

Hull & East Yorkshire LEP

Chief Operating Officer and LEP Team Board Report
Paper E

31st March 2022, Aura Innovation Centre, Bridgehead Business Park, Hessle

1. Summary

1.1 The LEP Team are continuing to deliver on their various responsibilities, highlights from the last two months include the official ministerial launch of the Humber Local Digital Skills Partnership, the development of the new Growing Places Business Support Fund and the extension of the Made Smarter Programme.

2. Recommendations

2.1 The Board to review activity and to continue to support the team

3. Report

3.1 Programmes – Along with the continued monitoring and reporting of programme investments LEP officers have now launched the new Growing Place Business Support Fund which is included in today's board papers.

3.2 The Levelling Up White Paper confirms that the future Shared Prosperity Fund will be managed by local authorities. However, ongoing discussions on potential pipeline activities with both local authorities have continued to ensure a collaborative response when opportunities occur.

4. Growth Hub Update - please note: the Growth Hub reports to the Business Support Board as a standing item

4.1 Business intelligence gathered over recent weeks includes:
Continued labour market issues: the Growth Hub is receiving daily reports of acute labour shortages in the region. Many businesses are finding the recruitment of new staff difficult, and it appears that many businesses are having to increase wages to retain staff.

- Supply chain costs: increased costs of raw materials and components in various supply chains. Reports ascribe to global shortages, Brexit driven import and export cost rises and general economic inflation. SMEs are trying where possible to absorb costs but with economic inflation increasing business overheads this is proving harder to do and therefore costs will be passed onto customers.

- Supply chain timescales: The Growth Hub has been made aware of continued supply chain disruption and the resultant delays at various tiers. Predominantly this is reported as being due to Brexit driven customs changes and the increased amount of time needed for European sourced materials to transit customs through ports and air. However, it appears that some of these delays are starting to ease. The war situation in Ukraine is seen as a potential threat to some supply chains for food, advanced manufacturing and pharmaceutical sectors.
- Customer confidence: Businesses in the leisure, retail and hospitality sector are continuing to face a reduction in consumer demand due to Covid and more recently due to economic inflation and its effect on household finances. Many leisure and hospitality businesses such as public houses and gyms reported their lowest level of January trade since their records began. It is not yet clear whether this suppressed consumer demand is a longer-term issue or a Covid specific issue which will pass.

4.2 The Made Smarter business support programme which is designed to enable manufacturing SMEs to adopt and implement digital technology to improve innovation and productivity has been extended by 3 years to 2025. The Yorkshire and Humber Steering Group has received this verbal confirmation with a formal letter expected in the next few weeks. Deliverables achieved by the Yorkshire pilot to date include 188 manufacturers registered on the programme, with 18 from the HEY region.

4.3 The ongoing Growth Hub review is progressing well, with 617 business surveys completed as well as 22 stakeholders engaged via focus group sessions, giving an overall sample of 730 separate participants in the research phase of the review. A findings summary report has been published, with a final development plan and recommendations paper now due for completion by the end of April.

5. **Events** - The LEP hosted its first ministerial visit on 3rd March 2022, where Minister Chris Philps officially opened the Humber Local Digital Skills Partnership. The event, held in the Guildhall in Hull, was well attended by over 50 invited guests, and included the launch of the Digital Capability Assessment Toolkit, a panel discussion on digital skills and the film of Digital Careers of the Future 2040, produced by the TEC Partnership: <https://youtu.be/pJZLRSkmsPg> Thanks go to Hull City Council colleagues for helping to resource the event and providing additional communications support.

5.1 The Hull and East Yorkshire LEP is shortly coming up to its first anniversary, to help celebrate this first year the LEP is planning several

activities in April, (Appendix 1). This will help promote the work of the LEP and increase recognition of the region's assets and opportunities.

5.2 The plan of activities includes the recruitment to the Innovation and Transformation Board, which will be chaired by Professor Susan Lea, VC of the University of Hull. Expressions of interest will be then assessed by a panel including James Newman, Stephen Parnaby and Susan. It is envisaged that the first meeting of the new board will take place in May.

