

Hull and East Yorkshire LEP Business Support Board

Paper A - Minutes of the Board meeting held at 9am on Monday 1st November 2021

<p>Attendance</p> <p>Board Members</p> <p>Gill Alton, Chair Nic Dakin David Hall Madge Moore Jason Speedy David Kilburn Rachel Smurthwaite Antonio C Malfense Fierro Paul Burnley Jan Brumby</p>	<p>Observers</p> <p>Karen Philipson Stephen Parnaby OBE</p> <p>Executive Team and Secretariat</p> <p>Teresa Chalmers, COO Caroline Sansam Phil Glover Gill Dillon Jon Brunton Karen Oliver-Spry</p>
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1. **Welcome & Introductions**

GA welcomed all Board members to the first Business Support Board meeting. Board members took a few minutes to introduce themselves to each other. GA explained that the Board would operate in a business like non-bureaucratic manner. GA then briefly outlined the purpose and ambitions of the Board.

2. **Apologies**

No apologies were submitted.

3. **Declarations of Interest**

There were no declarations of interest. TC reminded all Board members they should declare relevant interests at the start of or during the meeting as agenda items arose to ensure the Board operates in an open and transparent way.

4. Terms of Reference

GA asked the Board for their views on proposed Terms of Reference and particularly the language used to describe them. A query was raised about the Board re “coordinating international trade (at point 5)”. TC suggested that the Board could delay the final approval of the terms of reference until it had received presentations from Andrew Finch the LEP’s Export Partnerships Manager and Antony Wallis the Key Account Manager, Foreign Direct Investment which would take place at the meeting in January to ensure the board considered the breadth of the work that is undertaken. This approach was agreed. AMF suggested the inclusion of more explicit information about entrepreneurship. GA asked the Board to send any comments to TC and CS by 30th November. TC explained that the terms of reference would be reviewed annually, and it should be considered a ‘live document’ that would be reviewed if there were any significant changes to the way LEP’s operate.

The Board agreed to delay approval of the final terms of reference to the next meeting (13th January 2022).

5. Growth Hub Operational Update

JB reported that the Growth Hub continues to deliver a suite of funded business support services in the region and is expanding its team with several new funded job posts. The Growth Hub’s half year review was recently submitted to the Department for Business, Energy, Innovation and Strategy (BEIS) which outlined spend and the key performance indicator (KPI’s) target position as of 30th September 2021. The Growth Hub management team is satisfied with the KPI’s achieved in the first half of the year with all bar one being achieved. The Growth Hub has supported 43 start up in the first six months of the year and over 1k pre-start up individuals. The number of business receiving intensive support was noted as an underperforming area and JB is now exploring various ways in which the full year total can be achieved. The following information was noted:

- A high number of business enquiries received and good engagement with businesses.
- Strong demand for start-up services.
- Several enquiries about supply chain shortages and labour shortages.
- Implementation of the ‘Fast Track’ programme consisting of intensive wrap around business support.
- Masterclasses Business Essentials Programme working with the University of Hull which aims to give undergraduates, graduates, and alumni of the University access to specialist advice and guidance to

support entrepreneurship across all these groups.

- Challenges recruiting to several new posts to enhance the Growth Hub offer – partly due to the fixed term nature of the posts
- Strong start on the Peer Networks Programme and delivery well ahead
- Made Smarter Pilot in Yorkshire & The Humber has yet to launch but contract awarded and will now commence in November 2021
- A series of sessions is being developed to showcase a range of business support programmes that are currently on offer in the region.

Questions and comments from the Board:

- Are the KPI's set by government and do they apply to all Growth Hubs or do Growth Hubs set their own targets? JB - Yes, government sets the KPIs, and these are used in conversations with BEIS, the targets are set by the Growth Hub in conjunction with BEIS.
- Fast track programme is an interesting initiative as SME's require support quickly, interesting to see how it develops. Future updates would be welcome.
- How will the Growth Hub deal with current labour shortages? JB - The new Workforce Business Advisor will focus on labour shortages for the region and will work closely with Jobcentre Plus. It is a complex matter, and many avenues will need to be explored. There is no quick fix.
- How do we compare with other Growth Hubs? JB - We work closely with other Growth Hub but there is no comparison data.
- Do we monitor failure rates? JB - No but we know we have a low business survival rate in this region. The Growth Hub collects a wide set of data so this information is available, and we can consider further interventions based on the numbers. GA suggested that the BSB might want this on the agenda at future meetings. **Action – agreed re future agenda item – JB/CS.**

The Board agreed to note the update.

6. Growth Hub Review

JB briefed the Board on the proposal to review the Growth Hub to identify growth and development opportunities and to refresh the Growth Hub strategy. JB explained that the Business Support Board is required to provide a governance function for the HEY Growth Hub. It will achieve this by reviewing and scrutinising Growth Hub delivery, making recommendations to the LEP Board based on officer information, taking delegated decisions and by providing recommendations on interventions and strategy to enable the Growth Hub to fulfil its contracted objectives and outputs. JB gave a short presentation on the terms of reference and the Board were invited to comment, approve the terms of reference, Gantt chart, timetable, and the general approach.

Comments from the Board:

- Need to include rural trade bodies in the review, there are serious issues in agriculture, as it is in a difficult position currently.
- Needs to be area specific to represent the region and less generic
- Hull City Council business support review has started, HCC has 16 staff providing business support at this time, capacity is a big issue.
- ERYCC business support review is also underway
- Focused on gathering stakeholder feedback, are there any barriers to engagement. What are the barriers to achieving the KPI 3 - intensive engagement?
- How is reviewer independence ensured? JB explained it would be through BSB involvement and the findings will be presented next year, and this will ensure transparency. JB will look at ways to mitigate this. GA suggested setting up a Task and Finish Group from this board to ensure the review is transparent and feeds into board thinking.
- JB asked for volunteers for the Task and Finish Group to support with the process to give JB a steer and provide strategic oversight. AMF, RS, JB and DH agreed to join group. GA/JB thanked these colleagues.

Agreed:

- **To note the position statement and the future direction.**
- **JB would share Gantt Chart and Terms of Reference with the Board via CS**
- **Task and Finish Group members are AMF, RS, JB and DH**

7. Getting Building Fund

KOS gave an overview of the business support projects within the LEP's Getting Building Fund programme and a summary of delivery progress to 30th June 2021. It was noted that the investment programmes are legacy programmes that have come forward from the Humber LEP and are due to end in March 2022, hence the a short period of delivery.

The Getting Building Fund is interim funding which bridges the gap between the Local Growth Fund and the new Levelling up Fund, of which the White Paper is still awaiting. Delivery on the Getting Building Fund is going well.

The "Growing Hull and East Yorkshire" (GHEY) business grants programme has almost been allocated and there is good news in terms of delivery with significant businesses being supported through the programme, there are no concerns or interventions to note. KPI's and targets are negotiated with BEIS. There is a continuous pipeline of interest from small businesses for the Growing Hull and

East Yorkshire programme. KOS also reported that her team work closely with the Growth Hub Business Advisors to identify eligible projects for the pipeline.

The Board agreed to note the progress report.

8. **Business Loan Fund Strategic Review**

KOS provided the Board with a brief background on the Growing Places Fund aka the Business Loan Fund which is aimed at stimulating delivery of stalled infrastructure projects and other economic development activity and is currently administered by the LEP and Hull City Council as the Accountable Body. This is a legacy programme from the Humber LEP. In effect, this is a revolving Business Loan Fund, and we are now dealing with recycled funds. All capital programmes end on the 31st March 2022 and there is no replacement currently. As a result, KOS is undertaking a strategic review of the fund and has begun speaking to stakeholders, and the Board were asked to respond to three questions:

- What business needs/gaps currently exist that require financial intervention?
- What should be the strategic priorities for the programme (e.g., post Covid/Brexit adaptation and pivoting, transition to net zero, increased productivity, job creation)?
- What might business growth look like for recipient businesses and how should it be measured through programme metrics?

Comments:

- GA suggested members taking these questions back to their networks to seek wider support and guidance.
- KOS requires feedback by the end of November. **Action – all members**
- KOS is also considering setting up a task and finish group towards the end of November.
- What are the growth metrics used, how is success measured? KOS reported these are job creation, safeguarding jobs and 1 job for every £15k of funding awarded.

The Board agreed to note the report

9. **Hull and East Yorkshire Economic Context**

Phil Glover, the LEP's Business Development Manager, delivered a presentation that highlighted the area's key statistics, its international connectivity, key sectors, business base and latest productivity figures. He then described some of the economic challenges and opportunities for the region. As part of the presentation Gill Dillon the Senior Advisor for Employment and Skills at the LEP gave a presentation on the latest labour market intelligence.

Members comments and discussion:

- Excellent and helpful presentations which will help the BSB to understand where we are in the region.
- The challenge attracting talent into employment was discussed along with and our relationship with Jobcentre Plus. GD reported that there are some excellent programmes in place to help people into work, long running programmes for example, sector-based training. There are work experience programmes, the Kickstart Programme for young people and there are apprenticeships and T-level incentives etc.
- If young people get left behind it is harder for them to get into the labour market.
- Similarly, it is the same for the over 50's in terms of support for unemployed residents, Skills Bootcamps are good examples of programmes that offer higher level skills and upskilling, technical skills etc.
- The Restart Programme is aimed at those that are over 12 months unemployed.
- Certain sectors are less desirable now e.g., hospitality as residents feel that this could be an unstable choice of employment and one that could be affected by future economic shocks.
- How soon do we start this support? There is a view that this intervention should start in schools. Apprentices aged 16 don't seem to have any real understanding of work.
- LEP Officer Fiona Headridge, via the LEP Careers Hub funded by the Careers and Enterprise Company, is working with schools, and is looking for work experience placements for school pupils. There are also a range of work experience programmes for those in colleges.
- The attitude of some people is not positive which is a barrier to them finding work. E.g., some businesses are having time wasted by people that don't want to be there (and these do include those paid to attend by Jobcentre Plus).
- During the pandemic Jobcentre Plus did not apply sanctions forcefully but this will change now we are moving out of it.
- GD suggested any feedback should go to the ESB as there is a member of the Jobcentre Plus on the Board. **Action – all via CS/TC**
- Current work patterns are a complicated picture and not easy to resolve.
- HEY residents only earning 87% of national average, which makes

attracting people to the region difficult as salaries are much lower.

- However, a lower standard of living with access to good facilities and geography may help to attract people to the region.
- How do we harness SMEs to engage with the Freeport?

Agreed:

- **The presentation would be circulated by CS.**

10. HEY LEP Economic Growth and Workforce Wellbeing Strategy

Teresa Chalmers the LEP's Chief Operating Officer delivered a presentation on progress in developing the of the Economic Growth and Workforce Wellbeing Strategy.

The Board agreed to note progress to date and to respond from an individual organisation perspective where possible.

Any Other Business

There was no other business.

Signed:

Gill Alton
Chair