



# Strategic Economic Plan 2014-2020



**Humber**  
Local Enterprise  
Partnership



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# Foreword

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On behalf of the Humber Local Enterprise Partnership Board, I am pleased to submit this Strategic Economic Plan to Government as part of our Growth Deal proposals.

The Humber has made significant progress since our first *Plan for the Humber* was published in 2012. We have negotiated the Hull & Humber City Deal, which will help to accelerate our work in up-skilling our workforce and bringing forward sustainable development around the Humber Estuary. We are successfully delivering a range of programmes, including the Humber LEP's £30m 'Growing the Humber' Regional Growth Fund programme which is already exceeding its targets for creating jobs. We are seeing progress in bringing forward major infrastructure projects, including upgrades to the A160/A180 and A63 Castle Street and the electrification of the railway line between Hull and the East Coast Main Line. Our Enterprise Zone sites are beginning to show good progress, and this will accelerate following the planning permission granted for the Able Marine Energy Park in December 2013 and the significant confirmation by Siemens and ABP in March 2014 that they will invest £310m to develop two offshore wind facilities in Hull and the East Riding of Yorkshire.

Throughout this, strong support has continued to be shown by the Humber's business community, local authority leaders, MPs and central Government. This cross-sector and cross-party support has been essential for achieving what we have collectively achieved so far and it will continue to be vital as we work together to deliver this Strategic Economic Plan.

I would like to thank the many people and organisations who have helped us to develop this Plan. It is a truly collaborative Plan that we can only deliver together. I am confident that our now established local partnership can again rise to the new challenges delivering this Plan will bring, and we look forward to Government continuing to work and invest alongside us.

**Lord Haskins**  
**Chairman, Humber Local Enterprise Partnership**





# Executive Summary

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## About this document

The 2014-2020 Strategic Economic Plan (SEP) for the Humber is an integrated plan for growth, informed by experience and expertise from across the Humber LEP area. It remains true to the principles of our first LEP strategy – *A Plan for the Humber* – whilst also recognising the latest local and national priorities for economic development and adding valuable insight from new research and consultation. The SEP will form the basis of a Growth Deal with Government and, together with the accompanying Investment and Delivery Plan, will be a determinant of the Humber’s allocation of the Local Growth Fund.

## Ambition

The ambition is to maximise the potential offered by the Humber Estuary, leading the Humber to become a renowned national and international centre for renewable energy and an area whose economy is resilient and competitive. We will continue to develop our strengths in key sectors, supporting our businesses to grow and helping our residents to access the opportunities they need to lead prosperous and rewarding lives.

## The vision for 2020

### Economy

By 2020, the Humber will have a thriving renewables sector, with ambitious capital schemes well underway and a growing reputation for excellence and expertise. Many thousands of jobs will have been created, driven by this major growth in renewables alongside the further strengthening of our other key sectors. Existing and new businesses will be able to easily find and access finance and quality business support to help them succeed.

### Skills

By 2020, we will have a skills system that is better aligned with the current and future needs of our economy. The proportion of our working age population with no qualifications will have decreased significantly and we will have observed another period of above average growth in higher level skills.

### Place

By 2020, our visitor economy will be stronger than ever, civic pride will have risen and a stronger sense of ambition and self-confidence will be evident across the LEP area. The area will be benefiting from the legacy impacts of Hull: UK City of Culture 2017, our infrastructure and housing offer will have progressed considerably and we will be adequately resourced to deal effectively with issues of flooding and coastal erosion. Strategic development sites, including Enterprise Zones, will be thriving locations for economic growth.

## Strategic enablers

The SEP is structured around five strategic enablers covering infrastructure, business growth, place, skills and floods/environment. Against each of these, an overarching objective and a set of priorities have been developed via a wide-reaching consultation process. Delivery activities, including both current/planned investments and new projects and programmes for which Local Growth Fund support is being requested, are summarised in the SEP to demonstrate how each of the priorities will be achieved. The five strategic enablers are:

<b>Creating an Infrastructure that Supports Growth</b>	Access will be enhanced to strategic sites and along key growth corridors. Upgrades will be made to our passenger and freight rail infrastructure and we will ensure that our port and airport infrastructure matches the forthcoming and anticipated investment in the Energy Estuary.
<b>Supporting Businesses to Succeed</b>	Businesses in the Humber will have access to the expert support and appropriate finance they need to grow, create jobs and take advantage of new investment opportunities. A more entrepreneurial culture will be supported and the level of innovation amongst local businesses increased.
<b>A Great Place to Live and Visit</b>	The Humber will be recognised as a great place to live with the range and quality of homes for a growing workforce. Work will be undertaken with a broad range of partners to ensure that the Humber has a vibrant and distinctive cultural, leisure and visitor offer that creates new business opportunities.
<b>A Skilled and Productive Workforce</b>	Businesses in the Humber will be able to access the skilled workforce they need to grow. Residents will be supported and able to access good quality employment opportunities, to progress in work and/or to set up their own enterprises.
<b>Flood Risk and Environmental Management</b>	Economic development in the Humber will be stimulated through further investment in flood and coastal risk management. Sustainable development activities will be promoted and embedded across the LEP area to sustain the natural environment.

## Investment and Delivery Plan

Accompanying the SEP is an Investment and Delivery Plan. This document provides details of the major investments that are planned across the Humber LEP area over the coming years, together totalling some £4bn of activity. The Investment and Delivery Plan also identifies the projects and programmes for which the LEP is seeking support through the Local Growth Fund. Our Local Growth Fund 'ask' for 2015/16 is £61.7m, which will unlock an additional £192m of public and private investment in the same year and allow more than 30 projects to begin delivery. These projects form part of a larger portfolio of LGF-supported investments that will generate more than 13,000 jobs over the next 10 years. This ambitious but achievable programme of investments will accelerate the journey that our area is on to become recognised nationally and internationally as an 'energy estuary' and will have a considerable positive impact on the rejuvenation and strengthening of our local economy.



# Introduction to the Strategic Economic Plan and the Humber LEP area

# 1. Overview

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## Introduction to the Strategic Economic Plan

This is an ambitious plan that provides a basis upon which to increase the prosperity of the Humber LEP area and to take advantage of opportunities for growth in and around the Humber Estuary. It is a plan that is also grounded in reality, acknowledging the challenges and barriers that the Humber economy continues to face.

This SEP will form the basis of a Growth Deal with Government and will be a determinant of the Humber's allocation of the Local Growth Fund. Yet it is much more than simply a mechanism to secure funding from Government and is broader than a conventional economic plan. It is an integrated plan for growth, informed by experience and expertise from across the LEP area. It remains true to the principles of our first LEP strategy – *A Plan for the Humber*<sup>1</sup> – whilst acknowledging Government priorities for local economic development and adding valuable insight from new research and consultation.

## Consultation and development

As shown below, the SEP has been informed by four main sources of evidence. First, a considerable amount of relevant material already existed prior to the start of the SEP development process, including *A Plan for the Humber*, the Humber's European Structural and Investment Funds Strategy and a comprehensive review of the local skills landscape<sup>2</sup>. Second, this evidence has been augmented via targeted consultation activity, including workshops and larger consultation events (including those involving private sector businesses<sup>3</sup>), that have looked in more detail at the priorities, opportunities and barriers for the area across a range of strategic themes including housing, transport, skills, IT infrastructure, flood risk mitigation and business growth. Multi-disciplinary and thematic teams in each of the four Humber local authorities have also been consulted to gain a detailed insight into their current plans, priorities and challenges, and have reviewed relevant Local Economic Assessments and economic development strategies.

