

Paper A

Draft Minutes of the Board Meeting
held on 26th May 2022 at 9.00 am
Via Microsoft Teams

<p>Attendance</p> <p>Board Members</p> <p>James Newman OBE (Chair) Stephen Parnaby OBE Councillor Jonathan Owen Councillor Mike Ross Jayne Adamson Gill Alton David Hall Professor Susan Lea Madge Moore Diana Taylor Dafydd Williams</p>	<p>Observers</p> <p>Alan Menzies - East Riding of Yorkshire Council Mark Jones - Hull City Council Peter Campey - BEIS</p> <p>Executive Team and Secretariat</p> <p>Teresa Chalmers Andrew Hewitt Karen Philipson</p> <p>Guests</p> <p>Kirsty Barr- HEY LEP Graeme Smith – Hull City Council</p>
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<p>1</p>	<p>Apologies</p> <p>Catherine Bishop Matt Jukes HCC Caroline Lacy ERYCC</p> <p>Declarations of Interest</p> <p>Dafydd Williams – Freeport Stephen Parnaby OBE – The Business Day</p>
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2	<p>Minutes of the meeting held on 31st March 2022</p> <p>These were approved and agreed as a correct record.</p> <p><u>Matters arising</u></p> <p>Matters arising were mostly covered in today's board papers apart from item 7: the Aura presentation would be sent around shortly; item 12, Chris Howell would welcome more board members to confirm their interest in participating in the bitesize videos.</p>
3	<p>Chair's Update</p> <p>JHN discussed recent conversations held at the Humber Energy Board (HEB) where Neale Coleman had briefly described the first meeting of Opportunity Humber (OH) which was held on 27th April. Neale acknowledged that the current membership of the OH Board needs to be reviewed to include other business leaders to ensure that the region's wider interests are considered.</p> <p>There was also a discussion on whether the HEB would report into the Humber Leadership Board directly, or via Opportunity Humber. These issues have not yet been resolved and further conversations will follow. There is no final Terms of Reference for OH and a future workplan will be developed.</p> <p>JHN has held several business meetings since the last meeting including one with Carl Ennis, CEO Siemens UK, where the assets of the wider Humber area were considered. Carl is keen to work with local business leaders to help drive the economy and will continue to support the work of both LEPs.</p> <p>Action – JHN and SRP to report back to the next board re OH and HEB progress.</p>
4	<p>Pan Humber issues</p> <p>SRP reported that in addition to the items JHN had reported on, the Freeport SteerCo is currently in the position of negotiating further funding to deliver the capacity to respond to ongoing queries that have arisen from the Final Business Case. All partners are committed to finding the best fit solution to enable the Freeport to progress at pace asap.</p> <p>DW commented that ABP are in ongoing discussions with government regarding the gap period and gaining further clarifications on potential solutions. The Freeport remains a key opportunity and the Freeport team have developed a compelling case which will benefit the whole economy which should be recognised by all.</p>

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Local Authority Updates

Cllr Jonathan Owen, Leader, East Riding of Yorkshire

Cllr Jonathan Owen added to the Freeport conversation in that all four LA leaders and their senior financial officers are meeting to agree a plan to help move the situation forward.

In terms of the devolution developments – following the elections in Hull, the regular meetings between the two LAs will recommence. There is general progress with County Deals but a recognition that government capacity is limited and that it is likely that the 9 county deals will be dealt with in 3 blocks. Cornwall and York, North Yorkshire are the only current deals that seem to be moving at pace.

The East Riding of Yorkshire Council has received £11M from the UK Shared Prosperity Fund which was more than anticipated and is as good as the LA hoped. Plans are now underway to develop the required investment plans and webinars are in place to seek consultation on the resource.

The LA is witnessing skills gaps in several areas of service including in care, architecture, legal and technical advisors which has led to an unplanned underspend. Increases in social care costs due to the rising of income thresholds will impact further on LA budgets.

Ukrainian families continue to be supported by the LA. Discussions with government are ongoing in terms of housing 200 Syrian male refugees.

Cllr JO has recently welcomed Greg Hands, the Minister of State for Business, Energy, and the Industrial Strategy, where government colleagues received a helpful presentation by Equinor.

Cllr Michael Ross – Hull City Council

Councillor Mike Ross thanked the board for his invitation to join and explained he had been in post for only 7 days. Cllr MR commented that Hull City Council are experiencing similar challenges to the East Riding. The new administration will focus on engaging with the business sector and saw business leaders as partners; a range of meetings are in the process of being set up.

JHN commented that the LEP would welcome the re-commencement of the ‘meetings of nine’ where both LA leaders, CEOs and the LEP came together to discuss relevant issues. The LEP has significant interest in the development of the County Deal and would like to play its part in ensuring the business voice was able to contribute effectively.

Action – LAs and LEP

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Members' Business Issues

DH discussed his most recent issues; the supply chain was under pressure, in areas including glass, steel and installation, whilst this had slightly eased in terms of time, DH was seeing ever-increasing prices across all areas of business. Recruitment of staff remains an issue which DH had discussed at the Business Support Board. The other challenge is enough business access to suitable industrial unit space, such as the Grovehill Road Business Centre in Beverley, which was impressive.

DH commented that he felt some schools are not providing quality impartial careers advice and encouraging young people to only look at an academic route via university, whilst there are good quality apprenticeships that should also be promoted. GA commented that the Business Support Board would be having a presentation by curriculum colleagues on how colleges work with business when developing curriculum.

MM said that increasing costs, labour issues and remote working were all problematic for the rural and farming community. Unfortunately, local people were not always available to enter this workforce and the use of hybrid working has meant a greater loss to other regions. Working with the Growth Hubs is key, and the Levelling Up Rural Economy Paper should assist.

(https://www.cla.org.uk/documents/502/Levelling_up_the_rural_economy_-_APPG_report_2022_ONLINE_pdf.pdf).

Other areas of challenge are planning, changes to tax and the skills issues.

SL commented that it was useful to hear about the LA plans for the UKSPF and its operational impact; it is important to see this effectively used for both the University and the region. It is vital to have serious joined up and collaborative partnerships as the region has significantly benefitted from EU funding recognising its areas of deprivation, and the reductions in resource need to be carefully managed. This is a risk and SL is happy to be involved in conversations.

The University is seeing many more students present with mental health issues and socialisation issues and knowledge gap challenges after the time spent alone during Covid. The University recognises its place in support of the region, to the Freeport and remains absolutely linked to economic progression. The new VC Professor David Petley has committed to drive the existing strategy and will play a full role.

JHN asked the LAs how the UKSPF would be operationalised. MJ said it was an emerging picture; the UKSPF had been announced along with additional funding for numeracy programmes via the government's Multiply programme. The scoping for the investment plan would include consultation and then each LA is required to send off their separate investment plans by the end of July. These would be high level documents and engagement with communities is a strong focus along with support for small and micro businesses. Hull CC has been allocated £10Mc which includes the new deprivation matrix accountability. These amounts will be paid per annum for the next three years and then this amount will rise in 2025 when the total UKSPF budget increases. However, this does not replicate previous ESIF as it does not take account of the programmes delivered and managed by DWP. Under ESIF, good

	<p>community infrastructure developed which include those vital services delivered by the community and voluntary sectors; without support this will come under severe strain as current funding trails off.</p> <p>JHN commented that as ESIF required match and as UKSPF does not, this effectively means that funding is reduced by 50%. How are decisions being made within the LAs? MJ responded by saying following the consultation process the discussion will take place at cabinet prior to delegated responsibility for finalising the plan by officers leading the project. JO added that on the first webinar there are over 245 people registered to attend.</p> <p>JA commented that the Employment and Skills Board will look at the careers issue DH raised in more detail. It was also important to recognise that the Hull and East Yorkshire work on health inequalities would help tackle some of the challenges. GA said that according to college colleagues' enrolment looked positive and therefore young people and adults were making choices other than university routes, which of course is a positive choice and for many an ambition. The ideal picture is one where employers and education and training providers recognise the need to work together and commit to do so in a seamless way.</p> <p>DW raised the issue of carbon reduction within organisations which is already being worked on and suggested a conversation on wider funding opportunities would be helpful to the board.</p> <p>Action – future agenda item – JHN/SP/TC</p> <p>PC commented that government has been very clear that the UKSPF is not a direct replacement of ESIF and has more flexibility than previous funds. LAs need to engage with local partners including the LEP and set up a Local Partnership Group which in some ways is similar to the old ESIF Committee. PC is speaking with both LAs shortly in regard of setting up these groups.</p> <p>Action - JHN offered to be part of this group.</p>
7	<p>LEP Budget</p> <p>TC and GS presented the paper on the budget after LEP colleagues had left the meeting. The budget is very tight with little flexibility and as such TC has suggested doing things differently to ensure that the minimum levels of service could continue. DW raised an issue about ongoing viability of the LEP, given its reliance on the use of reserves to continue this year. GS said it would be challenging but the LEP will manage the resources efficiently as possible. SP asked about the year after as the funding was so tight. JHN commented that the LEP may be in a different space next year depending on the County Deal pace of change. The board agreed to the budget proposals and asked for regular updates. GS commented he would provide the final outturn of the budget for 2021/2022 at the next meeting.</p> <p>Action – TC/GS</p>

<p>8</p>	<p>Growth Hub Review</p> <p>JB gave a presentation that focussed on the Review outcomes and recommendations, the focus is the availability of support to provide free at the point of access advice and guidance to the businesses in the HEY LEP Region. Whilst funding for the Hub has been reduced by 50% in line with all LEPs, he had worked on a plan for this year to ensure there would be no displacement of staff. The report noted that whilst there was general acknowledgement of the support for SMEs, individual businesses did not always recognise it was delivered via the Growth Hub. Referral routes are good, but more promotion and marketing of the brand is needed. The Made Smarter programme will provide continuity for 3 years going forwards with recruitment of a staff resource to manage the programme. The residual ERDF resource would continue until 2023 and enable continuation of services such as webinars, however the specialist services that were previously available would reduce to a more generalised support.</p> <p>JHN asked whether Growth Hub funding would be considered as part of the UKSPF? AM commented that the ERYCC model was to deliver support via its existing 8 business centres which are in many market towns. The LA has offered SME business support for over 20 years and the Growth Hub is part of this overall mix. The consultation process of UKSPF will confirm priorities but it is important to recognise conflicting demands on lesser funds. However, SME support remains a key priority for the LA and part of the overall economic strategy. MJ added that for Hull it is a similar issue but there are also plans to use the Enterprise Zone uplift to fund SME support. The immediate access of funds is welcomed, and this will create agility and responsiveness.</p> <p>SL said helpful and robust analysis of current funding is needed, there are some excellent programmes delivered in the University and as such an early conversation would be helpful. The University has recently been awarded the Small Business Charter and Yvonne Moogan is a member of the LEP Employment and Skills Board who would be able to add value to conversations.</p> <p>JB thanked the board for their comments which would be incorporated into the final report along with those received from the Business Support Board, this will help define priorities in the funding model. AH added that part of the rationale for the Review was to enable these discussions to take place to agree a regional model of support. PC added that business support for SMEs is a clear priority of the UKSPF.</p>
<p>9</p>	<p>AGM and Annual Review</p> <p>TC asked the board to consider a change to the next Board meeting on July 19th to include the AGM. This would in affect mean the first hour would be Board business with the second 45 mins dedicated to the AGM with final outturn and a celebration of the three sub boards work for the LEP's first year. To be held physically at Hull's Guildhall, the event would include invitations to all sub-board members and other stakeholders such as the Business Engagement Board. The Annual Review publication would be produced as part of the event.</p> <p>Action - the Board agreed to support the proposal.</p>

<p>10</p>	<p>HEY LEP Delivery Plan</p> <p>AH discussed the Delivery Plan which had been circulated as draft prior to the meeting; the plan focussed on what the LEP was able to deliver itself rather than a longer strategic viewpoint given the current circumstances of the potential Combined Authority. More clarity would be needed on government requirements for the updated Delivery Plan which is required by November this year. PC commented that further discussions would take place in the Autumn on the latter Delivery Plan and that discussions within government were continuing.</p> <p>Action – the board thanked AH for his work and agreed the plan.</p>
<p>11</p>	<p>Chief Operating Officer and Team Report</p> <p>TC reported on several activities that had taken place since the last board meeting. The LEP team continued to ensure that milestones are met despite the current situation with funding. SL asked about the health and wellbeing of the team, considering the duress they are under. TC said that the bi-weekly team and managers meetings are ongoing and that social events are in the diary.</p> <p>TC asked board members to consider being part of the Oh Yes, Net Zero planned Open Doors skills events which would take place during July – September; any organisation who wished to invite members of the public into its premises for an activity such as a taster of a course, a tour or an interactive presentation would be much welcomed. The dates were chosen to coincide with general recruitment patterns so would add value whilst also raising the aspirations and understanding of the regional assets to any interested party. DW offered to participate from an ABP perspective.</p> <p>Action – board members to let TC know of their interest by end June 2022.</p> <p>JHN thanked all LEP team members for their professionalism and continued delivery during challenging times.</p>
<p>12</p>	<p>Employment & Skills Board Report</p> <p>JA asked the board to acknowledge the work of the team and its plans to develop a high-level summary Employment and Skills Strategy which would draw on the Local Skills Report and the future skills needs of the region. JA commented on the development of the Local Skills Improvement Plans and confirmed that LEP colleagues are working in support of the Chamber of Commerce who have confirmed their intention to bid for the work. This effective partnership would bring additional funding to the region of £500k if successful.</p>

<p>13</p>	<p>Business Support Board</p> <p>GA said that there had been good discussion at the most recent board which focussed on the Growth Hub Review and highlighted the need for continued support for SMEs. GA thanked members of the BSB who had helped frame the Review and who had been involved in the consultation exercise. Skills had also featured in the discussion and the board had decided to invite a colleague from FE to attend the next board meeting</p>
<p>14</p>	<p>Investment Programmes</p> <p>KB presented the latest data on the Programmes, confirming all are progressing well, with some exceeding milestones. The new programme has received a variety of EOIs from sectors including health, agriculture, and construction. The Investment Panel would review the applications on the 21st June. The board thanked KB for the report.</p>
<p>15</p>	<p>Queen’s Speech – Policy Update</p> <p>AH presented the briefing paper previously circulated. The speech featured more information on the Levelling Up and Regeneration Bill, the Transport Bill, and the Energy Security Bill. Whilst there was little new information in the speech, it was useful to see the strands together. JHN thanked AH for the briefing.</p>
<p>16</p>	<p>Any Other Business</p> <p>JHN asked members to participate in as many activities during Business Week as possible and suggested that it would be helpful if members would be happy to wear a HEY LEP badge at events.</p> <p>Action – TC and AH to organise from existing stock items only.</p>

Signed:

James Newman
Chair