

Hull and East Yorkshire LEP Board
Chief Operating Officer's Report
Report by Teresa Chalmers, Chief Operating Officer and the HEY LEP Team
Wednesday 19th January 2022
Paper D

1. Summary

1.1. Despite ongoing uncertainty in regard of the National LEP Review and Government proposals on the LEPs responsibilities, LEP officers have continued to work at pace over the past two months to ensure delivery outputs meet contractual requirements and programmes continue to perform well. Many of these programmes are those transferred from the previous Humber LEP which also require monitoring and reporting, as per other papers on this board.

2. Recommendations

2.1. The Board to acknowledge the breadth and volume of work being undertaken and continue to provide support, advice, and assistance where possible.

2.2. The Board to agree support of the Business Day £10k sponsorship for Growth Hub SME activities and engagement.

3. Report

3.1. Programmes - LEP officers are continuing to ensure compliance with government regulations and to achieve agreed outputs, these programmes include capital investments and skills related activities, each aspect having differing time-related delivery requirements. All programmes are in contract and ongoing monitoring and reporting requirements remain, whilst strategic investment programmes have stalled, and new programme development is limited to the utilisation of legacy funds. A further paper on today's agenda includes proposals for how this monitoring and reporting aspect of the contracts will be managed to ensure outcomes are maximised whilst considering the Growing Places Fund Review.

3.2. However, ongoing discussions on potential pipeline activities with both local authorities have continued to ensure a collaborative response when opportunities occur.

4. Growth Hub Operational Update – please note: the Growth Hub reports to the Business Support Board and as the meeting was held last week the minutes are not currently available for board members.

4.1. The business advisor team continue to report high level of enquiries and engagement. The impact of Omicron is being felt across the area, with issues in the run up to Christmas reported by the hospitality sector, as well as the increase in staffing shortages resulting from covid related absences.

- 4.2.** The Growth Hub's Start Up Support offer continues to see consistent levels of interest in the one-to-many workshops and masterclasses.
- 4.3.** The Business Essentials Programme being delivered to undergraduates, graduates, and alumni of the University of Hull continues to prove popular, with high levels of attendance at each of the sessions held. They will recommence in February.
- 4.4.** A radio campaign to promote the start-up support available, in particular the Workshop and Masterclass programme, will commence on 10 January for four weeks, designed to further increase engagement with the resources and support available.
- 4.5.** The Peer Networks Programme continues to attract good levels of interest with 78 businesses signing up to participate to date and expressions of interest continuing to be received. Of the nine cohorts being delivered, one cohort has completed, four are currently in progress and a further four are due to commence later this month. BEIS have confirmed that the Peer Networks programme will not be continued into 2022/23 so the programme will complete at the end of March 2022.
- 4.6.** Government's Annual Review of the Growth Hub, period 2020/21
- 4.7.** The postponed Annual Growth Hub Review meeting with CLGU colleagues who operate the national programme on behalf of BEIS was held on 06 January 2022. It was an extremely positive picture for the period 2020/2021 at both a national and local level. The Humber Growth Hub's performance was reported as being 'extremely strong', highlights include:
- More than doubling the "reach" of the GH in one year from 17,000 to 42,000 businesses or individuals reached (comprised of enquiries, website hits and general engagement activities)
 - More than trebling the number of light touch business engagements from 2,400 to 9,000, with 11,000 businesses and pre-start individuals supported
 - Increasing the activity under all the three areas of light touch, intermediate and high intensity support
 - 81 individuals who were helped to start a new business
 - Customer friendly website with useful content, with a site structure and content review of the Growth Hub website underway
 - Very high levels of performance throughout Covid, EU and LEP geography transition
 - Client satisfaction rate of 99% in comparison to the national average of 93%
 - Relevant and impactful use of additional uplift funding
 - Good working relationship with government and the local team
 - LEP Growth Hub review – previous external evaluation seen as positive, as well as the continued approach to continuous improvement taken this

year with strategic direction from the BSB and task group involvement; focus groups, telephone outreach etc and review of business intelligence reporting.

- 4.8.** The LEP's own Growth Hub Review – As part of continued development and as championed by the Business Support Board, activities commenced in November with the first of the Task and Finish Group meetings held. Four members of the Business Support Board have formed a Task & Finish Group to contribute to and oversee the development and implementation of the Growth Hub review.
- 4.9.** The Growth Hub review activities are being delivered by a number of staff members from the HEY LEP, in partnership with Paul Burnley from Hull City Council. The BSB Task & Finish Group have been integral on the approach being taken to the review and have been provided with updates on progress. The Group meeting twice since the last Business Support Board meeting.
- 4.10** The first phase of the Growth Hub review activity is now underway and is using several approaches to gather data and intelligence from stakeholder and partner organisations and the business community. This approach aims to gather as wide a range of views as possible to help shape the future of the Growth Hub.
- 4.11** Key activities in the initial phase of research and evidence gathering includes stakeholder and business focus groups, an online business survey and a telephone outreach survey.
- 4.12** Kada Research Limited, who undertook the evaluation of the Humber Growth Hub in 2020/21, are providing additional resources to support the review activity, along with Blueberry Marketing Solutions who are undertaking the telephone outreach activities behalf of the Growth Hub. The latter having commenced in Dec with over 100 responses received to date, with around 90% of those surveyed to date having not engaged with the Growth Hub before.
- 5. Events** – Due to ongoing concerns about the potential impact of the Covid Omicron variant the LEP was advised by DCMS to postpone the official launch of the Humber Local Digital Skills Partnership which was due to be attended by Minister Philips in December; this event will now take place in the first quarter of 2022 date to be confirmed by government colleagues.
- 5.1** In addition the proposed Humber LEP Legacy Event in December was also postponed ensuring the health and well-being of guests; this will be reviewed again in the first quarter of 2022.
- 5.2** The LEP is looking to sponsor the annual Business Day event which takes place on Friday 10th June at Bridlington Spa. The event culminates Humber Biz Week and is a key date in the business calendar. Planning to be

held in person, sponsorship of the event will include specific SME engagement activities to promote the work of the Growth Hub and provide skills related information and guidance to employers. This method has proven positive outcomes in previous years and will also enable the HEY LEP to become more widely recognised which is important considering the reduction in person-to-person business activities since the LEP's launch in April 2021.

6. Foreign Owned Business Update - The LEP and the Department for International Trade are working together to ensure that foreign owned businesses across our region have access to a fully funded, free to access, local account manager. The LEP Key Account Manager (KAM) Antony Wallis, works in partnership to understand each business' challenges and plans, to enable them to access additional support services and benefits.

- 6.1** Working closely with the regions Local Authorities, the KAM maintains long-term relationships with our foreign direct investment (FDI) clients – supporting their growth, providing regional or sector specific updates and supplying time sensitive services.
- 6.2** The KAM acts as a single point of contact for engaged businesses, bringing together business support functions from the LEP, local authorities and government departments.
- 6.3** Business Intelligence is collated monthly, from meetings and conversations that have taken place that month and fed back to DIT colleagues through the regular monthly reporting cycle. Any issues preventing or restricting the growth of Foreign Owned Companies are noted and shared (anonymously) with LEP colleagues for reporting to the Department for Business, Energy & Industrial Strategy.

7. HEY LEP Export Plan Update – As previously discussed at this board, the Export Partnerships Manager Role delivered by Andrew Finch, is seconded from Enterprise Growth Solutions Limited (EGSL), who are the DIT delivery partner for Yorkshire and the Humber. The Officer has been developing an export plan for the HEY LEP region which builds an overview of the pan-Humber exporting environment and encourages engagement amongst key partners in order to increase international trade through export. This plan has a strong focus on supporting earlier stage businesses and SMEs to plan for international growth. The Export Plan is key to achieving maximization of export service provision and uptake across the new LEP region, helping to foster a spirit of engagement across all key export stakeholders and contributing to the national ambition of lifting exports to £1 trillion each year¹

7.1 Export Research has been delivered by contracted organisation, KADA and included the creation of an interactive dashboard of trade statistics, plus the following written reports:

¹ As set out in the DIT Export Strategy 2021, which aims to increase exports to £1 trillion a year by the mid-2030s, if not sooner.

- Trade Statistics Report (+infographic summary)
- Business Trade Survey Results (+infographic summary)
- Contextual Report Trade Challenges and Potential
- Stakeholder Findings and Recommended Further Action

The reports and the dashboard can be accessed via <https://kadaresearch.co.uk/humber-levelling-up/> Building on the four reports, the study concluded with a comprehensive set of recommendations, many of which have been integrated into the rolling export communications strategy and will feed into the overall Export Plan as it continues to evolve.

7.2 Export has been embedded in the HEY LEP's Economic Growth and Workforce Wellbeing strategy, thus aligning international trade with HEY LEP key priority sectors. The evolving export plan will continue to look to align and embed itself within the LEP's wider strategic objectives. The Economic Growth and Workforce Wellbeing Strategy appears to offer many areas where this can be achieved, namely:

- Alignment of export with identified key sectors such as Food production, Agri-tech Digital and Renewables.
- Alignment with HEY Business emerging strategic themes – supporting key sectors to grow through innovation (export)
- Supporting pre-start, micro, SME sector – embedding export into support service provision for these business-types.
- HEY Collaborators – building global networks which can enhance exporting opportunities.
- Humber Freeport

The Export Plan will seek to explore opportunities for engagement with the Humber Freeport and Enterprise Zones (EZ), supporting existing and future export activity. In the HEY region, this would suggest exporting activity aligned with the Low Carbon sector (and supply chain) and also activity preparing for the Rail Manufacturing sector and its future supply chain in the area

A key component of the overall Export Plan is an export communications strategy which addresses all three identified key strands of the export plan - Awareness, Embedment and Engagement.

