
Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 21 November 2019

Subject: **Business Communications Group (BCG)**

Director: Alan Reiss, Director of Policy, Strategy and Communications

Author(s): Racheal Johnson

1. Purpose of this report

- 1.1 To provide LEP Board members with an update on the meeting of the Business Communications Group (BCG), held on 17 October 2019.

2. Information

- 2.1 The BCG meeting of 17 October consisted of the following agenda items: policy update, Brexit, Local Industrial Strategy, apprenticeships update.
- 2.2 The Head of Economic Policy provided the group with an update on the devolution process and the Future-Ready Skills Commission. BCG members provided feedback on the Commission, and the proposals being put forward through its planned interim report, including the need for: fairer funding for vocational learning alongside academic routes; greater flexibility in devolution of the Adult Education Budget (AEB); a long-term approach that balances the actual cost of publicly funded skills provision with the cost to the economy of not getting this right.
- 2.3 An update was provided on what the LEP is doing to support businesses in preparing for new trading conditions as a result of Brexit. This support includes economic and business intelligence to understand the impact on the City Region economy and businesses; development of potential new business finance products; and support via the LEP Growth Service to connect businesses with relevant support to help them plan effectively.
- 2.4 BCG members provided feedback on how they and their members were preparing for Brexit:
- The Institute of Chartered Accountants (ICAEW) has created a “top 10 tips” leaflet and web resource to ensure that accountants are briefed on potential changes and can advise their business clients accordingly – this information will be shared via the LEP website.

- The CBI is holding a series of weekly webinars for members and has produced an online resource that can be accessed by any business – not just CBI members. A link to this resource will be shared on the LEP website. A series of roadshow events was also held to gather intelligence from businesses on their approaches to Brexit.
- Several organisations are considering the impact on their employees and recruitment practices.
- There is a sense that capital investment in several sectors has slowed down.
- The Chambers are seeing increased demand for support and training on export documentation and have trained additional staff to meet this demand.

2.5 Other feedback provided by BCG members included:

- The construction sector is experiencing significant growth but filling skills gaps in the sector continues to be an issue for many SMEs. Demand for skills and capacity in London is attracting skilled workers from the region, and placing extra pressures on businesses in Yorkshire and the wider North.
- Skills and recruitment issues, including apprenticeships, continues to constrain growth in other sectors in addition to construction.
- The Chambers have expressed concerned that the new salary thresholds for skilled migrants entering the UK could exacerbate recruitment pressures yet further in the regions.

2.6 An update was provided from the LEP skills team on support for apprenticeships – in particular the success of a recent pilot programme to encourage larger businesses to transfer a portion of their apprenticeship levy contribution to SMEs in the region so that funding can be retained locally. Portakabin is one company that participated in this programme, and has helped create 12 new additional apprenticeships in the region as a result. The programme is now set to be expanded and BCG members were asked for their feedback to help shape provision.

2.7 Members were supportive of the new LEP levy transfer offer, and felt larger businesses in the region would be willing to participate so that money can be retained to help other local businesses. It was suggested that perceived complexity is preventing many companies from exploring levy transfer options, so messages around the new offer should focus on how the LEP is making it easier for businesses to do this.

2.8 Members were advised that the LEP Apprenticeship Grant for Employers offer will be available until November. There was also a brief discussion around the introduction of new T-Level qualifications and the implications for businesses of these.

3. Financial Implications

3.1 None.

4. Legal Implications

4.1 None.

5. Staffing Implications

5.1 None.

6. External Consultees

6.1 None.

7. Recommendations

7.1 That LEP Board members note the contents of this report.

7.2 That members offer responses to the business challenges and issues raised by BCG members in section 2.4 and 2.5

8. Background Documents

8.1 None.

9. Appendices

9.1 None