

Hull and East Yorkshire LEP Business Support Board

Paper A - **Draft** Minutes of the Board meeting held at 2pm on Thursday 7th July 2022
- hybrid meeting via in person and on Teams

<p>Attendance</p> <p>Board Members</p> <p>Gill Alton, Chair David Hall Rachel Smurthwaite Antonio C Malfense Fierro Paul Burnley Jan Brumby Yvonne Moogan James Mason Madge Moore</p> <p>Observers</p> <p>James Newman (LEP Chair)</p>	<p>Executive Team and Secretariat</p> <p>Teresa Chalmers, COO Andrew Hewitt Chris Howell Jon Brunton</p> <p>Guests</p> <p>Alex Codd, HCC Clare Watts, ERYCC Simon Davison, Sewell Group Rob MacNaught, Reckitt</p>
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<p>1.</p>	<p>Welcome and apologies</p> <p>Stephen Parnaby (Deputy Chair) Nic Dakin Jo Dooley Jason Speedy</p> <p>GA updated the board that a resignation had been received from James Mason who had recently started a new role outside of the region. James cannot commit the time due to this. GA has sent a note of thanks to James on behalf of the board.</p> <p>GA welcomed James Newman (JHN) and Simon Davison to the meeting and Alex Codd, Clare Watts and Rob McNaught who were joining the meeting by Teams.</p>
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<p>2.</p>	<p>Declarations of Interest</p> <p>David Hall declared an interest in potential grant funding opportunities and UKSPF.</p> <p>PB is a delivery partner of the Growth Hub.</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 12th May 2022 and Matters Arising</p> <p>The minutes were approved as accurate.</p> <p>All matters arising from the minutes were captured on the Action Log paper with the action points forming the agenda today regarding invited guests and papers.</p>
<p>4.</p>	<p>LEP Board Chair's Update</p> <p>James Newman, LEP Board Chair, updated members on recent government changes and welcomed Greg Clark's role as Secretary of State for Levelling Up, Housing and Communities. JHN knew the Minister well from his previous role as chair of the Sheffield LEP when JHN developed and agreed a Devolution Deal.</p> <p>JHN was planning to make contact for a discussion on the local situation and Opportunity Humber, as the LEP has not yet been invited to participate in the meetings of this new group. JHN had met with the previous Minister Neil O'Brien last week and discussed this situation with the Minister acknowledging the issue.</p> <p>JHN also updated on LEP finances and the changing responsibilities such as the UKSPF being administered by local authorities, rather than the previous European funding which was delivered via the LEPs.</p> <p>Devolution was discussed and JHN stated there was a planned meeting with the two Local Authorities for the 19th July when further conversations would take place. JHN thanked board members for the work to date, stating this would be even more crucial as the Devolution Deal is finalised with a clear focus on business support.</p>
<p>5.</p>	<p>The UK Shared Prosperity Fund</p> <p>AH introduced the agenda item; the LEP has submitted Expressions of Interest for the fund to both Hull City Council and East Riding of Yorkshire Council who are required to develop separate Investment Plans to UK Government by 1st August. The Hull City Council submissions included not only information for the programmes of business support, export, and skills which the LEP would be involved in delivering but also for those programmes that support economic</p>

activity in the region that others would deliver. East Riding of Yorkshire Council did not require this detail as they had the responsibility for the delivery of the Technical Assistance Partnership for the funds so had details of each programme.

AC then discussed the approach Hull City Council were taking, it was a challenging position as the Local Authority had a total fund of £10.6M including £1.5M for the government new Maths programme, 'Multiply'. This programme was designed to help adults achieve a GCSE equivalent qualification in Maths and plans had been developed to work with employers and individuals to achieve this goal.

The reduction in funding in comparison to the previous European funds would mean that difficult decisions were needed; the Authority had received a total of 90 EOIs which inevitably meant that not all could be funded. Decisions on themes of investment would be informed by a new Partnership Board which a LEP officer and a member of this board would be invited to join.

As the Authority had recently published its new economic strategy with themes of people, place, and productivity and the LEP had also published its own strategy which aligned closely, this strategic approach would be used to ensure funding investment priorities were appropriate. Each LA needed to agree its Investment Plan with government with an approaching deadline of August and the need to go through the democratic process within the Authorities.

Initial engagement with key partners such as the Voluntary and Community Sector had taken place and workshops had been held to discuss the approach and priorities.

Whilst the funding guidance indicated that any skills investment would only take place in year three of the fund (2024-25,) employability skills could be included from year one and given the demand and need for this in Hull, it was likely to be supported. The government's managing authority, the DWP had agreed this was acceptable.

CW said that East Riding of Yorkshire Council had received an allocation of £11.9M and had taken a similar approach i.e. workshops and early discussions. 57 project ideas had been received in a similar approach to that described by AC. Each would need a comprehensive business case and initial investments are likely to focus on coastal regeneration, delivery of town centre action plans developed through the 'Welcome Back Fund' and revenue activities to support the Goole Town Deal.

CW acknowledged the need to reflect current delivery from the VCSE sector, such as Community Led Local Development and Building Better Opportunities delivery. As with Hull City Council, a local Partnership Board would help develop the Investment Plan.

DH declared an interest in the funding and asked which metrics would be used to score any business cases? There is an issue with bid-writing in that the organisations with professional bid writers often receive the funding and this reduces diversity and opportunity for smaller organisations.

AC said decisions would not be taken purely on a mathematical score, the guidance states several outcomes which the funding should deliver, the Partnership Board would consider all future business cases.

JHN declared an interest as a national European Structural & Investment Funds for England board member. JHN said that though the UKSPF was much smaller than EU funds, it was available this year and will increase substantially from year 3, so programmes should be scalable. The scoring of any bid would need to be really clear to ensure decisions are transparent and this would help create the required audit trail which the business community would wish to be in place.

CW said the metrics within the technical guidance were helpful and the process should reduce some of the complexity of EU finding, but that more detail is needed on subsidy control. CW added that the University of Hull would be running workshops in September.

AC commented that the government are due to issue further guidance to local authorities this month.

GA thanked both colleagues for their attendance at the meeting today and asked if they would come back to the Board once the plans are further developed. AC and CW said they would be happy to do so.

AH then asked members if they would be interested in volunteering to join the new Partnership Boards; MM said she would be pleased to volunteer for the ERYC one. DH requested more information on the Hull Board. GA offered to act as deputy if no board member was available to attend the meetings.

Note: Following further discussion outside of the board Jason Speedy has been nominated as the Hull Partnership Board member. As discussed and agreed with the board, we will confirm with HCC via chair's action.

<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus>

Agreed actions:

- **AC and CW to attend a future Business Support Board.**
- **AH to provide more information to DH on the Hull Partnership Board.**
AH to speak to members not in attendance at the meeting today.

	<ul style="list-style-type: none"> • GA to act as deputy if no board member was available to attend the partnership meetings
6.	<p>Recruiting and Retaining Talent – Rob MacNaught, Reckitt Senior HR Business Partner</p> <p>GA thanked Rob MacNaught for attending the meeting at short notice due to apologies being given by Nikki Davies, Talent Forum Chair.</p> <p>RMN said that as Reckitt are a global company, recruitment is delivered internationally; Reckitt have 43K employees working in over 60 countries. There are currently 150 vacancies at the Hull site, some of which are replacement posts, and these are across all functions.</p> <p>Many organisations have made changes to their working patterns with some new jobs permanently working from home positions which people are then paid to travel into the office if needed. Salary increases have taken place across the board and the cost-of-living crisis is informing and fuelling decisions.</p> <p>During Covid it appeared that many people ‘sat-tight’ in their previous roles but are now actively seeking new opportunities –. Reckitt are continuing to review hybrid ways of working to provide more flexibility. One thing that organisations do need to consider is the younger generation of workforce and what their needs and desires are going forward.</p> <p>Advantages for Reckitt included the opportunity to travel and be located in different locations, as well as fantastic opportunities for career development and progression Organisations do need to look at what other benefits they can offer to employees outside of salary.</p> <p>Succession planning and creating interest in the organisation is essential. RMN discussed his role as an Enterprise Advisor, working with the LEP Careers Hub and Beverley Grammar School. Raising the understanding of young people and helping them see what successful careers could be achieved locally will help with the future talent pipeline. RMN encouraged all business members to consider joining the Hub.</p> <p>RMN would like to work more closely with FE and HE providers to help students recognise local opportunities and influence curriculum provision. Many of the current vacancies require scientists which can be a challenging role to recruit for. If Individuals were aware of the career opportunities this may change. RMN was disappointed to hear that the University of Hull had recently suspended recruitment to business and science apprenticeships due to low numbers, however, there remains a clear focus on health apprenticeships. Reckitt had also contacted the University to see if they would be able to support their Research and Development Degree apprenticeship, but they stated that they were unable to offer the programme due to limited demand. As a result, Reckitt is currently using the University of Kent as their provider.</p> <p>YM commented that, as a university employee, she was also disappointed with the decision, seeing apprenticeships as a positive route for many people.</p> <p>RS asked if Reckitt recruited many people from other UK regions. RMN said that we do</p>

	<p>attract people from other regions however, there is an issue regarding perceptions of Hull, many younger people and graduates want access to shopping, nightclubs, and high-energy locations.</p> <p>YM asked if Reckitt have considered Internships? RMN said that this was something they are starting to look at, YM offered to assist with this. RMN also said that a greater gender balance of employees was needed.</p> <p>J Brumby said that RMN's comments resonated with many discussions with local employers, FEO regularly visits schools and colleagues to talk about running your own business via Entrepreneurship Days. A recent visit to a Hull school saw some real young talent with enthusiasm and the right attitude for work. JB offered to meet with RMN to discuss support.</p> <p>DH commented that it is the responsibility of colleges and the universities to deliver and respond to employer demand. Currently there is no local provider offering a level three qualification in joinery and this is impacting on constructing and manufacturing businesses.</p> <p>GA reminded DH and all members that Debs Gray would be presenting at the meeting on curriculum planning.</p> <p>Agreed actions –</p> <ul style="list-style-type: none"> • YM to meet with RMN to discuss Internships and Business School support • J Brumby to meet with RMN to offer support • CH to raise the offer of greater partnership with the Humber Principals group • All business members are asked to consider working with the Careers Hub – interested parties please contact TC
<p>7.</p>	<p>Financial Planning – Simon Davison, Group Financial Director, The Sewell Group</p> <p>SD provided an overview of how the Sewell Group manages its diverse portfolio of companies to ensure financial success. The Group has a turnover of £100M and employs 450 people across its functions. Retail is the most profitable area of the company, being delivered at 13 petrol stations. During Covid whilst fuel purchases dropped to 25% of previous levels, retail had improved with many people choosing to shop locally within the forecourt convenience stores. Buying habits changed and appear to have continued to do so. The current fuel increases have also seen more people shopping locally. A new petrol station will soon be opening in Beverley.</p> <p>In terms of staff locations, office staff could work in a hybrid way but for those in retail they needed to be in their locations daily, this was the same with other areas of the Group's responsibility such as healthcare and construction. For</p>

these staff who worked so hard during difficult times the company recognises that people may feel fatigued and need some additional support.

Challenges around the supply chain continue to exist. The Group had also experienced some recruitment issues, but these have been overcome more recently. Wage pressures are the largest challenges followed by future utility increases once the current contract elapses.

In the estate side of the business there are different challenges; during Covid and the lockdown period, construction employees could not continue at work for a period of 6-8 weeks. However, the Group used this time to revisit health and safety processes and consider the business model.

Challenges arising from Covid recovery, Brexit, and the Ukraine war, along with rising inflation are having serious impact on supplies and materials. Previously the Group were able to agree a set cost with the customer, but current rising costs mean this is no longer an option in many cases.

The diversity of the Group's portfolio with different income streams enables more flexibility and this helps ensure that the overall financial management of the business is positive. Some contracts are funded by the public sector, e.g. healthcare and this provides a good balance.

Within the portfolio some aspects are in the first stages of development, so their financial needs differ from those well established. The diversity of the Group provides employee progression opportunities and adds value to each particular strand.

GA thanked SD and invited members to discuss their business issues including financial challenges and opportunities.

J Brumby commented that, as with the Reckitt case, more young people needed to understand local opportunities that companies such as the Sewell Group could provide. Many will have heard about the larger companies but seeing how local employers have developed over the last five years and the career options available will help drive aspiration.

DH added that seeing how the Sewell Group had grown over the last five years and the pace of change was very positive. However, for businesses the potential of recession means more change with likely higher levels of inflation. For smaller businesses rising wages are a barrier, once a decision has been made to increase pay then that business cannot reverse its decision. In the caravan business, DH is seeing orders cancelled due to rising costs.

In the Construction Sector bricklaying gangs were moving from live jobs to transfer to another construction site for a few more pounds per hour, this was slowing house building. DH believed the situation would change and that

	<p>business owners needed to take responsibility for sustainable wages.</p> <p>JHN commented that some businesses were frustrated due to the current visa requirements for EU workers, whilst recent amendments to the points system had been announced the UK needed to access this talent to keep businesses afloat.</p> <p>MM said that for rural businesses, the challenges of employment gaps were huge; many businesses had been reliant on EU workers and the current vacancies would indeed lead to higher prices for the consumer.</p>
<p>8.</p>	<p>Curriculum Planning Overview – Debs Gray, CEO and Principal of Hull College</p> <p>DG presented how Hull College ensures it is delivering curriculum which meets employer and regulatory demand. The regulation framework is complex, with each strand having different requirements in regard of quality, governance, funding, and reporting. Ofsted, the Quality Assurance Agenda, the Department for Education, and others review how curriculum is developed against economic data. The college uses data from a range of areas including local economic strategies, via its employer advisory groups, by attending events such as this one, and from employers who work in partnership with the college to develop curriculum. Each area of provision is presented to the college leaders to test that this data has been used to inform how the provision will attract students.</p> <p>As the college uses a combination of public funds and can also offer full cost courses, any employer can choose to have any course delivered at a time and place to suit that business. Colleges may choose to offer a loss leader from time to time but this would only be if future demand ensured that costs could be covered. This in affect meant building strong and enduring relationships with employers to mutually benefit both parties.</p> <p>The employment situation with FE providers was challenging; with so many jobs available in construction, engineering and digital, providers were finding it difficult to attract people into teaching or sustain them in roles if wages in the actual sector paid much more than a teaching position. The college focussed on those who were thinking of working part time as a route to their retirement and had experienced some success with this approach.</p> <p>DH said that his work on the apprenticeship trailblazer group for the caravan industry had received good feedback by the Institute for Apprenticeships and Technical Education, however a volume of student numbers was needed to ensure success.</p>

	<p>DH added that in the caravan industry it was important that colleges recognised their needs, given that this region had a number of caravan manufacturers which needed, for example clear progression routes in joinery. The lack of level three provision has meant that for some people they believe they are fully qualified after achieving a level two and therefore are asking for wage increases.</p> <p>DG said that for some employers, the current lack of apprenticeship standards was a significant issue. DG was due to meet the previous education minister on Monday 11th July, but this had now been cancelled due to the government resignations.</p> <p>JHN asked if the Devolution Deal and development of the Combined Authority would help providers, e.g. the responsibility for the Adult Education Budget (AEB).</p> <p>DG said this would not impact on apprenticeships as these are not funded by this budget. The most effective approach is where the AEB funding is developed in partnership with further education providers. CH said the Humber Principals was an excellent place to discuss these issues.</p> <p>JHN asked if it would be better for colleges to focus on one key area of delivery such as digital? DG responded to say that colleges were general further education providers, their role directed by government, so needed to offer a wide range of curriculum. Recent regional developments such as working together on the Strategic Development Fund and green skills helps ensure that each partner can focus on particular strengths. The Institute of Technology which is a collaborative partnership also allows each college to develop their specialisms in addition to their general delivery.</p> <p>DG finalised the presentation by inviting all board members to attend the curriculum planning sessions, to be held on the 11th November at Hull Kingston Rovers' Craven Park.</p> <p>GA thanked DG for the presentation.</p> <p>Agreed action:</p> <ul style="list-style-type: none"> • CH to discuss potential future AEB delivery with Humber Principals • Presentation to be circulated – TC/AH. • Board members to confirm if they are interested in joining the curriculum planning days by emailing TC in first instance.
9.	<p>Growth Hub Operational Update and development of the Delivery Plan</p> <p>JB explained to members that the business intelligence from today's meeting would be used to feed back in an anonymised way to the Department for Business, Energy, and Industrial Strategy. The Growth Hub uses various</p>

	<p>sourced to ensure BEIS is aware of regional issues to help inform policy and funding. Feedback gathered from these sources is demonstrating economic turbulence, the Growth Hub has received many requests for support with additional finance and also for help with finance to help smaller businesses reduce their carbon footprint.</p> <p>The Workforce Development Business Advisor Service is working well and helping levy payers to transfer unused funds to smaller businesses. Ideally there would be further investment in the service due to demand.</p> <p>All LEPs are awaiting the grant funding offer letter which means the delivery plan cannot be developed until government outcomes are clear. JB will provide a future update at the board as soon as possible. Considerations to the Plan also include the potential for funding via the UKSPF which the LEP has put forward via the process.</p> <p>Whilst the Growth Hub will continue to deliver ERDF funded programmes until June 2023 there is some concern from businesses about what will replace the service, which is delivered in partnership with both local authorities. In terms of the current programme targets for job outcomes and the short and medium business interventions have already been achieved. The focus now is on the longer-term interventions which require 12 hours of business support.</p> <p>JB discussed the Made Smarter programme with positive progress being made, the wider Yorkshire region had received first year funding allocation of £1.7m and this will enable the recruitment of a Made Smarter champion to manage delivery in the HEY LEP Region which will launch in September this year.</p> <p>The Growth Hub made a positive contribution to the Humber Business Week and to The Business Day. The Digital Horizons event was well received and attended. The Made Smarter Programme sponsored The Business Day which included input from the University of Hull and Business Support Board member, Jason Speedy who discussed Groupe Atlantic's planning for Industry 4.0.</p> <p>JHN asked if it were possible for the Growth Hub to produce a sector and geographic analysis using client data; JB confirmed this was possible and could be a future agenda item.</p> <p>Agreed action –</p> <ul style="list-style-type: none"> • JB to develop sector and geographic analysis for the Growth Hub for a future agenda item <p>JB to present the Growth Hub Delivery Plan once the contract details were published</p>
<p>10.</p>	<p>Export Update</p> <p>On behalf of Andrew Finch, AH presented the board update, as per references to</p>

	<p>the UKSPF the LEP had put in an EOI to cove the three strands of export, which had previously been agreed by this board.</p> <p>AF was unable to attend the meeting as was taking part in the DIT regional meeting in Leeds, it would be interesting to see if the move to a central government department would lead to any regional changes in service.</p> <p>JHN asked if the EOI covered all three strands in one bid and AH confirmed that it did. JHN added that export would likely be a continuing focus for the government and that this region has products and services that are attractive to other countries.</p> <p>Agreed action –</p> <ul style="list-style-type: none"> • AH/AF to keep this board updated on progress.
<p>11.</p>	<p>Future Agenda Items</p> <p>GA asked the board to consider the topics for future meetings.</p> <p>DH revisited the earlier agenda and raised a concern that as there was less UKSPF than the previous EU funding how would smaller businesses be supported to write bids and achieve success? JB said that the Growth Hub Advisors could provide some support but not specifically write bids for employers. AH suggested that the LAs are likely considering a replacement for the former Technical Assistance Partnership and this would provide advice and support to any interested party.</p> <p>JHN suggested that it may be useful for board members to consider a wider range of funding opportunities than simply look at the UKSPF. PB said this was an issue with many SMEs who found it challenging to navigate the various funding streams and see which would fit well with their business. JB said this is where the Growth Hub adds value, by working with a named advisor who has knowledge of all the options.</p> <p>PB commented further on the UKSPF, difficult decisions would be made and open conversations with partners is the way forward; the LA had received many EOIs that looked very similar. The stability of the European Regional Development Fund had ensured the continuation of services but with the new approach this would likely result in a more fragmented picture.</p> <p>Agreed action –</p> <ul style="list-style-type: none"> • AH to discuss potential Technical Assistance Partnership with the LAs and report back to this board. • TC/AH/GA to consider a presentation from other funders such as the

	British Business Bank and others.
12.	<p>AGM and Annual Review Plans</p> <p>TC asked if all board members had received an invite to the LEP's first AGM which will be held on 19th July from 10 a.m. in the Guildhall, Hull. The event would last approx. one hour and is not available by Teams, with thanks, GA is going to present on behalf of this board. TC asked if board members could confirm or give their apologies asap to allow for refreshments and security access.</p> <p>As part of the event the LEP would be publishing its Annual Review document which AH has been leading on. This would include highlights of the year along with the budget outturn from 2021-2022,</p> <p>Agreed action –</p> <ul style="list-style-type: none"> • All members to respond to the AGM invite asap
13.	<p>AOB</p> <p>J Brumby thanked JB for his recent attendance at the FEO Ignition finance bootcamp, which was well received. FEO are committed to encouraging more SMEs to access the Growth Hub, feeling fully aware of the services available.</p> <p>J Brumby also raised a concern about business funding and required outcomes; whilst many businesses were focussed on productivity improvements, this did not necessarily align with job creation, and therefore funding bids could be unsuccessful if the jobs were fewer than anticipated.</p> <p>TC updated the board that LEPs have now received the requests for the required business case to release the core funding. This would be completed and returned to BEIS by the 15th July.</p>
14.	<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 development of the UKSPF • A financial overview of potential funding sources • The Growth Hub proposed delivery plan and Sector Analysis • Proposed Combined Authority update on progress

	<p><u>Next meeting date:</u></p> <p>12th October 2022 between 2 – 4 p.m. – physical meeting to be held at the 2020 Space, Sewell Group HQ, Geneva Way, Leads Road, HU7 0DG</p>

Signed:

Gill Alton
Chair

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