

---

**Green Port Growth Programme Management Board – 10<sup>th</sup> June 2015**

**STRAND UPDATE REPORT**

**Employment & Skills**

**Apprenticeship Wage Subsidies** - The target to date for engineering Apprenticeships was exceeded, 405 achieved against a target of 350. The 2015-16 target for engineering apprenticeship starts is 200 and since the start of the new financial year 24 applications have been received. We anticipate that this will significantly increase at the start of the new academic year.

**Engineering Upskilling** – The strand fell slightly short of the target to date for upskilling, achieving 206 against a target of 250. The strand are currently looking at ways to increase the take up that will include targeted marketing and publicity, which to date has not been undertaken.

**Specific Skills** - Discussions are continuing with the GPG Programme Team regarding the potential to roll the Specific Skills budget and targets into the upskilling sub-strand, the details of which have been included in the Year 4 Delivery Plan. If approved, specific skills training packages, which would have been funded at 25%, will receive 50% funding in common with other upskilling training packages.

**Renewables Pathway Project, Disadvantaged Groups** - As previously reported the response to the tender released in February 2015 was disappointing. Therefore the decision has been taken to re-tender through the GROW Employment Related Services Framework. Tendering on the GROW Framework closed on 31st March with a mini tendering round to follow for the Renewables Pathway Project. It is anticipated that the project will commence at the beginning of July, 2015.

**Business Support**

**To date the project has achieved the following:**

- 287 enquiries
- 178 businesses enrolled
- 89 businesses supported
- 24 companies financial assistance awarded (3 of which have been successful in a 2<sup>nd</sup> application)
- 27 jobs created (2 p/t, 26 FTE)

**Grants and consultancy support (to date);**

- Financial assistance paid = £159k
- Financial assistance committed = £151k
- Percentage of spend with local businesses, 79% Hull and East Riding, 16% rest of Yorkshire & Humber, 5% Out of Yorkshire and Humber

**Workshops** – The latest workshop on an ‘Introduction to ISO Standards’ received excellent feedback from all attendees who found the session very beneficial in moving forward with accreditations. Dates set for next two workshops with additional ones presently being developed.

The business support strand are attending the Offshore Wind Connections Event (4th June 2015) the strand will also be presenting ‘Real Successes for Local Businesses’, showcasing the following businesses who have been supported through the project:

- **Boston Energy** – Part of the Boston Air Group a Beverley company who from previously supplying the aviation industry recognised the transferrable skills required for the renewables industry and who are now successfully securing contracts to supply technicians to the Offshore Wind Industry (Supported with training and equipment for offshore technicians)
- **Pearlgreen Engineering** – A Manufacturing Engineering company based in Hull who started in the sector by supplying battery harnesses and are now successfully supplying ladders and gangways for turbines. (Supported in gaining ISO accreditations)
- **HFR Solutions** – An East Riding Community Interest Company who are both Renewable UK and Global Wind Organisation accredited to provide bespoke training solutions to the sector. (Supported in gaining ISO accreditations)
- **AIG** – A Steel Fabricator specialising in products primarily for use in sub stations; now supplying doors, roofs and enclosures to the wider renewable energy sector. (Supported in the purchase of a press brake and installation of a paint booth)

**Events** – A member of the business support strand attended All Energy (6<sup>th</sup> – 7<sup>th</sup> May) in Glasgow to promote the programme, GPH directory and region. It was very well attended with a lot of interest in developments in and around the Humber.

**Green Port Directory** - Through ongoing marketing there are currently 128 companies registered and 83 are being processed.

### Site Assembly

Paull LDO Site - Discussions with ABP are being progressed on a site wide flood alleviation solution that will reduce the abnormal costs and investment burden for future occupiers.

### Inward Investment

**One Stop Shop** - The strand continues to look at other DDA compliant buildings in the old town as well as shop frontages in the city centre as the Scale Lane bridge noise issues have ruled this venue out.

**Internationalisation – Hull and Humber Chamber of Commerce (HHCC)** - HHCC continues to work in conjunction with the British Danish Chamber of Commerce. A separate report has been included with this months papers to report on the THETIS event.

### **Research, Development and Innovation (RDI)**

**General** - the RDI Coordinator continues to make good progress in establishing the relationships, systems and processes to enable the RDI as a whole, and the Knowledge Fund (KF) in particular, to function. Work over May has included:

- Continuing to enrol the existing and new pipeline of businesses engaged with the strand and agreeing an auto-enrolment protocol with the Business Support strand;
- Continuing to work with Hull City Council (HCC) to finalise arrangements for the appraisal, approval and monitoring of KF grants. The main issue at the moment revolves around an IPR clause which HCC has inserted into the draft Grant Officer Letter. AL has expressed his concern at the wording and, with the support of IP expertise from the University of Hull, an alternative form of wording has been proposed. This will be concluded via further discussions in June.
- Securing the involvement of the KF appraisal panel, and identifying technical assessors from different branches of engineering/LOMASS specialisms.

