

Transition and Legacy Plans

Report to the LEP Board, 19 March 2021

Report from Richard Kendall, Executive Director – Strategic Policy & Business Development

1. Summary

1.1. The report summarises actions being taken to address the final outstanding transition issues to ensure a smooth handover when the Humber LEP closes on 31 March.

2. Recommendations

2.1. That the Board notes the agreed arrangements for handover of the Humber LEP's work.

2.2. That the Board agrees to appoint Mark Jones as a director of Humber LEP Limited.

2.3. That Board members resign as individual directors of Humber LEP Limited effective 31 March 2021, leaving Mark Jones as the sole director.

2.4. That the Board approves the transition and closure arrangements for the LEP's sub-boards and groups; records its thanks to members for their contribution to the LEP's work; and delegates the Chair to write to them on its behalf.

3. Background

3.1. The Board has received reports at previous meetings on work to identify and resolve issues related to the transition to new LEP geography from 1 April. Over recent weeks, outstanding issues have been reviewed and, as set out below, most are now resolved, including agreement with Greater Lincolnshire LEP (GLLEP) on programme monitoring and Growth Hub arrangements.

3.2. Because of this, there is now clarity on how responsibilities will be distributed between the new Hull & East Yorkshire LEP (HEY LEP), GLLEP and the Humber Leadership Board. The only outstanding administrative issues to deal with as the Humber LEP relate to the year-end outturn for 2020/21 (see section 5.2 below).

3.3. In parallel, the Humber LEP team is also supporting the setup of HEY LEP as a new organisation in preparation for it to go live on 1 April.

4. Strategy and engagement

4.1. Humber Estuary Plan

4.1.1. The final Humber Estuary Plan, which incorporates parts of the Humber Local Industrial Strategy, was formally adopted by the Humber Leadership Board on 28 January after endorsement by the Humber LEP and GLLEP.

4.1.2. An implementation plan for the agreed priorities and initial actions, and communications to publish and announce the strategy, are being developed via the Joint Strategy Unit.

4.2. Future business involvement

4.2.1. The chairs of the Humber LEP and GLLEP and the incoming Chair of HEY LEP have begun discussing how the private sector can best engage with and support the delivery of the Humber Estuary Plan.

4.2.2. Groups are already in existence that support business involvement in the delivery of some elements of the plan, including:

- On clean energy, the Humber Offshore Wind Cluster Group, co-ordinated by Orsted, which includes several businesses and other stakeholders. Thematic sub-groups are being developed.
- On industrial decarbonisation, the Humber Cluster Plan Steering Group, co-ordinated by the Humber LEP/HEY LEP and CATCH, which includes the eight industrial partners. Networks have been established for wider stakeholder engagement.
- On ports, now the Humber Freeport bid has been successful, the bid steering committee will continue to meet and morph into a formal governance board in due course.

4.2.3. Further discussions will take place before any proposals are brought to the GLLEP and HEY LEP boards.

4.3. Communications

4.3.1. The change in LEP arrangements has been widely reported externally, and discussed with partners over recent months.

4.3.2. GLLEP has made proactive contact with south bank organisations to develop relationships in areas where the Humber LEP was traditionally stronger. Officers have assisted with this where possible.

4.3.3. Publicity of HEY LEP has to date focused on Board recruitment, with a good response received. The new Board will likely wish to undertake proactive communications around its priorities once in place.

4.3.4. Humber LEP officers have commissioned the development of a corporate identity and website update to ensure the HEY LEP has these ready from the start.

4.3.5. The Humber LEP website will remain live with an archived message for at least 12 months.

5. Governance

5.1. Humber LEP Limited

5.1.1. Humber LEP Limited is a dormant company limited by guarantee that exists to give the LEP a notional separate legal personality in accordance with Government policy. Board members are directors of the company.

5.1.2. The accountable body will manage the winding up of the company after the LEP's closure on 31 March. In order to facilitate this, and to avoid the need to call another meeting of the Board, it is proposed that an accountable body officer be appointed as a director and existing directors resign effective 31 March.

