



Hull and  
East Yorkshire  
Local Enterprise  
Partnership

# HEY LEP Economic Growth & Workforce Wellbeing Strategy 2021-2026 Consultation



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# **Introduction to the Hull and East Yorkshire LEP Economic Growth & Workforce Wellbeing Strategy 2021-26**

## **Introduction from the Chair**

This consultation of the Hull and East Yorkshire (HEY) LEP Economic Growth and Workforce Wellbeing Strategy provides a focussed overview at a regional level of the strategic aims, priorities, objectives, and interventions, which will be required to be actioned from 2021 to 2026 to grow the economy of Hull and East Yorkshire, whilst enhancing the wellbeing of the people in the region. This is underpinned by a detailed evidence base and policy catalogue, which will be expanded upon in the final document, providing additional context and justification for the interventions outlined in this document.

This strategy has been developed to provide, at a regional level, a set of priorities and objectives, which highlight the needs of the private sector in the HEY LEP region, whilst at the same time, aligning with the individual economic strategies of the two regional local authorities. It also provides a regional context for other local and national strategies and investment plans in areas such as business support, skills, wellbeing, infrastructure, innovation and place.

The HEY LEP was launched on 1st April 2021 during a period of unprecedented change at an international, national and local level. The impact of COVID-19 on businesses and the population in conjunction with the UK's exit from the EU, has created a number of unusual challenges to the economic and social future of the region.

There is, however, a real opportunity to build back better from these challenges and to develop an ambitious economic future for this region. Growth can be achieved by supporting our key sectors, encouraging innovation and developing new areas of specialism around the freeports and net zero agendas for the HEY economy. There are significant opportunities for collaboration between the constituent areas within the HEY LEP and further afield into Yorkshire and the north of England to build high quality infrastructure, create attractive locations and to develop a workforce that can benefit from the new industries coming into the region.

The HEY LEP plays a pivotal role in reflecting and delivering on the aspirations of the ambitious and loyal-to-the-region business community and has commenced its activities at a time of significant change, which affords everyone a real opportunity to work together in new ways to maximise the growth and community wellbeing for Hull and East Yorkshire. This strategy sets out the HEY LEP's vision for the region and the key areas of activity it will deliver, together with its many partners, to achieve this vision.

I and my fellow LEP Board members look forward to working with all our private, voluntary, community and education and training sector colleagues, the two regional local authorities and all our valued partners to ensure the success of this strategy over the next five years.

**James Newman OBE**

**Chair, Hull and East Yorkshire LEP**

## **HEY LEP Vision**

The HEY LEP Economic Growth and Workforce Wellbeing Strategy's key aim can be summarised to be

'Leading the UK with a dynamic net-zero economy, Hull and East Yorkshire is a prosperous, productive, and innovative region with opportunities for everyone in our community'.

A full more detailed vision for the region is:

'Leading the UK with a dynamic net-zero economy, Hull and East Yorkshire is a region with prosperous, productive, and innovative businesses, across all communities. Our diverse and resilient economy includes a skilled workforce across all key sectors with opportunities for all. We are home to high-quality services and facilities that meet the needs of our unique urban, coastal and rural geography, while supporting the health and wellbeing of everyone.'

## **HEY LEP Priorities**

In the period to 2026, HEY LEP will work to deliver this vision by focusing its own and its partnership activity on the following priorities:

- **Priority 1 - Ensuring a Productive and Innovative Economy** – Growing the economy for all
- **Priority 2 - Achieving a Clean, Net Zero Growth Economy** – Optimise the growth in clean energy whilst supporting the decarbonisation of our key economic sectors and the community.
- **Priority 3 - Leading on a Skilled and Inclusive Economy** – Ensuring that everyone in the HEY LEP region can contribute and benefit from growth in the economy
- **Priority 4 - Developing Productive and Resilient Locations** – Ensure that the HEY LEP region develops the infrastructure, marketing and place-based interventions to ensure the region is an attractive place to invest, live, study and visit.

The following consultation outlines the activity required to deliver these priorities. Throughout the proposed strategy, four key 'golden threads' act as central pillars, which will underpin the HEY LEP's work in delivering this vision.

These are:

- **Collaboration and Partnership** - Developing joint approaches between the private sector and a range of partners, including central and local government, statutory agencies, health bodies, voluntary and community organisations, rural partnerships, universities, education and training providers, working together to achieve our shared goals.
- **Sustainability** – Driving net zero approaches to delivering economic growth whilst developing positive interrelationships between the natural environment and economic activity.
- **Inclusion** – Ensuring that all residents and workers within the HEY LEP region are able to engage with, contribute to and benefit from economic growth.

- **Innovation and adaptability** – Developing new approaches to maximise opportunities and mitigate risks to the HEY LEP economy, in the context of new working methods and relationships resulting from COVID-19 and the UK Exit from the EU. This approach would build a resilient economy to deal with future challenges and economic shocks.

**Through delivery of this strategy, the ambition is that between 2021-26 HEY LEP region will have:**

- Increased GVA by 10.8%, seeing a full GVA recovery from Covid 19 and a level of GVA higher than 2019 levels. This is an increase of £1.2bn in GVA
- Created 6,500 new jobs in the HEY LEP region
- Increased the total number of Hull and East Yorkshire residents with qualifications at Level 4 or higher by 14,500 bringing the HEY LEP region into line with the current Yorkshire & Humber average
- Supported 9,000 business via Growth Hub activity
- Commenced 3 Flagship Infrastructure Projects
- Expanded the HEY Careers Hub to include all 50 eligible schools and providers
- Made significant progress towards meeting targets to be a net zero carbon industrial cluster by 2040, and significantly lower carbon emissions in the region by 2030.

## **HEY LEP Role**

The role of the HEY LEP in delivering economic growth via this strategy is to:

- **Lead** by providing strategic direction to those involved in growing the HEY LEP economy
- **Influence** decision makers to provide the locations and opportunities required and to take the risks necessary to grow the HEY LEP economy
- **Represent** the needs and aspirations of the business community in developing the economy of the HEY LEP region
- **Support** businesses, residents and the workforce of the HEY LEP region to maximise their economic potential
- **Deliver** projects and programmes to promote economic growth
- **Partner** with and convene all organisations, national or local, who can facilitate delivery of our strategic priorities
- **Promote** the region and its economic benefits to Government, other parts of the UK, the private sector and potential investors into the region.

## **Introducing the Hull and East Yorkshire LEP Region**

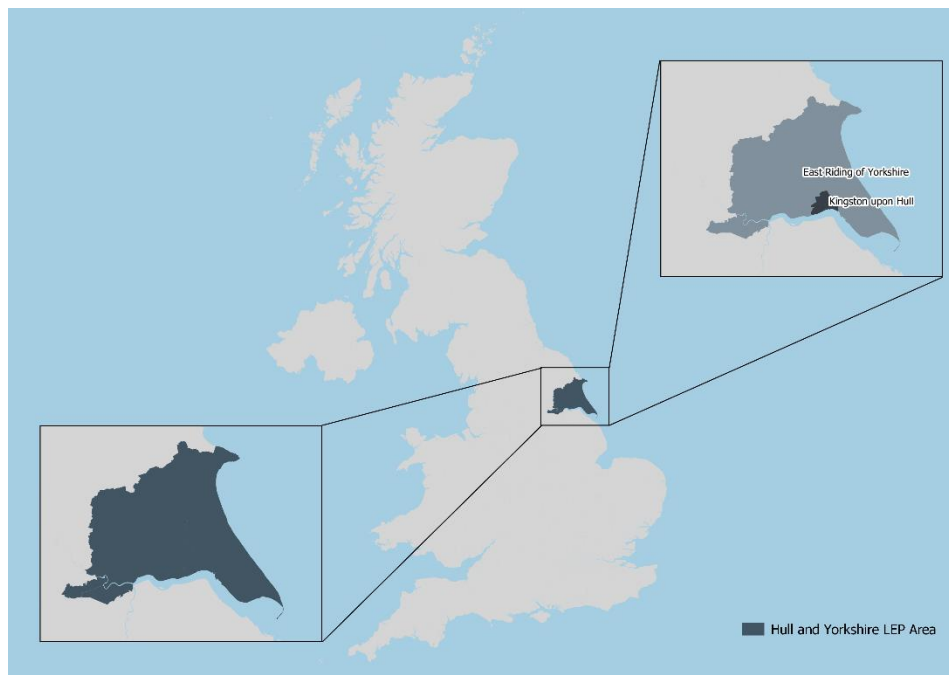
### **The Geographical Context**

The Hull and East Yorkshire (HEY) LEP, established on the 1<sup>st</sup> April 2021, consists of two local authority areas north of the Humber estuary – Kingston Upon Hull and the East Riding of Yorkshire.

The HEY LEP geography covers an area of 247,900 hectares (957 square miles) and a population of 601,000 inhabitants. The geography of the area is shaped by the economy. The region contains the North Bank of the Humber Estuary encompassing the City of Hull and Port of Goole with their associated major transport, industrial and employment land assets. This M62/ A63 corridor has been the primary location for economic growth in the region over the past 20 years.

Traveling north through the HEY LEP region takes you into a rural landscape of fertile arable land in low lying plains and the rolling chalk hills of the Yorkshire Wolds. The HEY LEP area also contains on its eastern boundary an 85km long coastline with significant visitor economy assets.

*Figure 1 – Map of Hull and East Riding LEP area*



### **Economic Context**

The economy of the HEY LEP region is currently at a dynamic point of great challenge and great opportunity. Long term structural weaknesses in the economy have been exacerbated by COVID-19, which has accounted for a 10% loss of GVA in 2020, and the impact of UK leaving the EU on the HEY LEP area with its maritime and trading heritage has yet to be fully quantified. Environmental challenges are becoming more acute due to climate change with the risk of flooding and coastal erosion increasing.

Despite this, great opportunities exist within the HEY LEP's region including absolute and relative sector specialisms that have high-value growth potential; great ability to enhance the region's world leading



reputation as a crucible for clean growth activity and a rapidly growing research and innovation capability in areas such as renewable energy, rail manufacture and agri-tech.

