

Hull and East Yorkshire LEP Business Support Board

Paper A - **Draft** Minutes of the Board meeting held at 2pm on Thursday 12th May 2022 - hybrid meeting via in person and on Teams

<p>Attendance</p> <p>Board Members</p> <p>Gill Alton, Chair Nic Dakin David Hall Jason Speedy Rachel Smurthwaite Antonio C Malfense Fierro Ian Archibald (for Paul Burnley) Jan Brumby Jo Dooley Yvonne Moogan James Mason Madge Moore</p>	<p>Observers</p> <p>Karen Philipson</p> <p>Executive Team and Secretariat</p> <p>Teresa Chalmers, COO Andrew Hewitt Chris Howell Jon Brunton Kirsty Barr</p>
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1.	<p>Welcome and apologies</p> <p>James Newman Stephen Parnaby</p> <p>GA welcomed Ian Archibald who was representing Hull City Council in Paul Burnley's absence and asked all members to introduce themselves.</p>
2.	<p>Declarations of Interest</p> <p>David Hall declared an interest in grant funding opportunities</p> <p>GA reminded all members they could also declare any relevant interests at the relevant agenda item as the meeting progressed.</p>

<p>3.</p>	<p>Minutes of the meeting held on 17th March 2022 and Matters Arising</p> <p>The minutes were approved as accurate.</p> <p>Matters arising from the minutes:</p> <p>Item 5: Levelling Up White Paper and LEP Review Implications - re the proposed meeting between the LEPs, local authority leaders and the LEP Chair – this has not yet gone ahead due to the recent elections in Hull.</p> <p>Item 6: HEY LEP Economic Growth and Workforce Wellbeing Strategy – The proposed Chair of the Talent Forum had recently moved employment and therefore will be invited to a future meeting of this board.</p> <p>All other matters are included in the agenda.</p>
<p>4.</p>	<p>Registers of Interest</p> <p>TC asked the two remaining board members who had not yet returned their annual Registers of Interest to do so asap as this was part of the Board governance requirements.</p>
<p>5.</p>	<p>Growth Hub Funding, Review and Recommendations</p> <p>JB discussed the findings of the Growth Hub review which had been delivered following a recommendation from this board to look at future priorities of the service. A presentation was given that included the range of stakeholder engagement that had taken place to deliver these findings including:</p> <ul style="list-style-type: none"> • 617 telephone surveys • 92 online surveys • 2 business focus groups with 8 participants • 4 stakeholder focus groups with 22 participants <p>Since the last board meeting government had confirmed a 50% reduction of Growth Hub funding to all LEPs which meant the findings of this report were even more useful. LEPs had been told to prepare for all scenarios in the planning process. JB and colleagues were now working through the implications of the reduction and considering the overall business support services in the region, many of which are delivered in partnership with other stakeholder such as the local authorities.</p> <p>There is opportunity to consider the UK Shared Prosperity Fund (UKSPF), Devolution funding etc which may be able to replace some of the funding and ensure local service provision continues.</p> <p>DH asked for early indications of how the service would adapt given the</p>

significant reduction. JB explained that previously the Growth Hub was able to commission specialist advisors in addition to the general advisory team who provide a free impartial service. It was likely that the Growth Hub would no longer be able to commission such services. Fortunately the HEY Growth Hub also uses European Regional Development Funds to provide services, and this would continue including webinars and conferences where there is evidenced demand from SMEs.

DH asked a question about current staff vacancies and how these would be covered; JB responded to say this is part of the mix in the conversations with partners, but recruitment issues have always been a challenge with contracts that are limited to 12 months.

DH said that in the current climate with such demand for employees and the range of choice a 12-month contract would not be attractive to many people. DH had changed his recruitment approach to be more akin to sales, ensuring potential staff were encouraged and supported from first point of contact and offering flexibilities such as working patterns to attract and confirm recruitment. This in some way negated the issue around higher salaries as more people sought greater flexibility in their roles.

DH commented that for SMEs a single point of contact was vital to help navigate business support services, grant applications and signposting as many found the picture confusing and challenging. JB said that in regards of the Net Zero agenda recommendations in the Review there is currently no funding allocated for this type of support, again this is something that could be picked up in the UKSPF.

ND asked if the local authorities were supportive of this general approach and were working with LEP colleagues on proposals. AH said there is ongoing discussion which will include those programmes and services that have had good impact regionally.

GA asked if all business support services are/have been mapped to review the full picture, whoever is delivering what. JB said the Growth Hub have a really good overview and are likely best placed to provide that mapping. This will be addressed during the next phase of the Growth Hub review.

JB asked whether the Growth Hub were receiving feedback from SMEs about the potential recession which is being discussed in many businesses? JB said that the resilience and planning for any forthcoming issues is vital and that the Growth Hub offers several workshops on these aspects. DH commented that it is vital to understand how fast things can change in terms of costs and supply chain and that it is the unknown that often creates the biggest risk.

JD added that it is important to recognise that the local authorities also play a major role in business support in addition to the Growth Hub services and that

	<p>customers often are less interested in where funding comes from, it is the providers job to 'hide the wiring' and deliver an end-to-end service.</p> <p>Agreed actions:</p> <ul style="list-style-type: none"> • Members to provide any additional feedback concerning the Growth Hub Review to JB • Recruitment and talent attraction issues to be discussed at a future board meeting. Board members to update on their own processes and how these have changed during the pandemic. • Growth Hub delivery plan to come to the next meeting for discussion. • UKSPF update to come to the next meeting. • A business financial guest to be invited to the next meeting.
<p>6.</p>	<p>Spring Budget Statement</p> <p>AH updated the board on the government's Spring Statement and the more recent Queen's speech. Horizon scanning is indicating further raising of inflation and a slow down of GDP.</p> <p>The statement did not contain any other major policy indicators that were not already within the Levelling Up White Paper.</p> <p>The Queen's speech indicated a number of areas of interest to this board:</p> <ul style="list-style-type: none"> • Further support for local devolution and the development of County Deal agreements • Amendments to planning processes regarding house extensions and the use of retail properties • The development of the government's future Tax Plan • The need for the private sector to grow more, train more of its workforce and invest more <p>Agreed actions – AH to circulate a briefing on the Queens Speech to this board.</p>
<p>7.</p>	<p>UK Shared Prosperity Fund</p> <p>AH reminded the board that the UKSPF will be led by local authorities who have been asked to develop their individual delivery plans over the July – August period. Despite the government's announcement that funds would match the EU funding, LEPs had reviewed their previous resources and found this was not the case. The settlements have not appeared to have considered the additional funding that LEPs have been able to secure.</p>

	<p>ERYCC had been allocated a settlement of £11,5M whilst HCC had been allocated £10.9M.</p> <p>The funding is broken into yearly delivery investments:</p> <p>Yr. 1 15% Yr. 2 25% Yr. 3 60%</p> <p>Given the pressure on funds the process is likely to be highly competitive.</p> <p>The funding will be made available from this year for certain priorities and the two HEY local authorities are now considering their approach in terms of wider business and community engagement including MPs, LEPs, education providers etc.</p> <p>LEPs have considerable experience of managing these types of funds e.g. the Growth Hub and skills provision and would support the LAs in their development of investment plans.</p> <p>MM asked whether the wider geographies are being considered for thematic approaches such as rural, food and farming interventions that would benefit a regional approach? AH responded that it is vitally important to ‘stitch together’ the individual LA investment plans to ensure gaps are eliminated where possible.</p> <p>ND commented that given this reduction and the highly competitive nature of the bidding process that ambitions should be realistic with honest dialogue on what could be achieved by working in partnership.</p> <p>AH added that additional funds, for example those accessed by the Devo deal would help fill gaps where they occur, should clear rationales for public intervention be agreed with partners.</p> <p>Agreed actions – UKSPF updates to come to next board agenda for discussion on progress – LEP and both LAs to contribute.</p>
<p>8.</p>	<p>Members Business Issues</p> <p>JS said that recruitment issues were ongoing and that these were at every level of the business, including skilled and technical vacancies. As such his organisation is developing closer partnerships with colleges, independent training providers and the University of Hull to improve talent attraction. Key vacancies included heat pump technicians and the need to ensure training was available to upskill the existing workforce.</p> <p>In addition to these people challenges issues with the supply chain and rising</p>