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<sup>1</sup> Found at: [www.humberlep.org](http://www.humberlep.org)

<sup>2</sup> Lifting the Lid: The Humber Skills Challenge (Humber LEP, 2013)

<sup>3</sup> Two employer consultation events were held in November 2013 – one in Hull and one in Grimsby





The third main source of evidence has been provided by the University of Hull, whose recently completed report, *The Capability of the Humber Region*, looks at the composition and competitiveness of the Humber's key sectors and the Humber LEP area as a whole.

Finally, an Expression of Interest process has been administered, through which proposers (public and private sector) have identified projects and programmes for which support through the Local Growth Fund might be suitable. These have been subject to a full appraisal and prioritisation exercise, which informed the composition of the accompanying Investment and Delivery Plan.

A working group, with representation from the Humber's four local authorities, the LEP and the Department for Business, Innovation and Skills, met regularly to oversee the development of the SEP. Other departments and agencies, such as the Department for Transport, the Skills Funding Agency and the Homes and Communities Agency, have also been involved at key points in the process. Regular updates have been provided to the LEP's Joint Strategy Unit and its Board.

### **The SEP in the context of the wider strategic framework**

The SEP for the Humber sits at the heart of the strategic framework through which economic development will be taken forward over the next five years and beyond. There are of course new proposals included in the SEP, further details of which are provided in the Investment and Delivery Plan, but equally a lot of the (proposed) activity is either referenced elsewhere in other plans and strategies, or is already underway/imminent through programmes such as the Regional Growth Fund, the Enterprise Zones and the Hull & Humber City Deal. The SEP is therefore very much the central point of the Humber's strategic framework.





## Investment and Delivery Plan

Accompanying the SEP is an Investment and Delivery Plan, which provides details of major projects and programmes, including those for which the LEP is seeking support through the Local Growth Fund, and an outline of a five year funding proposal. The Investment and Delivery Plan will be updated annually.

## Structure

The SEP will be delivered through five strategic themes, each of which has a specific chapter in this document:

- **Creating an Infrastructure that Supports Growth:** The aim here is to enhance access to strategic sites, including Enterprise Zones, and along key growth corridors. Proposals are being put forward to upgrade passenger and freight rail infrastructure and ensure that the Humber's port and airport infrastructure matches the anticipated investment in the Energy Estuary. Putting in place the right conditions for business growth is also important, including an adequate supply of sites and premises, an effective communications infrastructure and flood resilience measures. **Chapter Six** provides further detail, with flood resilience covered specifically in **Chapter Ten**.
- **Supporting Businesses to Succeed:** The LEP and its partners will strive to ensure that businesses in the Humber LEP area have access to the expert support and appropriate finance they need to start, grow, create jobs and take advantage of new investment opportunities. **Chapter Seven** provides further detail.
- **A Great Place to Live and Visit:** The aim is to ensure the availability of an excellent standard and choice of housing, town centres and visitor attractions, taking into account emerging statutory Development Plan proposals of the four local authorities in the Humber LEP area. **Chapter Eight** provides further detail.



- **A Skilled and Productive Workforce:** Businesses in the Humber will be able to access the skilled workforce they need to grow and its residents will be supported and able to access good quality employment opportunities. **Chapter Nine** provides further detail.
- **Flood Risk and Environmental Management:** Economic development will be stimulated through further investment in flood and coastal risk management, and will promote and embed sustainable development activities across the LEP area. **Chapter Ten** provides further detail.

## Acknowledgements

The Humber LEP would like to thank everyone that has contributed to the development of this version of the SEP. Workshops and other consultation events have been very well attended and many people from across the LEP area have been very generous with their time.

## 2. Ambition

**The ambition is to maximise the potential offered by the Humber Estuary, leading the Humber to become a renowned national and international centre for renewable energy and an area whose economy is resilient and competitive. We will continue to develop our strengths in key sectors, supporting our businesses to grow and helping our residents to access the opportunities they need to lead prosperous and rewarding lives.**

### The vision for 2020

#### Economy

**By 2020, the Humber will have a thriving renewables sector, with ambitious capital schemes well underway and a growing reputation for excellence and expertise. Many thousands of jobs will have been created, driven by this major growth in renewables alongside the further strengthening of our other key sectors.**

#### Skills

**By 2020, we will have a skills system that is better aligned with the current and future needs of our economy. The proportion of our working age population with no qualifications will have decreased significantly and we will have observed another period of above average growth in higher level skills.**

#### Place

**By 2020, our visitor economy will be stronger than ever, civic pride will have risen and a stronger sense of ambition and self-confidence will be evident across the LEP area. The area will be benefiting from the legacy impacts of Hull: UK City of Culture 2017, our infrastructure and housing offer will have progressed considerably and we will be adequately resourced to deal effectively with issues of flooding and coastal erosion. Strategic development sites, including Enterprise Zones, will be thriving locations for economic growth.**

The Humber is on the brink of an exciting and transformational period of economic activity, driven by major investment in and around the Estuary and offshore. The location and land resources on both banks offer very competitive opportunities for renewables, and offshore wind in particular, and the intention is to capitalise on these to create a cluster of activity through the development of this new and growing UK industrial sector.

The Humber is already benefiting from significant investment in the operation and maintenance of Round 1 and 2 wind farms off the Yorkshire and Lincolnshire coast. Biomass power generation and biofuels represent short-term opportunities, while in the medium term, carbon capture and storage will offer the area an economic advantage. The Humber also has significant potential for tidal and wave power generation over the longer term.



The plans for growth in the energy and renewables sectors are realistic, subject to macro-economic conditions and Government policy, and the ongoing importance to the Humber economy of coal importing and gas pipelines to major power stations should also be acknowledged. However, these will only provide a proportion of the employment growth that is needed and activities that support the growth of other sectors are, therefore, equally important. Ports and logistics, chemicals, food and engineering and manufacturing have been identified as sectors in which the area is already strong, or can be in the future, and these sectors will be supported where there is potential for high growth, high value jobs. Analysis also suggests that the area has strengths in digital and creative services and potential in cultural, heritage and visitor economies, emphasising the importance of preserving and enhancing the area's natural and built heritage.

It is important, however, that the objectives remain realistic. The Humber Estuary is a unique natural and economic asset (by tonnage it is the largest ports complex in the country and existing clusters of businesses are dependent on it) and the opportune economic development of the Estuary will add value to the local and national economy. And whilst the area has strong infrastructure, it is also the case that the economy, particularly within its urban areas, could have performed better over a number of years. More business growth can be supported, new ideas and technologies nurtured, infrastructure enhanced and the persistently low level of skills that exists in the area addressed. The opportunity also exists to exploit the Humber's strong international connections more ambitiously.

It is also important that investment continues to be made in the identity, brand and quality of place of the Humber LEP area. The area's major settlements and coastal resorts remain affected by disused and underused business premises and a legacy of poor quality housing. Image issues are compounded by often negative press coverage and the selective use of statistics. Land ownership and development/investment activity is largely localised, which, combined with low land values, has resulted in a property market that is characterised by largely high quality development, but sluggishness. As a consequence, much of the high quality development which has come forward has done so because of the availability of public sector subsidy.

