

Hull & East Yorkshire LEP Board Report

Paper E - Chief Operating Officer and LEP Team Board Report 24th January 2024

1. Summary

The LEP Team has continued to deliver on a wide range of various responsibilities to support the region's Economic Growth and Workforce Wellbeing Strategy Delivery Plan.

2. Recommendations

The Board to note the report and support the following recommendations:

- The Board approves using Humber LEP Reserves to pay for the Humber domain names as per agenda 7.1 below.
- The publication of the LEP Annual Review document in March 2024, as opposed of July in previous years which was part of the AGM as per item 9.3 below.
- The voluntary return contribution of £10k has been recommended by the ESB back to the ICB to develop a work experience website across five regions, as per item 11.2 in this report.
- It is recommended to the Board that Dafydd Williams continues to hold Board membership whilst transitioning to a new role.

3. Report

A) Strategic Issues

3.1 Growth Hub – Create Growth Programme – As the Board have been previously informed, the LEP has been successful in the competitive application process to DCMS for the delivery of the Create Growth Programme in Hull and East Yorkshire. £520,000 of funding has been secured to deliver the programme in 2024/25.

3.2 Whilst the grant offer letter from DCMS is still awaited, as well as specific detail around contractual targets and performance outcomes, the Growth Hub team has been proactive in designing and developing the programme, working alongside consortium partners in doing so.

3.3 To lead on the delivery of the programme, a programme manager will be recruited as early as possible in Q1 2024. However, delays with the job evaluation of this externally funded post have raised challenges, made more acute by the one-year duration of the programme and the need for additional staffing resources to ensure successful delivery.

3.4 The Programme will be officially launched with a high-profile event w/c 26 February 2024 with the final date and arrangements to be agreed with the Programme Steering Group in January. All employer board members will be invited to attend the launch event.

4. Convention of the North and NP11 Policy Developments

4.1 As part of the ongoing conversations re the development of the convention of the north/pan northern partnership a Policy Officers group has been formed as part of the second pan-Northern co-ordinating body, working as part of the Convention of the North process, alongside the Steering Group (comprised of the elected leaders of the north and other policy organisations).

4.2 By bringing together local government officers, thinktanks, and policy organisations from across the North, the Policy Officers group is a valuable resource for co-development of policy ahead of the 2024 Convention, which will be held in Leeds on the 1st of March.

4.3 Metro Dynamics has been appointed as the policy lead for Convention 2024; their role will be co-ordinating the collective development of policy propositions, and to develop a framing “Manifesto for the North” output. The Manifesto will present the North’s strengths, opportunities, and suggest “game-changing” policy propositions, which will be the focus of co-development with the Policy Officers Group.

The four policy areas will be:

- **Trade and Investment:** This theme would look at the potential to increase the exports, inward investment, competitiveness, and productivity of the North; in particular across the four prime capabilities identified by the Northern Powerhouse Independent Economic Review.
- **Transport:** This theme should focus on pan-Northern issues and opportunities as directed by TfN, and is likely to include HS2/NPR, rail services, strategic roads network, bus franchising practices
- **Net Zero:** Focusing on the North’s unique opportunity to lead the Net Zero transition, through joining up the assets and opportunities in clean energy, industrial decarbonisation, and other areas.

- People and Place: Make a strong, place-based narrative around the culture and identity of the North and its people (potentially building on the existing work of NP11 and partners through the Place Strategy).

4.4 The COO, Investment and Export Lead colleagues will be joining the policy groups to ensure HEY is represented in discussions. LAs may also consider the opportunity.

5. Governance

5.1 Board members liability insurance (as directors) has been extended to 31 March 2024. After this date all business directors will be removed from Companies House as the LEP closes. However, the two elected leaders will remain as directors until the final accounts are signed off. The company will then be closed.

5.2 HEY and Humber LEP Reserves are covered in Paper B on today's agenda.

5.3 The Chief Operating Officer is working with the Accountable Body to ensure the smooth transition to new arrangements for the team and any contractual issues such as regional delivery requirements. Partner and funding partners have been made verbally aware of the proposals and letters of confirmation will follow to all appropriate colleagues in February.

5.4 It is recommended to the Board that Dafydd Williams continues to hold Board membership and remains as the Business Support Board Chair. Dafydd is in process of moving to a new organisation for employment but will provide continuity at both boards during the last 3 months of the LEP's delivery.

6. Humber domain names

6.1 When the Humber LEP closed the HEY LEP took responsibility for the payment and ownership of four Humber domain names:

- Humberinvest.com
- Thehumber.com
- Thehumber.net
- The Humber.org

6.2 As these domains are likely to be considered for ongoing activity, we recommend that HEY LEP funds names these for a further year using Humber LEP reserves. This will therefore prevent any commercial

organisation using them for other purposes. The ownership of the names will then pass onto the Humber Leadership Board/JSU for further review/action.

