



Humber LEP Ltd - Investment and Regulation Board

Minutes of the Investment and Regulation Board held on Friday, 4 September 2020 commencing at 10.00am, the Board met by remote meeting.

Attendance

Board Members

Simon Bird (Chairman) - Private Sector (AB Ports)
Chris Haskins - Private Sector (Humber LEP)
Claire Argent - Natural England (for Paul Duncan)
Councillor J Fenty - North East Lincolnshire Council
Councillor R Waltham MBE - North Lincolnshire Council
David Garness - Private Sector (Garness Jones)
Jo Barnes - Private Sector (Shared Agenda)
Mark Jones - Hull City Council (for Councillor Hale)
Philip Winn - Environment Agency
Steve Parnaby OBE - Private Sector
Simon Brown - Highways England (for Antony Firth)
Tony Kirby - Private Sector (Local Transport Projects)

Secretariat

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

534 Apologies - Councillor R Burton - East Riding of Yorkshire Council, Councillor D Hale - Hull City Council, Marie Kiddle - Homes England, Lauren Forecast - Natural England, Peter Campey - BEIS and Richard Kendall - Humber LEP.

535 Declarations of interest - The following members declared an interest:-

Humber Enterprise Zones - David Garness declared an interest in Humber Gate, Melton West and Burma Drive sites Minute 542 insofar as he was an agent for the sites in question.

Hull and East Yorkshire Cycle Route Delivery Programme - Phase 1 Tony Kirby declared an interest in Minute 540 insofar as he was involved in the development of this project.

Humber Enterprise Zones -
Imm-Port, King's Immingham

Simon Bird declared an interest in any items discussed at the meeting which related to AB Ports including Minute 542 - Imm-Port, King's Immingham project.

536 Minutes of the meeting held on 26 June 2020 - Agreed - That the minutes be approved as a correct record and signed by the Chairman.

537 Matters arising - The following issues were raised:-

(i) **Minute 515 - Ferriby/Melton Parkway Rail Update** - Funds were required to enable the project to move onto the next phase to undertake the feasibility work. A memorandum of understanding had been developed for the overall project and all interested parties and partners involved in the project would be required to sign up to it. It was hoped that the funding could be obtained over the next few months to enable the work to commence by the end of the financial year. Humber LEP and East Riding of Yorkshire Council alongside landowner Wykeland had allocated resources and funding to this process.

(ii) **Minute 511(ii) - Commercial Property in the Humber** - The leaflets were in the process of being completed. **Action - AH to send DG copy of leaflet once completed.**

538 Humber LEP Chair's Update - Stephen Parnaby OBE provided a detailed update on the work of the Humber LEP. Significant work had been undertaken supporting businesses during the Covid-19 pandemic. Some organisations were doing well, whilst others were suffering as a consequence of the pandemic. A clearer picture of the overall impact on the economy and local businesses would not be known until the furlough schemes had come to an end. The Board was pleased to learn that some businesses were prospering and adapting, particularly the food and manufacturing sectors however, it was recognised that the areas of hospitality and retail continued to suffer.

Considerable work was also taking place on the Humber Freeport project, which was progressing well. The Humber LEP would be leading on this project, working closely with partners and agencies.

The Able Marine Energy Park development had gained renewed interest, with Able working closely with statutory agencies through the Humber Single Conversation Group to overcome barriers to delivery.

Reference was made to the geography in the Humber changing, with North Lincolnshire and North East Lincolnshire local authorities opting to join the Greater Lincolnshire LEP. This was as a result of the Government requirements to remove LEP overlaps whereby local authorities would only be able to be part of one LEP. Progress was being made on developing a Hull and East Riding LEP, which would result in the Humber LEP ceasing. The Humber LEP was determined to carry on during this transition period. The issue of combined authorities was also a matter for the future. All these factors could impact on the Humber economy and it was essential that the area did not miss out on any funding opportunities as a result of the developments.

Representatives of the local authorities commented on the importance of ensuring that the LEPs continued to work together, especially during the transition period to support businesses and ensure that funding opportunities were not missed. Hull City Council would continue to be the accountable body during this transition period. Rob Waltham reported that the Humber collaboration through the Leadership Board was keen to have representatives of the LEPs on the Board to ensure the voice of business was represented, particularly in relation to the development of the Humber Freeport. He undertook to arrange a meeting with the leaders of local authorities and the LEPs to progress this. **Action - RW.**

539 Growth Deal Programme - Update - Following the Government's mid-year review of LGF programmes in June, the LEP was able to demonstrate that the programme was in a good position and as a result the remaining tranche of funding had been released. The quarter 1 dashboards were representative of project activity during and at the easing of lockdown. All projects were back in delivery following the Government's easing of lockdown measures, although some schemes had experienced further slippage linked to extended tendering processes and design revisions.

With the exception of a couple of schemes, the majority of projects were still confident of delivering LGF spend in full before 31 March 2021. However, in the interests of robust programme management, a contingency for additional slippage (e.g. in case of bad weather or a second pandemic spike) was being allowed. It had been agreed with the Accountable Body and BEIS the use of capital switching freedoms and flexibilities if necessary. On this basis, the worst-case scenario was that £7m would slip into 2021 - 22 but this would be managed through the Accountable Body's capital programme to ensure full LGF spend. This would be considered a last resort. Projects would need to demonstrate they were making significant progress over the coming months and meeting their milestones for contracting and start on site where this was still to be achieved. Any concerns about progress could result in funding being clawed back by Government and the programme delivery team would be keeping the programme under constant review over the remainder of the year.

It was still too early to tell what the longer term impact on output delivery may be, however projects would continue to be monitored against their contracted output delivery profiles until sufficient evidence was presented to warrant consideration of adjustment and sponsors would continue to manage their projects to ensure full scheme delivery and project closure.

The Board had received a project summary outlining the position to the end of quarter 1 (30 June) and additional commentary had been provided in relation to specific projects as part of the risk management element of the report.

- (i) **Priory Park** - The project would now not be completed until May 2021 as a result of extended tendering and a need to undertake further ground investigations and a detailed design.
- (ii) **Stoneferry Road, Hull** - The project was progressing in line with the latest programme with detailed design elements continuing to be submitted, reviewed, amended and approved. Full scheme completion was now expected in April 2021 with full LGF defrayal still expected to be achieved in this financial year.

- (iii) **Stallingbrough Strategic Employment Site (Phase 1b)** - Councillor Fenty advised the Board that progress had been made with the CPO. Although the land acquisition had not been concluded in total, sufficient land was available and it was hoped that the CPO may not be required.
- (iv) **Lincolnshire Lakes - Flood Alleviation Scheme** - Although the scheme had now been physically completed, full project completion was dependent on achieving the outputs linked to development of the wider Lincolnshire Lakes scheme, so this was being closely monitored.

Agreed - That the report be noted.

540 Getting Building Fund - On 10 June 2020, the Secretary of State had written to all LEPs and mayoral combined authorities requesting proposals for “shovel ready” capital projects that could be delivered within the next 18 months. Projects were required to demonstrate clear deliverability and strategic fit with the two priorities of economic growth and green recovery.

The Humber LEP was only able to put forward projects for Hull and the East Riding. Any existing Humber projects that the LEP wished to continue needed to be on the basis of this revised geography.

The response was required by 18 June 2020 and the LEP was able to submit a long-list of projects representing a total funding request of £82m. This was drawn from the project pipeline and accelerations of existing Government-funded business cases, prioritised against the Government’s criteria and approved by the LEP Chair due to the time constraints.

On 30 June 2020, the Prime Minister set out the Government’s ‘New Deal’. As part of that announcement, the Prime Minister announced that Government would be making £900m available through the new Getting Building Fund investing in local infrastructure projects to drive economic growth. This was followed by a communication from the Minister for Regional Growth and Local Government confirming an allocation of £13.4m for the Humber LEP, over 2020 - 21 and 2021 - 22. Allocations were based on “population and Covid-19 exposure and resilience”.

Officers subsequently liaised with project leads to review funding requests and ensure the availability of match funding thereby enabling the investment to go further and gain assurance of deliverability.

Further discussions had taken place with the Cities and Local Growth Unit along with the two local authorities and the LEP Board to confirm the indicative allocations recommended to form the basis of the new programme which was submitted to Government for approval on 17 July 2020 (the required deadline). The programme was subsequently approved by Government and the £13.4m funding allocation confirmed.

A total of six new projects had been identified to form the basis of the Humber LEP’s new Getting Building Fund programme:-

- Growing Hull and East Yorkshire Business Investment Grants.

- Hull and East Yorkshire Highways Resilience Programme.
- Raise Business Centre and Innovation Hub.
- Delivering Housing Growth Programme - Ings and Wawne 2.
- Hull and East Yorkshire Cycle Route Delivery Programme - Phase 1.
- Managed Workspace Programme A and Programme B.

Due to the need for timely decisions it was intended to seek decisions on the funding commitment at the meeting of the LEP Board on 18th September 2020. It was therefore proposed that the business case and assessment summaries would be circulated outside of the meeting and endorsement obtained from Board members by written procedures. Three of the proposed projects related to the remit of this Board.

Agreed - (a) That the addition of the projects and in-principle allocations outlined in Appendix 1 to the Getting Building Fund Programme by the LEP Board on 17 July 2020 be noted, and

(b) that the business case assessments be reviewed outside of the meeting in order to make timely recommendations on funding commitments to the LEP Board. **Action - All.**

541 Humber Freeport - The Board received a report setting out further details of the scope of the work planned to develop a compelling case for a Humber Freeport.

A joint bidding team was being established and would be coordinated by the Humber LEP and included nominated Humber local authority and Greater Lincolnshire LEP officers, working with businesses advocating a Humber Freeport. Other specialists would be drawn in as required. A bidding team would be bolstered by external consultancy support, which had been commissioned by the Humber LEP and funded by all partners. Consultants would work flexibly as part of an integrated bidding team, with tasks split to best utilise knowledge, skills and resources.

Pre-bidding guidance was expected later this month and a vision/marketing document was in the process of being developed in preparation for the bidding process.

Partners were asked to notify Kishor Tailor if they wanted to be involved in the process and the consultants would be in touch as part of the next stage. **Action - KT/All.**

It was reported that the Greater Lincolnshire LEP would be involved, as the bid must be Humber wide, with support from all partners and adjoining LEPs.

Agreed - That the report be noted.

542 Humber Enterprise Zones - Significant progress had been made in delivering the Enterprise Zone in the Humber, which was one of the biggest nationally. This had played a key role in delivering the area's Energy Estuary aspirations and had supported large scale investments into the area. The Enterprise Zones had developed, and continued to develop a pipeline of good quality sites which would drive economic growth in the future.

Delivering new development on the Humber's Enterprise Zone sites had undoubtedly been made more difficult in the 2020 - 21 financial year thus far due to the Coronavirus outbreak and its resultant impact upon the wider economy. However progress was being made on developments on some of the largest Enterprise Zone sites which would help to drive economic recovery post Covid.

As of 3 September 2020, 43 companies had located on sites with an Enterprise Zone allocation across the Humber since their inception, creating 1,806 jobs on the sites. The Board received a detailed update on progress being made against individual projects.

Agreed - That the report be noted.

543 Covid 19 Impact

(i) **Labour Market Update - August 2020** - The Board received a detailed update on the latest labour market information as at August 2020. The update including claimant count figures, job retention scheme figures including the number of employments furloughed and those who had claimed for the Self-Employment Income Support Scheme and the number of job vacancies. It was acknowledged that some of the data may be cumulative and more detailed information had therefore been requested from HMRC.

The Board discussed the challenges surrounding the rise in the claimant count during the Covid-19 pandemic and the potential further impact once the furlough scheme and other schemes such as those for individual business owners, came to an end. It was anticipated that younger people (aged 18-24) were more likely to be effected and reference was made to the Government's kick start scheme which was targeting that age group.

(ii) **Draft Recovery Plan** - The Board received a copy of the draft Coronavirus Recovery Plan for the Humber LEP. The Plan set out how organisations across the Humber had come together to support businesses and residents through the pandemic and outlined the impact on the Humber area. It also detailed how support would continue to be provided focusing on businesses, people seeking work and growing the Humber infrastructure.

544 Agency Updates - Humber 2100 - Strategy Progress - The Board received a presentation from Philip Winn of the Environment Agency detailing the Agency's plans to develop a long term strategy for managing tidal flood risk. In developing the Strategy, the Agency was working with the 12 local authorities and LEPs around the estuary. The overall objective of the Strategy was to support the future prosperity of the area and manage flood risk.

The Strategy would align with the National and Coastal Risk Management Strategy, which set out the new long-term approach to improve the resilience of the nation, setting out national ambitions for England that would work everywhere.

The presentation set out the proposed timeline for consulting partners and the public on proposals for managing future flood risk, which would be set out in the Strategy. It was anticipated that the Strategy would be submitted to Government

in 2023 following extensive consultation. Reference was also made to capital flood risk projects taking place across the Humber.

545 Single Conversation Group - The Group had been undertaking considerable work to support the development of the Able Marine Park development.

The importance of maintaining the work of the Group in the future was highlighted.

Agreed - That the report be noted.

546 Any other business - The following issue was raised:-

Special Development Order - It was reported that the Government had announced a Special Development Order to allow local authorities to determine temporary planning permission for lorry parks.

547 Date of next meeting - It was confirmed that the next meeting of the Board would be held on Friday, 6 November 2020. Details of the arrangements for the meeting would be confirmed in due course. **Action - All**

548 Timetable - The following timetable for 2020-21 was noted:-

Friday, 8 January 2021.

Friday, 5 March 2021.

All to commence at 10am. **Action - All.**

Signed: