



Humber LEP Ltd - Investment and Regulation Board

Minutes of the Investment and Regulation Board meeting held on Friday, 7 September 2018, commencing at 10.00am at the Ergo Centre, Humber Bridge Head Business Park, Hessle.

Attendance

Board Members

Councillor S Parnaby OBE (Chairman) - East Riding of Yorkshire Council
Councillor R Waltham MBE - North Lincolnshire Council
Angela Blake (substitute for Councillor P Wheatley) - North East Lincolnshire Council
Mike Dugher - Environment Agency
Paul Duncan - Natural England
Antony Firth - Highways England
David Garness - Private Sector (Garness Jones)
Chris Haskins - Private Sector (Humber LEP)
Mark Jones (substitute for Councillor D Hale) - Hull City Council
Tony Kirby - Private Sector (Local Transport Projects)
Rob Pearson - Homes England

Secretariat

Kishor Tailor - Chief Executive, Humber LEP
Andrew Hewitt - Humber LEP
Karen Oliver-Spry - Humber LEP
Jon Whyley - East Riding of Yorkshire Council (Clerk)

Also attended:

Lucy Hudson - Transport for the North (for Minute 362)
Deborah Zost - Humberside Airport (for Minute 363)

356 Apologies

Councillor D Hale - Hull City Council, Councillor P Wheatley - North East Lincolnshire Council, Jo Barnes - Private Sector (Shared Agenda), Richard Beal - Private Sector (Beal Homes), Simon Bird - Private Sector (AB Ports), Stephen Hind - Network Rail and Mark Scott - Environment Agency.

357 Declarations of interest - The following member declared an interest:-

Growth Deal Programme - Programme Performance and Delivery (Minute 364 refers) David Garness declared an interest in Minute 364 insofar as he was acting on behalf of a client for one of the schemes.

358 Minutes of the meeting held on 29 June 2018

Agreed - That the minutes be approved as a correct record and signed by the Chairman subject to the amendment of Minute 352 (iii) to refer to '2020-25

schemes...’.

359 Matters Arising - The following issues were raised :-

- (i) Minute 344 (ii) - Humber Industrial Infrastructure - Water - Members of the Board were given an update from the latest meeting of the Single Conversation Group on developments in relation to the “Living with Water Project” as well as the last meeting of the Water Resources Group. Updates were provided on the issues of flooding and securing the supply of water as far as they related to the north and south banks of the Humber. The relevant water authorities had given an indication that they would engage with the LEP in terms of supporting water-based projects to ensure that value could be added to those schemes. It was also reported that on the south bank, fresh water was being actively pumped from the land directly into the sea. This volume of water was greater than the current water supply deficit and therefore investigations were ongoing to identify ways in which this water could be better utilised. From the perspective of the LEP, it was looking at how water resilience could add economic growth and value to the area.
- (ii) Minute 344 (iii) - Growth Deal Update - At the last meeting, the Board had sought volunteers for a proposed panel, however members were advised that in light of the additional resources currently deployed within the LEP team the need for volunteers was now not necessary. Tony Kirby indicated that in the event of that need arising again he would be happy to be involved, if required. **Action - KT/AH**
- (iii) Minute 349 - Humber Enterprise Zones - Further to the discussion regarding the creation of development corporations, a draft report had been produced however it was considered that for the time being further work on this should be left in abeyance. **Action - KT/MJ**
- (iv) Minute 349 - Business Rate Uplift - A report would be submitted to the Board in due course on the plans being developed by East Riding of Yorkshire Council. **Action - KT/AH/JW**
- (v) Minute 349 - Network Rail - Board members felt that it was important that a key representative from Network Rail should be invited to the next meeting of the Board in order to give an update on issues relating to rail infrastructure in the Humber. **Action - KT/SH/JW**
- (vi) Minute 349 - Able - Councillor Waltham MBE indicated that he would be meeting with representatives from Able shortly. It had been reported that the site had been prepared in terms of concrete coverage which would allow for its future development. Able had reported that on the back of greater stability in the renewal industry, that the future for the site appeared promising, although it had been highlighted that a key infrastructure requirement remained the implementation of a wharf. The challenge for the LEP was that the site was its largest enterprise zone and there was a potential for the LEP to be challenged about its progress.

360 LEP Review - The Government had published its report on the LEP review on 24 July 2018. Within this report the Government had identified factors that it considered important in terms of the future role and leadership of LEP Boards. This included the expectation that public and private collaboration should continue with private sector leadership remaining integral as it was considered that this provided the essential market intelligence to inform local decision making.