However, the identity of the area has been given a substantial boost through the award of UK City of Culture 2017 to Hull, the success of which was secured on the basis of a development and legacy programme that will see sustained impact from the designation. Hull: UK City of Culture 2017 will deliver a £60 million boost to Hull's local economy in 2017 alone and will involve a spectacular programme of artistic excellence and events on a scale never seen before in the city, enticing visitors from the whole of the UK and beyond and benefiting not only Hull but also the surrounding area.

Ensuring that an appropriate mix of housing exists to meet local employment needs is also important – a Humber housing offer with both aspirational and affordable housing with good access to employment opportunities. The LEP will continue to work with statutory partners to continue to improve the strategic transport network by addressing road bottlenecks at key sites and along key growth corridors, pressing for the upgrade of the rail infrastructure through electrification and other measures and ensuring that the quality of the ports and airport matches the anticipated investment in the Energy Estuary. Continued investment is needed in growth generating regeneration activity and sites and premises. There is also a determination within this area to ensure that the Estuary and the coastline is much more resilient to flooding and erosion.

These issues cannot all be addressed in the short-term but the Humber LEP and its partners are determined to do everything in their power to create economic and employment benefits for the Humber's businesses, investors and communities and to support national strategies for growth.

## Track record of delivery

The Humber LEP and its key partners – both public and private sector – have in recent years established a strong track record of leading, inspiring and facilitating economic growth. Achievements of note include:

- Securing £65m through two rounds of the Regional Growth Fund. The £30m 'Growing the Humber' programme, which is unlocking projects that have the potential for growth, has already leveraged £75m of private sector investment and created over 1,000 jobs.
- Securing £14.9m from the Enterprise Zone Capital Grant Fund, which will bring forward the creation of c. 350 FTE construction jobs as part of the Able Marine Energy Park development.
- Delivering the Business Loan Fund, which provides loans to businesses to help get stalled projects off the ground.
- Working with partners to develop the Humber LEP's 2014-2020 European Structural and Investment Funds Strategy, feedback on which from Government has commended the inclusive, consultative approach taken by the LEP during its development. The Strategy will result in 1,300 new jobs, 2,500 businesses being assisted and will leverage £26m of private sector match funding.
- Implementing the Humber Skills Pledge campaign to boost investment in training and skills.
- Working with partners to secure additional funding and flexibilities to support growth through the Hull and Humber City Deal.

### Case study: Growing the Humber – Rofin Sinar

**The £30m 'Growing the Humber' programme was funded by Round 3 of the Regional Growth Fund. Led by the Humber LEP with accountable body North East Lincolnshire Council, and supported by the other three Humber local authorities, it offers grants to expanding companies.**

The programme is outperforming its contracted targets of creating 1,500 jobs and achieving £125m private sector leverage. By the beginning of March 2014, 70 projects were in contract at a cost of £13.8m RGF, achieving £74.9m leverage and creating 1,163 jobs. The programme is providing excellent value for money: a cost per job of £11.9k (contracted at £20k), compared to the national average which has risen from £30.4k in Round 1 to £52.3k in Round 4 (source: NAO). A £1m extension was secured through the Hull & Humber City Deal.

One company to benefit is Rofin-Sinar UK, based in East Yorkshire. Established in 1998, the company manufactures a wide range of sealed CO2 lasers and power supplies for industrial processing and marking applications. Rofin-Sinar secured support through the Growing the Humber programme to enable the company to relocate to bigger premises and develop lasers that can cut through touchscreen glass on smartphones much faster, reducing manufacturing cycle times and cost. These lasers will be manufactured in the UK and exported to the Far East where the majority of smartphones and tablets are produced.

The additional space will accommodate the projected company expansion, currently running at 25% per year. A total of 57 new jobs will be created ranging from R&D development engineering roles to production operatives. The new factory will be complete by the end of November 2014.

The company is very clear that the grant has helped to facilitate "significant additional investment from our parent company in the new site securing the future of our laser activity in this local area. The research grant enables us to develop new products that address a market that has enormous growth potential adding to our current portfolio of products and generating high value manufacturing and engineering jobs."





## Opportunities for Growth

Across a geographic area as diverse as the Humber, with urban conurbations, market towns, rural hinterlands and coastal settlements, there will almost by definition be an array of opportunities for growth, especially as the national economy continues its recovery from recession. The intention is not to list them all here – many of them are covered in later chapters and/or are reflected in the schemes outlined in the Investment and Delivery Plan – but rather to summarise those that apply LEP-wide and which characterise our area. Six have been identified, which were consulted upon and refined during business events in November 2013:

### **1. To become a leading national and international centre for energy**

To meet national energy targets, developers need to deploy around 4,000 offshore wind turbines in the southern North Sea (within 100km of the Humber) – an investment worth £100-£120bn. With 484 hectares of Enterprise Zone (EZ) sites fronting or close to the Estuary, only the Humber has sufficient portside land in the right location to create a UK energy manufacturing cluster of the scale proposed. The Humber's potential has already been recognised by some of the world's leading offshore wind businesses, for example the Siemens and ABP collaboration to build turbine production and blade manufacture plants on Enterprise Zone sites at Hull and Paull, while the Witty Review of Universities and Growth identifies the Humber as a key supply chain area. National Government has designated the Humber a Centre for Offshore Renewable Engineering and worked with the Humber LEP and local authorities to designate two EZs. In addition, fuel and chemical feedstocks are imported into the Estuary, including natural gas, liquid crude oils, coal, ethylene and biomass. The Humber has one of the largest petroleum ports in Europe, processing, handling and distributing around 20m tonnes of fuel products annually. *See Chapter Four.*

### **2. To maintain, strengthen and grow in key sectors**

The Humber has strengths in several key sectors which should remain major economic contributors regardless of the development of new specialisms. These include engineering and manufacturing (advanced engineering alone employs 25,000 people in the Humber area), ports and logistics (intrinsically linked to the Estuary), chemicals (the Humber has the second largest chemicals sector in the UK and £3bn of planned investment on the South Humber Gateway alone), and agribusiness/food, which represents excellent opportunities for joint working with our overlapping LEPs to the north and south. Healthcare manufacturing and other niche healthcare technologies offer commercial advantage, and there is a growing creative and digital services sector which will see further substantial investment following Hull's successful UK City of Culture 2017 bid, through the creation of digital innovation and incubation space and through the ongoing development of the visitor economy and advancements in superfast broadband across the area. *See Chapter Five.*

### **3. To provide a more co-ordinated and comprehensive business support offer**

Businesses report that support services, whilst in some cases effective, are fragmented and that a more holistic and co-ordinated approach is required. Via the Hull and Humber City Deal that was signed with Government on 13 December 2013, an ambitious Growth Hub proposition was developed that spans the business support spectrum and covers start-up support, supply chain development, a central directory of business support services and assistance with apprenticeship recruitment, amongst other things. This will dovetail with the £27m programme of SME growth and innovation activity that has been proposed through the European Structural and Investment Funds

(ESIF) Strategy and will provide a vital stimulus for business growth across the LEP area. It will help promote business growth with a highly tailored service attuned to business requirements in urban, rural and coastal areas. *See Chapter Seven.*