Overall, the HEY LEP region has an annual GVA of £13bn and encompasses 24,240 businesses supporting 261,000 jobs. The HEY LEP Economy represents 10.5% of Yorkshire and the Humber region's GVA and 3.6% of the output for the North of England.

The region is part of one of the UK's most significant industrial clusters and has a number of key industrial sectors which have great potential to drive productivity, innovation and generate higher-skilled employment. These include Low Carbon Technologies; Ports & Logistics; Manufacturing and Engineering; Digital and Creative Industries; Tourism; Medicare & Healthcare and Agri-tech and Food.

Low carbon technologies, ports and logistics and agri-tech are aspects of wider cross boundary sectoral specialisms spreading the region's boundaries, which HEY LEP understands and is keen to support. It should be acknowledged, however, that the individual contributions of the businesses and organisations in the HEY LEP region play a distinctive and unique role in the Energy Estuary, Humber Ports and in the wider agricultural and economic offer.

These sectors outlined above are important, not just locally, but will make a significant contribution to the UK economy as it seeks to Level Up and Build Back Better following COVID-19 and the UK's exit from the EU. Companies in these sectors include significant employers headquartered in the area and global companies in sectors such as chemicals and healthcare. Many have invested heavily in the area in recent years, for example: Siemens Gamesa's £310m investment in its wind turbine blade factory in Hull; Siemens Mobility's recent development of a £200m rail factory and research centre at Goole; Spencer Group's £200m investment in an Advanced Gasification Energy Recovery Facility (Energy Works); £200m investment by Reckitt in its Centre for Scientific Excellence; £50m by Smith and Nephew in its Advanced Wound Management Research Centre; £38m by E-buyer on manufacturing and distribution facilities at Howdendyke; and £34m by Croda in its Hull manufacturing facility and distribution centre at Goole.

Production industries (which comprise the agriculture, energy, mining and manufacturing sectors), which are critical to the UK recovery and export competitiveness account for almost 30% of our GVA. This is the largest share of total output from these industries of any Combined Authority (CA) economy, and 1.6 times the UK average.

Our region also supports a wide range of innovative agricultural, agri-tech food processing and food manufacturing businesses, which are closely linked to the global food system. Agricultural operations range across all sizes, but with almost one third of farms being over 100 hectares. Fisheries operations are small, but collectively provide one of the largest shellfish catches in the UK. The tourism and cultural sectors are similarly diverse and of vital importance to the region. Hull City of Culture added over £22m in GVA to the local economy, building on an existing tourism value of £300m. The digital sector is growing rapidly from a base of smaller companies, exploiting the area's digital capability with a strong cluster in Hull.

These sectors provide employment across our urban, rural and coastal areas, in companies of all sizes. Although this spatial and sectoral diversity is a benefit in terms of resilience, it can also hamper business to business collaboration and knowledge transfer. Despite some excellent examples, such as the Local Food and Rural Tourism Networks, business networks business networks do not fully cover the wider geography and access to specialist skills training can be problematic for smaller and rural businesses. Service and public sectors such as retail, health and social care and education are major employers, and their vitality has a direct impact on the quality and desirability of places and their ability to attract and retain younger and more highly qualified workers.

Hull and East Yorkshire's key sectors punch above their weight across many performance metrics, including their productivity and employment contribution. However, critical challenges remain. Overall productivity in Hull and East Riding of Yorkshire is below the national average, sitting at 85% and 87% of that average respectively, and with respective rankings of 350<sup>th</sup> and 225<sup>th</sup> (out of 379 localities) in the 2019 UK Competitiveness Index.<sup>1</sup> Driving sustainable and inclusive productivity growth is critical to unlocking the area's further potential, and to levelling up earnings for Hull and East Yorkshire, and indeed the North, with the rest of the country.

Pre Covid 19 the HEY LEP region has a stable population and workforce, with an employment rate at 75.2% which was significantly higher than any other Northern Combined Authority area. However, the median annual salary for jobs in our area is amongst the lowest of all Combined Authority areas (comparable to Tees Valley and the North East) and around 87% of the national average. The relative lack of higher paid job opportunities also limits our ability to retain and attract high skilled workers.

The talent supply in the region has a number of challenges. The HEY LEP region has a smaller proportion (32%) of people with degree level or equivalent (NVQ4+) qualifications than England as a whole (40%) and the area has historically suffered from poor levels of graduate retention. The region displays very high levels of workforce self-containment with 87.9% of residents in employment both living and working in the area. This, in combination with a reducing working age population, is constraining the supply of a suitably qualified skilled workforce.

Allied to this the HEY LEP region faces the structural challenges of a persistent low skill, low wage economy in some areas, which is limiting the economic prosperity of our communities. Over a third (36%) of Lower layer Super Output Areas<sup>2</sup> (LSOA) in Hull and East Yorkshire are within the 20% most deprived nationally, and overall qualification levels throughout our area remain below the national average. The region faces particularly high patterns of deprivation and benefits dependency in parts of the city of Hull, in Goole and along our coastline. In Hull, the average healthy life expectancy of its residents is significantly below the current state pension age.<sup>3</sup>

## **Policy Context**

The HEY LEP Economic Growth and Wellbeing Strategy is being developed in a period of dynamic change in national economic policy. The economic impacts of COVID-19, new ways of working following the UK's decision to leave the EU in 2020, and the UK Government's stated desire to see Levelling Up as a priority over the coming years are all driving a new and still emerging policy landscape.

### ***National Economic Growth Strategy including COVID-19 recovery***

In March 2021 the Government published its 'Build Back Better'<sup>4</sup> Strategy which replaces the 2017 Industrial Strategy with an approach that frames policy on promoting economic growth alongside a focus on post pandemic recovery. The Strategy outlines three pillars of investment to act as the foundation on which the government intends to build the economic recovery from COVID-19: high quality infrastructure; skills and innovation.

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<sup>1</sup> UK Competitiveness Index Report 2019

<sup>2</sup> Lower layer Super Output Areas (LSOA) area a geographical area generated by Office for National Statistics to provide a consistent population size across the UK with the purpose of comparing areas.

<sup>3</sup> Office for National Statistics, 2020

<sup>4</sup> Build Back Better: our plan for growth – UK Government 2021



Alongside these three areas of investment, the Build Back Better Strategy states that it intends to alter its approach from previous policy by promoting economic growth activity which:

- unites and ‘levels up’ the country
- drives green growth
- will support a vision for Global Britain post EU exit

### ***Levelling Up***

The Government in its Build Back Better Strategy states that its most important mission is to unite and level up the country, to tackle geographic disparities, to support struggling towns to regenerate and ensure every region and nation of the UK has at least one globally competitive city.

In order to achieve this aspiration, the Government plans to publish the Levelling Up White Paper in the autumn of 2021, laying out new policy interventions which will improve opportunity and boost livelihoods across the UK.

In the meantime, the first round of the £4.8m Levelling Up Fund has been launched which aims to fund infrastructure projects which will improve UK areas economic positions.

### ***Green Growth***

Green Growth, economic and environmental policy are now closely entwined. In 2021 the UK passed into law its Sixth Carbon Budget<sup>5</sup>, committing to reduce carbon emissions by 78% by 2035 compared to 1990 levels and taking the UK more than three-quarters of the way to reaching net zero by 2050. The Environment Bill<sup>6</sup> was reintroduced to Parliament in 2020 and sets out urgent and significant action to support the delivery of the 25 Year Environment Plan.<sup>7</sup> Furthermore, the ten-point plan for a green industrial revolution was launched in November 2020<sup>8</sup> and will mobilise £12 billion of government investment with the ambition to build back better, support green jobs, and accelerate the path to net zero carbon emissions. Priorities within the plan include advancing offshore wind, driving the growth of low carbon hydrogen, accelerating the shift to zero emission vehicles and investing in carbon capture, usage and storage.

### ***Skills for Jobs***

The Government’s Skills for Jobs: Lifelong Learning for Opportunity and Growth published in January 2021, sets out the policy drivers for UK residents to gain “the best chance of success” and ensure everyone can access the skills which will allow them to get good jobs, both now and in the future. The policy includes a Lifetime Skills Guarantee to allow everyone the ability to access education and training during their lifetime.

The policy recognises the role of further education and access to apprenticeships and technical education, giving the same parity as traditional degree and university routes. Measures include reducing the skills gap, improving productivity and international competitiveness<sup>9</sup>.

Skills Accelerator is core part of delivering this vision. It incorporates the Local Skills Improvement Plan trailblazers and the Strategic Development Fund pilots<sup>10</sup>. The Strategic Development Fund will explore how colleges can work together more effectively, alongside employers and other partners, to respond to local

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<sup>5</sup> Sixth Carbon Budget– UK Climate Change Committee 2021

<sup>6</sup> Environment Bill 2020- UK Government 2020

<sup>7</sup> A Green Future: Our 25 Year Plan to Improve the Environment – UK Government 2018

<sup>8</sup> The ten-point plan for a green industrial revolution – UK Government 2020

<sup>9</sup> skills-for-jobs-lifelong-learning-for-opportunity-and-growth

<sup>10</sup> Skills Accelerator: Local Skills Improvement Plan trailblazers and Strategic Development Fund pilots

skills and innovation priorities. Funding will allow colleges to reshape their provision to address local priorities that have been agreed with local employers. In the HEY LEP region the TEC Partnership is the lead partner for this pilot activity.

### ***Plan for Jobs***

Plan for Jobs<sup>11</sup> offers range of government programmes, some of which offer financial incentives, are available for employers who are considering hiring employees, offering work experience or upskilling existing staff. Programmes that have been enhanced or extended<sup>12</sup> include: apprenticeships, traineeships, industry placements (T Levels) Kickstart Scheme, National Careers Service, Sector-based Work Academy Programme, Skills Bootcamps, free level 3 qualifications for eligible adults, Job Entry Targeted Support Scheme (JETS) and helping unemployed people over the age of 50 back into work.