All LEPs would be set the single mission to deliver local industrial strategies that promoted productivity. LEPs would be expected to continue to set their own priorities but there was an expectation that there would be a focus on strategy, the allocation of funds, coordination and advocacy. Additionally each LEP would be required to produce annual delivery plans and a year-end report.

There would be greater emphasis on the role of the LEP Chairman with the holder being expected to have a visible, active role in the business community. There would also be a new role of Deputy Chairman and both roles would be subject to time limited periods of office. The private sector representation on each Board should form at least two thirds of the membership with the Board having a maximum membership of 20, although five additional people with specialist knowledge could be co-opted on a one-year basis. The LEPs were also required to improve the diversity of its membership with equal representation of men and women being expected by 2023.

In terms of the LEP capacity, LEPs would have to provide a secretariat that was independent of local government and which would provide support for the Chairman and the Board in decision making. The Government would also commission an independent benchmarking of LEPs' capacities and capabilities and there would be an additional £200,000 capacity funding.

The Government wanted each LEP to be autonomous and self-regulating however it would retain overall accountability and oversight of the system. The level of control over future funding would be linked to a LEP's performance and individual programme performance. LEPs would need to have a legal personality by April 2019 but continue to have accountable bodies (a lead local authority) with a Section 151 officer to oversee the proper conduct of financial affairs. There would also be the need to hold a public annual general meeting, which the Humber LEP complied with and there would be a bar from operating paid membership schemes. A LEP would also need to set individual accountabilities for spending decisions, appointments and governance as well as set out how it would ensure external scrutiny and expert oversight.

In order to accommodate their expanded roles, the Government expected the geography of a LEP to provide simplicity, accountability and practicability. Accordingly the Government had requested LEP chairmen to submit proposals by 28 September 2018 on the geography which best reflected real, functional economic areas, removed overlaps and, where appropriate, proposed wider changes such as mergers.

The review was due to be considered by the unitary leaders as well as the main LEP Board at its next meeting. Overall the expectation was that the review would not affect the role of the LEP's sub-boards and business would continue as usual.

Agreed - That the report be noted.

- 361 Humber Energy Infrastructure** - An energy meeting with Government officials, industry and local authorities had been held to consider the area's development potential in relation to offshore wind, clean energy generation, storage and distribution, industrial decarbonisation and hydrogen and carbon capture.

Following on from this meeting it was proposed that a summit should be held in Hull supported by the ten northern LEPs to consider all aspects of energy. The aim was to develop concepts for each of the different energy strands including carbon capture. It was proposed that this event should take place in 2019 and be business led. As part of this process there would be a need to identify the LEP's role including looking at practical and short-term investment to assist development. Additionally within the growth deal, there was a call for energy projects which could link in to this proposal.

The Humber LEP had also joined with other LEPs in Yorkshire and the north east to form an energy hub to identify and develop local energy projects. This included identifying, developing and seeking funding to progress a range of local energy projects that would build on the Humber as the UK's Energy Estuary. The role would also lead to the development and implementation of the LEP's Energy Strategy and the identifying of a pipeline of local energy projects, as well as supporting partners to develop them into investable propositions.

- Agreed** - (a) That the report be noted, and
(b) that the Board receives an update on the energy developments currently being undertaken in Rotherdam.

Action - KT/LH/AH/JW

- 362 Transport for the North Update** - Transport for the North had run a consultation exercise outlining the strategic direction it felt transport in the north of England should take. The results of the consultation had been broadly supportive of what the organisation was trying to achieve. The work had included integrating freight thinking and identifying linkages between Government, LEPs and local authorities.

Transport for the North had outlined a number of key transport corridors which would form the basis of its work. The development of northern corridors included looking at what was required and had resulted in the development of a list which would be sifted to create a strategic outline plan in order to inform investment. Part of the process would include visiting stakeholders to explain what was happening within these schemes.

Identification of schemes was still a work in progress and Transport for the North was engaging with officers at each step of the process to ensure information exchange with key players. An implementation plan was in preparation.

Agreed - That the report be noted.

363 Humberside Airport Current Operations and Future Plans - The airport had originally opened in 1974 and was a Council based initiative. The airport had now been operational for 44 years and played a vital role in the local economy. Nationally passenger numbers were increasing and regional airports were playing an important role in this.