#### **4. To make strategic improvements to our infrastructure**

The Humber depends upon an effective and efficient infrastructure to support investment. This includes roads, rail, water, pipelines, energy, digital infrastructure, broadband and air services. Outdated perceptions about inaccessibility are changing. The Humber's good connectivity to the rest of the UK by road and rail, and to other countries by sea and air, is one of the area's most important assets. However, bottlenecks in road infrastructure remain and parts of the area's rail infrastructure (passenger and freight) are in urgent need of improvement to ensure the enhanced connectivity brought about through HS2 can be fully exploited. The Local Growth Fund offers the opportunity to make real progress here alongside local resources. The same is true of the area's housing offer and learning environments, which will be improved alongside the implementation of a £28m skills programme through the ESIF Strategy. Investment is also needed in appropriate sites and premises for growth. *See Chapters Six and Nine.*

#### **5. To stimulate inward investment, develop the Humber brand and grow the visitor economy**

Hull's UK City of Culture award for 2017 will bring significant economic benefits, to Hull and the Humber. It provides a platform upon which to change outdated perceptions of the area, strengthen its appeal to potential investors and grow the visitor economy significantly. Of course, Hull: UK City of Culture 2017 will not on its own be enough to achieve the change that is needed, and each of the other opportunities for growth listed here also need to be maximised, but it can nonetheless act as a very important catalyst to add further to the internationalisation of the Humber. *Cross-cutting theme.*

#### **6. Sustainable development arising from our unique geographical asset: the Humber Estuary**

The Humber has a distinctive sustainable development agenda by virtue of being on an Estuary, being home to the country's biggest port complex, and by possessing large areas of highly fertile land. These features give rise to a rich eco-system, protected areas of international significance and a precious built heritage, all of which are assets for economic development. *See Chapter Ten.*

### **Barriers hindering growth**

Despite the Humber's growth potential, it is evident that certain barriers threaten to hold the area back, and in reality have been doing so for some years. The most pressing of these are summarised below, each of which has influenced the strategic priorities and key activities for growth that are outlined in the later chapters of this document. Again, these were consulted upon and refined through the business consultation events in November 2013.

#### **1. Skills levels and educational underachievement**

Excellent progress has been made in improving skills levels across the Humber and in recent years the pace of change has outstripped national averages and narrowed the GCSE attainment gap. Even so, there are still too many people with no qualifications and too few with higher level skills, which remains significant given the link between higher level skills and wealth creation.



This links with the industrial structure of the area, which is skewed towards sectors which typically rely on low to mid skilled employment. Occupations including process, plant and machine operatives, caring and leisure, elementary and sales occupations are all overrepresented, whilst the professional and business service sector remains relatively small. This structure and the resulting demand for skills is reflected in the labour market, with a below average proportion of residents qualified to Level 4+. ***See Chapter Nine.***

## **2. Unemployment**

Relatively high economic inactivity persists in the Humber, as do low levels of notified vacancies, below average earnings, impeded growth and low GVA per capita. Unemployment and long-term sickness are both above average, with notable concentrations in Hull, North East Lincolnshire and the coastal towns of Bridlington and Withernsea. Youth unemployment is a persistent issue, with 18-24 year olds accounting for 27% of all unemployment in the area and numbers having more than doubled over the past 10 years. Initiatives such as the LEP Skills Pledge and Future Hull and the East Riding have been established to support and enhance traditional services provided by partners in this area. ***See Chapter Nine.***

## **3. Business survival and growth**

Although business start-up rates are reasonably good, survival (especially at 4+ years) is a weakness, particularly in certain localities. The area also has lower than average numbers of 'high growth businesses' and relatively low levels of take-up of national business support programmes. It is also the case that too few of the Humber's businesses invest in non-statutory training for their staff and/or are not fully aware of the commercial benefits that training can generate. ***See Chapter Seven.***

## **4. Business support**

As explained under 'Opportunities for Growth', businesses report that support services, whilst in some cases effective, are fragmented and that a more holistic or co-ordinated approach is required. ***See Chapter Seven.***

## **5. Broadband and ICT connectivity**

There are inconsistent levels of broadband infrastructure in the Humber LEP area and although this will improve considerably over the coming years (through private sector investment and participation in national schemes such as Broadband Delivery UK), some rural parts of the LEP area will remain without adequate access. Recognising this as a barrier to growth, particularly for smaller businesses, it is proposed that part of the Humber's EAFRD allocation for 2014-2020 will be used to ensure that high quality (superfast) broadband is made available in those areas not covered by national programmes. ***See Chapter Six.***

## **6. Planning and regulatory constraints**

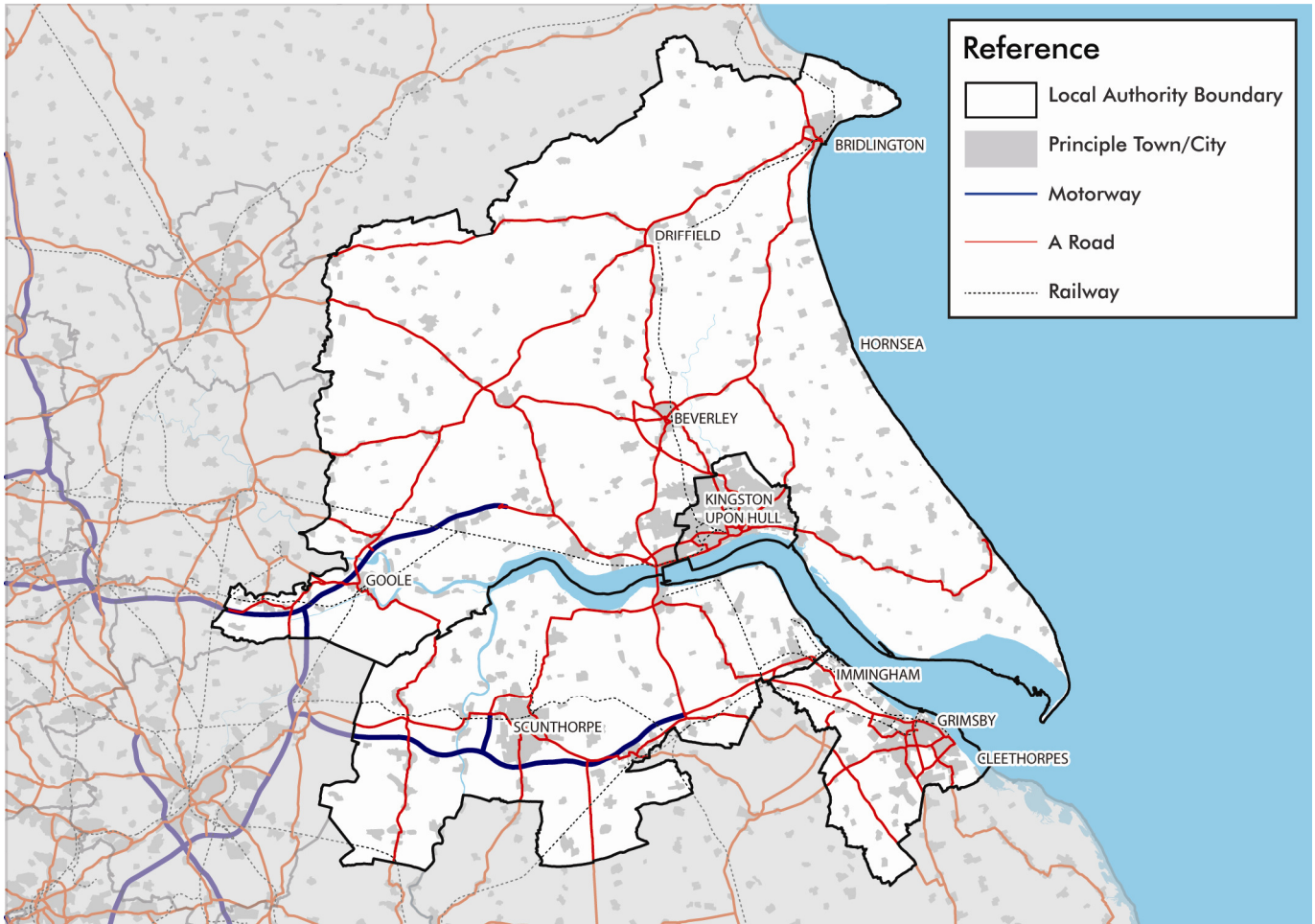
Some previous investments around the Estuary have been slowed by a complicated and inconsistent regulatory regime, and incentives had become out of step with sector investment plans. Good progress is now being made to address this: consenting planning authorities, statutory agencies and the private sector have been working together through the Single Conversation Pilot, and partners are working towards shared objectives around growth and sustainability, a shared

understanding of each party's responsibilities and obligations, and a common language. The signing of the Hull and Humber City Deal in December 2013, and the announcement in Budget 2014 that Enterprise Zone incentives will be extended, were significant steps forwards. ***Cross-cutting theme.***



### 3. The Humber in context

Figure 1: The Humber sub-region



#### Overview

The Humber is the largest trading Estuary in the UK (by tonnage) and the fourth largest in northern Europe, handling almost 80m tonnes of cargo in 2011 and experiencing strong year-on-year growth. As the UK’s most northerly ports complex able to offer overnight services of less than 12 hours to and from continental Europe, the location of the Humber ports is nationally strategic. They can also play a part in providing a bypass to the congested South East road and rail routes which lead to the Channel Tunnel and ports.

The Humber Estuary supports a petrochemicals/chemicals sector worth £6bn per year, provides raw materials for much of the UK’s energy sector and offers international expertise in logistics. Approximately one million passengers travel through the Port of Hull every year and 400,000 through Humberside International Airport – England’s largest offshore helicopter logistics hub in terms of passengers carried to and from offshore facilities.



Nearly 90% of the Humber area is rural. Its main settlement and commercial centre is Kingston upon Hull, the only city in the LEP area, which together with its adjoining urban area has a population of more than 300,000 and a travel-to-work area covering 450,000 people. Other major settlements include the sub-regional centres of Grimsby and Scunthorpe and the renaissance resorts of Cleethorpes and Bridlington. The predominantly rural areas of the East Riding, North Lincolnshire and North East Lincolnshire look to the market towns of Beverley, Driffield, Brigg, Epworth and Barton. To the west of the area, Goole – the UK's most inland port – is rapidly developing as a northern logistics hub. There is also a travel-to-work catchment for York (the major urban centre in the York, North Yorkshire and East Riding LEP), although for the most part self-contained labour markets are a feature of the area.

**Table 1: Humber facts at a glance**

<b>Local authorities</b>	Hull; East Riding; North Lincolnshire; North East Lincolnshire
<b>Area</b>	3,639 km <sup>2</sup>
<b>Population</b>	921,000 (2012)
<b>Economically active</b>	451,500 (12 months to June 2013)
<b>Businesses<sup>4</sup></b>	32,500 (June 2013)
<b>Businesses currently exporting<sup>5</sup></b>	12% (2012)
<b>GVA</b>	£14bn per annum (2012)

## Spatial context

The Humber is centrally located on the east coast of the UK, equidistant from London and Edinburgh. The Humber has an almost unique spatial configuration, dominated by the Humber Estuary and its river systems and framed by a Heritage Coastline to the east, an Area of Outstanding Natural Beauty (the Lincolnshire Wolds) to the south, the Yorkshire Moors and Yorkshire Wolds to the north and the Yorkshire conurbations to the west.

Contrasts between the four local authority areas which make up the Humber can be extreme. For example, whilst the East Riding has the largest land area of any unitary authority, Hull is one of the most densely populated local authority areas in England. Two of the Humber's four local authority areas – East Riding and North Lincolnshire – are members of a Local Government Association special interest group which has a membership criteria based on local authority areas as having a population density of two persons per hectare or less.

Hull is the largest settlement in the Humber with a population of more than 250,000 people. Other major settlements include the ports of Grimsby and Immingham, the renaissance resorts of Bridlington and Cleethorpes and the industrial 'garden town' of Scunthorpe. The predominantly rural areas of East Riding, North Lincolnshire and North East Lincolnshire look to the market towns of Beverley, Driffield, Brigg, Epworth and Barton. To the west, Goole – the UK's most inland port – is rapidly developing as a northern logistics hub.

<sup>4</sup> This includes multiple sites of the same business (e.g. supermarket chains).

<sup>5</sup> Taken from the LEP Skills Research, ekosgen, 2012.



The Humber's growth zones and corridors are not surprisingly, formed to a large extent by the path of the estuary and encompass the major ports of Grimsby, Goole, Hull and Immingham, as well as the area's extensive wharves. Port and port-related developments which add value to the area's economy constitute the most significant economic development opportunity in the Humber, particularly in relation to the development of manufacturing and servicing facilities for the offshore wind industry.

In addition to these ports estates, the three broad economic corridors in the Humber comprise:

- The River Hull Corridor
- The A63/M62 Corridor
- The A180/M180 South Humber Bank Corridor

Large scale employment growth is proposed within and to the east of Hull taking advantage of the available workforce in the combined area, the opportunities presented by the estuary and ports complex, including the development by Siemens of a plant for the manufacture of offshore wind turbines at the Port of Hull, which will create 1,000 jobs. On the south bank, future economic activity will be focussed on the South Humber Gateway area and in and around both Scunthorpe and Grimsby/Cleethorpes with a range of significant sites included within the Humber Corridor Enterprise Zone.

There will be an ongoing focus on activity that supports the 'Energy Estuary' and on other opportunities where these support the development of a diverse and sustainable economy. Grimsby's role in servicing offshore wind farms will continue to be supported, as will the potential employment opportunities resulting from the emerging 'Able Marine Energy Park' scheme and the 'Able Logistics Park' that has already been granted permission and offers an associated role

On the north bank of the Humber significant housing growth is planned in and around (to the west) of Hull including plans for a further 3,400 at Kingswood. Over 3,200 dwellings will be provided in the city centre and a further 3,500 houses focussed on regeneration areas in both East (Holderness Road area) and West (Newington and St Andrews) Hull.

There is also a significant focus to the south of Beverley with over 2,500 houses proposed and to the north of Goole where over 1,000 houses will be provided. On the south bank, the main focus of growth is within and particularly to the west of Scunthorpe where 6,000 new homes will be provided (alongside significant strategic infrastructure proposals for the town, such as a new motorway junction, flood risk and drainage improvements) as part of the Lincolnshire Lakes proposal. Most new housing in North East Lincolnshire will be focussed in and around Grimsby with consideration being given to a sustainable urban extension comprising housing and a range of other uses.