### ***EU Exit***

The EU-UK Trade and Cooperation Agreement (TCA)<sup>13</sup>, concluded in December 2020 by the EU and the UK, defines their relationship in the post-EU and post-transition era. This agreement brings economic, financial and policy implications for Government, business and communities with changes in regulations, policy and future funding. Central to the TCA is agreement to facilitate the zero-tariff and zero quota trade in goods, whilst also providing (albeit reduced) cooperation on energy, transport, fisheries and social security. Issues that will impact upon the performance of the local economy include trade policy, access to funding, regulation, foreign direct investment, labour market and the influence on specific industries.

European Structural and Investment funds were guaranteed by Government for UK organisations to cover the full 2014- 2020 programme period, but some flexibility exists to allow projects to be delivered until 2023. The UK Shared Prosperity Fund (UKSPF) is proposed to replace EU funding and the prospectus is awaited.

Another area where EU Exit has impacted is agriculture. The Agriculture Bill<sup>14</sup> passed into UK law in November 2020 and creates a legislative framework for replacement agricultural support schemes and powers for new agricultural policies and transition measures in England and Wales. This will impact not only on how farmers and landowners work, but also contribute to low carbon aspirations and further drive the skills agenda.

Government announced in 2020 its intention to establish ten freeports across the UK as a mechanism for boosting productivity and ensuring that regions can begin to benefit from opportunities presented by leaving the EU. Following a competitive bidding process an announcement was made in the 2021 Budget that the Humber would be included in this flagship programme to boost trade, investment, regeneration and innovation.

### ***Devolution***

In 2019 the Prime Minister pledged to revive devolution as part of the drive to level up the country, as a result of this announcement Hull City Council and East Riding Council are in the process of developing a compelling proposition to deliver a devolution deal with Government for this area. The aim is to unlock significant additional long-term funding and powers to support sustainable and inclusive economic growth, giving the area greater freedom to decide how best to meet local needs and create new opportunities for people and businesses in the HEY LEP region.

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<sup>11</sup> CP 261 – Plan for Jobs

<sup>12</sup> Plan for Jobs Expansion

<sup>13</sup> EU-UK Trade and Cooperation Agreement (TCA) – European Union and UK Government 2020

<sup>14</sup> Agriculture Act 2020 – UK Government 2020

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### ***Humber Wide and Local Strategy***

Ongoing collaboration at the Humber Level will be vital to drive economic growth in particular areas of strategic priority. As such the Humber Estuary Plan has been developed, which is the responsibility of the Humber Leadership Board (HLB), a joint committee of the four Local authorities in the Humber. The Humber Estuary Plan focuses on four areas; energy and industrial decarbonisation; ports and related sectors; management of the Humber Estuary asset and external investment marketing. The LEPs on both sides of the Humber, the HEY and Greater Lincolnshire LEPs are members of the HLB and provide support for the Estuary Plan delivery.

Both Local authorities in the HEY LEP region have developed robust economic strategies, which seek to offer place-based approaches to developing economic growth. Other strategies, for example the East Riding Rural Partnership Strategy and Visit Hull and East Yorkshire's five-year Tourism Strategy, will add value to the HEY LEP Strategy with many aligned aims. This strategy is designed to add value and complement those already in place, ensuring the private sector can make a significant contribution.

The Hull City Council Economic Strategy 2021-2026 <sup>15</sup> has laid out a vision for economic development in the city based on developing its people, its place and boosting productivity of its businesses.

East Riding of Yorkshire Council's Economic Development Strategy 2018-2022 outlines four key priorities: business growth; lifelong learning; quality locations and sustainable economy. A mid-term review of the strategy was completed in January 2021<sup>16</sup> which maintains these priorities for the remaining lifetime of the strategy.

### **Horizon Scanning**

Although this strategy is designed to be in place until 2026 an important role for the HEY LEP is to be aware of long-term trends and to work with local businesses to exploit opportunities and mitigate risks, finding new ways of using the assets and capabilities in the region to drive the economy. The pace of technological, environmental and social change is unparalleled and these impact upon the economic planning required for the region. Other factors such as governance changes due to devolution may also influence strategy delivery.

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<sup>15</sup> Hull Economic Strategy, Hull City Council, 2021

<sup>16</sup> East Riding Economic Strategy 2018-22 (2020 review), East Riding of Yorkshire Council, 2020

## HEY LEP STRATEGIC PLAN 2021-2026

### OUR PRIORITIES:

#### Priority 1 – Productive and Innovative Economy

**Aim:** To stimulate business growth, increase productivity and employment by developing the conditions in the HEY LEP area for business to start up, innovate, invest and trade



#### Key Objectives -

- Support Key Sector Growth
- Drive Innovation in the HEY LEP Region
- Boost Trade and Investment
- Support Pre-Start / Micro / SME businesses and drive entrepreneurial culture

#### Priority 2 – Clean Growth Economy

**Aim:** To maximise opportunities to drive economic growth in green industries whilst meeting targets. To be a net zero carbon industrial cluster by 2040, and significantly lower carbon by 2030



#### Key Objectives -

- Optimise clean energy generation
- Drive industrial decarbonisation
- Promote resource efficient businesses

#### Priority 3 – Skilled and Inclusive Economy

**Aim:** To lead the transformation of the HEY LEP regional skills profile, to deliver a highly skilled, healthy and productive workforce, reducing inequality and increasing life chances for our communities



#### Key Objectives -

- Driving higher level skills
- Upskilling and reskilling the workforce
- Maximising progressions to HE
- Embedding Digital Skills
- Delivering a green recovery through skills development
- Retaining and attracting young people
- Supporting labour market participation
- Matching out of work people with sectors with labour need
- Economic inclusion
- A healthy workforce

#### Priority 4 – Competitive and Resilient Locations

**Aim:** To enhance the regions' infrastructure and natural assets to maximise contribution to the HEY LEP economy and generate competitive locations to invest, live and visit



#### Key Objectives -

- Enhance transport infrastructure & services
- Maximise digital infrastructure
- Promote Flood resilience
- Delivery quality employment sites
- Provide an attractive Housing Offer
- Maximise use of Natural Capital
- Promote our locations

## **Priority 1 – A Productive and Innovative Economy**

### **Aim:**

To stimulate business growth, increase productivity and employment by developing the ideal conditions in the region for business to start up, innovate, invest, grow and trade.

In order to achieve this aim, HEY LEP will work with partners to develop actions to deliver our key objectives:

- Support Key Sector Growth
- Boost Trade and Investment
- Support Pre-Start/ Micro / SME businesses and driving entrepreneurial culture

### **Support Key Sector Growth**

The business base in the HEY LEP area is diverse, however the geographical and economic assets of the area covered by the HEY LEP provide locational advantages which drives certain types of business to be located in Hull and East Yorkshire and sector specialisms occur as a result. The evidence base developed to support this strategy suggests our economy has seven key sectors which can be separated into three types and require specific types of activity to support and grow. It is these seven sectors which HEY LEP will look to support during the period of this strategy.

<b>High Productivity and absolute advantage sectors</b>	<b>High employment sectors with competitive advantage sectors</b>	<b>Emerging Innovation and growth potential sectors</b>
Sectoral characteristics: Productivity on par or above national averages, significant levels of employment, scope for further growth	Sectoral characteristics: Deep rooted sectors in the region with large amounts of local employment; scope for further growth	Sectoral characteristics: New and fast-growing sectors locally, scope for further growth
Activity Required: Strengthening advantage and growing these highly productive sectors	Activity required: Raising productivity and resilience	Activity required: Nurture and grow employment and innovation
1. Ports & Logistics  2. Engineering and Manufacturing and Assembly  3. Agriculture, food manufacture and Agri-Tech  4. Construction	5. Health Technologies, Pharmaceuticals and Health and Social Care  6. Tourism & Culture	7. Digital  8. Low Carbon Technologies

The LEP will use its existing relationships with schools and the skills provider community to ensure young people are aware of and connected with the sector opportunities for good jobs and career progression. This includes driving aspiration to maximise young people's ability via the HEY Careers Hub, working with the Careers and Enterprise Company, both local authorities and employers in partnership to support HEY schools

### ***Key HEY LEP Activities to Support Growth in Ports & Logistics***

- Working in partnership to deliver a cross-estuary, multi-site Humber Freeport, which is focussed upon facilitating trade, driving innovation, boosting skills and supporting contributing to growth in other key sectors by providing high quality land and incentive packages
- Working with industrial decarbonisation partners and innovation leads to support decarbonisation of maritime activity in the HEY LEP area
- Working in partnership with Transport for the North and NP11<sup>17</sup> LEPs to explore options for improved trans-Pennine freight links, particularly by rail and water, and supporting more of the UK's future international trade through the Northern Powerhouse ports.

### ***Key HEY LEP Activities to Support Growth in Engineering and Manufacturing and Assembly***

- Working in partnership with industry and academic partners to maximise the opportunity presented by the development of the Siemens Mobility rail manufacturing facility, seeking to establish the HEY LEP region as a key location for rail sector innovation and supply chain growth.
- Develop a defined business support offer to allow companies in this sector to open new markets and test new products.
- Expand supply chain development support being provided through the HEY Business Growth Hub<sup>18</sup> and Supply Chain Network, supporting more engineering and assembly SMEs to enter new supply chains. As part of this, the HEY LEP will seek to spread good practice on energy and resource efficiency in manufacturing processes and product design.

### ***Key HEY LEP Activities to Support Growth in Agriculture, Food Manufacture and Agri-Tech:***

- Work in partnership with neighbouring York, North Yorkshire & East Riding LEP and Greater Lincolnshire LEP to further expand the food sector and enhance its productivity across the three LEP areas.
- Work with a range of partners to develop approaches to tackle skills and labour shortages in this sector.
- Integrate the food sector into the HEY LEP's Export Plan for the region to support food manufacturers entering new foreign markets and provide support from the Growth Hub to help food manufacturers access new domestic markets.