The core business for the airport was scheduled flights to Amsterdam which linked businessmen to the wider world. The airport also had a vital role to play in offshore industries in the southern North Sea. It also chartered flights but not to the same extent as other airports, principally selling itself as a facilitator of business by providing connectivity.

The airport was looking to grow but was faced by a number of challenges. The factors impacting on development included the cost of national security which was borne by the airport and which was proving a significant constraint. This did not mirror arrangements in other countries where such requirements tended to be state funded. The cost of licenses had also increased to a prohibitive level on top of which was the need to maintain infrastructure and update radar equipment. Overall it was felt that the private sector was unable to continue bearing such costs and which ultimately could well lead to the disappearance of regional airports as had happened at Blackpool. The constraints were acknowledged and the Board noted the investment that the LEP had made to the site and was keen to see this major resource continue to develop in support of the growth of the region.

Agreed - That the report be noted.

364 Growth Deal Programme - Programme Performance and Delivery - Following the addition of four new projects to the programme the forecast expenditure for the financial year 2018-19 was £22.39m. This was an increase from the £19.9m previously forecast and allowed the programme to catch up by £9.69m against its allocated profile of spend of £12.7m. Additionally there was also over-programming of approximately £7m in 2019-20 in order to get this spend back on track.

The increased expenditure in 2018-19 was not as large as had been anticipated as the RHICS Hempholme and Wilfholme scheme was unlikely to spend within the current financial year, which meant that £540,000 would slip into the 2019-20 financial year.

Approximately £1.8m of the Humber's LGF allocation remained uncommitted following the withdrawal of the Goole Intermodal Terminal scheme. It was anticipated that £250,000 would be allocated to the private sector Danish Buildings scheme once the assessment of the outline business case had been completed. This left £1.554m to be allocated to pipeline projects.

A number of projects were currently undergoing full business case assessment. These were, RHICS: Connecting the Waterfront, Central Cleethorpes Regeneration Programme, Hessle Foreshore Tidal Defence, RHICS: Hempholme and Wilfholme pumping stations, Phase 1 - A180 South Humber Bank Highway Improvements and South Humber Gauge Enhancements.

The Board also received a summary of the returns highlighting a number of

issues and concerns relating to various schemes, as well as the mitigating actions that were being undertaken in order to resolve issues. It was emphasised that there was a need to identify and focus on those schemes that represented a real risk to the Growth Deal Programme.

- Agreed -**
- (a) That the report be noted;
 - (b) that a briefing note be prepared for Councillor Parnaby and Chris Haskins identifying the key risks for reporting to the main LEP Board, and **Action - KT/KS-O**
 - (c) that the Growth Deal item be placed higher on the agenda so that the Board is able to give it sufficient time to consider the issues being raised. **Action - KT/KO-S/JW**

365 Single Conversation Group - The Board received an update on the latest meeting which had considered the Yorkshire Energy Park and the A63 foot bridge. It was important that projects were reviewed to identify challenges and lessons learnt when bringing schemes to fruition.

Agreed - That the report be noted.

366 Agency Updates - The following updates were given:-

- (i) **Homes England -** The organisation was still undergoing change. Reference was made to the new strategic housing partnerships of which the first eight had been announced. Currently there were none within the Humber area. Updates were also given on Goole 36 and developments at Grimsby and Lincolnshire Lakes. The agency was keen to see housing in the Humber grow and that partners delivered to the targets set.
- (ii) **Environment Agency -** The Flood Risk Management Strategy was being comprehensively reviewed in partnership with local authorities. It was currently due to be approved in 2021. A long list of potential approaches for managing tidal flood risk around the estuary had been established and appraised. Through September/October meetings were being arranged with Humber Strategy Programme Board Members (local authorities and LEP) to discuss issues such as the conclusion of the long list appraisal and next steps.
- (iii) **Natural England -** Currently team members were supporting the Environment Agency and Defra in its preparation for Brexit.
- (iv) **Highways Agency -** It was confirmed that the Princess Quay Bridge contract had commenced on site, as programmed.

367 Any other business - No issues were raised.

368 Date of next meeting

It was confirmed that the next meeting of the Board would be held at 10.00am on Friday, 26 October 2018 at the Ergo Centre, Humber Bridge Head Park, Hessle.

369 Timetable of meetings

The following timetable was noted:-

Friday, 7 December 2018

Friday, 22 February 2019

(All to commence at 10.00am).