**Area key facts**

<b>Hull</b>	
Size	27.58 square miles
Population (total)	256,000
Working age population	171,600
Largest towns	-
Features of the population	Hull has one of the highest population densities in the UK. 8.5% of Hull's residents work in Hull. 36% of the East Riding of Yorkshire's population work in the East Riding.
Unemployment rate (2013)	14.6
Disadvantage	43%
Economy	The chemical and health care sectors are very important with BP, Smith & Nephew, Seven Seas, and Reckitt Benckiser all based in Hull. Retail, tourism, arts and FE/HE have become more significant with the decline of fishing and heavy industry.
Flood risk	More than 90% of Hull is below the high tide level and more than 100,000 properties are at risk of flooding. Hull was severely affected by both the 2007 and 2013 floods.
Other LEPs	Hull is not a member of any other LEPs.

<b>East Riding</b>	
Size	930 square miles
Population (total)	336,000 people
Working age population	204,400
Largest towns	Bridlington, Beverley, Goole, Driffield
Features of the population	Above average proportion aged over 50 Under-representation of 20-34s
Unemployment rate (2013)	6.7
Disadvantage	3%
Economy	Diverse but heavily dependent on small businesses, a limited number of major employers (mainly in manufacturing) and the public sector. Agriculture (cereals and livestock).  Three sites in the East Riding have Enterprise Zone status at Elloughton-cum-Brough, Salt End and Hedon Haven.
Flood risk	40,000 in high risk flood zones
Other LEPs	The East Riding is a member of the York, North Yorkshire and East Riding LEP



North Lincolnshire	
Size	328 square miles
Population	160,000 people
Working age population	105,500
Largest towns	Scunthorpe, Barton upon Humber, Brigg, Crowle, Epworth, Winteron
Features of the population	c. 44% of the population live in Scunthorpe. Population growth of >20% forecast to 2031, driven by large increases in older age groups
Unemployment rate (2013)	6.7
Disadvantage	9%
Economy	Manufacturing (Tata) and energy (Conoco Phillips, Total Fina Elf) are key sectors alongside food and drink, chemicals, logistics, electronics and tourism.  North Lincolnshire will be home to the £450m Able UK Marine Energy Park.
Flood risk	Risk of flooding from both the River Humber and the Trent. Significant flood damage in December 2013 in South Ferriby, Barton and Barrow.
Other LEPs	North Lincolnshire is a member of the Greater Lincolnshire LEP

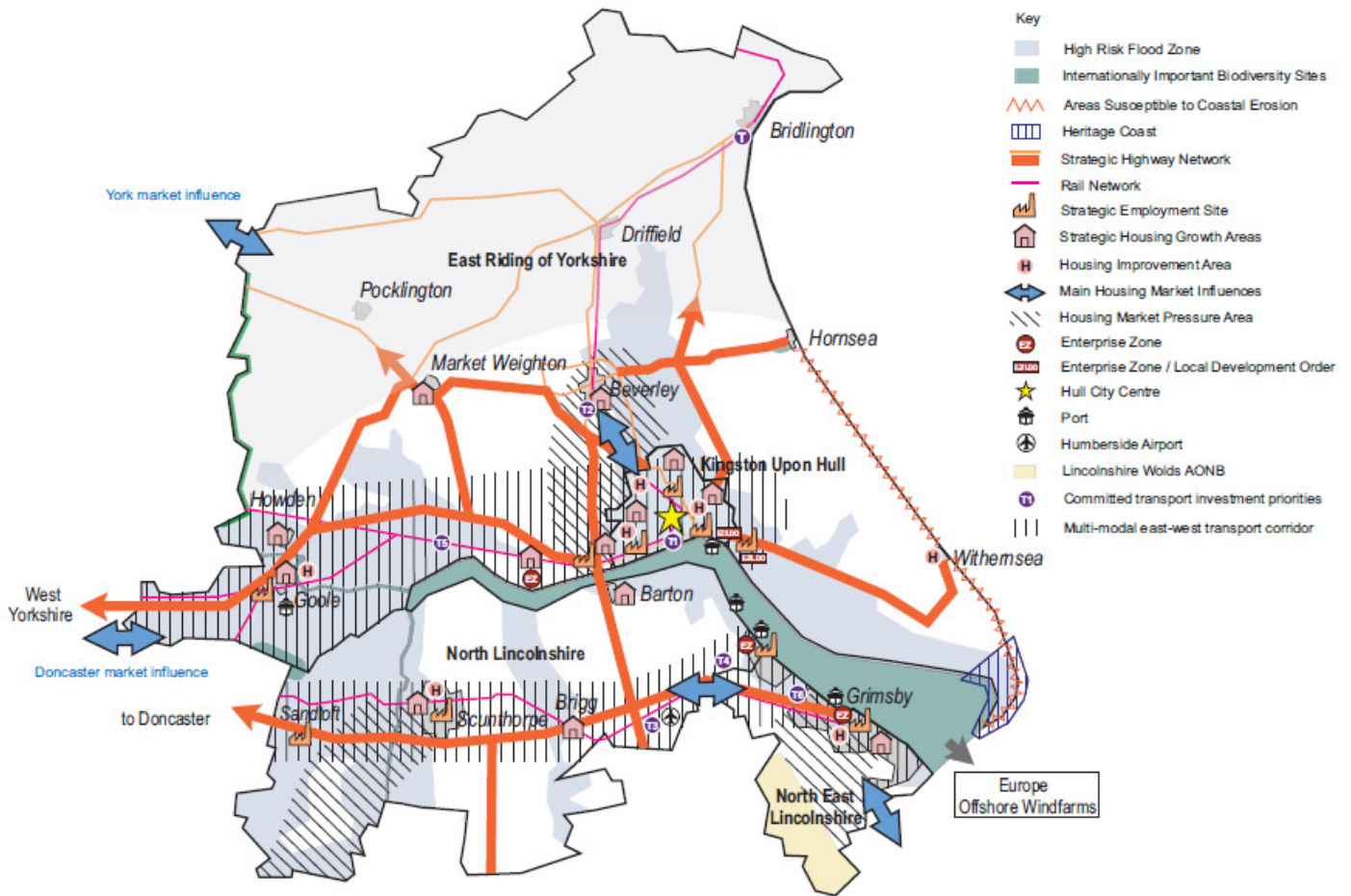
North East Lincolnshire	
Size	74 square miles
Population (total)	159,700
Working age population	99,900
Largest towns	Grimsby, Immingham, Cleethorpes
Features of the population	Very similar age profile to Yorkshire and Humber region and England. Modest population growth (3%) forecast to 2035.
Unemployment rate (2013)	11.9
Disadvantage	19%
Economy	Main sectors: food and drink, ports and logistics, renewable energy, chemicals and process industries, digital media. North East Lincolnshire has the UK's busiest ports complex and the highest concentration of food companies in the UK. Novartis, Phillips66, Ciba and Siemens have major facilities in North East Lincolnshire.
Flood risk	27,000 dwellings located in flood risk areas
Other LEPs	North Lincolnshire is a member of the Greater Lincolnshire LEP

### **Spatial Plan**

The Humber LEP and local authorities committed to producing a Humber Spatial Plan as part of the Hull & Humber City Deal, setting out the key strategic employment locations. The Plan will be used to inform future investment proposals, and will be the basis for collecting up-front environmental data to reduce barriers for new investment.