<sup>17</sup> The NP11 is the business-led voice for the North that brings together the 11 Local Enterprise Partnerships (LEPs) from across the North of England

<sup>18</sup> [www.heygrowthhub.com](http://www.heygrowthhub.com)



### ***Key HEY LEP Activities to Support Growth in the Construction Sector***

- Work with education and training providers to ensure suitable curriculum pathways are available to meet local skills requirements in the construction sector and future skills to drive low carbon construction in the region.

### ***Key HEY LEP Activities to Support Growth in the digital sector***

- Support, promote and nurture the growing digital sector in the region through the HEY LEP Growth Hub.
- Develop approaches to ensuring digital skills are embedded in the workforce of the HEY LEP area.
- Through the Growth Hub support businesses, especially Micro/ SMEs to understand and exploit the opportunities presented by the growing strength of the digital sector in our region, adopting new technologies to improve productivity.
- Maximise the digital opportunities by using the Humber Local Digital Skills Partnership to drive confidence, competence and innovation with the private sector.<sup>19</sup>

### ***Key HEY LEP Activities to Support Growth in Health Technologies, Pharmaceuticals and Healthcare***

- Further development of skills and education programmes for health technology and pharmaceutical sub sectors to provide the higher-level skills required to drive R&D and product development.
- To actively support the co-creation of bespoke skills and workforce attraction programmes for the Health and Social Care sector, working with provider and employer partners.
- Promote the HEY region as a destination for progressive careers, good lifestyles and high-quality education to attract new workers to the area.

### ***Key HEY LEP Activities to Support Growth in Tourism and Culture***

- Provide support from the HEY LEP Growth Hub to assist businesses as they recover from COVID-19 and seek to capitalise on opportunities from increased domestic tourism.
- Support collaboration between tourism businesses to enable local packaged experiences such as stay and dine etc.
- Build on the success of Hull City of Culture to maximise local talent and nurture new and developing culture organisations to ensure the cultural profile of the region remains high.
- Work with rural representative groups, including the East Riding Rural Partnership, to develop the rural visitor economy, building upon the opportunity of the Yorkshire Wolds being designated an Area of Outstanding Natural Beauty.

<sup>19</sup> [www.humberlep.org/humber-digital-skills-partnership/](http://www.humberlep.org/humber-digital-skills-partnership/)

As noted in Priority 2, creating a clean net zero growth economy for the HEY LEP Region is the most significant challenge and provides the greatest opportunity for economy of the region.

As such the full overview of the sector, potential for growth and priority activities are outlined in its own Priority in the strategy Priority 2 – Clean Energy Economy.

### **Driving Innovation in the HEY LEP Region**

Innovation is vitally important in driving greater productivity of our HEY LEP economy. It is the engine to drive transformational change within the businesses in the region, developing new products, processes and services and finding or establishing new markets for these innovations.

#### ***Key HEY LEP Activities to Drive Innovation***

- Work in partnership with the private sector, the University of Hull, post 16 education and training providers and other organisations to raise the profile of the region as a hub for innovation, with the aim of supporting recruitment and attracting further investment.
- Develop opportunities for R&D-intensive businesses, innovation professionals, researchers and academics to increase collaboration, knowledge transfer and develop closer relationships, through a partnership between HEY LEP, the University of Hull and post-16 providers.
- Raise awareness of publicly funded support programmes and innovation organisations, including Innovate UK and the Catapults network, through the HEY LEPs work in export, investment, and the Growth Hub.
- Develop the region's capacity in innovation and knowledge transfer, bringing together private and public sector partners to create new products and services, for example via the Humber Freeport, Growth Hub, Humber Industrial Cluster Plan etc.

### **Boost Trade and Investment**

The HEY LEP region has a key role in promoting the Government's Global Britain aspiration outlined in the Build Back Better Strategy<sup>20</sup>. The Ports offer in the HEY LEP is significantly important not only to the economic fortunes of this region but also the whole NP11 area, providing access to markets and supply chains. The location of these ports provides opportunities for local businesses to boost their export activity, and the employment sites which run along the north bank of the Humber have an enviable recent record in attracting inward investment to UK plc contributing to the government's Levelling Up agenda

#### ***Key HEY LEP Activities to Boost Trade and Investment***

- Work with the Department of International Trade and local partners to build awareness of HEY LEP's industrial assets to stimulate foreign direct investment and utilise trade networks to increase visibility and awareness of the area and its assets.
- Work in partnership to secure new investment on the Freeport sites.
- Attract key operators within the supply chain of growth sectors to the area to embed those sectors (Rail Manufacturing, Low Carbon, Agri-Tech)

<sup>20</sup> Build Back Better: our plan for growth – UK Government 2021

- Deliver and implement HEY Export Plan to provide a co-ordinated approach to export support and improve awareness of exporting opportunities to increase the number of SMEs exporting

### **Support Pre-Start/ Micro/ SME Businesses and Drive Entrepreneurial Culture**

The Hull and East Yorkshire economy is characterised by its high prevalence of SME businesses within the business base, and indeed, micro/small businesses account for 97% of all private sector enterprises in the region employing less than 49 employees. Therefore, a detailed appreciation of the barriers to growth and development of these businesses, and an identification of the requisite business support interventions, will be critical in ensuring that the HEY region's business base thrives. This will result in the creation of new and good quality jobs, new product and service development, facilitated access to new markets, and help tackle the productivity challenge in the region.

To drive an entrepreneurial culture in the HEY region, we need to understand the current motivations and desires of our small and potential business base and identify the barriers to successfully starting up and growing a new organisation. The LEPs have made considerable impact on business support over the past nine years and using this intelligence business support packages can be further developed to directly assist businesses at different stages of their life cycle: from pre-start, to start-up, to establishment, to growth, and scale-up, as each stage requires different types of intervention to enable growth and development.

#### ***Key HEY LEP Activities to Support Pre-Start/ Micro/ SME businesses and driving entrepreneurial culture***

- Extend the HEY Business Growth Hub as the coordinator of HEY business support and the central access point for free and impartial business support in the region, working in close partnership with the two local authorities and other business support organisations. To achieve this the Growth Hub client journey will be redesigned to provide the highest quality business support to pre-start individuals and businesses, regardless of their size, sector, or maturity.
- To develop the business support architecture with partners in the HEY LEP area which provides support to pre-start, start up and early start businesses and helps to achieve the objectives of the LEP economic strategy. This must take into consideration the end of ESIF funds and the range of business support projects that they currently fund in the HEY region, maximising opportunities via the Levelling Up funds such as the UK Shared Prosperity Fund
- Increase the number of business births in the region by cultivating a strong culture of entrepreneurship across the region and work with under-represented groups such as women, young people, and ethnic minorities to encourage more business starts from these demographics. Provide support intervention that give these groups the confidence to consider and pursue business start-up
- Via the refreshed Growth Hub, establish stronger connections and collaborative partnerships between established businesses and pre-start individuals & start-ups (i.e. mentoring). Improve communication and awareness of sector and supply chain opportunities with pre-start entrepreneurs to incubate high-growth potential start-ups in HEY priority sectors
- Work with regional SMEs to resolve the productivity challenge through leadership & management development, digital tech adoption, and workforce upskilling
- Develop Growth Hub led approaches to ensure that 'Scale Up' and high growth firms are given targeted and intensive support to fulfil their ambitions. Targeting support to/ for these firms

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generates disproportionately larger economic outcomes such as job creation, new product & service development, productivity improvements, and supply chain development

## **Priority 2 – A Clean Net Zero Growth Economy**

### **Aim:**

To maximise opportunities to drive economic growth in green industries whilst meeting ambitious targets to be a net zero carbon industrial cluster by 2040 and achieve significantly lower carbon outputs by 2030.

In order to achieve this aim HEY LEP will work with partners to develop actions to deliver our key objectives:

- Optimise clean energy generation
- Drive industrial decarbonisation
- Promote resource efficient business

### **Optimise Clean Energy Generation**

Creating a clean net zero growth economy for the HEY LEP region is the most significant challenge and provides the greatest opportunity for economy of the region. The UK is committed to the transition to clean sources of energy, with private sector investment and government policy accelerating the pace of change. The wider Humber area has already played a leading role in this clean energy transition and is well placed to build on this reputation as a globally significant hub. The Humber Estuary Plan<sup>21</sup> clearly communicates the need to progress the clean energy agenda, in partnership, at a Humber scale to be able to fully reflect the strategic importance of the regional offer to the decarbonisation agenda and communicate the breadth of opportunity to potential investors in the region. The HEY LEP will play a full role to support the development of this activity to create sustainable new jobs, boost skills levels and generate new business opportunities throughout the energy system.

### ***Key HEY LEP Activities to Optimise Clean Energy Generation***

- Support the Humber Leadership Board in delivery of the Humber Estuary Plan aspiration for clean energy generation to ensure opportunities in clean energy are maximised across the Humber.
- Work with industry to identify and capture opportunities for local energy developments which build on the business expertise and natural assets of the area to decarbonise England's energy system.
- Ensure business and innovation support (including via Growth Hubs), careers advice (via Careers Hubs and the National Careers Service) and education and training provision is responsive to these opportunities.
- Developing sector led skills packages to provide the future skills required for the sector.
- Ensure the opportunities arising as a result of clean growth impact positively on HEY LEP communities, including those furthest away from the labour market.

<sup>21</sup> Humber Estuary Plan – Humber Leadership Board, 2020

- Develop a shared proposition for further inward investment from energy sector and consider how this will be marketed
- Help to accelerate the delivery of local energy projects and interventions, working in partnership and through the North East and Yorkshire (NEY) Energy Hub<sup>22</sup>

## **Drive Industrial Decarbonisation**

Government and local leaders agree that the region needs to be ambitious in reducing its net CO<sub>2</sub> emissions to enable the UK to meet its climate change obligations. The Humber Clean Growth White Paper<sup>23</sup> notes that the Humber could make a greater direct contribution to reducing UK emissions than any other place, but also acknowledges that there is not one solution or organisation that can achieve this on its own. Therefore, the HEY LEP will play a proactive part in developing a Humber wide approach to decarbonisation.