5.1.3. **The Board is recommended to:**

5.1.3.1. Agree to appoint Mark Jones as a director of Humber LEP Limited

5.1.3.2. Resign as individual directors of Humber LEP Limited effective 31 March 2021, leaving Mark Jones as the sole director

5.1.4. The LEP team will liaise with the accountable body to submit the relevant forms to Companies House, and contact any directors not present at the meeting to seek their resignations in accordance with the Board's decision.

5.2. Humber LEP Board and sub-boards

5.2.1. No further meetings of the Humber LEP Board are envisaged.

5.2.2. The new HEY LEP Board is currently being recruited and is expected to meet for the first time in late April.

5.2.3. To avoid interruption to programme delivery, some existing Humber LEP sub-boards and groups will need to continue meeting into early 2021/22. This will give the HEY LEP Board time to decide on and populate the structure it will require to deliver its priorities.

5.2.4. Those Humber LEP sub-boards and groups that continue meeting will report temporarily to the HEY LEP Board until the future structure has been determined.

5.2.5. The proposed plan for sub-boards and groups is as follows:

Business Development Board	No further meetings
Investment Panel	Continues to meet to determine grant applications under delegated authority. Any recommendations

	on loans after 31 March will be made to the HEY LEP Board in place of the Humber LEP Board.
Growth Hub Steering Group	No further meetings
Employment & Skills Board	Continues to meet to ensure delivery of DfE's Skills Advisory Panel requirements
Employment & Skills Board working groups	Working groups to continue to meet to ensure current delivery in support of the ESB until the new structure is in place
Investment & Regulation Board	No further meetings
Single Conversation Group	<p>One task group is currently meeting regularly for a south bank project. This will be handed over by the end of March.</p> <p>Further discussion is required on whether the wider Single Conversation Group will continue to operate at the Humber level, and if so how it will be supported. If not, it will be reshaped to support HEY LEP.</p>
Marketing Strategy Group	No further meetings
Energy and Decarbonisation Board	No further meetings
Professional Services Group	No further meetings
Finance and Remuneration Committee	Meeting 24 March. A final meeting will be required in the summer to review the year-end outturn; this will be scheduled in due course and a report provided to successor bodies.
Audit Committee	TBC in liaison with the accountable body
Humber Economic Resilience Group	No further meetings

5.2.6. Some sub-boards and groups have already discussed whether they need to continue meeting, but others have not met for some time. The Board will want to ensure that all members are thanked for the contributions they have made and that a clear message is given on the future of these groups.

5.2.7. The Board is recommended to approve the transition and closure arrangements for the LEP's sub-boards and groups; to record its thanks to members for their contribution to the LEP's work; and to delegate the Chair to write to them on its behalf.

5.2.8. A number of sub-board members have also expressed a wish to continue to be involved through any similar groups the HEY LEP establishes. The LEP team will ensure former members in Hull and East Yorkshire are made aware of any opportunities.

5.3. Humber LEP-GLLEP Collaboration Board

5.3.1. The final meeting of the Humber LEP-GLLEP Collaboration Board, which covers the transition, is scheduled for 23 March.

5.4. Humber ESIF

5.4.1. The Humber ESIF local subcommittee, which is managed by the government Managing Authority rather than the LEP, will continue until the programme ends. However, given that there will be no further calls for projects (see report later on the agenda), there is likely to be little business to conduct.

5.4.2. The Humber LEP has played an active role in deploying the allocated funds for best effect, supporting contract delivery and obtaining additional funds for the area. HEY LEP will continue to do this, in consultation with GLLEP where relevant. It is expected that the HEY LEP Board will receive reports on the programme in the same way the Humber LEP Board has.

5.5. Chair's remuneration

5.5.1. Under the terms agreed by the Board, the Finance and Remuneration Committee reviews the Chair's remuneration quarterly based on a log of time spent on LEP business. This includes whether any additional days should be paid on top of the annual package (up to the ceiling of 40 additional days per year).