The draft Spatial Plan key diagram as of March 2014 is shown on the following page.

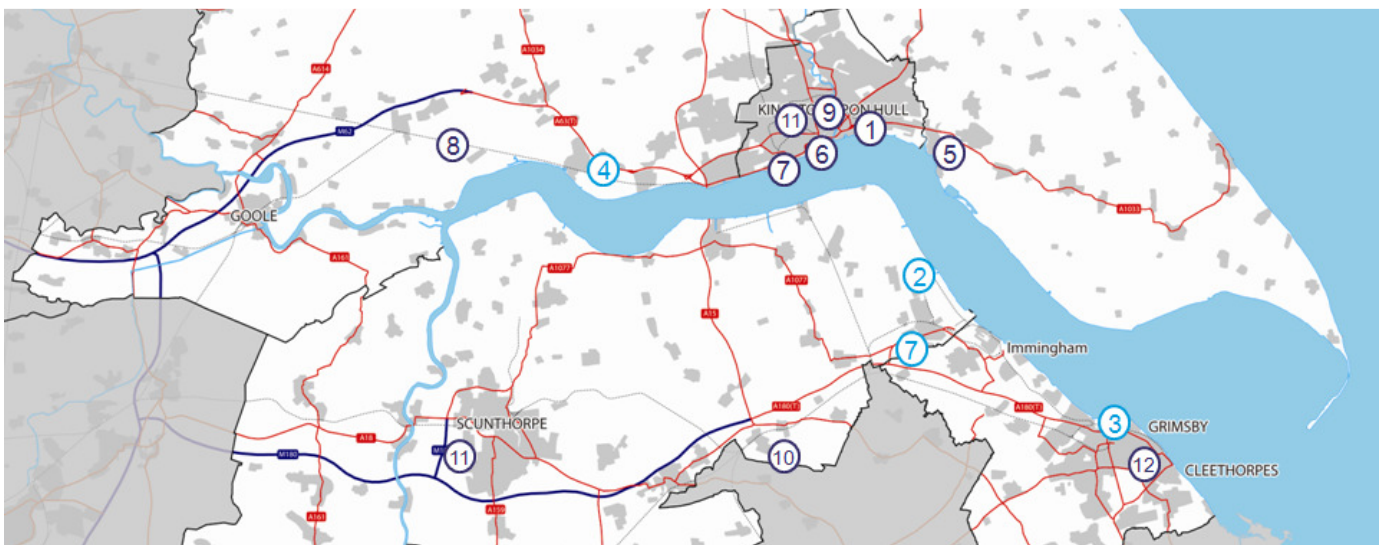
Figure 2: Draft Humber Spatial Plan key diagram (March 2014)



### Key Humber developments

The following map shows some of the key developments and issues around the Humber Estuary:

Figure 3: Humber Estuary key developments





**1. Green Port Hull (EZ)**

- Siemens wind turbine production and installation facility
- 58 hectares
- 1,000 direct jobs (with Paull)
- £310m private sector investment (with Paull)
- ECAs extended to 2020

**2. Able Marine Energy Park (EZ) and Able Logistics Park**

- £450m 250.9ha purpose-built marine energy manufacturing and installation base with new 1,279m new quay
- 1,700 direct jobs (4-10,000 potential)
- ECAs extended to 2020
- £120m 497.5ha Logistics Park development with planning permission, about to start

**3. Port of Grimsby (EZ)**

- England's largest offshore wind Operations & Maintenance base
- 11 hectares in EZ
- 244 direct jobs
- £20m+ investment to date

**4. Brough (EZ)**

- 35 hectares
- 4 businesses on site, more in negotiation
- Final legal agreement on new access over railway bridge

**5. Paull (EZ)**

- 80 hectares with EZ status
- Siemens rotor blade manufacturing plant
- Land remaining for supply chain
- Flood defence work required
- ECAs extended to 2020

**6. Tidal surge December 2013**

- 5.8m above sea level – highest recorded
- 1km defences at 5m including Albert Dock
- 120 businesses employing 3,000 people affected, including some of Hull's largest employers
- A63 trunk road to port closed
- £320m EA programme for Humber Estuary as a whole – £260m allocated

**7. Trunk road improvements**

- A63 Castle Street and A160/A180 Immingham planned for post-2015
- A160/A180 being accelerated
- Iconic bridge design required for Hull Marina link

**8. Rail electrification**

- Hull to East Coast Main Line (near Selby)
- Complete the planned North Trans Pennine route
- Help to ensure through services to London, Leeds and Manchester continue
- Increased speed and capacity

**9. Hull: UK City of Culture 2017**

- 15 national and international commissions; 12 artists' residencies; 25 festivals; conferences and major broadcasting events; estimated 1,500 special events

**10. Humberside Airport**

- Second biggest helicopter facility in UK
- New search and rescue facility

**11. Housing**

- Successful programme in Hull funded through RGF1, seeking to continue through LGF and later roll out
- New 6,000-home Lincolnshire Lakes development, seeking LGF support for infrastructure

**12. Cleethorpes promenade**

- Opportunity to enhance planned EA flood defence work to open up development site and regenerate the area

*Purple colouring denotes requesting LGF support*

**Business base**

In 2011, there were approximately 32,500 businesses in the Humber<sup>6</sup>. In business density terms (the number of businesses divided by the number of working age residents), the area is below average, although at 47.6 businesses per 1,000 working age residents it is by no means the lowest ranking LEP. In the North East, for example, the business density is 30.2 and in Liverpool it is 38.4. Nationally, excluding London, the figure is 59.4, which equates to a 'gap' in the Humber of approximately 2,500 businesses.

The business base of the area is characterised by small companies. Just over 80% of the Humber's businesses have fewer than 10 employees (the vast majority of which have fewer than 5) and 96% have fewer than 50. This is similar to the profile across England as a whole. Alongside this micro-economy are

<sup>6</sup> Office for National Statistics

some major multi-national enterprises such as Smith and Nephew, BP Chemicals, Reckitt Benckiser (which has made Hull the home for its largest R&D facility) and Tata Steel, emphasising the need for support measures which have relevance across the business base. This could include, for example, helping companies in North Lincolnshire to diversify within and beyond the steel or chemical supply chain, or supporting family owned agri-businesses in the East Riding to enter new markets.

Encouragingly, the business start-up rate in the Humber – a measure of entrepreneurial activity – is relatively high and survival rates are broadly in line with the national average. At a local authority level, however, the picture varies considerably, with survival rates (and especially 4-5 year survival rates) notably lower in Hull and North Lincolnshire – see below. Supporting (new) entrepreneurs and then helping businesses to survive and flourish is therefore a priority and one that is returned to in Chapter Seven.

