

Hull & East Yorkshire LEP Board Report

Paper C - Chief Operating Officer and LEP Team Board Report 20th March 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. Wider delivery points are covered in today's agenda in addition to this paper.

2. Recommendations

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

- The Board approves the NEY Net Zero Hub proposals for the projects being put forward to the strategic pipeline, recognising that this is a competitive process and may need to be revisited if unsuccessful this round.

3. Report

A) Strategic Issues

3.1 Growth Hub – **The 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, the new Programme Manager officer post has been advertised with a proposed interview date of 22 March. There has been a notable amount of interest in the vacancy to date, with the recruiting manager fielding a number of phone calls from prospective applicants.

3.3 The significant delay in receiving the grant offer letter has impacted on the planned high-profile launch which was due to take place in late February/early March. A revised approach has been devised which will see the programme “soft launch” in late March in order to enrol enough businesses onto the first cohort which will commence in late April. This soft launch will consist of a virtual business briefing for those businesses that have already submitted an EOI for the programme, followed by 1-2-1 appointments with Growth Hub advisors to carry out a more detailed diagnostic to assess

eligibility and fit for the programme. 23 EOIs are currently in hand, which provides good assurance that the first cohort will be filled with 12 to 15 firms.

3.4 The programme will then “hard launch” on 11th April after the Easter holidays, in order to generate further EOIs with which to recruit to cohorts 2 and 3. This hard launch will consist of a high-profile in-person launch event featuring guest speakers, as well as businesses that have taken part in the programme in other areas in the Northern Powerhouse, to talk about their experiences of the programme.

3.5 To negate these time delays, delivery partners are assessing the option to run cohorts concurrently, thus ensuring that the output participant targets of 60 SMEs can be reached before March 2025

3.6 Internal Accountable Body support services are involved in the inception of the programme, including finance, legal and procurement; however, management and administrative capacity issues have also impacted on the original timelines proposed for programme delivery.

4. Convention of the North - The Convention took place on 29th Feb and 1st March. The LEP was represented by James Newman, Madge Moore, and Phil Glover. James participated in two panel events both focussing on et zero across the 11 LEP and M/CA areas of the country.

4.1 High profile government representation included Rt Hons. Angela Raynor and Micheal Gove.

4.2 Key messages at the Convention included a focus on AI and its potential to drive the nation’s economy, highlighting how the north can play a leading role in Industry 4.0.

4.3 NP11 and Transport for the North, published their new research, with contributions from LEPs and M/CAs, outlined that with the right powers and investment the north can deliver many of the government’s ambitions.

5. Governance - As previously reported, 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 after posting final accounts. Recommendations for the continued use of the Investment Panel expertise are covered in paper F on today’s agenda.

5.1 HEY and Humber LEP Reserves are covered in Paper B on today’s agenda.

5.2 To ensure the transition to new arrangements is as smooth as possible, letters to funders explaining the interim procedures have been (e.g., The Careers and Enterprise Company, the ICB and the North East and Yorkshire Net Zero Hub.

5.3 As part of the LEP's Local Assurance Framework and transition requirements the new interim organisation will need to ensure that previous investment projects using public finances are kept up to date and available on a suitable web platform. This applies to the current Investment Panel activities which are able to recommend loans and grants using recycled former LGF money.

6. The interim arrangements will include the use of a name for the LEP team's work, the email and social media effective management and the opportunity to provide clarity to business, provider and voluntary sector stakeholders who have been asking about the transition. Both LAs are currently discussing the issues.

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

“The **Department for Science, Innovation and Technology** (DSIT) launched a drive to get more people to sign up to [digital Skills Bootcamps](#) in cloud computing, cybersecurity, software development and more. New research published by DSIT shows that skills offered by free government-backed bootcamps can lead to average salaries exceeding £70,000, two and half times the UK average – the findings from Beahurst also reveal that roles in technology overall pay an average of 55% more the national average.

The **Prime Minister** (and Environment Secretary) [attended the NFU Conference](#). It's the first time a PM has attended the annual conference since 2008 (Rt Hon. Gordon Brown,) – the PM underlined the government's commitment to deliver on its plan to “support profitable farming businesses, improve food security and protect the British agriculture sector for generations to come”.

The **Prime Minister** announced a [package of support for rural communities](#) expected to total £427m – this includes £220 million for future-focused technology and productivity schemes to enable farmers to access new equipment, including “kit which increases automation to reduce reliance on overseas workers.” It will also fund cost-saving energy measures, such as rooftop solar, and cut bureaucratic red tape around permitted development rights so farmers can “easily develop buildings and diversify earnings” through farm shops, commercial space, and sporting venues. It is expected to benefit the broader rural community by

increasing job opportunities and commercial units available, helping local residents to develop small and medium enterprises in rural communities.

The MJ featured two pieces from previous Conservative Cabinet ministers on local growth and are critical of the decision to cease funding LEPs – one an op-ed from ex local government Secretary Greg Clark MP and the other an interview with Lord Heseltine. A full copy is in the attached appendix. Greg Clark recently commented that the LEPs did ‘outstanding work in bringing businesses and other economic leaders like universities together with councils to improve the economic prospects of their areas’, and in his interview, former deputy Prime Minister Lord Heseltine said: ‘I think [LEPs] have made a contribution but I don’t think they should have effectively been abandoned, which is now what is happening. LEPs should not have been terminated.’

The **Local Government Chronicle** reports that, in its evidence to the Commons' Levelling Up, Housing and Communities committee, the Office for Local Government (Oflog) expects it will complete between four to six early warning conversations with councils that are at risk of failure next financial year.

The House of Lords **Built Environment Select Committee** held its first oral evidence session for its [new inquiry on high streets in towns and small cities](#) on 20 February 2024. You can find the [evidence sessions here](#). Issues raised include:

- Why there has been a ‘decline’ in high streets.
- How high streets can strike the right balance between the various interests and uses of their communities.
- Types of transport infrastructure and spatial planning which can support high streets.
- Who should have responsibility for managing high streets.
- Effectiveness of Government’s Levelling Up policies and measures supporting high streets, e.g., the Towns Fund and the Long-Term Plan for Towns.
- How the regeneration of high street can address, rather than exacerbate, inequalities.

The **Commons Business and Trade Select Committee** published their report on [international free trade agreements](#), specifically the **UK accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)** – it recommends that *“the Government provide a revised impact assessment, setting out its current expectations of the gains from CPTPP; and the Department for Business and Trade should explain what steps it is going to take to help ensure that UK business exploits the treaty to the full. The Government must also say what it will do to develop better ways of measuring the impact of future*

trade agreements—including the involvement of an independent body, to avoid the Department “marking [its] own homework.”

The **Net Zero Teesside Power** project has received [development consent](#) from the Secretary of State for the **Department for Energy Security and Net Zero**. It aims to be one of the world’s first commercial scale gas-fired power stations with carbon capture. NZT Power aims to take a final investment decision in or before September 2024 and could generate up to 860 megawatts of low carbon electricity.

The **British Chambers of Commerce** published their [Local Economy Of The Future report](#) – it is the third of five policy documents published by the **BCC’s new Business Council** as part of the ‘Future of Economy’ project. This third report sets out 16 policies to “transform the UK’s growth potential by empowering businesses, communities and local government”. Among its recommended changes are calls to:

- Ensure the voice of business is heard in strategy development and decision making at local and national level.
- Devolve more powers to regional and local government so decision-making is closer to the issues.
- Give the National Infrastructure Commission real teeth to influence long-term strategy.
- Accelerate the roll out of electric vehicle charging and digital infrastructure to support sustainable connectivity.
- Boost resources for Local Planning Authorities to unblock the logjam on permissions. “

9. North East and Yorkshire Net Zero update

9.1 As a full and equal partner in the North East and Yorkshire Net Zero Hub, the LEP has continued to support the re-introduction of the Hub to partners in our area, including our Local Authorities and key local businesses, to identify how the Hub can best support the Net Zero activities of the area.

9.2 Through Hub Strategic Project Pipeline funding of £30,000 secured in April 2023, the LEP continues to work with our Local Authorities to develop an Internal Carbon Pricing and Insetting mechanism that would allow public sector organisations in our area and across the region to better embed carbon emissions in decision making. The initial scoping activity is on track for completion by the end of March 2024, allowing for a trial deployment of the mechanism in Hull City Council in 2024/25.

9.3 The LEP continues preparations for the development of a Hull and East Yorkshire Local Area Energy Plan, which will map projections of future energy generation, transmission, and usage through to various scenarios of net zero. The project will be managed by the LEP's Net Zero Coordinator with support from Local Authority officers and representatives of Northern Powergrid and Northern Gas Networks, and is part funded by the Hub with match funding from the two Local Authorities. The tender specification for technical modelling work will be live in March 2024.

9.4 East Riding of Yorkshire Council are delivering Carbon Literacy training to approximately 60 elected members and senior officers across the two Local Authorities on the LEP's behalf, utilising underspend of £8,997 from the Hub's Local Capacity Support Grant funding resulting from the vacancy of the Net Zero Coordinator. This training will be critical to ensuring climate change considerations are included in decision making and project development.