7. **The LEP Network Update** – Activity highlights relevant to the LEP Board follows:

8 “ **DLUHC** published ‘[Guidance for local authorities delivering business representation and local economic planning functions](#)’ - providing further details of the next steps for local authorities and LEPs on the integration of LEP functions into local and combined authorities from April 2024. Again, the key principles remain around evolution not revolution and building on what’s gone before. Key points include:

- Government will provide up to **£240,000 per local or combined authority** delivering functions over a functional economic area - the authority appointed as the accountable body will be required to submit a funding application form, ahead of 2024/25 funding. **Demonstrating adherence to the guidance** may be a factor when determining funding.
- Demonstrating a **strong business voice** is an eligibility requirement for some government programmes (including Growth Hubs) as well as a key principle of the [English Devolution Accountability Framework](#). For other areas, including those where devolution is not on the horizon, the government expect local authorities to create or continue to engage with an economic growth board (or similar) within their functional geography. The framework sets out that “**a strong, independent, and diverse business voice should be embedded into their decision-making process**”.
- Models might include “**transferring an existing LEP Business Board into a new institutional home**”. Any **new business board members** must be appointed through an open process and the guidance encourages careful thought as to who might **Chair the board to ensure independence**.
- Government encourages areas to evolve (or update) **economic strategies, building on the work of the Local Industrial Strategies (LISs) or other relevant strategies**.
- Upper tier local authorities are expected to engage with their **district and borough councils** on the development of economic strategies.
- An expectation that functions will be delivered over **current or potential devolution deal** geographies so far as possible.

- Delivery of government programmes – such as **Growth Hubs and Careers Hubs** – is expected to be coterminous with the delivery of business representation and economic planning functions.
- New **Assurance Information** for Local Government will be published ahead of funding payments being made.

8.1 The **Minister for Levelling Up**, Jacob Young, published the [Freeports Delivery Roadmap](#). He said “the Roadmap sets out a range of areas in which Departments will go further in supporting Freeports to create investable sites, land investment, and build clusters and durable local economic growth. It therefore focuses on all stages of Freeport delivery....” The road map is structured around 3 key strands:

- I. creating investable sites – bringing sites and enabling infrastructure forward, ready for businesses to invest
- II. landing investment – promoting Freeports and working with business to secure investment.
- III. creating clusters and local economic growth – capitalising on early investment to attract a wider supply chain and foster a cluster, while reinvesting in the local economy and communities.

8.2 The Department for Energy Security and Net Zero said that “hundreds of businesses” will be helped to cut their energy use, backed by £6 billion, as part of [a new approach to net zero](#) - an additional £1.5 billion of funding will ensure more homes and businesses can install heat pumps, “helping people transition easily to the modern, clean heating systems needed to become a net zero nation”.

8.3 Department for Energy Security and Net Zero has also set out plans for a new [competitive](#) UK carbon capture, usage and storage market by 2035. The CCUS Vision sets out how the UK will transition from early projects backed by government support to becoming a competitive market. It is expected to boost the economy by £5 billion a year by 2050 and support 50,000 jobs by 2030.

8.4 The Department for Energy Security and Net Zero, also announced £4.8 million of [funding](#) is being made available to 4 projects for new bidirectional charging technologies to allow households and businesses to use their electric vehicle batteries to power their homes and facilities.

8.5 The Government has announced an action plan of over 50 measures to accelerate the [growth of Freeports](#) in a policy move aimed at reviving the UK's port communities – it includes a £150 million fund to boost the Freeports policy, along with special tax incentives extended to 2031.

8.6 A new law now in place will force manufacturers to produce 80% of new cars and 70% of new vans sold in UK to be [zero emission vehicles](#) by 2030”.

9. Investment Activity update

9.1 The investment landscape across the UK remains challenging with the volume of inward investment enquiries steadily reducing from 2017 to 2023. However, the number of FDI projects in the North, whilst declining over the period, compares favourably with the other regions in the last seven years, with an improving performance relative to London and the South East. Given this performance the NP11 are currently undertaking research into the trade and investment landscape. As part of the research an evaluation of the Investment and trade flows evidence is being undertaken and this will form the basis for discussion with national promotion agencies such as the Department for Business and Trade.

9.2 The adoption of innovation within business remains a key pillar to future economic success and this is even more apparent with the speed to market reducing and the increased value that can be realised through well designed products and services. As such the Business Development Manager has been assisting the NP11 with innovation cluster research and the team has created a case study around the role our region plays on the national stage in developing the renewables and decarbonisation cluster.

9.3 Since the early inception of the NPIF fund in 2017 the LEP has been represented by the Business Development Manager on the Regional Advisory Board (RAB) of the fund. NPIF is now coming to an end and will be replaced by a £660m NPIF 2 fund during the early part of 2024 and once again we will play an active role in this. The Humber LEP originally placed £5.7m of its ERDF allocation into the fund and will at the close have invested over £21m of funds into Humber businesses. A key success factor was to increase investment outside the core cities with 68% of investment deployed outside these areas. To October 2023, the Fund had made 1,744 investments and loans into 1,257 SMEs totalling £435.59 million, with private leverage the total exceeds £1bn of investment. Of the c£435m £234m was debt financing, £176m equity and £26m was Micro financing. More specifically in the Humber over 80 businesses have been supported from a range of sectors.