5.5.2. The Committee makes a recommendation to the LEP Board for approval. As there will not be a further LEP Board meeting, it is proposed to delegate the Committee authority to approve the final payment when it meets on 24 March. Details would be published in the minutes on the LEP's website and in the annual accounts to ensure transparency.

5.5.3. The Board is recommended to delegate authority to the Finance and Remuneration Committee to approve the Chair's remuneration

for the final period, in consultation with the accountable body, within the parameters previously agreed by the Board.

5.6. AGM and annual report

5.6.1. An annual report covering 2020/21 will need to be produced. Normally the Humber LEP publishes its annual report at an AGM in June to tie in with Humber Business Week, but this would leave a gap of two months from the LEP ending, by which time the focus should be on our successor organisations' priorities. As the Humber LEP held an AGM during 2020/21, there will not be a requirement to hold another one.

5.6.2. It is therefore proposed to publish a final annual report as quickly as possible after 31 March, providing a narrative on the LEP's final year of activity. Financial information covering the full year may follow at a later date once the year-end outturn has been reviewed.

5.7. External representation

5.7.1. The Humber LEP is part of the LEP Network and the NP11 group of LEPs. These memberships will be inherited by HEY LEP from 1 April.

5.7.2. The Humber LEP's place on the Transport for the North Board will also be inherited by HEY LEP. No decisions have been made on how the south bank's businesses will be represented on TfN in future; the Department for Transport is aware of the issue.

5.7.3. The Humber LEP is also represented at various other local, regional and national forums. By default these places will pass to the HEY LEP, but where applicable officers will ensure that Greater Lincolnshire LEP are included or liaised with where they are not already involved.

5.7.4. Officers will inform external organisations of changes in contact details and representation.

6. Programme delivery

6.1. Several Humber LEP programmes will continue to operate or require legacy monitoring after 31 March. Some responsibilities will be passed to GLLEP, with the rest being inherited by HEY LEP.

6.2. Programme-related issues on the south bank have been discussed extensively with GLLEP and its accountable body over recent months and now brought to a conclusion, in consultation with the Cities and Local Growth Unit where necessary. The final agreed position is outlined below:

6.3. Growth Deal

6.3.1. HEY LEP will be responsible for monitoring legacy Humber LEP projects on the north bank in line with current arrangements.

6.3.2. Projects on the south bank fall into three categories:

- Financially and physically complete with all outputs achieved: no further monitoring is required. (7 projects)
- Financially and physically complete with outputs yet to be achieved: GLLEP will monitor south bank projects from Q1 2021/22 (i.e. the Humber LEP/HEY LEP investment programme team will cover Q4 2020/21 monitoring in April/May). (7 projects)
- Pending completion: responsibility will remain with the accountable body and HEY LEP team until financial and physical completion, at which point responsibility for ongoing monitoring will pass to GLLEP. (4 projects)¹

6.3.3. To avoid the complexity of novating funding agreements to Lincolnshire County Council (accountable body for GLLEP) these will remain with Hull City Council.

6.4. Getting Building Fund

6.4.1. This programme is for Hull & East Yorkshire only and will be inherited by HEY LEP.

6.5. Growing the Humber

6.5.1. Funds are now fully allocated. Monitoring will continue to be conducted by NELC as the delivery partner, supported by the HEY LEP team.

6.6. Business Loan Fund

6.6.1. Loans will continue to be repaid as normal. Recycled funds will be available for HEY LEP to invest; until a decision is made, the fund will remain open for applications on the current basis.

6.7. Growth Hub

6.7.1. The Humber Growth Hub service includes core BEIS-funded advisors, plus three ERDF projects that augment the core offering (growth, ICT and access to finance programmes). Delivery is predominantly via partners (local authorities and e-Factor in North East Lincolnshire).