6. **Foreign Owned Business Update** - The Department for International Trade (DIT) funded Foreign Direct Investment, Key Account Management programme is now well established, supporting 30 foreign owned companies (FOC's) across Hull and East Yorkshire. The Key Account Manager (KAM) liaises directly with the Hull and East Riding Council Inward Investment teams and DIT colleagues from across the Northern Powerhouse to identify potential FOC's and engage them directly through existing relationship or by a direct approach. Engagement meetings take place on a regular basis with business intelligence being shared with both DIT and LEP colleagues.

6.1 The FDI KAM programme has engaged 16 new companies this year and identified five new investment projects as well as verifying that three investment projects have been completed in that period.

6.2 The FDI KAM has a developed a business development pipeline of approximately fifteen companies that could benefit from support from DIT and the LEP and will be working to increase the portfolio of engaged companies throughout the next twelve months.

6.3 The addition of the HEY LEP Workforce Development Business Advisor to the LEP team has reaped benefits already and they are now engaging with six FOC's with the expectation as conversations develop more will be signposted for assistance.

6.4 The KAM is also working closely with the Careers Hub Lead, Export Partnership Manager and the Local Digital Skills Partnership Manager to engage relevant FOC's in their programmes.

7. **HEY Export Plan Update**

7.1 From July 2022, the DIT will bring its international trade service in-house to deliver a more coherent and integrated approach. This transfer includes the role of Export Partnerships Manager (The Export Partnerships Manager role has been seconded to HEY LEP since January 2021, with DIT providing the funding to its delivery partner EGS Ltd under the levelling up programme). It is hoped that the role will continue to be embedded within HEY LEP, since LEPs and Growth Hubs are both seen to have a role to play in implementing the gov't's national export strategy.

7.2 HEY LEP recently joined forces with colleagues from Hull & Humber Chamber of Commerce, Department for International Trade and the logistics sector, in order to present a comprehensive overview of international trade services that are available to SME exporters across Hull and East Yorkshire. The webinar, along with other useful content can now be viewed via the Export Academy On-Demand portal. This event is the first of, hopefully, many collaborations between key export delivery partners and was prompted by KADA export research findings which called for a more unified approach to the promotion and coordination of international trade.

7.3 The DIT Export Academy, which is now joint-branded with HEY LEP has commenced a series of live roadshow events, with one taking place in Hull on 22nd March.

8. HEY Workforce

8.1 One of the activities under Priority 3 of the HEY LEP Economic Growth and Workplace Wellbeing Strategy is to develop a HEY Workforce brand and website

to bring together the various tools and resources available to employers. Funded by the Growth Hub and developed in partnership with the LEP's Employment & Skills Team, progress is underway and the design of the new HEY Workforce branding completed, Bluestorm have been commissioned to develop the website and content has been developed by HCUK as part of the current Skills Support for the Workforce ESF contract. A six-month marketing campaign is planned to promote the new website and resources to during April 2022.

9. LEP Team Update

9.1 Since the last LEP Board meeting, a further resignation has been received and the Office Manager post will become vacant from the end of this month. The post of Service Support Assistant is also likely to become vacant due to a secondment to another area of Hull City Council.

9.2 The Growth Hub has recently recruited to two vacant posts namely an Admin Officer and Events & Marketing Admin Officer, both funded by the Growth Hub's ERDF contracts. The new Admin Officer joined the team on Monday 28th March and the new Events & Marketing Admin Officer is still awaiting a start date, though this is likely to be late April.

9.3 Existing vacancies include the Energy Projects Manager, the Communications Officer, and the Growth Hub Gateway Advisor. As the current period of funding for core roles ends March 2022 these posts will be recruited once the funding outcome is clear.

10. **Financial and Resource Implications**

10.1 The Made Smarter Programme is funded via agreement with Sheffield City Region LEP and BEIS; the formal funding offer for 2022-2025 is awaited.

10.2 The LEP Outturn for 2021-2022 and the proposed budget is on the agenda for discussion today.

10.3 The Growing Places Business Support Fund is also on the agenda for board information.