Whilst Europe has traditionally been the main market for Humber exports, the UK Government is keen for business to engage further in export with those countries where Free Trade Agreements (FTAs) are being established. This could represent good opportunities for SMEs across the HEY LEP region. Emerging markets with export growth potential will, therefore, be of particular interest, especially in certain growth sectors. It may also be the case that new exporters might be more open to trading with new emerging markets than those companies who have worked in traditional European export markets for many years. Europe will, of course, remain a key market for exporters across the region, but the HEY LEP will also look to actively promote new exporting opportunities in emerging global markets.

- 7.3** The DIT National Export Strategy was launched during international trade week in November 2021, the Govt's new export strategy sets out an ambitious plan to raise exports to £1 trillion a year by the mid-2030s, if not before, through the implementation of a 12 point plan: <https://www.gov.uk/government/publications/export-strategy-made-in-the-uk-sold-to-the-world> . The national export strategy gives mention to both LEPs and Growth Hubs, which suggests that both will have a role to play in implementing the national export strategy, as indicated on p14 of the report: ***'The strategy will align with the wider business support offer, including growth hubs, as part of the wider Enterprise Strategy, to be launched in 2022'***

8. Government's Annual LEP Review – All LEPs are reviewed twice per year on a national basis, at the annual and six-month stages by the Department for Levelling Up, Housing and Communities and the Department for Business, Energy and the Industrial Strategy via the Cities and Local Growth Unit.

8.1 The HEY LEP Annual Performance Review is due to take place on Tuesday 25th January where governance and the delivery of programmes will be formally discussed in detail covering the period since the HEY LEP launched in April 2021. Key documents have been prepared by officers with support from the Accountable Body and the Review will focus on both outputs and forward challenges.

8.2 This year the Review moves away from a marking approach to an outcomes-based approach i.e. using terms 'met' and 'concerns identified'. The Review is not a stand-alone mechanism for monitoring the LEP performance but part of the ongoing relationship, feedback, and attendance at board meetings by CLGU colleagues.

8.3 This year to help prepare for the HEY LEP's first annual Review the chairs of the sub-boards have been invited to a pre-meeting to discuss content. The LEP board will receive feedback from the Review once complete.

9. LEP team update – Two key team members have now returned to work which has greatly assisted with the capacity of the small team. Existing vacancies now include the Energy Projects Manager, the Growth Hub Marketing Assistant, the Communications Officer, the LEP Office Manager and the Investment Programme Manager role. As the period of funding for core roles is currently so short, (end March 2022) these roles are now being reviewed in terms of responsibilities, grades and focus and will be published once the outcome of the Review is clear. In addition to LEP Officers, further welcomed support for communications activities is being delivered by HCC colleagues.

9.1 Recruitment to a number of other posts within the Growth Hub team has been ongoing since the last meeting. Due to conditions of external funding all three posts are fixed until 31 March 2022. The Start-Up Advisor for Hull left their post at the end of December to move to another job opportunity. Discussions are ongoing regarding recruitment of their replacement as this is linked to the availability of BEIS Growth Hub funding for 2022/23.

9.2 Made Smarter: Digital Transformation Specialist – we were unable to attract a candidate to the role due to the short-term nature of the post. A number of additional activities have been undertaken by the team to increase uptake of businesses in Hull and East Yorkshire including a Digital Marketing campaign and increased promotion through telephone outreach activities. This has resulted in a marked increase in the level of interest in the Made Smarter programme which is now in line with the business base in the area.

9.3 Filled vacancies include the Workforce Development Business Advisor and the Growth Hub Triage Advisor, the former on a current short-term contract and the latter an internal secondment, both until the end of March funding period. At the time of writing this paper the LEP is looking to use a temporary agency to fill the Office Manager role.

9.4 The wider LEP team continues to be flexible to deal with priority actions and has responded positively to this challenge. However continued uncertainty of Review outcomes is demanding. Further offers of support by board members including the University of Hull and ESB member HETA, for specific pieces of work are greatly appreciated.

10. Financial and Resource Implications

10.1 Business Day - It is proposed that the Growth Hub use their 20/21 multiple funding mechanisms to resource the Business Day Sponsorship of £10k to directly engage with business, this will deliver required outputs as per contract delivery.

10.2 Growth Hub Review - Activities are being delivered by the HEY LEP team with support from Hull City Council. Additional commissioned support is being funded using the existing Growth Hub budget for 2021/22

10.3 The Office Manager temp member of staff will be financed via the role resource so has no impact on the core budget.