	<p>costs for energy has made the focus on efficiency and work to Net Zero more of a priority. In terms of supply chain, there is a clearer demand for localisation. RS acknowledged all of the conversations to date and said that for her organisation these were daily challenges. Skills gaps and vacancies were broad and included retail operatives and estate managers. Material costs had risen which then in turn needed to be managed in all projects.</p> <p>MM said that for rural and food, the issues were much the same. However rather than embracing new technologies some farmers had returned to more traditional methods as they did not possess the skills to fully implement the technologies available.</p> <p>DH gave an example of costs escalating overnight and that these cannot always be transferred to the customer, this reduced operating profits which led to less investment overall. Early indications of costs increased were essential. Another issue for his organisation was access to suitable space to grow within the HEY region. Workspaces that were accessible for staff to travel to and by public transport were needed. DH urged the local authorities to look again at land and consider if planning could be flexed to accommodate the needs of growing businesses. DH said that the new Grovehill Business Centre in Beverley was a really good example of land use that will support new businesses to establish and grow.</p> <p>J Brumby suggested that in addition to skills and recruitment issues the productivity challenge should be addressed; outputs compared to European countries remained low and this should be a focus for business leaders. TC commented that in the wider Humber area, employers invested less in training their own workforce than in other regions and that this is key in increasing productivity. JB also asked if training providers considered business needs when recruiting students and asked how they develop curriculum in response to these needs.</p> <p>Agreed action: The board to invite a curriculum leader to demonstrate how post 16 education providers addressed business needs to the next meeting – TC/GA</p>
<p>9.</p>	<p>LEP Employment and Skills Board (ESB) and Future of Work</p> <p>CH commented that this agenda item flowed naturally from the previous conversations and that the LEP was engaged in many interventions that. Via the Employment and Skills Board would help to address the issues. These included:</p> <ul style="list-style-type: none"> • The HEY Careers Hub – focussing on supporting schools to develop careers programmes linking local opportunities to inspire young people to maximise their skills and look at local work opportunities and good career routes. This includes upskilling careers leaders and working with employers to partner with schools at a strategic level. The Hub will be

	<p>hosting a Schools Conference in the summer and any BSB member is welcome to sign up to attend: https://www.eventbrite.co.uk/e/hull-and-east-yorkshire-schools-conference-2022-tickets-299181157897.</p> <ul style="list-style-type: none"> • The workforce advisory service; working with larger business organisations that are not fully using their apprenticeship levy payments to transfer funding to SMEs to enable them to grow and employ an apprentice. This service, currently funded by the Growth Hub has already achieved some good success in the last 6 months. • The required development and delivery of the Local Skills Reports, which look at supply and demand and are published to influence local curriculum developments. • The work of the Local Digital Skills Partnership which engages businesses and provider to look at digital provision and share good practice on where adoption of new technologies has improved efficiency. This work has included the production of a Digital Assessment Tool, freely available to all SMEs that assesses digital competence and then provides wrap around support via a Growth Hub Advisor working with a business. • The Apprenticeships and Technical Skills Working Group of providers that reviews current apprenticeship standards to assess against the Local Skills Report and employer needs. This group has been recently restarted and will look to expand to include business representatives in the near future. • The Talent Forum – a group of senior HR directors who provide real time information on skills gaps and recruitment issues and the work together to create responses as a collective and to inform the ESB of future direction of travel. <p>Agreed actions – The Talent Forum chair to be invited to attend a future board meeting to explore how this board can add value – TC/CH</p>
<p>10.</p>	<p>LEP Budget</p> <p>TC updated verbally on the 25% core fund reduction that all LEPs have been allocated. As the smallest and newest LEP with only a core team of 8 this may have implications on the ability to continue all aspects of work for this year. Two core staff members have left with another likely. TC is working with the local authorities to look at how they can support activity. A proposed budget will go to the next LEP board on May 26th.</p> <p>Agreed action – TC to keep this board updated on impact.</p>

<p>11.</p>	<p>Export Update</p> <p>AH updated the board with the decision of DIT to remove current sub-contracting arrangements and take the staff team back in-house to continue to deliver services. However this is helpful for the LEP as the current export lead will continue to work with the LEP and to build on previous activity and develop a delivery plan. Again this will need to be considered in terms of resource allocation however the UKSPF does include specific mention of growing export activities so this will be one area put forward to the local authorities for consideration.</p> <p>The LEP had recently welcomed a visit by the Director General for Export, Andrew Mitchell. The successful event was hosted by the Hull and Humber Chamber of Commerce and discussions included the development of the Freeport and the maximisation of transport links. Freight transport was raised as a challenge, and this will be further discussed at a forthcoming Infrastructure Board.</p> <p>The Board agreed to invite AF to the next meeting to discuss the delivery plan proposals.</p>
<p>12.</p>	<p>The Made Smarter Programme</p> <p>JB discussed the continuation of the Made Smarter Programme which aims to improve manufacturing productivity maximising technical and digital adaption. LEPs had received a 3-year funding settlement and the HEY LEP is working with Sheffield City Region CA to co-design the new programme. This is likely to include the recruitment of a lead officer who will manage activity locally and report back to government. The programme is likely to focus less on leadership and management with the final business case being produced by the end of May.</p> <p>The Made Smarter programme will support the LEP activity at the Business Day on 19th June and will be promoted within the breakout workshop session. In addition the Growth Hub will host a 'Digital Horizons' event using Made Smarter during the Humber Business Week.</p> <p>Action agreed – JB to include the progress of the Made Smarter Programme within the Growth Hub operational updates to this board.</p>
<p>13.</p>	<p>Investment Programmes</p> <p>KB presented the latest outputs from the investment programmes, noting all were on track to perform to contract. In terms of risk management, HCC had agreed to use their Freedoms and Flexibilities to enable full Getting Building Fund spend by 31st March 2022.</p> <p>The new Growing Places Fund has been well received with 18 Expressions of Interest to date that equally cover the Hull and East Riding geographies. The</p>

	<p>Fund, launched on 1st April 2022 has received interest from a variety of sectors including rural, health care, wholesale retail and the use of greener technology. 80% of these businesses are new to the LEP. The Investment Panel will meet in June to review the applications.</p> <p>Information on grants awarded will be available via the HEY LEP website (https://heylep.com/board-page/investment-panel/)</p> <p>Action agreed – KB to report to the BSB on a quarterly basis.</p>
<p>14.</p>	<p>Future agenda items</p> <p>The board asked for the following agenda items to be included in the workplan:</p> <ul style="list-style-type: none"> • The work of the LEP Talent Forum • The Growth Hub proposed delivery plan • An overview of the economic situation by a financial expert • UKSPF developments – LEP and both local authorities to contribute • Proposed Combined Authority update on progress • An overview of curriculum planning – how education and training providers develop their offer and respond to local need • Export delivery plan proposals
	<p><u>Any Other Business</u></p> <p>The followings items were raised under any other business:</p> <ul style="list-style-type: none"> • DH asked that when discussion items are raised the board should be made aware of the LEP responses to issues and how these would be addressed. The chair agreed that this approach would be useful and that a note would be made following each item in the minutes.

Signed:

Gill Alton
Chair



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