### ***Key HEY LEP Activities to Drive Industrial Decarbonisation***

- Support the Humber Leadership Board in the delivery of the Humber Estuary Plan for decarbonisation in order to ensure opportunities in clean energy are maximised across the Humber
- Deliver Phase 2 of the Humber Industrial Cluster Plan<sup>24</sup> in partnership with CATCH and 8 Industrial partners. Ensure that the HICP is adopted and promoted by the local Leaders as an implementation tool and work with key stakeholders to:
  - Decarbonise the industrial cluster, achieving significant decarbonisation by 2030 and net zero by 2040
  - Realise opportunities for clean economic growth in the HEY LEP area (e.g. offshore wind, clean maritime and hydrogen technologies)
  - Realise opportunities to provide cross-economy decarbonisation of transport and gas supply
- Work through the North East and Yorkshire (NEY) Energy Hub to support local decarbonisation pathways in areas such as transport, circular economy utilisation of industrial waste streams, housing and school retrofit.
- Supporting businesses to understand their carbon impact and identify opportunities to reduce emissions and contribute to net zero
- Provide support to the Local authorities in the development and delivery of their decarbonisation pathways, with particular emphasis on adding value through intelligence gathering and capacity support via the NEY Energy Hub partnership. This includes facilitating the development and acceleration of a pipeline of local energy projects in consultation with Local Authority leads.
- Driving reductions in greenhouse gas emissions and associated pollutants to provide health benefits to the local population, as well as supporting activities relating to carbon sequestration through the natural environment

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<sup>22</sup> [www.neyenergyhub.com](http://www.neyenergyhub.com)

<sup>23</sup> Humber Clean Growth White Paper 2019

<sup>24</sup> [www.humberindustrialclusterplan.co.uk](http://www.humberindustrialclusterplan.co.uk)



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## **Promote Resource Efficient Businesses**

Whilst some Micro and SME businesses in the Humber are actively engaging in ways to increase their energy and resource efficiency, many are not. In order to develop a clean net zero growth economy, we need all parties to be engaged and taking positive action. There are good local examples, such as the Hull Business Energy Efficiency Scheme and Beverley Energy Network, but more is required.

The rapid growth of businesses and jobs in low carbon technology provides opportunities for cross business mentoring and sharing of best practise which can be facilitated via the HEY LEP Growth Hub, using its specialist team of business advisors to provide advice and support.

### ***Key HEY LEP Activities to Promote Resource Efficient Business***

- Work with businesses to adopt practices which reduce Greenhouse Gas (GHG) emissions and increase energy and resource efficiency whilst facilitating the net zero agenda in a way that promotes green growth opportunities, for example switching to lower carbon energy sources, more efficient equipment and machinery etc.
- Provide specialist support through the HEY LEP Growth Hub to assist Micro and SME business to decarbonise their businesses.
- Promote the development of a circular economy within the HEY LEP region, engaging local business to explore local opportunities to reduce waste.
- Work with education and training providers to ensure suitable curriculum pathways are available drive resource efficiency within all business types.

## **Priority 3 – A Skilled and Inclusive Economy**

### **Aim:**

To lead the transformation of the HEY LEP area skills profile, to deliver a highly skilled, healthy and productive workforce, reducing inequality and increasing life chances for our communities.

To achieve this aim HEY LEP will work with partners to develop actions to deliver our key objectives:

- Driving higher level skills
- Upskilling and reskilling the workforce
- Embedding digital skills
- Delivering a green recovery through skills development
- Retaining and attracting young people
- Supporting labour market participation
- Matching out of work people with sectors with labour need
- Economic inclusion
- A healthy workforce

### **Driving Higher Level Skills**

There is a need to increase the proportion of the Hull and East Riding population with Level 4 and above qualifications. Currently only 33% of Hull & East Riding residents hold a qualification at Level 4 and above compared with 43% nationally<sup>25</sup>. The proportion is particularly low in Hull at 23%. Working Futures data predicts that 46% of jobs in the wider Humber region will require Level 4 and higher qualifications by 2030. This indicates a mismatch between the current qualification profile and future demands.

Interventions are required to help close the higher-level skills gap and retain and attract highly skilled talent. In addition, employers need to be supported to identify their skill needs and invest time and money to yield returns.

### ***Key HEY LEP activities to drive higher level skills:***

- Collaborate with stakeholders to support education progression pathways into areas such as degree level apprenticeships, T-Levels, higher level professional skills
- Maximise use of funding such as Advanced Learner Loans
- Work with employers and education and training providers to increase the number of residents with degree-level qualifications
- Support more residents to progress to higher and technical level apprenticeships and degrees, particularly in high growth sectors
- Support diversity of choice for students such as the University Technical College, progression to the Institute of Technology, post 16 education and training providers and the University of Hull

<sup>25</sup> Labour Market Profile - Nomis - Official Labour Market Statistics

## **Upskilling and Reskilling the Workforce**

A quarter of all vacancies posted in the wider Humber region are skill shortage vacancies (compared to 22% in England)<sup>26</sup>. Skills shortages are exacerbated by rapidly growing and evolving sectors such as Green Technology, Manufacturing and Engineering. Over half of the Humber's employers have trained at least 80% of their staff over the last 12 months, with over two-thirds of employees in the Humber having received between one and six training days over the last 12 months. However, the number of employees in the Humber receiving 7 or more training days is lower than the national average. Re-skilling the existing workforce, particularly those who have been displaced from other occupations, industries and sectors is a mutually beneficial action providing a partial solution to resolving skills shortages and ensuring residents can continue in employment.

### ***Key HEY LEP activities to upskill and reskill the workforce:***

- Develop strategies and interventions to support displaced workers such as those unemployed, or at risk of redundancy
- Work with stakeholders on initiatives which actively facilitate the movement of displaced or unemployed workers into occupations with identified skills gaps or shortages
- Promote apprenticeships as a vehicle to upskill and a route to alternative careers
- Capitalise on existing programmes and emerging funding opportunities e.g. National Skills Fund to support people to train, retrain and upskill throughout their lives in response to changing skills needs and employment patterns

## **Embedding Digital Skills**

Hull & East Yorkshire needs to further embed digital skills in all subjects and at all levels.

There is also a need for basic digital upskilling across all sectors to meet employer needs. Basic digital skills are essential and advanced skills are required to facilitate adoption of new technologies. Digital skills provision therefore needs to respond to these requirements and continually adapt to technological change.

COVID-19 has increased demand for digital training, there has been an overall greater adoption of digital technology and business confidence in digital technology has increased. COVID-19 has also highlighted digital poverty which limited access to learning and basic services. Whilst the DfE's digital device scheme provided much needed help to pupils, students and families to access remote education, disadvantaged groups and communities still require support.

The increasing level of technological advancements taking place in the production processes are making methods of production more capital-intensive and shifting the types of skills demanded by employers. Jobs at high risk of automation and digitalisation nationally include 56% in transportation and storage, 46% in Manufacturing and 44% in wholesale and retail<sup>27</sup>.

<sup>26</sup> NB: Some of the data provided in this section from the Hull & East Yorkshire Local Skills Report is at the Humber level only

<sup>27</sup> Hull & East Yorkshire Local Skills Report Annexes – Core Indicators and Additional Data (heylep.com) B.144

***Key HEY LEP activities to embed digital skills:***

- Develop a digital strategy for the HEY LEP region
- Work with partners and the Humber Local Digital Skills Partnership to raise digital skills levels across the region and raise the ambition of employers, employees and residents
- Collaborate with education, learning and skills providers to enhance the existing digital curriculum, embed digital skills throughout the wider curriculum at all levels and develop new content with support from the Humber Local Digital Skills Partnership
- Work with partners, government and the Local Digital Skills Partnership to address digital poverty and mitigate against economic and social inclusion impacts of lack of access to digital infrastructure, hardware and digital skills
- Support businesses to adopt digital technologies and invest in upskilling employees to maximise efficiency and productivity

**Delivering a 'Green Recovery' through Skills Development**

Hull & East Yorkshire needs additional capacity to realise the potential of the Green Economy.

A key driver in achieving this is to make sure that skills and employability providers understanding future skills demand associated with the Green Economy and ensuring they have the capacity and provision in place to meet this demand.

The Humber has an ageing industrial workforce in renewable technology, green energy and the Chemicals Sector placing an emphasis on succession planning. Specific skills gaps include welding and electrical and instrumentation technicians. Apprentice numbers have reduced partly because some contractors find it difficult to take on apprentices due to lack of guaranteed work. In addition, smaller SMEs report difficulties in accessing the traditional apprenticeship levy scheme.

Hull & East Yorkshire education, learning and skills providers need to collaboratively plan future provision around major investments and identified growth in the Green Economy. Further investment in capital infrastructure to support growth in new and emerging technologies is also required.

***Key HEY LEP activities to deliver a green recovery through skills development:***

- Ensure appropriate investment in skills provision is confirmed to drive growth in the Green Economy
- Support the development and delivery of the Humber Freeport and Humber Industrial Cluster Plan
- Develop the HEY Employment and Skills Strategy to support the improvement and growth of the Offshore Wind Sector and the needs of the growing biomass, biofuels, and low carbon hydrogen sectors
- Identify the skills needed to support delivery of the local energy strategies e.g. housing retrofit, installing heat networks and EV charging infrastructure roll-out
- Offer decarbonisation and energy efficiency support to businesses through the LEP Growth Hub, advising businesses on how to access the skills they need
- For the Humber Industrial Cluster Plan and the Humber Freeport and HEY LEP will work with Greater Lincolnshire LEP, Local authorities, employers and stakeholders to identify the gaps in skills required to deliver necessary interventions and the strategic steps needed to close these in the wider region

## **Retaining and Attracting Young People**

Hull and East Yorkshire needs to inspire young people to progress their careers within the region to fuel economic growth.

Education, learning and skills providers and employers need work together to drive young people's aspirations and convey the breadth of career opportunities available to young people to attract and retain talent. Employers also need to be supported to provide work placements, work in partnership with schools and contribute to careers related activity.

Investing in the current workforce and attracting talent to Hull & East Yorkshire is essential to ensure the region has a skilled labour supply to fuel growth. Historic population growth over the past two decades has been slow in the region, at 6% compared to 15% nationally and the working age population is shrinking and is expected to account for 58% of the current population by 2030. This represents a constraint on labour supply as the local workforce continues to decline, and a shrinking pool of labour for employers to draw on. The ageing of the population is also contributing to increased demand for skills such as within the Health and Social Care Sectors. There is a need to continue to effectively communicate local career opportunities to young people (19-24) to attract them to stay and work in HEY after the completion of education and training. There is a further need to widely promote the lifelong learning opportunities available.

### ***Key HEY LEP activities to retain and attract young people:***

- Improve Careers, Education, Information, Advice and Guidance (CEIAG) ensuring parents & carers, teachers and professionals understand the range of education, training and employment opportunities available in Hull and East Yorkshire and the career pathways associated with them
- Increase collaboration and partnership working with schools and post-16 education learning and skills providers to develop a talent pipeline which facilitates economic growth
- Ensure clear education and progression routes to support pathways into priority sectors by working with schools and employers through the HEY LEP Careers Hub and with adult careers services
- Maximise and build upon existing programmes such as Kickstart and support mechanisms such as Employment Hubs
- Work with local employers to facilitate graduate progression into higher level jobs including the use of graduate internships e.g. via the Humber Internship Programme

## **Supporting Labour Market Participation**

There are high levels of deprivation in the HEY region, particularly concentrated in Hull. Overall, 22% of neighbourhoods in Hull and East Yorkshire fall into the 10% most deprived neighbourhoods nationally in the education, skills, and training domain<sup>28</sup>. In some areas, the region continues to have high levels of intergenerational worklessness and lack of aspiration and in others, low paid work leading to reliance on in-work benefits.

Barriers preventing learners and employers from investing in training include lack of funds, lack of time to organise training, and availability of staff time.

Learning and skills providers, the voluntary and community sector and employers need to work collaboratively to develop a holistic partnership approach to match need to opportunity and maximise these opportunities for local people to benefit from economic growth.

<sup>28</sup> [Hull-East-Yorkshire-Local-Skills-Report-Annexes-Core-Indicators-and-Additional-Data.pdf \(Annex A, A.52\)](#)

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***Key HEY LEP activities to support labour market participation:***

- Advocate for, and support employers to create inclusive employment opportunities, improving outcomes for members of the community experiencing barriers to employment
- Make specific provision for disadvantaged people and those with special educational needs
- Support NEET<sup>29</sup> young people in Hull and East Yorkshire to participate in the labour market
- Work with partners and stakeholders to boost the employability and skills of unemployed and economically inactive residents and support their journey into the workplace
- Channel the 50+ ESF provision to ensure that current and future employer practices and skills support are adequate in helping over 50s stay in work and progress
- Support and maximise existing mechanisms such as the youth and employment hubs
- Encourage and support entrepreneurship activity to promote business ownership and self-employment as viable options for people of all ages
- Deliver the outcomes of the HEY LEP Careers Hub, raising young people's aspirations and awareness of key employment sectors and occupations
- Ensure the opportunities arising as a result of clean growth impact positively on HEY LEP communities, including those furthest away from the labour market

**Matching Out-of-work People with Sectors with Labour Demand**

The LEP is committed to supporting residents of Hull and East Yorkshire secure good employment and realise their career aspirations. Helping people into sectors and occupations where there are skill shortages benefits employers by securing the talent they need to maximise productivity.

***Key HEY LEP activities to match out-of-work people with sectors with labour demand:***

- The LEP will work with Jobcentre Plus and voluntary and community organisations to link people looking for work with those opportunities. Further use of mechanisms developed in partnership with the LEP and the National Careers Service such as the Humber Jobs Fuse can help match talent seekers with the right people
- Ensure that labour market information and careers support is accessible to those of all ages seeking work
- Work with partners to maximise skills funding opportunities e.g. Skills Bootcamps<sup>30</sup>
- Maximise existing programmes and services that provide wrap around support for these residents

**Economic Inclusion**

While there are a range of learning courses and employment support schemes available across Hull and East Yorkshire, there are also many barriers to accessing these services. At the local level there are concentrations of deprivation across the HEY geography. 22% of all neighbourhoods within the HEY geography fall into the top 10% most deprived nationally for the education, skills and training category. Most of these are in Hull.

The rural nature of the East Riding makes it susceptible to changes in migrant labour. Agricultural labourers are not included as a category in the proposed UK-wide shortage occupation list released by the Migration

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<sup>29</sup> Not in Employment, Education or Training

<sup>30</sup> National Skills Fund



Advisory Committee in March 2020<sup>31</sup> meaning it will be more difficult to bring in seasonal labour from outside the UK. The rural geography of much of the East Riding means that physical access to skills providers by public transport can be a barrier. Digital access, especially wi-fi connectivity can be a large-scale issue across the region, creating further barriers to learning.

A core ambition of the HEY LEP is that all local people can secure good quality, meaningful and well-paid employment regardless of their socio-economic background or whether they have special educational needs or disabilities.

***Key HEY LEP activities to promote economic inclusion:***

- Stimulate demand and build capacity for vocational and work-based learning opportunities including apprenticeships, traineeships and T-Levels
- Work with post-16 education and training providers, utilising the Adult Skills budget to provide pre-apprenticeships and functional skills for those who have been distanced from employment or training
- Support employers to adopt inclusive approaches to recruitment including supported internships and adopting quality standards such as Mindful Employer and Disability Confident
- Engage fully with further and higher education institutions' widening participation agendas
- Work with HE providers to ensure equality of access for all communities
- Maximise social value opportunities for the benefit of Hull and East Yorkshire residents by creating jobs, and opportunities such as apprenticeships, traineeships
- Consider access arrangements to reduce barriers to participation

**A Healthy Workforce**

The economic cost of ill health on the UK's economy is estimated at £100 billion each year<sup>32</sup>. Public Health England have estimated that the cost for the HEY region is around £872 million per annum, (note this does not take account of any health inequalities across the HEY region that may make the working population more vulnerable to poor health).

Employers have a pivotal role to play in creating healthy and inclusive workplaces, but often lack the time, resources or expertise to take the right steps especially among SMEs which make up the majority of the Hull and East Yorkshire employer base.

The region needs more employers to adopt good work policies and practises that support employee health and wellbeing in its widest sense. HEY LEP will facilitate this by bringing together the various tools and resources already made available via government and relevant professional bodies.

The HEY LEP acknowledges the impressive work already taking place by Local authorities, Public Health Bodies and other partners around health and wellbeing in its broadest sense. The LEP will support and promote this through its own strategies and programmes of work. This element of the strategy is about how the LEP will work with employers to improve workplace wellbeing.

<sup>31</sup> Review of the shortage occupation list: 2020 - GOV.UK ([www.gov.uk](http://www.gov.uk))

<sup>32</sup> Work-health-and-disability-green-paper-data-pack

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***Key HEY LEP activities to improve the health and wellbeing of the workforce:***

- Engage with partners involved with the system leadership of levelling up health outcomes and health inequalities providing links between employers and business in the HEY LEP area and anchor organisation delivering health and wellbeing programmes
- Raise awareness of health and wellbeing with employers via a sustained campaign promoting good employment and HR practices
- Work with stakeholders to develop and promote the benefits of health and wellbeing across employment and community settings
- Promote HEY LEP's Mid-life MOT resources to help individuals plan their finances in retirement
- Explore the creation of a local Good Work Charter<sup>33</sup> for Hull and East Yorkshire
- Encourage employers to adopt holistic approaches to employee wellbeing including physical and mental health and other wider aspects of wellbeing

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<sup>33</sup> Example Good Employment Charter CIPD Resources

## • **Priority 4 – Attractive and Resilient Locations**

Aim:

To enhance the region's infrastructure and natural assets to maximise the contribution to the HEY LEP economy and create competitive locations to invest, live and visit.

In order to achieve this aim HEY LEP will work with partners to develop actions to deliver our key objectives:

- Enhance transport infrastructure and services
- Maximise digital infrastructure
- Promote flood resilience
- Deliver quality employment sites
- Provide an attractive housing offer
- Maximise use of natural capital
- Promote our locations

### **Enhancing Infrastructure**

To complement the approaches to economic growth and economic inclusion outlined in this strategy there are a range of required measures to ensure the region can further develop into an area which is recognised for its quality characteristics and opportunity for growth and fully contribute to the governments levelling up agenda.

The opportunity is to develop pro-active and effective partnership mixes of infrastructure, and local place-based interventions. This focus will connect business to local, national and global markets, people to jobs, employers to talent, and innovators to wealth creators whilst attracting the skilled labour, inward investment and visitors required to grow the economy and its key sectors. In order to achieve this aim HEY LEP will work with partners to improve the infrastructure of the region and develop marketable packages of infrastructure which will meet the aspirations of those looking to invest, live or visit the region.

### **Transport**

An integrated and efficient transport system within the HEY LEP area is essential to the creation of all high-quality locations. It is vital in boosting the productivity and reducing inequality in the cities, towns, rural and coastal communities. It will allow business to access supply chains and markets, allow labour to access optimum quality jobs and housing and enable visitors to access the tourism assets of the area.

The transport system in the region is not well integrated and currently suffers from capacity issues, pinch-points, and issues of poor reliance. It is also dependent on high carbon propulsion. This last aspect needs to be addressed if the region is to achieve its Net Zero ambitions and therefore needs sustained and creative solutions.

### ***Key HEY LEP Activities to Support Growth via Transport Infrastructure***

- Work with local partners to develop a responsive evidence base to inform an ongoing programme of investment in local transport networks in the region, removing pinch points and generating increased capacity and resilience. This will recognise the importance of sustainable travel,

connectivity between settlements, the first and last miles of journeys, and maintenance of existing assets.

