

Hull & East Yorkshire LEP Board Meeting Notes

Thursday 23rd March 2023

9.30 am – 11.30 am held at the Guildhall, Hull

Draft Meeting Notes

<p>Agenda item 1.</p>	<ul style="list-style-type: none"> JHN welcomed colleagues to the board meeting. Apologies were received from Stephen Parnaby, Matt Jukes and Alan Menzies. Declaration of Interests were received from Jayne Adamson re the ICS investment covered in the Employment and Skills Board update and Dafydd Williams re the Freeport.
<p>2.</p>	<ul style="list-style-type: none"> Minutes of the meeting on 18th January 2023 were approved. Matters Arising: David Hall is now representing the LEP Board on HMP Hull's Employment Board and Diana Taylor is representing the LEP Board on HMP Humber's Employment Board. JHN thanked these colleagues for doing so. DH said that visiting the prison had been enlightening, he is helping to raise SME awareness of the workshop facilities and the types of activity the prison can help businesses with. Procurement of materials can be challenging but there are ways around this, with employers providing the materials directly. CB added that the VCSE sector is helping develop prison work on a national basis.
<p>3.</p>	<p>Chair's Update</p> <p>JHN commented that the Business Engagement Board had not met since the last LEP Board meeting; the Chair had approached Minister Dehanna Davison for a response to the BEB's letter re devolution.</p> <p>The Humber Energy Board had met where NP11 colleague, David Levene presented an overview of the work including the evidence base for projects in the north of England. The Humber Energy Board had agreed to become the guardian of the Humber Industrial Cluster Plan going forwards, the delivery mechanism for the Plan had not yet been decided, a planned meeting will take place with North Lincolnshire LA acting as the HEB Accountable Body, the HEYLEP and Greater Lincolnshire LEP to agree a process. To date CATCH and the CBI had shown interest, JHN felt a collaborative approach is required to carry out the wide range of recommendations.</p> <p>JHN had recently attended the HCC Lord Mayor's dinner where visitors from the USA Midwest were hosted after participating in a tour of the region, including a visit to Drax</p>

	and Grimsby. JHN thanked Andrew Finch for his help in organising the visit.
4.	<p>Pan Humber Issues</p> <p>DW updated the board on behalf of Stephen Parnaby. The Humber Freeport was announced in answer to a question at the House of Commons. The agreement has been signed in anticipation of the required custom zone being achieved. The SteerCo will meet for one last time prior to the new company being set up.</p> <p>Recruitment processes for both the Chair and the CEO are underway. Simon Bird will continue to act as Chair until the new person takes the role and will provide support for a smooth transition.</p> <p>Peter Campey confirmed that the confirmation letter will be with the SteerCo very shortly.</p>
5.	<p>Local Authority Updates</p> <p>Cllr Jonathan Owen, East Riding of Yorkshire Council</p> <p>Cllr JO said that all local authorities continued to try and manage the budget processes, however they are suffering from inflationary pressures. The LA is conscious that energy prices and mortgage costs are increasing, and as such is seeking to support its residents and workforce wherever possible.</p> <p>Both LAs are now in pre-election period and JO acknowledged the work that holding election requires both from democratic service officers and elected members.</p> <p>Hospital discharges with adequate care packages are being discussed.</p> <p>The LAs have received some resource from Government in the budget re potholes repair, which is welcomed.</p> <p>Cllr JO also raised a point re the amount of council tax residents pay which is aligned to property values; if an area has lower cost properties the amount generated by the tax is lower, so this disparity means the LA cannot increase its budget on the same lines as its neighbours.</p> <p>Cllr Mike Ross, Hull City Council</p> <p>Cllr MR said the situation in HCC is similar re the employee wage issues. The LA had received some resource for the High Street Fund and that Hull was announced as a City, which will participate in the Levelling Up Partnerships as stated in the Budget.</p> <p>The recent meeting with Minister Davison reaffirmed that Government is keen to see a Hull and East Riding Devolution Deal.</p>

Hull City Council were very disappointed with the news on the Investment Zones, which now appeared to be focussed on mayoral Combined Authorities.

The LA is holding an SME business event on the 24th March at the Guildhall.

PC added that the development of the CA proposals are taking around 12 – 18 months due to Government capacity issues. The proposed Hull and East Yorkshire CA would still need to go through the same processes as an MCA. There would be future opportunity to create a shadow board, if both LAs were willing to do so.

JHN said that it was important to ensure the voice of business is included in any future arrangements and that this is in part the added value that LEPs have provided. Cllr JO agreed, a review of current arrangements will be needed to clarify the future CA framework.

Professor DP said that in his view there are three main areas of focus: the business voice, business support and skills; the latter being the way that businesses are supported.

CB commented that it would be important to ensure that the VCSE was included in any future arrangements, recognising their vital role in the community and their reach.

Professor DP then commented on the Investment Zones. The University is very disappointed with the news. DP is keen to continue working in partnership with both LAs on the shape and framework of such a proposal which could for example, focus on Medicare and Health Sciences. This could replicate the national model but use local intelligence and work at pace, a local model would also provide more flexibility than the government requirements of those announced.

Professor DP added that the development of the Freeport in Teesside along with the Investment Zones added more challenge to the region as would likely attract more investment over the Humber as a location.

JHN commented that this could be included in the devolution proposals using for example the Smith and Nephews site and Goole as the locations.

MJ said that the Investment Zones benefits included areas where only Government could provide such as tax breaks but that the LA would be happy to participate in conversations. CL said that for ERYC, it would make sense to do so.

Professor DP added that whilst this was indeed the situation, a local model may work differently and that conversations to look at a framework would be helpful, research can be included as the central theme. The South Yorkshire model included health and wellbeing, bio sciences and digital.

A number of board members added their agreement to the proposal, linking the

	<p>development to the place-based agenda.</p> <p>PC said that a local proposition may be helpful, a compelling business case can be developed and will help Government with their future thinking.</p> <p>Agreed action – JHN to set up meeting with the LEP, the University and both LAs, post elections</p>
6.	<p>TC suggested the next 3 topics should be taken as one item, thus providing data for the Board's information and discussion.</p> <p>AH presented the paper on Horizon Scanning, which contained the actual wording from the UK Budget 2023 where Government indicated the potential lack of future funding to LEPs and the move of LEP responsibilities to the LAs.</p>
7.	<p>JHN spoke about the situation re LEP funding and implications, and whilst Government are consulting on the potential withdrawal of core funding from April 2024, recent conversations with the LEP Network and senior civil servants indicated that this is likely. A questionnaire has been issued to all LEPS, LA and other parties such as the Chamber of Commerce to capture impact of funding cessation. Government will then review the responses over the summer period before confirming their position. As the timeline is now clear, local discussions and agreements need to move at pace to ensure that the LEP team are supported and that suitable arrangements are in place to support the future Combined Authority.</p> <p>The reduction in this year's funding will challenge some of the LEP's core activities, for example the number of vacancies that will be left unfilled will directly impact on capacity to deliver.</p> <p>DW commented that the LEP provides a vital role in the region ensuring the business voice is recognised. All business leaders have made it very clear that a devolution deal, achieved at pace is vital.</p> <p>JA spoke about the skills agenda. Any economic activity is underpinned by skills and this needs to be recognised in any local future framework. JHN added that the cessation of European funding will mean gaps in provision and whilst the UKSPF is designed to fill some of this, the amount is not the same therefore activities will cease. Note: following the meeting PC confirmed that skills activity funded by the UKSPF can now take place from financial year 23/24.</p> <p>JHN added that LAs can now claim back funds that had been allocated to support Ukraine refugees.</p> <p>Actions - Both LAs and the LEP agreed to send a combined note to business leaders and the LEP team, conveying their support and thanks – MJ/CL/JHN.</p>

	TC to circulate EU funded skills provision with the board notes.
8.	<p>LEP Finance Report and Budget Position 2023/24</p> <p>TC and GS confirmed the LEP's budget position and the potential to use reserves drawn from vacancy management to continue LEP activity for the next financial year.</p>
Items for Information/Approval	
9.	<p>Chief Operating Officer and HEY LEP Team Report</p> <p>TC updated the board on recent activities, including the range of communications that the media had picked up, thanking HCC colleagues for their ongoing support.</p> <p>The team were continuing to focus on delivery but are disappointed with the Budget announcement. A team meeting will take place on 28th March, where further support will be provided.</p>
10.	<p>Investment Programme Update</p> <p>AH presented the paper, illustrating all programmes are continuing to be monitored and are still achieving planned outputs.</p> <p>The FDI Key Account Management is being delivered by a partnership approach with the LEP acting as managing the report requirements and both LAs leading on delivery. There is now a business planning process in place for the next two years.</p> <p>Similarly, the LEP is working on the response to the Northeast and Yorkshire Net Zero Hub model. The LEP will manage the process and is looking to the two LAs for delivery.</p>
11.	<p>SME Manufacturing Round Up</p> <p>David Hall gave an update from an SME manufacturers perspective. As a result of Brexit and Covid material shortages and price increases were challenging. Price increases can be difficult to pass onto the end user.</p> <p>Recruiting and retaining staff is a challenge, however this should also be viewed as an opportunity as in most cases additional staff are required because of growth and this is often overlooked.</p> <p>There appears to be a 'cancel culture' in some areas of business and there had been some initial fake confidence, which now has settled down. Generally manufacturing SMEs are now more resilient to economic shocks. Some Government schemes had been really valuable, for example the ability to claim back 25p in ever £1 spent on</p>

	<p>new machinery, which then enables the company to grow and recruit more staff.</p> <p>On a personal basis, DH's involvement with the LEP had been very positive. The opportunity to engage in developing an apprenticeship Trailblazer, working with the Growth Hub and becoming an Enterprise Advisor has added to DH's knowledge of the region and understanding of the wider economy. DH had enjoyed his involvement with the COP 26 Battle Bus event with support from the LEP team. Recent engagement with HMP Hull is valuable. The development of the Manufacturers Network, whilst in its early stages is also helpful, sharing knowledge and looking at local solutions.</p> <p>JHN asked DH if it would be useful to share insight with the University who are looking to grow SME support. Action – DH and Professor DP to meet.</p> <p>JHN thanked DH for his update.</p>
12.	<p>Employment and Skills Board Report and presentation</p> <p>JA presented the ESB paper that demonstrated significant activity across careers, workforce development and skills intervention.</p> <p>CH then presented the recently completed "State of the Economy" report, which had been commissioned from the remaining SAP funds (see attached). This report provided detailed evidence of where the region needs to focus in terms of skills as well as some wider economic factors that can be used to determine activity.</p> <p>CH said that the LEP had been working with the ICS on a proposal to promote inclusive careers in health and social care. Funding of £300k was intended to develop and deliver a range of pilot projects that can be scaled up, transferred to other geographies and are sustainable. Additional staffing resources would be required to manage this work. Discussions with Greater Lincolnshire and York, North Yorkshire LEPs are in progress about how the project can be delivered across their respective geographies. The delivery model had not yet been fully confirmed.</p> <p>JHN thanked JA and CH for the report and presentation.</p>
13.	<p>Business Support Board Report</p> <p>DW and AH presented the report of the last meeting. The LEP had been successful in bidding for UKSPF export activity which is now in delivery in partnership with the Chamber of Commerce. However, this service only covers Hull, which is causing some issues with interest from employers in the East Riding. ERYC have not yet launched any funding activity which could replicate the service.</p> <p>JHN commented that this is a factor when funding is led by individual LAs rather than at a regional basis, disjointed activity appears, and employers do not merit this approach. The LEP had developed and launched an ambitious regional strategy which promotes this joined-up thinking and a detailed delivery plan for action. Will this</p>

	<p>now be taken over by the two LAs?</p> <p>MM said that she was the board representative on the ERYC UKSPF Partnership Board but is now required to have a deputy at board member level, with TC taking over the officer role in support. Action – interested board members please let TC know.</p> <p>CB confirmed that she sits on the Hull board with Jason Speedy and acts as both a VCSE and LEP board representative.</p> <p>JHN thanked MM and CB for their engagement in the partnership meetings.</p> <p>AH said that Growth Hub funding had not yet been confirmed although a ‘letter of comfort’ had been received by the LEP for financial year 23/24. PC confirmed the letter is imminent.</p> <p>The Investment Panel had recently met and was pleased with the number of applications to the fund and the fact that these are evenly spread across the region.</p>
14.	<p>Infrastructure Board Report</p> <p>AH presented the paper. The board members continue to find the discussions of value and are able to share views with the LEP in terms of their views on potential projects.</p>
15.	<p>Any Other Business</p> <p>JHN said that the Audit, Finance and Governance Panel had met and were aware of the financial position of the LEP. They were supportive of the LEP continuing to function, recognising the role of the board and the sub boards. The Panel provides independent advice to the LEP, which is much valued.</p> <p>JHN added that he and TC will be attending HCC scrutiny meeting on 20th April to discuss LEP business and make elected members aware of the financial position.</p> <p>JHN thanked AH for his significant contribution to the LEP, expressing how valuable his expertise had been in leading the development of the economic strategy and delivery plan and in all business support activity. On behalf of the board, JHN wished AH every success in the future.</p>
16.	<p>Date and time of next meeting:</p> <p>Thursday 25th May 2023 – 9 am via Microsoft Teams</p>