

	<p>Humber LEP Ltd - Investment and Regulation Board</p> <p>Minutes of the Investment and Regulation Board held on Friday, 26 June 2020 commencing at 10.00 am, the Board met by remote meeting.</p>
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Attendance

Board Members

Steve Parnaby OBE, (Chairman) - Private Sector
Councillor J Fenty - North East Lincolnshire Council
Councillor R Waltham MBE - North Lincolnshire Council
Richard Beal – Private Sector (Beal Homes)
Simon Bird - Private Sector (AB Ports)
David Garness - Private Sector (Garness Jones)
Deb Gray - Hull City Council (as substitute for Councillor D Hale)
Chris Haskins - Private Sector (Humber LEP)
Philip Winn - Environment Agency

Secretariat

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

521 Apologies - Jo Barnes - Private Sector (Shared Agenda), Paul Duncan - Natural England, Councillor D Hale - Hull City Council and Tony Kirby - Private Sector (Transport Projects).

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

Brough/Melton/Ferriby Railway Station (Minute 524 (ii) refers)	David Garness declared an interest in Minute 524 (ii) insofar as he was an agent for the site in question.
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523 Minutes of the meeting held on 1 May 2020 - Agreed - That the minutes be approved as a correct record and signed by the Chairman.

524 Matters arising - The following issues were raised:-

(i) **Minute 511(ii) - Commercial Property in the Humber** - There had been no further developments in this area since the last meeting although contact was being maintained with developers and those who had attended the initial meeting. In the main, developers were concentrating on other priorities arising from the Covid pandemic but supply of power was still a major issue. In order to better support the business community it was felt that there needed to be better signposting to the statutory agencies and clearer lines of contact for developers. This could be improved by producing

details of contacts that it was easier for developers to assimilate. The availability of gap funding was also proving to be a challenge. Reference was made to investigations being undertaken into the feasibility of using retained business rates to facilitate this on Enterprise Zone sites. This information could be shared when plans came to fruition. **Action - AH to develop a leaflet setting out relevant contacts in agencies**

- (ii) **Minute 515 - Ferriby/Melton Parkway Rail Update** - The scheme was now designated North Ferriby Parkway. The initial feasibility study had been completed and further work was being undertaken through Network Rail's Grip 3 process. Work was now commencing on identifying funding for an additional feasibility study with the aim of completing it by the end of 2020. The LEP had committed some funds for the next stage.

525 Growth Deal Programme - The Board received a programme update. In the final year of delivery, the programme was receiving additional scrutiny from Government who had made it clear that all current programme defrayal of LGF funds had to be achieved by 31 March 2021 and that projects would need to demonstrate the ability to deliver their business cases. Funding for 2020 - 21 was being released in stages and a mid-term review of the programme was planned which would inform the release of the final tranche of funding to the LEP. The LEP was of the view that it could demonstrate that the programme was in a good position. At end of the financial year 2019 - 20, the programme had achieved LGF expenditure of £104m (79% of the total programme allocation), with £28m expenditure remaining for defrayal in the final year. All the projects and programmes in the final delivery year had funding agreements in place between the LEP/Accountable Body and the project sponsor.

The Board also received a quarter 4 dashboard indicating the status of projects at the start of the pandemic lockdown and noted that some of the risks and concerns highlighted at the time had been mitigated and that the majority of projects were now back in delivery following the Government's easing of lockdown measures.

Details of the live projects with outstanding LGF spend was also submitted which indicated the current situation in terms of delivery risks and key milestone dates. Many of the construction schemes had found it necessary to reschedule and reorganise delivery to accommodate the delays, however so far no significant concerns had been raised regarding supply issues. Assuming there were no further disruptions, the majority of project sponsors were confident of delivering LGF spend in full before 31 March 2021.

In the interests of robust programme management a contingency had been allowed for more slippage than was currently anticipated by project sponsors in the event of bad weather in the winter or a second pandemic spike. BEIS and the Accountable Body had agreed 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 via the Accountable Body's capital programme to ensure full LGF spend.

Updates were given on the following schemes:-

- (i) **Growing the Humber Business Investment Grant Programme** - It had been highlighted that the defrayal of some funds was likely to slip into 2021 – 22.
- (ii) **Central Cleethorpes Regeneration** - This scheme had also indicated that the defrayal of funds was likely to slip into 2021 – 22.
- (iii) **Hessle Tidal Foreshore Scheme** - This scheme had stalled arising from external factors but delivery was still expected to be within timescale.
- (iv) **Stoneferry Road, Hull** - Staff were back on site and the earlier delivery concerns had been mitigated to a large extent. This work would complement those being undertaken on the A63.
- (v) **Priory Park** - This scheme was still being value engineered and there was liaison with the supplier regarding revised works.
- (vi) **Brough Relief Road** - Extreme weather conditions had slowed work on this scheme but work had now commenced on site and a contingency had been allowed for in the next financial year.