- Aim to enhance East-West linkages by working with Transport for the North and NP11 LEPs to continue to make the case for improved Trans-Pennine passenger and freight links.
- Work with surrounding LEPs to develop proposals to enhance North-South linkages by road and rail.
- Work with partners to develop infrastructure which can decarbonise the transport network in the HEY LEP area including road, rail and maritime to support our commitment to green growth. This includes supporting the roll out of EV charging points and encouraging resident's awareness of low carbon transport choices?
- Work with partners to consider access issues relating to rural and coastal areas in particular and links to employment and education

## **Digital**

Fast and reliable mobile and fixed broadband connectivity is important across all sectors, as demand for data and connected services increases. Without this access, businesses are prevented from utilising technologies that can improve their efficiency and productivity which may be vital to their competitiveness.

Parts of the region have some of the best digital connectivity in the country, benefiting from ultrafast broadband and being one of the first parts of the UK to benefit from the enhanced speeds of 5G. However, there is not a parity in terms of service delivery within the geography and some digital poverty remains.

### ***Key HEY LEP Activities to Support Growth via Digital Infrastructure***

- Support the rollout of rural broadband and improvements to mobile coverage to ensure that all businesses and households can access ultrafast broadband connections
- Encourage business to invest in their own digital infrastructure and in the skills of their workforce
- Exploit the opportunities provided by the Local Digital Skills Partnership
- Maximise the digital content of Growth Hub masterclasses and other interventions to support SME adaption
- Support digital inclusion through interventions that enhance digital skills development and access to data and devices

## **Investment sites and premises**

The HEY LEP region has a good record of bringing forward a supply of employment land through programmes such as Enterprise Zones which has supported development of 428.3ha of land in the area, in turn facilitating a number of high-profile inward investment and indigenous growth projects such as most recently ARCO's new headquarter facility in Blackfriargate, Hull.

However, the HEY LEP area has a distinct challenge around high abnormal costs for developments. The area's high flood risk can result in a requirement for floor-raising and on-site defences; its environmental significance underlines the requirement for mitigating any loss of habitat; and its low property values mean that, for too many developments, the cost of construction is greater than the end value of the property. This in turn makes it impossible to secure finance for some developments, both speculative and for companies' own purposes. The market failure in the HEY LEP area has led to public grant intervention being required on many developments, and a shortage of available pre-built commercial premises.

The region has significant space for development, although these sites are often more challenging due to a lack of infrastructure combined with the issues outlined above. However, where sites have been readily available and serviced with the necessary site infrastructure, development has been forthcoming, such as at Goole 36.

### ***Key HEY LEP Activities to Support Growth via Sites and Premises Infrastructure***

- Work with site owners and developers to maintain an up-to-date understanding of barriers to development on sites across the region
- Identify a rolling programme of investment in sites to create a portfolio of market-ready quality sites which meet investor demand
- Develop with partners appropriate marketing and incentive regimes to ensure these sites are attractive to the market
- In collaboration with the North East, Yorkshire and Humber Energy Hub, explore potential local financial models for facilitating energy efficiency improvements to residential and commercial buildings
- Consider accessibility issues in relation to key development sites

### **Flood defence and infrastructure to facilitate living with water**

The Humber has the second highest flood risk in the country, behind only the Thames Estuary, as such this agenda although vital to the HEY LEP region is dealt with best at a Humber scale through the Humber Leadership Board.

Decarbonisation is essential, though our climate is already changing, and sea levels will continue to rise. Adaptation to climate risks and ensuring our economy is climate ready, is fundamental to a prosperous future.

Looking into the future, the latest evidence<sup>34</sup> indicates that we should be preparing for over a metre of sea level rise and significant increases in river flows over the next 100 years. Ultimately, the scale of flooding that we currently consider rare and extreme will now occur more often with growing impacts for everyone – unless we take collective action and adapt.

The Humber 2100+ partnership<sup>35</sup> comprising 12 local authorities and the Environment Agency are working together on a new integrated, long term, approach to managing tidal flood risk and increasing resilience, which is sustainable and supports the present health and wellbeing of communities, the natural environment and sustainable economic growth. Collaboration is essential to deliver an approach that supports local ambitions, and for successful implementation.

The expertise of the University of Hull and Yorkshire Water allied to the responses to past flooding events mean the Humber is in a strong position to develop the next phase of water management approaches for the UK, which can inform future development.

<sup>34</sup> Humber 2100+ Strategy - [www.consult.environment-agency.gov.uk/humber/strategyreview](http://www.consult.environment-agency.gov.uk/humber/strategyreview)

<sup>35</sup> Humber 2100+ Strategy- [www.consult.environment-agency.gov.uk/humber/strategyreview](http://www.consult.environment-agency.gov.uk/humber/strategyreview)

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***Key HEY LEP Activities to Support Growth via Flood defence and infrastructure to facilitate living with water***

- Develop the Humber's reputation as a centre of expertise in flood and water management, building on the University of Hull's and Yorkshire Water's expertise in flood resilience and innovation, whilst providing greater flood resilience for the Humber
- Continue to work with partners such as the Environment Agency to develop infrastructure which manages floods, adapts to flooding and where possible prevents flooding. Continue to support the development of the new Humber Flood Risk Management Strategy
- Ensure businesses are aware of current support opportunities available to them to build flood resilience
- Work with schools and education and training providers to raise the understanding of the region's flood issues and the future skills required to address them

**Housing**

Whilst private housebuilding has bounced back to some extent since the last recession, annual net additions in 2018/19 were still below 2007/08 rates, further contributing to a multi-year compounded shortfall in housing supply. This has seen the ratio of house prices to annual gross incomes rise from 2.19 to 4.36 in Hull between 2001 and 2019, and from 3.4 to 6.9 in East Riding over the same period.

Regional organisations have undertaken several high-quality developments in the HEY LEP area in growth locations, however, lower prices combined with affordability issues suppressing demand have contributed to some sites owned by national house builders taking a long time to come forward. The cost of putting in infrastructure can deter investment, making some developments unviable in the HEY LEP market.

The region is also challenged by a rural housing delivery issue. Housing Associations are constrained in their ability to develop and manage small pockets of affordable housing on allocated rural sites and rural exception sites.

Demand for housing types has shifted during the COVID-19 pandemic and this presents opportunities for some parts of the region to draw skilled labour from surrounding conurbations as workers look for high quality of life and good value housing to fit with new working arrangements. This move creates further challenges in housing markets across the HEY region resulting in the need for further partnership work to consider affordability issues, access to work and education. Recent residential changes have further compounded labour shortages in key sectors such as agricultural.

Upgrading existing homes is also essential for the Humber to achieve its ambition of net zero carbon emissions, with options ranging from improved insulation and solar panel installation, through to connection to future district heating schemes. This is an opportunity to stimulate householder and landlord investment and develop the local market for low carbon services, as well as reduce fuel poverty and improve residents' health. This area of work is also a key driver of new curriculum development such as the skills required to install and service new heating equipment. Due to the vast re-fit requirements across the HEY area this is a work and skills generator and can be used as a catalyst for new qualifications and jobs.



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### ***Key HEY LEP Activities to Support Growth via Housing Infrastructure***

- Continue to support housing renewal in the Humber's urban centres, rural and coastal areas by delivering existing programmes, sharing learning and identifying a pipeline of projects
- Encourage locally sourced modular building and increased take-up of Homes England funding schemes, by extending collaboration between the HEY Growth Hub and local authority housing leads, in order to contribute to the area's housing delivery targets
- Work with education and training providers to ensure suitable curriculum pathways are available to meet housing re-fit and new build needs

### **Natural Capital**

HEY LEP and partners across the Humber agree that the area's natural capital is of high importance, which means it needs to be managed and invested in like any other form of capital. Just as the HEY LEP economy requires the shared vision and plan being delivered through this Economic Growth and Workforce Wellbeing Strategy, so does the region's natural capital, building on and joining up existing activity, and maximising overall outcomes. In particular, the Humber Estuary and its related landscape need to be managed as one geography, supporting the area's industrial ambitions and protecting and improving this important finite resource.

Natural capital will play a vital role in helping the area achieve net zero carbon emissions and increase resilience to the impacts of climate change. The Estuary's ecosystems, distinctive saltmarsh, reedbeds, mudflats and coastal marine sediments capture CO<sub>2</sub> and provide valuable flood management at current sea levels.

Natural capital will also have a role to play within boosting workforce health and wellbeing. The environment agency noted in their 2021 State of the Environment: Health, People and the Environment Report<sup>36</sup> that COVID-19 has exposed and amplified green inequality in society. It also notes the pandemic has led to an increased appreciation of nature and more engagement with the water environment, as a facilitator for good health and wellbeing.

### ***Key HEY LEP Activities to Support Growth via Natural Capital***

- Work with partners to develop a Natural Capital data set and action plan to clearly communicate the benefits of Natural Capital to the economy of the HEY LEP region and its contribution to net zero
- Promote green space as a provider of good workforce health
- Consider urban landscapes, working with developers and the LAs to ensure people in the city can benefit from areas of beauty within built up housing and commercial stock.

### **Visitor Economy Infrastructure**

To capitalise on the sectoral strength of the region in Tourism and the Visitor Economy, the required infrastructure in terms of choice of accommodation and attractions must be in place to provide a compelling offer to those are coming to the area.

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<sup>36</sup> Environment: Health, People and the Environment (Environment Agency, July 2021)

The development of tourism and visitor economy infrastructure in Hull and surrounding areas has seen a step change over the last ten years still more is required to meet the city's ambition to be a world class visitor destination. Ambitious long term infrastructure projects such as cruise terminal for the city will support this ambition.

In the rural and coastal areas of the East Riding, although investment in accommodation and attractions has been realised, there are still gaps in provision and mismatches between location of accommodation, hospitality venues, visitor facilities and attractions. This is seen most keenly in rural areas of the East Riding where a shortage of different types of visitor accommodation, and limited alignment of accommodation with the rural tourism offer provides a restricted choice of where to stay if, for example, walking the Wolds Way National Trail or cycling the Way of the Roses Cycle route. Providing good quality accommodation and hospitality facilities in the Yorkshire Wolds will be key to making maximum economic benefit of the designation of the area as an Area of Outstanding Natural Beauty.

### ***Key HEY LEP Activities to Support Growth via Tourism Infrastructure***

- Work collaboratively with partners such as Visit Hull and East Yorkshire, Welcome to Yorkshire, Local authorities and the tourism industry to ensure the correct tourism infrastructure is in place across the whole of the HEY LEP region
- Work collaboratively to package this infrastructure together to develop compelling and attractive regional destination packages

### **Promoting our Locations**

The HEY LEP area is geographically peripheral, with a resident workforce which is highly self-contained. This hampers regional, national, and international visibility for the area and its assets. The region needs to ensure that messages around the capabilities of our sectors needs to be clearly and widely communicated outside of the immediate region. A focus on the promotion of the quality of our locational assets, our infrastructure and our places can help recognise this potential.

The HEY LEP has much to say on its qualities that provide a location to invest in, , a location for a skilled workforce to live in, and a location to visit. HEY LEP will support existing partnerships and explore new approaches to ensure the place marketing of the region is maximised outside of its immediate vicinity.

### ***Key HEY LEP Activities to Support Growth via marketing of the region***

- Work with partners to market the locational assets of the region to increase visibility of HEY LEP as a location to invest, a location to live and a location to visit.

## Delivering the Strategy

### Delivery and Monitoring

The delivery and resourcing of this strategy will rely upon a continuation of the strong partnership working which has been developed over the past 10 years in the HEY LEP and wider Humber region.

This strategy has been developed to provide a regional level set of priorities and objectives which communicate the needs of the private sector in the HEY LEP region. The proposals align with local authority partners economic and related strategies and provide regional grounding to other local and national strategies and investment plans in areas such as skills, wellbeing, infrastructure, innovation and place. HEY LEP will play a proactive and integral role with these partners, demonstrating strong leadership and governance to ensure that activity which is undertaken in the region contributes fully to the delivery of economic growth.

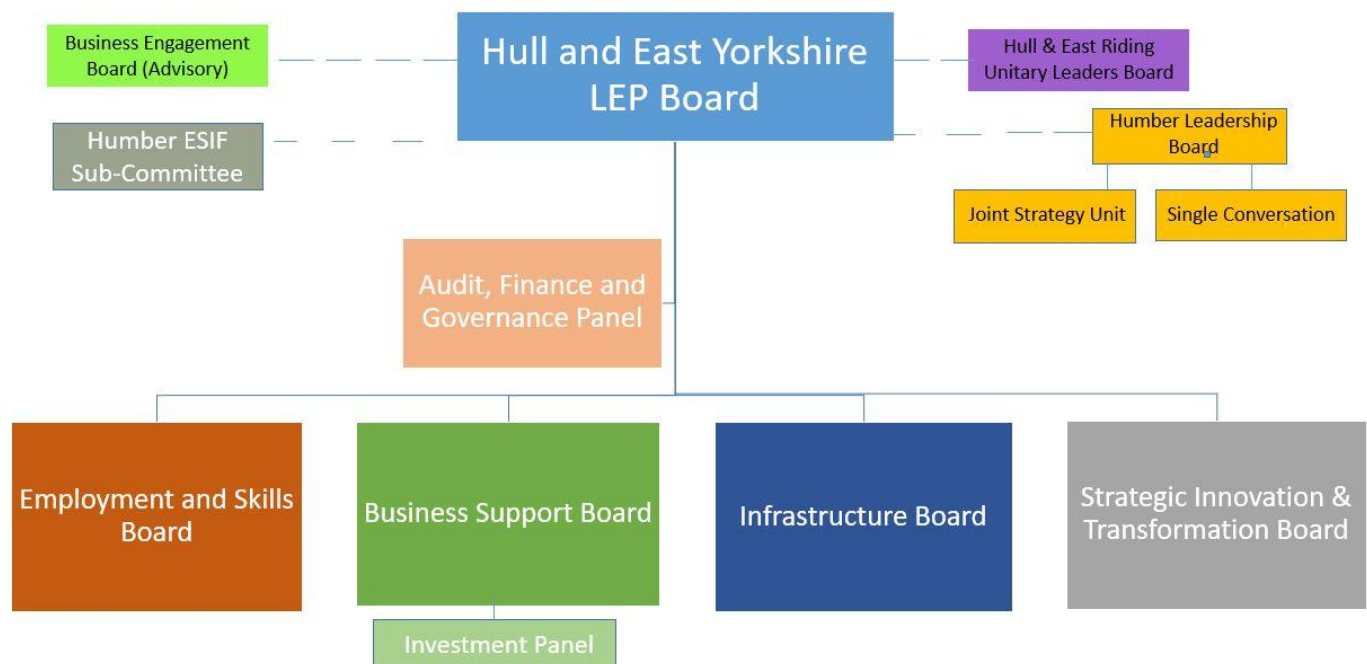
The HEY LEP will produce an Annual Delivery Plan to fully communicate the practical activity to be undertaken to deliver the aims and objectives outlined in this strategy. To facilitate this the LEP will work with a range of public and private partners to develop a pipeline of projects which will deliver the objectives in this strategy and will work in partnership to produce compelling cases underpinned with strong evidence bases to maximise opportunities to capture external funding for the region.

### LEP Governance

The new Hull and East Yorkshire LEP (HEY LEP) came into existence on 01 April 2021 when it began its work on the future economic direction of the Hull and the East Riding of Yorkshire region.

The new governance structure of the LEP was subsequently agreed:

#### *LEP Governance Model*



Each of the four Sub-Boards is chaired by a main Board member, who reports to the Board on their activities. The Sub-Boards are accountable to the LEP Board for delivering their respective programmes of activity and for providing advice and recommendations on issues and projects which come within their remit

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– including on policy issues, project proposals, monitoring and delivery. Each board will be charged with delivering a priority within the strategy, and in the case of the strategic Innovation and Transformation Board sub section of a separate priority. Note: at the time of this consultation publication the Strategic Innovation and Transformation Board is still in development.

The HEY LEP is responsible for the direct delivery of several Government funded programmes and has the capacity and robust governance arrangements in place to undertake direct delivery during the period of this strategy. The LEP has a Local Assurance Framework<sup>37</sup> which details the approach to managing funding allocated to it by central Government, in conjunction with Hull City Council as its accountable body and the Hull and East Riding Unitary Leadership Board.

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<sup>37</sup> [www.heylep.com/assurance/assurance-framework/](http://www.heylep.com/assurance/assurance-framework/)

## **Consultation & Feedback**

The HEY LEP is committed to ensuring that this strategy for the period 2021-2026 reflects the knowledge, ambition and values of the private and public sectors, the voluntary and community sector, education and skills providers, and economic stakeholders in this area.

To enable us to do this we are keen to hear your views, ideas and receive any additional evidence which can help us further develop and refine this strategy. There are some key questions where we would appreciate your feedback:

### ***Section 1 – Introduction to the Hull and East Yorkshire LEP Economic Growth & Workforce Wellbeing Strategy 2021-26***

1. Do you feel the vision outlined accurately reflects the economic direction the HEY LEP region should be taking?
2. Do you feel the priorities outlined within this document are the right focus for the HEY LEP?

### ***Section 2 - Introducing the Hull and East Yorkshire LEP Region***

3. Does this section reflect the geographic and economic context of the region accurately?
4. Are all key policies acknowledged and there any other key policy areas which should be summarised in this section?

### ***Section 3 – HEY LEP Growth & Workforce Wellbeing Strategic Plan 2021-26***

5. Below the priorities outlined do the aims/ objectives deliver our vision?
6. Should any additional objectives be considered in the final strategy (and what evidence can you provide to support this)?

### ***Section 4 - Productive and Innovative Economy***

7. Are the sectors outlined in this section the correct sectors to focus our interventions (please provide evidence to support your response)?
8. What are the areas of innovation which the HEY LEP should focus its efforts on developing?
9. What additional support (if any) do you think would benefit the HEY LEPs Micro/SME businesses?
10. Are the activities outlined in the Productive and Innovative Economy section pertinent? Should any further activities be added?

### ***Section 5 - Clean Growth Economy***

11. Should a separate objective for low carbon infrastructure be added in this section or is this agenda adequately covered in the attractive and resilient locations section?
12. What do you feel are the key areas which businesses would like support from HEY LEP or partners to develop greater resource efficiency?
13. Are the activities outlined in this section pertinent? Should any further activities be added?

### ***Section 6 - A Skilled and Inclusive economy***

14. Are the areas of employment and skills focus for the LEP the right ones? Are any missing?
15. Are there any additional barriers to effective involvement in the workforce that should be addressed in this strategy or in the future Employment and Skills Strategy?
16. Do you agree that the availability and types of skills in the workforce are a key dependent on the ability of businesses to innovate?

17. Are the activities outlined in the Skilled and Inclusive Economy section pertinent? Should any further activities be added?

### **Section 7 - Attractive and Resilient Locations**

18. Are the areas of Infrastructure in this section the correct ones to be focusing on?  
19. How can the LEP promote greater co-ordination of infrastructure delivery between public and private partners in the region?  
20. Are the activities outlined in the Attractive and Resilient Locations section pertinent? Should any further activities be added?

### **All Sections**

21. Do you have any other comments on the strategy not covered by the questions above?

### **Your feedback is greatly valued**

The HEY LEP, as a new organisation, would like to thank you in advance for your input in shaping this strategy for the future of the region and look forward to receiving your views and suggestions.

**Please provide your feedback via email at: [consultation@HEYLEP.com](mailto:consultation@HEYLEP.com)**

Alternatively, you can send feedback via written response to our postal address:

**HEY LEP Strategy Response, Wykeland House, 47 Queen Street, Hull, HU1 1UU.**

The consultation period for this document in which you can provide feedback runs from:

**Week Commencing 11 October 2021 until midnight on 14 November 2021**