be recruited via an open process for application. The further two roles will be paid for by the ICS funding. Whilst there is enough resource to employ a third role, an admin officer, this is not

currently in progress; once the pilot is running this will be further considered.

SS commented that this is very good news, the LEP has considerable expertise in the careers function and this pilot provides an excellent opportunity to build on the current strong performance of the Hub.

IM asked if the ICS does not already operate in this area – providing careers services to attract people into the sector. CH said that it does have some activity but this proposal enhances this and through the LEP brings wider stakeholder engagement and allows innovative project development. CH said that the LEP is working with the ICB to ensure alignment and no duplication. The national NHS Workforce Strategy is expected to be published this year after a two-year delay. This and the local plan will set out the routeways to boost recruitment.

CH added that the Careers Hub now works with all 50 schools and colleges in the HEY region, having attracted industry contribution to match fund a further Enterprise Coordinator.

TC added that tomorrow (28th June) is the School Summer Conference, hosted by the LEP with the Careers and Enterprise Company as Hub funders taking a keynote speaking spot. All members of the AFG are welcome to attend.

Action: AFG members supported the project plans to date.

5. Made Smarter

LS presented the paper on behalf of JB. Made Smarter is an SME manufacturing support programme, designed to help develop technical processes to increase productivity and efficiency and boost competitiveness, with a total funding resource of £3.8M. Managed by South Yorkshire MCA Growth Hub, the programme provides grant funding and access to specialist technical support, delivered by Oxford Innovation. The current focus is on developing digital roadmaps. Loans are administered by West Yorkshire & Oxford Innovation and meet all financial requirements. The current focus is on developing digital roadmaps. The aims of the programme are to:

- Facilitate increased uptake of industrial digital technology amongst SME manufacturers
- Improve the productivity and competitiveness of SME manufacturers via adoption of industrial digital technology
- Develop leadership skills amongst manufacturing business owners and leaders to help lead digital adoption activity

- Improve the digital skills levels amongst the SME manufacturing workforce

Subject to the outcome of the digital roadmap process, an action plan is developed with the client business, which is then offered some or all of the following interventions:

- **Intensive Technical Support** – matched-funded access to specialists to help implement a new digital technology or process within the business
- **Leadership & Management Training** – fully-funded bespoke L&M training, delivered to cohort groups of manufacturing business owners and leaders. Participants will be given the tools needed to lead their business on a digital transformation journey.
- **Capital Grant Funding** – matched-funded grants to support with the cost of new specialist equipment, hardware and associated software that directly contributes towards adoption of industrial digital technology.

IM commented that this service will be welcomed by manufacturing SMEs who are looking to increase their services and complements other support that is available via the Growth Hub.

Action: JB to confirm the LEP allocation of funding in a file note to the Panel, once confirmed.

Any Other Business

TC said that the LEP AGM will take place on 27th July immediately following the next LEP Board, at County Hall, Beverley. All AFG members will be invited to attend.