Agreed - That the report be noted and that closer monitoring be maintained to ensure that projects continue to deliver.

526 Covid 19 Impact - Update from Partners and the LEP - As part of the discussion the Board received data and projections in relation to the labour market arising from the pandemic. In the last two months claimant count numbers had increased from 15,000 to 39,000 and once the furlough period had expired was expected to increase further. It was anticipated that those in the job market seeking employment would be represent a significant proportion of the working population. The expectation was that many of those currently furloughed would end up unemployed as companies struggled to re-engage many of them. Overall the impact on the local economy would be serious. The impact however in terms of the job market was likely to be more uneven rather than affecting all employees universally. Modelling at the LEP indicated that 18-24 year olds were likely to be disproportionately impacted.

The LEP needed to plan for recovery and had identified three strands of work to concentrate on. These were exploring the ways it could support business, working with partners to assist people to get back into employment and understanding the impact on infrastructure.

Representatives advised the meeting that their various experiences had been mixed in gauging the impact on the area. In the housing sector there had been some positive signs with house purchase interest being healthy and there was a good level of new business start-ups. Larger businesses appeared to have weathered the storm reasonably well but smaller concerns had struggled and there was an anticipation that there would be a number of closures locally. Although this appeared a reasonable position there was the potential for the housing bubble to be only short term and that things could become grim as winter approached and the furlough option ended. This could result in increasing levels of unemployment.

In the field of property rents there was a perception that some were taking advantage of the current arrangements and the restriction on evictions by not making payments and this was putting pressure on some landlords. Overall the demand for business space had been good and it was expected that the business use of space would change as a result of the pandemic experience. In retail there was however concern. The sector had been experiencing difficulties prior to the pandemic and as a result of lockdown there was a suggestion that its impact could be particularly bad for cluster areas such as malls.

Agreed - That the report be noted.

- 527 Freeport Consultation** - The Freeport Consultation was a two stage process. Initially there was a need to respond to the Government consultation on Freeports by 13 July 2020. The LEP was co-ordinating a local response. The second phase was more critical as this was a bidding process and there was a limited number of Freeports proposed for the United Kingdom. The bidding process would commence in autumn at which point the LEP and partners would need to be in a position to make a credible bid. There were three strands to any bid which were:- job creation using assets, facilitation of new investment and an innovation element. The Humber Estuary area was felt to have strong credentials for submitting a robust application as the proposal would result in 'levelling up' and the bid would also support carbon reduction, particularly with technology at the fore. The area had to capture its positives and drive the bid forward and galvanise political support for it. The bid was seen as a pan Humber application which would garner support from a number of neighbouring LEPs and if successful provide a bedrock for the future. The bid would need to define its area, however this should be wider than just the Humber ports but at the same time not overly expansive or overreaching.

Agreed - (a) That the report be noted, and
(b) that a summary of the consultation response be submitted to members of the Board. **Action - KT**

- 528 Shovel Ready Projects** A list of schemes had been submitted to the Government in response to its call for Shovel Ready projects and there was expected to be an announcement shortly. There was a hope that there would be a positive outcome for the area given the case that had been submitted and the speed in which the scheme could be brought to realisation. The Government was currently looking at investing funds into infrastructure projects, therefore it was important that there was a suite of pipeline schemes available so it was possible to anticipate any further Government calls.

Agreed - That the report be noted.

- 529 Single Conversation Group** - The Group was meeting fortnightly in order to support major investment in the Humber for which there was a wide level of attendance and it was proving a good advert for what could be achieved in terms of what the Group was able to add to the process. The focus was on the AMEC scheme on the south bank. The issue of signposting would be raised with the Group and its response fed back to this Board.

Agreed - That the report be noted. **Action - AH.**

530 Agency Updates - There were no updates to report

531 Any other business - No issues were raised.

532 Date of next meeting - It was confirmed that the next meeting of the Board would be held on Friday, 4 September 2020. Details of the meeting arrangements would be circulated in due course. **Action - All.**

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

Friday, 6 November 2020.

Friday, 8 January 2021.

Friday, 5 March 2021.

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

Signed: