

Green Port Growth Programme Management Board – 9th March 2016
STRAND UPDATE REPORT

Employment & Skills Strand

Strand Progress

Engineering Apprenticeships - The 2015-16 target for engineering apprenticeship starts is 200. Since 1st April 2015 we have approved 143 applications with 22 pending.

Engineering Up-Skilling/Specific Skills - The 2015-16 target for upskilling is 200. Since 1st April 2015 we have approved 150 applications with a further 18 applications pending.

Key considerations for the board

All 20 participants on the first intake on the Pathway to Employment project are all still on programme. All participants are now on the work experience placement phase and one has already received a firm offer of employment from his placement provider.

40 trainees started on the Lower Level Training Packages to Advanced Apprenticeships project on 25th January. As at 1st March 6 trainees have moved into employment and one has left the programme.

Green Port and Jobcentreplus are continuing to monitor the local labour market for signs of any issues caused by displacement of workers to the expanding renewables sector. The market does appear to be tightening, with several businesses especially in the manufacturing sector advertising for staff recently. With this in mind, a series of visits was arranged, focussed around modular building and holiday homes companies in order to identify any problems and provide early support where it was felt there may be recruitment issues or vulnerability to staff loss.

Business Support Strand

Strand Progress

The project has (to date):

- 370 Enquiries
- 227 Enrolled
- 121 Businesses Supported
- 30 companies financial assistance awarded (4 of which have been successful in a 2nd application)
- 70.43 f/t equivalent Jobs created

Financial Assistance (to date)

- Financial assistance paid = £238k
- Financial assistance committed = £126k
- Percentage of spend with local businesses, 60% Hull and East Riding, 13% rest of Yorkshire & Humber, 27% outside of Yorkshire and Humber.

Supply Chain Coordinator (Fred Mead) update:

Energy Works:

Spencer's previously requested Fred to identify suitable companies for Louvre Panels. Made contact with 3 local companies. Currently progressing with one of the companies to make introductions to look at packages in more detail.

Also attended Energy From Waste Showcase (ran by EIC) event to hear from M&W Group. There was a presentation on 'Energy Works Hull – The Journey so Far' and following the presentation Fred undertook a meeting with their sector lead.

Clugston Supply Chain event – Met with Clugston Group to discuss meet the buyer event on 19th February. The company were hosting an event for local suppliers and opportunities in relation to their office element for the Service Offshore Buildings. Although the company did not require additional support contact has now been made and provided our 'Green Port Offer' to support with future opportunities as/when required.

SSE Multifuel 2 (Conference Call) – Undertook brief teleconference to discuss upcoming Multifuel 2 site at Ferrybridge. Discussions looked at supply categories required for the site. Further quarterly steering group meetings continue to take place and discuss categories further.

Wider Renewables Activity

In discussion with 4Innovation Research & Consultancy to undertake work on bio-economy supply chain.

Site Assembly Strand

Strand Progress

Review of sites included within the Enterprise Zone continues and discussions around the opportunities for the Paull site are also continuing.

Inward Investment Strand

Strand Progress

Denmark - Grenaa, Djursland, East Jutland - the Port of Grenaa operates as a service port for the Anholt wind farm and businesses located in and around the Port of Grenaa recognise the opportunities that GPH offers in terms of servicing the North Sea wind farms. Many of these businesses are already in the Siemens supply chain and are keen to explore options to partner with local companies or establish themselves in GPH.

Towards the end of January 2016, board members Simon Brett and Scott Yates accompanied by Pauline Wade presented at a GPH Information Seminar in Grenaa, Denmark. The Seminar was organised by the GPH Denmark Desk and was attended by 40 Danish companies. Following on an inward mission to GPH from Grenaa and Esbjerg is planned for 18-20th April, 2016.

While in Grenaa, the GPH team met with the Mayor of Grenaa, the Port Director and the CEO of Djurs Wind Power. All were interested in further engagement with GPH.

Since the inception of the GPH Desk in Denmark 4 expressions of interest establishing in Hull have been received and are in the pipeline. A fifth is of a more general nature but could bring added benefits to the Humber Region as a whole.

Germany - Three German entities have been invited to quote for the delivery of a GPH service in Germany working with the Hull & Humber Chamber of Commerce. The RFQ was issued end of February, the closing date for receipt of RFQ's is the 10th March. The RFQ is requesting quotations for a similar service to that being delivered in Denmark to be in place in Germany for a period of 10 months as from the 1st April. This will enable us to have support services in place in country at the time of the EWEA Off-Shore Wind Exhibition that will take place in Hamburg in September. Aside from the EWEA event, inward missions to GPH and information seminars will be organised in Germany, targeting potential inward investors and supply chain operators.

Research, Development and Innovation (R,D&I) Strand

Strand Progress

The Knowledge Fund administration actions with HCC have now been finalised and a workable system agreed. This was manifest in the run-up to, and at, the Knowledge Fund's first Assessment Panel (see below). This is excellent progress and facilitates matters immensely due to the clarity of roles and responsibilities it brings. In effect, the RDI strand is now fully able to 'trade'. A great team effort between UoH and HCC, supported by ERYC.

The RDI Strand's involvement in Project Aura has commenced in earnest, with a number of meetings held and inputs provided. Leveraging long-established linkages with the Offshore Renewable Energy Catapult is already proving to be very valuable.

SME support for the month has focussed on 2 projects which resulted in the Knowledge Fund's first Assessment Panel being held on 22/2/16 at which the submission was reviewed with another at an earlier stage of the application process but which has been the recipient of similar review support from the RDI team, and Force 55 (in association with the Business Support Strand) as it prepares for its KC Stadium marketing event in February.

During the month, the RDI Strand has continued to work with ERYC to deliver internal audit requirements. Upon invitation, AL attended the DECC-OREC workshop in London on offshore wind innovation needs at which Siemens, Dong, EdF, Sgurr Energy and a variety of other industrial organisations were present. At the session, AL was able to spend a significant amount of time discussing wind innovation (in relation to the Hull site and Denmark) with David Reetham of Siemens.

Wider renewables activity

Very positive announcement that ENGIE is both to operate and take the power from the Hull waste-to-energy plant. This further reaffirms the company's commitment to the region as expressed in discussions by Development Director, Caroline Hopkins.

Key observations

The UK offshore wind industry is starting to stabilise in terms of project delivery and players. Statkraft and Centrica have announced their intentions to sell assets and slowly withdraw from the sector, leaving the door ajar for the likes of DONG, SSE, Scottish Power, EDPR and EdF. The downward trajectory of the Levelised Cost of Energy is a very positive sign and one that the Treasury will continue to demand if the subsidies and innovation support mechanisms are to remain post-2020. The Humber has a key role to play in this. O&M and Safety will be fundamental and, as such, the focus of Project Aura/OAIC on this and blade issues, will provide excellent differentiation.

The forthcoming UKTI Inward Mission to the Eastern Seaboard provides an excellent opportunity for Northern Powerhouse-based companies to establish links to support the nascent offshore wind sector in the USA.

Business Grants

Strand Progress

There have recently been an increased number of enquiries from supply chain companies in the Renewable industry. It is anticipated that some of these companies will initially come into the area and take short term leases on premises, with a view to reviewing their long term requirements.

In addition to these potentially substantial enquiries there has also been interest from local SMEs who are interested in making grant applications in the region of £25k-£100k. At present the current system for applications under this strand is aimed at larger value grants (generally in excess of £100k) which would utilise the Regional investment state aid block exemption. It is deemed that for lower value grants this process would be disproportionately burdensome. To meet this growing demand in the market we are creating a lower value grant application process, based on the larger value

process but aimed at lower values of grant requests and using the de-minimis state aid block exemption. This will allow a more appropriate response to the requirements of investors in a timely fashion.

Programme wide update

Year 5 delivery planning continues at a pace with the first drafts submitted to the Programmes Team for review. The current expectation is that the Strand leads will attend the April board meeting to discuss the content of their plans with the board.

Sarah Clark
Programmes Manager
3rd March 2016