The RDI Strand has finalised its input in readiness for the Offshore Wind Connections event in Bridlington on 4<sup>th</sup> June, part of Business Week. AL will host a workshop outlining the RDI Strand, the Knowledge Fund and highlighting the LOMASS and forthcoming Green Port Hull Innovation Grand Challenge initiatives. Faith Renewables will present a case study on the support of connectivity received from the RDI Strand and the Offshore Renewable Energy Catapult has also been appended to the workshop to outline its portfolio and the type of support that it can provide, plus its strategic intentions to do more with the Humber Region.

A meeting has been set-up for 3<sup>rd</sup> June to include the RDI Strand, Simon Green of Venturefest North East and Emma Toulson of the Humber LEP, to discuss the possibility of holding a Venturefest Hull & Humber thus adding to the RDI fabric of the Region.

A meeting was facilitated by AL to bring the University of Hull and Durham Energy Institute closer together and explore joint opportunities. This is in the spirit of the action placed on the RDI Strand during the GPH Supply Chain meetings to connect the North East innovation base and the GP Hull initiative.

The RDI Strand attended All Energy is Glasgow, including holding a number of meetings on the Humber Renewables stand. In general, the conference was better attended and a more professional (and larger) exhibition than previous years in Aberdeen. The next event of significance is the RenewableUK Global Offshore Wind event in London (24-26 June).

AL attended an American Wind Energy Association specialist workshop on innovation on the back of this year's annual conference. This came from connections from previous work advising the US Department of Energy on its offshore wind test and demonstration activities.

**Observations** - the administration tasks are slowly being addressed, with the HCC IPR clause issue now being worked through. The RDI strand continues to see a significant increase in awareness of, and interest in, its existence and opportunities for support. Given the general

endorsement of LOMASS as an RDI focal point, this will be promoted in subsequent marketing materials and the RDI strand webpages.

The ability of the RDI strand to create linkages amongst micro-businesses such that each benefits is now beginning to gain traction.

### **Business Grants Strand**

Overview - The launch of the Greenport Business Investment Grants (GBIG) was delayed pending the allocation of the Humber LEP's 'Growing the Humber' RGF 3 grant scheme. Applications for RGF 3 closed in December 2014. GBIG was opened in the New Year; our stated intention was to have a soft opening allowing any refinement to the processes to be undertaken, prior to the envisaged significant uptake in applications.

Progress of the scheme to date - Whilst we have had a number of enquiries from existing local companies, most of these businesses are suppliers to the oil and gas industry and as of yet no applications have been received, (we believe the wider uncertainty associated with the oil and gas industry has led to companies postponing investment decisions).

To date we have received relatively few significant enquiries from inward investors looking to supply components to the offshore wind industry, which we believe reflects the wider uncertainties with the industry, delays to key investment decisions and the outcome of the election and ongoing political support for the industry.

Changes to the state aid regime - Since the Greenport programme was awarded there has been a significant change to the state aid rules (July 2014) which makes granting aid to large companies increasingly challenging, the outputs and investment figures accordingly.

Opportunities - There is significant interest from several overseas companies providing services to Siemens to locate in the UK. They are seeking grade A office accommodation in close proximity to a port. At present the current office offer available within Hull and the surrounding area does not meet this requirement and investors will not be willing to wait for 12-18 months for new buildings to be built. The implication of this is that alternative locations may be considered.

The service companies are seeking a five year lease in line with the proposed period of the contracts. The implication of the relatively short term tenancy however is that developers will be unwilling to undertake projects as their investment becomes unviable. Moreover, given the relatively short tenancy period and the structure of the companies it will be very difficult to award a meaningful grant.

Other areas of potential interest include the development of a training and innovation facility focused around composites adjacent to Greenport.

Proposal - It is therefore proposed that opportunities are explored to gap fund a potential office development with a view to securing this investment to the area. In utilising this approach we

can provide facilities required by the end users, and support the end users indirectly, as any developer will be subject to an overage arrangement to safeguard against abnormal profit.

Recommendation 1 - HCC explore the opportunities for working with a developer to facilitate the development of an office complex for suppliers to Siemens Energy Services.

Recommendation 2 - HCC explore the opportunities for a training and innovation centre in conjunction with local industry.

#### Research and Development grants (the Knowledge Fund)

The purpose of the grants is to assist inward investors and existing companies to enhance their productivity, through the development of intellectual property. Grants will be available for proof of market, proof of concept and the development of prototypes.

Applicants will be free to partner with their preferred global knowledge institutions.

Overview - The Research and Development strand comprises two distinct elements,

1. The provision of advice and support for companies seeking to develop innovative/inventive products and processes undertaken by the University of Hull.
2. The provision of grant funding which will be awarded on behalf of the GPGP by Hull City Council. The City Council will be advised by the University of Hull on the merits and deliverability of the proposal. The decision to award the grant will be taken by the Green Port Board as with the GBIG.

Given the relatively small amounts of money available a review of alternative funding streams will be undertaken as part of the application process.

Progress to date - Since the start of the new year, the Council have been working with the University to establish the procedures and processes for developing, assessing and monitoring grant applications. The procedures and protocols are now largely in place and are largely borrowed from national schemes, as a means of mitigating risks.

Size of applications - It is envisaged that any single application will vary in size between £25k and £150k, although discretion for exceptional applications may be made.

**Sarah Clark**  
**Programmes Manager**  
**3<sup>rd</sup> June 2015**