

## Industrial strategy: business engagement

Report to the Business Development Board, 20 February 2018

Report from Richard Kendall, Executive Director – Strategic Policy & Business Development

### 1. Summary

1.1. This paper asks for the board's steer on future business engagement on the industrial strategy, responding to the task set by the LEP Chair at the last meeting.

### 2. Recommendations

2.1. Members are asked to discuss the suggestions set out and come forward with ideas.

### 3. Background

3.1. At the last Business Development Board meeting, the LEP Chair briefed members on the planned development of a Humber Industrial Strategy and asked the board to be accountable for obtaining business input.

3.2. The Government plans to agree the first Local Industrial Strategies with LEPs/metro mayors by March 2019. These will need to be based on evidence from business engagement and economic analysis.

3.3. The current phase of work focuses on building the evidence base, leading up to the development of a high-level proposition for the Humber strategy in the spring. This will be used to engage more widely with businesses and other organisations, and seek to begin a conversation with Government.

### 4. Business engagement so far

4.1. Last year, the LEP engaged around 120 organisations as it developed its response to the Government's green (consultation) paper on the national industrial strategy. This generated some valuable information which remains relevant.

4.2. The LEP Chair has written to around 130 businesses from various key sectors in the Humber, asking for views on a range of issues. The Business Development Board contributed to the development of the letter. The final core text is attached as Appendix 1 (some letters were tailored with additional sector-specific questions). Responses have started to come in.

4.3. The LEP Chair has also written to the main business membership organisations in the Humber, asking them to provide input on similar themes. A meeting has been arranged with them for 19 March.

4.4. Discussions also continue at the LEP's boards and consultative groups.

### 5. Other activity so far

5.1. Other pieces of preparatory work are also under way to develop the evidence base for the strategy. One of the key ones is a study of the Humber's economic geography – seeking to identify how places within the Humber and their internal/external relationships have changed since the LEP was formed. This will cover, for example, the impact of the Humber Bridge tolls reduction.

## **6. Future business engagement**

6.1. Responding to the task set by the LEP Chair, members are asked to consider how to proceed with business engagement over the coming year. Some suggestions and prompts for discussion are provided below:

### **Humber Business Week**

- The LEP's AGM breakfast will provisionally be held on Thursday 7 June as part of Humber Business Week.
- Should the LEP follow the AGM with a major conference-style event, similar in format to the Humber Northern Powerhouse Business Summit held two years ago? If so, what are the board's suggestions for speakers?
- The LEP is again a sponsor of The Business Day on the Friday of Business Week. How should the LEP seek to use this opportunity?
- How else should the LEP use Business Week to encourage engagement?

### **Business membership organisations**

- How could the LEP gain greater input from business membership organisations?
- What should the LEP Chair ask of them at the meeting on 19 March?

### **Local media and social media**

- How could the LEP best use these channels to broaden business engagement?

### **Other events**

- Sector roundtables have worked well so far. Are there other sectors or existing groups the LEP should target? Who could help with this?
- Are there other types of event the LEP should try? Who could the LEP work with on this?

### **Role of the Business Development Board**

- How else could the board and individual members help with this?
- Should we have any specific aims or targets for this work?

## **Appendix 1: LEP Chair's letter to businesses**

### **Industrial Strategy – making the case for the Humber**

You are probably aware that the Government has published an Industrial Strategy, “Building a Britain fit for the future”. The aim is to seek to rebalance the economy by closing the productivity gap between the UK’s most productive places and the rest of the country.

The Local Enterprise Partnerships are leading work to produce Local Industrial Strategies and Greg Clark, the Business Secretary, endorses the Humber LEP’s approach which is to build strategy from the bottom up – a business-led approach.

The Humber economy is performing well: employment is at a record high and productivity is now rising faster than the average. But the picture varies across our area and we still have some way to go to correct historical underperformance.

**We are asking for your help to develop an ambitious plan which will influence Government’s future investment decisions, and ensure we capitalise on the progress that has been made.**

We have selected a small number of companies from our key sectors to inform this early stage of work. I would be grateful to receive your views on the issues I have set out overleaf, or any others you wish to raise.

We would welcome your response by **Friday 2 March 2018**. If you would rather discuss this in person or by telephone we would be pleased to arrange this.

With regards

Chris Haskins  
Chair

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### **Industrial strategy – questions**

*For an electronic copy of these questions, please email [chair@humberlep.org](mailto:chair@humberlep.org). For any clarification on the issues please do not hesitate to contact my Chief Executive, Kishor Tailor, on 01482 485268 or email [k.tailor@humberlep.org](mailto:k.tailor@humberlep.org).*

1. **Prospects** - how you believe your business and sector are going to perform over the next five years. For example:
  - General expectations for growth
  - Scope for improved productivity and competitiveness, and what is required to achieve this
  - Employment issues such as recruitment, migrant labour, induction, in-house training, attitude and workforce engagement
  - Supply chain development and procurement
  - Opportunities for collaboration

I am sure you will have additional productivity issues to address.

2. **What can we do locally** – how businesses, local councils and other organisations can support growth and productivity. For example:
- Better engagement with schools, colleges and universities
  - Identifying infrastructure priorities
  - More speed and less bureaucracy in the enforcement of planning and regulation
  - Accelerating housing development, with particular reference to small builders
  - Improving the image of the region for potential investors and employees
  - More collaboration

It would help us to know what your priorities are and specific examples affecting your business and/or sector.

3. **What can Government do to help or hinder** - the LEP is particularly interested in your views as to how the state and its agencies can help or hinder your plans. For example:
- On skills - the performance of schools, colleges, training providers and universities
  - Taxation and incentives for investment
  - Sources of finance, especially for small businesses
  - Better regulation - consumer, employment, safety and environment
  - Improved infrastructure - roads, rail, air, sea, floods, energy
  - A successful outcome from the Brexit negotiations
4. **Brexit implications** – What are you expecting from the Brexit negotiations? What are the possible implications of Brexit in your business and sector, in particular your views on the following:
- Recruitment sources/availability of labour
  - Future external trade with the EU and rest of the world
  - Exchange rates
  - Import substitution
  - Consumer, employment, environment, safety and professional regulations and standards
  - Border controls and customs clearance
  - Funding and future cooperation on research and investment
  - State Aid and procurement
  - Attracting new investment

How do you plan to react to these issues?

5. **The Humber** - For a long time, perceptions regarding the Humber as a place to live and to do business have been a concern, although it seems that this situation is improving.
- What do you see as our competitive advantages and disadvantages for your sector?
  - What more needs to be done to improve our image?
  - What scope is there for your business, sector and supply chain to develop here? Are there any constraints which can be addressed?

Please respond by email to [chair@humberlep.org](mailto:chair@humberlep.org), or alternatively write to me at Humber LEP, 47 Queen Street, Hull, HU1 1UU.