6.7.2. The Humber Growth Hub will become the HEY Growth Hub on 1 April. BEIS Growth Hub funding allocations have been updated to reflect this. The HEY allocation is sufficient to ensure there will be no reduction in service in Hull & East Yorkshire due to the reduced geography.

6.7.3. GLLEP have agreed to utilise their increased funding to cover the cost of the current Humber advisor in North East Lincolnshire, which is matched into the Humber ERDF growth project. North Lincolnshire Council are

¹ Grimsby T.C. Unlocking the Potential, Central Cleethorpes Regen Prog, Constructing Future Growth, South Humber Gateway

recruiting to their vacant post matched into the project and will cover the cost of this.

6.7.4. With match funding secured, delivery of all three ERDF projects will now be able to continue across the Humber until they end in 2022/2023. However, it is noted that HEY LEP will be providing the programme management capacity for one of the projects out of its BEIS Growth Hub funding, and Hull City Council continues to act as accountable body for the three projects and manages the other two.

6.8. Energy Hub

6.8.1. HEY LEP will be part of the renamed North East & Yorkshire Hub, which has had funding extended to 2023. The south bank is already covered by the Midlands Hub via GLLEP, which offers an equivalent service.

6.9. Enterprise Zones

6.9.1. Monitoring of south bank sites will pass to GLLEP for 2021/22. HEY LEP will monitor north bank sites.

6.10. Employment and skills

6.10.1. The Humber LEP Employment and Skills Board has agreed to meet in May to ensure the continuity of skills and employment interventions and that momentum is not lost whilst the new HEY LEP structures are being determined. The supporting working groups will continue in a similar way. These will be reviewed by the new Employment and Skills Board to meet future requirements aligned with the publication of the Local Skills Report.

7. Operational issues

7.1. Offices

7.1.1. The licence for the LEP office at Wykeland House in Hull has been extended to June to give more time to find suitable accommodation for HEY LEP staff and arrange removals.

7.1.2. The shared space the LEP utilises at the Humber Seafood Institute in North East Lincolnshire will be vacated shortly.

7.2. Intellectual property, data and files

7.2.1. As the LEP operates via its accountable body and the HEY LEP will remain on the same IT system, no significant issues have been encountered.

7.2.2. Due to data protection it has not been possible to hand over information about south bank businesses utilising the LEP's services to GLLEP, beyond what is in the public domain on the LEP's website (e.g. previous

grant recipients). However, email communications in March and April will remind south bank businesses of the new arrangements.

7.3. Inward investment enquiries

7.3.1. Since the start of the year, new enquiries relating only to the south bank have been signposted to GLLEP.

7.4. DIT Northern Powerhouse offer

7.4.1. Over recent months the Department for International Trade has funded a Key Account Manager role in the LEP team. Funding for 2021/22 has now been confirmed so this will continue on a HEY basis.

7.4.2. DIT has also funded an Export Coordinator role, seconded to the LEP. Funding for this is still being reviewed, but if secured it will continue on a HEY basis.

8. Humber LEP impact and legacy

8.1. As part of his work supporting the transition over the coming months, the Chief Executive is planning to produce a legacy report on the work of the Humber LEP and the impact it has had. It was envisaged that this would be ready to be published in the summer.

8.2. Evaluations of some of the LEP's programmes – Growing the Humber, Local Growth Fund and the Growth Hub – have been commissioned in accordance with funder requirements and will be published when complete. These draw on stakeholder interviews covering how the LEP has managed the programmes, as well as analysis of the impact they have had, with a view to establishing learnings for future programme design.

8.3. The LEP's investment programme team have developed a document containing case studies of Growth Deal projects, at **Appendix 1**.

8.4. Consideration is also being given of how private sector Board and sub-board members' experiences of being involved in LEP activity can be captured to inform future business engagement.

8.5. The Chair has proposed that a short final stakeholder event should be held to thank partners for their involvement in the LEP and celebrate the Humber's progress over the last ten years. The LEP team are developing plans for this and would welcome the Board's input.