9.5 The LEP are supporting the work of the Hub to develop Retrofit Skills Pilot proposals for the Department of Energy Security and Net Zero by sharing the learning of previous, current, and planned activity in developing retrofit skills, including the Skills Bootcamps.

9.6 The Hub recently invited proposals to its Strategic Project Pipeline, to recommend how Hub resource can best progress strategic opportunities within the North East and Yorkshire region. Following detailed discussions with our Local Authorities and officers at Combined Authorities across the region, the LEP has developed two proposals for submission, see appendix 3 and 4. The LEP has proposed that the Hub recruit a Net Zero Skills Manager, to be hosted by one of the Hub's partner Combined Authorities, to develop a forward plan of net zero skills activity in the region. The LEP has also proposed that the Hub funds the development of technical guidance to assist organisations in approaching the decarbonisation of antiquated heating systems which have posed significant challenge in joining a heat network.

9.7 The LEP has also supported proposals to the Pipeline from our local branch of NFU Energy that would expand the GrowSave initiative in our region to support and educate farmers on low carbon approaches and deliver a suite of energy audits to local farms.

10. LEP External Communications – HCC as Accountable Body provide the LEP with additional support for press releases and the production of newsletters, with much appreciation to the team. Coverage in the media has recently included the following items:

Yorkshire Times - [The Student Voice Launched Following Pilot Success \(yorkshiretimes.co.uk\)](https://www.yorkshiretimes.co.uk)

Business Works Magazine - [How to grow your talent pool: HEY LEP invites employers to recruitment event | BW Magazine \(bw-magazine.co.uk\)](https://www.bw-magazine.co.uk)

Bell 4 Business - [Ideal Heating reinvests apprenticeship funding to support Bell4Business Limited. - Bell4Business](https://www.bell4business.com)

Yorkshire Times - [Ideal Heating Reinvests Apprenticeship Funding To Support Local Small Business \(yorkshiretimes.co.uk\)](https://www.yorkshiretimes.co.uk)

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

Renewable Energy Installer - [Ideal Heating supports local business with apprenticeship - Renewable Energy Installer & Specifier](https://www.renewableenergyinstaller.com)

Hull Story - [Ideal Heating reinvests apprenticeship funding to support local small business — The Hull Story](https://www.hullstory.com)

10.1 Since the last meeting of the Board the joint LEP and CIPD Neurodiversity and Talent Symposium took place on 29th February 2025, a.m. at the Mercure Hotel, Willerby. The event was well attended by over 80 delegates who welcomed keynote speaker, Lutfur Ali, [CIPD People Management Awards \(cipdpmas.co.uk\)](https://www.cipdpmas.co.uk) who discussed equalities and their impacts on policy and process. Cheryl Winter from Creased Puddle delivered an engaging session on neurodiversity and the workplace, and the Equalities Practice gave an interactive session on unconscious bias. James Newman OBE opened the event updating partners on the rationale for the event and also spoke about the LEP team's transition arrangements.

10.2 The joint LEP and University of Hull's mini-AI conference took place on 13th March, Jon Brunton and Chris Howell will give members a verbal update at the meeting.

B) LEP Operational Matters

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

- The advert for the Create Growth Programme Manager grade 8 job post closed on 10th March, 2024: [CREATE GROWTH PROGRAMME MANAGER - FIXED TERM \(hullcc.gov.uk\)](https://www.hullcc.gov.uk) The proposed interview date is 22nd March and it is hoped that a preferred candidate can be identified and appointed to the post

by the end of April, subject to the completion of employment checks, references and clearances

- The CIPD/BIT Business Support Project will also require 1 FTE Workforce Development Business Advisor to deliver outcomes. The LEP team, working with HCC as AB, continue to review the contract from a legal perspective. Subject to the contractual terms being acceptable, recruitment to this job post will commence asap.
- The team have some current sickness issues that are impacting on capacity to deliver. Managers are being supported by the COO and HR team..

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 is structured as milestone payments and payment by results presenting an element of financial risk. In addition, the LEP team have identified other potential financial and reputational risks associated with the proposed project delivery approach and are actively exploring solutions. The LEP team and Accountable Body hope to agree a mutually agreeable format allowing the project to proceed.

12.2 The Create Growth grant offer letter is still awaited from DCMS, which will account for the £520,000 to deliver the Create Growth Programme in the 2024/25 year. DCMS intimated on 11th March that the Memorandum of Understanding and Grant Determination Letter would be sent during w/c 11th March. These documents will have to go to the accountable body's legal and finance teams for review before they can be signed off. Therefore, it is hoped that this legal documentation can be executed before the end of March.

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