10. **LEP External Communications** - Coverage in the media has included the following items:

Business Works Magazine - [Ideal Heating latest firm to support Apprenticeship Levy funding | BW Magazine \(bw-magazine.co.uk\)](#)

HVAC Informed - [Boosting Digital Marketing Skills: Ideal Heating's Investment In SMEs | HVAC News \(hvacinformed.com\)](#)

Installer Online - [Ideal Heating reinvests apprenticeship funding to support local small business - Installer Online](#)

Business Link Magazine - [Heating company 'spreads the love' by reinvesting apprenticeship funds in another company - Business Link Magazine \(blmforum.net\)](#)

Heating & Plumbing Monthly - [Ideal Heating reinvests apprenticeship funding to support local business | Heating & Plumbing Monthly Magazine \(HPM\) \(hpmmag.com\)](#)

Hull & Humber Chamber of Commerce - [Hull and Humber Chamber of Commerce \(hull-humber-chamber.co.uk\)](#)

The Hull Story - [Ideal Heating reinvests apprenticeship funding to support local small business — The Hull Story](#)

10.1 In addition, and as part of the LEP Network activity, the LEP has contributed to a national call for good news stories in the region. These will be used in briefing meetings with government colleagues and may appear on the LEP Network website.

10.2 As part of contract delivery, the LEP Team is planning the delivery of several events during Q1 2024; these include:

- The LEP/CIPD Neurodiversity and Talent Symposium which will be held on **29th February 2025**, a.m. at the **Mercure Hotel, Willerby**. This event focusses on the wider talent pool of local residents and offers support and examples of good practice for employers and HR professionals. This event will also include the soft launch of the CIPD SME HR pilot. All business board members are invited to attend, booking is via Eventbrite. [Growing Your Talent Pool: Recruiting to maximise creativity & productivity Tickets, Thu 29 Feb 2024 at 09:00 | Eventbrite](#)
- The February launch of the Create Growth Business Support Programme as mentioned.

10.3 The LEP Team recommends the launch of the Annual Review publication, earlier than previous years, considering the closure of the LEP. It is proposed that the publication is launched in March 2024, demonstrating LEP activity impact across the region.

B) LEP Operational Matters

11. Staff team update - Further team changes have occurred since the last LEP board meeting:

- The joint HEY LEP and Humber and North Yorkshire Health and Care Partnership “Inclusive Careers” project has now recruited a new staff member to lead on the 18-month project who started in November 2023. Initial engagement with HEY schools has been highly positive with 20 schools having already signed a Memorandum of Understanding and committing to participate in the in the project. The project will work with a total of 27 schools. The project will utilise Careers Hub tools to assess young people’s knowledge and perceptions of health & social care careers and will track the impact of project interventions. The Project Lead has begun to engage with stakeholders providing adult careers services and those supporting young people and adults with learning disabilities and autism with a view to developing interventions that will support these cohorts access health and social care opportunities. The LEP team are in the process of securing the services of a specialist health & social care Careers Advisor who will provide bespoke careers advice to young people and adults and also CPD to other careers advisors.
- The Behavioural Insights Team and CIPD HR and Business Support Project will also need additional resource (1 x FTE) to deliver outcomes. The LEP team is currently reviewing the contract. Subject to the contractual terms being acceptable, recruitment and any procurement of this support will commence in early January 2024.
- 1 FTE Programme Manager will be recruited for the delivery of the DCMS funded Create Growth Programme. However, there have been ongoing delays with the evaluation of the job description of this post. It was understood that this post would be graded at a Grade 9 or 10 salary level with the accountable body, however the job evaluation came back at a Grade 8. This lower salary level presents a challenge around attracting appropriately skilled and qualified applicants to the role, which has necessitated a redrafting of the job description, which will have to be re-evaluated, thus setting back the recruitment to this post by around three to four weeks. This issue is ongoing regarding externally funded programmes that often have limited time to deliver.

12. Financial Matters

12.1 The Behavioural Insights Team have confirmed a grant award of £75k for the CIPD HR and Business Support Project. Details of the project are provided in the ESB report on this agenda. The LEP team are currently reviewing the draft contract with support from the Accountable Body's finance and legal teams. The draft contract offers milestone payments and also some payment by results presenting an element of financial risk. The LEP team and Accountable Body are negotiating the contract structure and hope to agree a mutually agreeable format allowing the project to proceed.

12.2 The HEY LEP has voluntarily returned £10k of the non-recurrent Integrated Care Board (ICB) funding secured for the Inclusive Careers project to support ICB colleagues to build capacity for work experience placements across their system. The returned funding will develop a work experience website which will operate across the five ICB regions. This will add capacity and a centralised resource to the wider programme which sits alongside the work of the HEY LEP and therefore makes good sense to do so. The proposal was approved by the HEY LEP Employment & Skills Board at its meeting on 11th December 2023.

12.3 The LEP Reserves are discussed in a separate paper for this meeting.