

1. Summary

1.1. This report provides a summary of investment related activity including the approach to managing Inward Investment, Key Account Management Programme update, Space Yorkshire programme Net Zero Hub and the approach to Local area Energy Planning in the HEY region.

2. Recommendations

2.1. That the Board notes the information included in this report.

3. Inward Investment

3.1. This area of work focuses on understanding, building on and marketing nationally & internationally the locational and operational assets of Hull and East Yorkshire as a destination for commercial investment into the region. The approach is therefore multi-faceted requiring a co-ordinated effort from a range of commercial and public sector partners. In large part most of the asset owners are autonomous and follow their own commercial interests so the LEP's role here is that of convening and promoting common agendas and assisting in attracting and servicing the needs of investors that bring sustainable development that both the region and the asset holder can benefit from.

3.2. Key sectors of focus replicate those highlighted in the LEP's strategic documents, with recent investment enquiries received very much in the advanced manufacturing and green growth sectors including energy generation. Whilst enquiries have generally slowed, we continue to receive larger industrial enquiries due to the size of the land holdings and infrastructure present in the region.

3.3. The main source of enquiries generally comes as a result of the activity of the Department for Business and Trade (DBT) investment officers and their overseas posts and embassies. Enquiries are also received directly from companies or their acting agents, however the lower volume via this route is a consequence of not currently having a marketing and promotional budget for investment promotion. The LEP, through the activities of Business Development Manager (BDM), co-ordinates and responds to these enquiries following direct consultation with the Economic teams in the two local authorities.

3.4. The BDM is also involved in place making activity with partners to help to ensure that the investment offer including site infrastructure is given due consideration when attracting and servicing investment.

4. Space Hub Yorkshire

4.1. Space Hub Yorkshire is a co-ordinator of Space activity across the region, a catalyst for new satellite and geospatial data markets, a source of space expertise, a facilitator of new collaborations.

4.2. The programme is managed by Leeds University with governance provided through a monthly steering group featuring reps from each LEP/combined authority across Yorkshire. Although the initiative is relatively new it has had good success in attracting funding with the latest investment from have been given a major boost by receiving over £800k of funding from the UK Space Agency to further develop the Space sector across the whole of the Yorkshire region. It includes support for high impact, locally led schemes and Space Cluster development managers to help the Space sector grow across Yorkshire.

4.3. A key priority for Space Hub Yorkshire is their GreenSpace project. This will harness Yorkshire's industrial capabilities and expertise to create a network of organisations from across the Space, finance, and agriculture sectors, to embed the use of Earth Observation and geospatial data into the UK's Green Finance ambitions and commitment to Net Zero.

4.4. Further information on the project can be found at: [Space Hub Yorkshire](#)

5. Net Zero Hub

5.1. The HEY LEP continues to play an active role in the North East and Yorkshire Net Zero Hub. Recruitment has now commenced for a Net Zero Co-ordinator who will work directly with the two local authorities. A key part of their work initially will be assisting with the development of a Local Area Energy Plan. This is a significant undertaking and will take 12 – 18 months to complete and will provide a full understanding of the current and future needs of energy provision for transport, domestic, commercial and industrial sectors. £25k has been secured from the Net Zero hub to assist with total cost of the study.

5.2. Local Area Energy Planning was pioneered by Energy Systems Catapult to help inform and support local authorities, distribution network operators, business and communities to plan for a cost-effective low carbon transition to achieve Net Zero. The process enables stakeholders, led by local government, to consider different energy futures for an area and to develop the most appropriate, cost-effective options for decarbonisation. This study work is also important for network operators as it provides an indication of level of demand for justifying and planning network upgrades. Local Area Energy Planning

develops a shared vision as a basis for targeting investment, encouraging innovation, securing value for money and gaining public understanding and support.

5.3. Funding has also been secured to understand how internal carbon trading can be incorporated into local authorities. Internal carbon trading seeks to give a carbon value to decisions made within organisations driving the action to reduce emissions. Whilst it has been more common practice for this approach to be used in large commercial businesses incorporating this into local authority practices has been much slower. Hull City Council will develop the concept and share the learning across the Hub network.

6. Foreign Direct Investment Key Account Management Project update

6.1. Since 2020, as part of the Northern Powerhouse, a project has been delivered in the Humber/ HEY LEP area to support local LEP areas with funding to employ an additional staff resource to meet existing foreign owned companies not currently centrally by Government or DIT HQ. By managing key account activities at the sub-regional level, long-term, trusting relationships with foreign owned companies have helped ensure the retention of their investment and identify and develop opportunities to secure new investment into the sub-region.

6.2. A business plan for the 2023/24 year has now been agreed with the Department for Business and Trade and a contract will shortly be issued for £58,000 to provide funding for a full-time resource in each authority over the financial year April to the end of March.

6.3. The agreement requires the HEY LEP KAM partnership to secure a total of three investments from existing foreign owned companies operating in the region and to actively manage a portfolio of circa 28 companies. As part of the requirement feedback from local companies will be sort, visit reports produced and case studies submitted for successful investments.

7. Financial and resource implications

None at this stage.