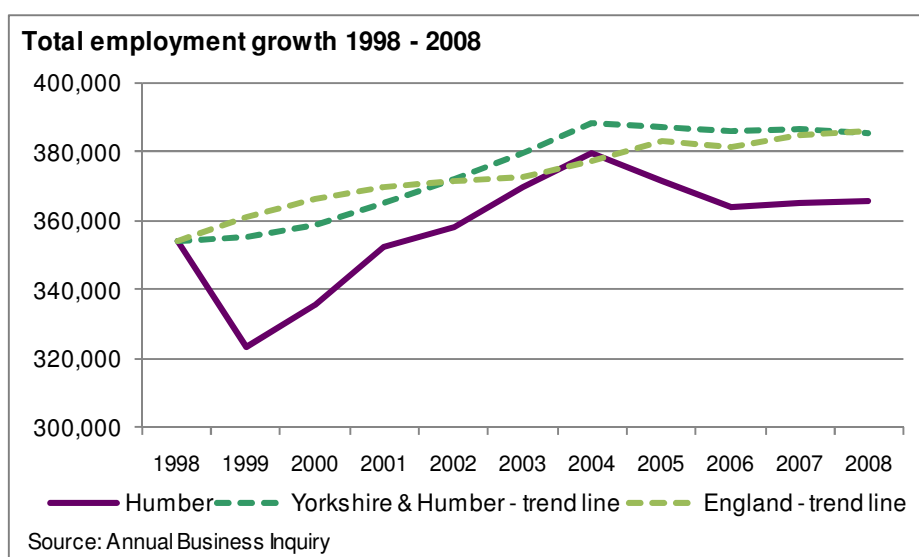
**Table 2: Business survival rates in the Humber (2011)**

Local authority	1 year	2 year	3 year	4 year	5 year
East Riding	98%	84%	68%	57%	48%
North East Lincs.	95%	79%	66%	55%	46%
North Lincs.	96%	78%	62%	47%	39%
Hull	97%	80%	63%	47%	37%

*Source: Business Demography*

## Employment

During the economy's last growth cycle (1998-2008), employment growth in the Humber did not keep pace with regional and national rates (see chart below). Growth of 3% (11,700 net additional jobs) over that period was observed in the Humber, compared with 9% both regionally and nationally. Of note is that even prior to the financial crash in 2008, the Humber was experiencing employment decline, with a net loss between 2004 and 2008 of 4% (14,000 jobs) while employment nationally continued to rise.



It is also significant that between 1998 and 2008, the public sector was the driver of employment growth in the Humber. During this time, public sector employment grew by 27%, while the private sector declined by 4%.

A further feature of the change in the Humber economy over the last growth period was the increase in part-time working. The vast majority (79%) of the new jobs created between 1998 and 2008 were part-time, which is linked closely to the public sector growth (60% of the public sector jobs created between 1998 and 2008 were part time). This is significant from the perspective of productivity, as a prevalence of part-time working (along with other factors such as wages and skills levels, both of which are relatively low in the Humber) can contribute to an area's productivity gap.

Employment in the Humber was hit hard by the recession, with job losses on a more severe scale (in relative terms) than across the Yorkshire and Humber region and England as a whole. Employment density<sup>7</sup> is now a challenge, with an additional 31,000 jobs required in the Humber if parity with the rest of the country, excluding London, is to be achieved. This is roughly equivalent to another 10% of the workforce. If London – an outlier against many standard measures of economic performance – is included, in excess of 48,000 additional jobs are required.

The proportions of the working age population in the Humber that are economically active (77%) and inactive (23%) are broadly in line with the national picture. However, unemployment and long-term sickness are both above average, with notable concentrations in Hull, North East Lincolnshire and the coastal towns of Bridlington and Withernsea.

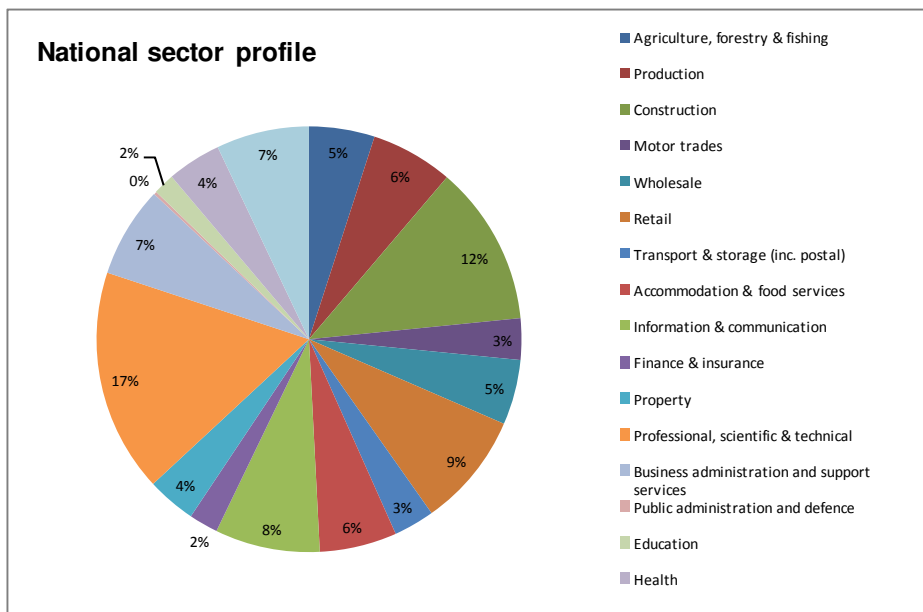
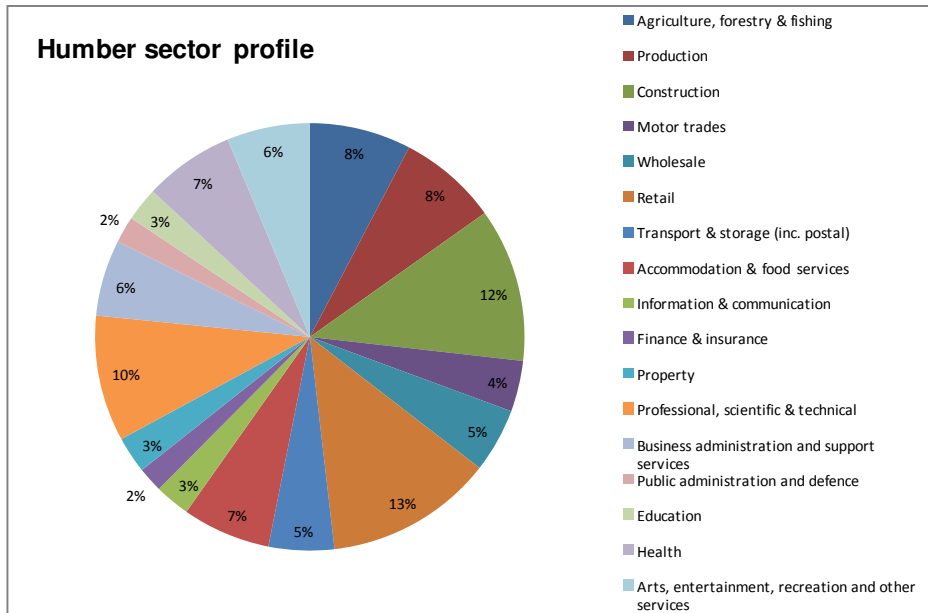
### Sectors

The sectoral composition of the Humber's business base is diverse, with very few sectors (based on SIC 2007 codes) accounting for more than 10% of all businesses (see chart below). There are also some important differences between the profile in the Humber and the profile nationally, together contributing to the productivity gap which is discussed under 'GVA' later in this chapter. In particular:

- Retail accounts for 13% of Humber businesses but 9% nationally;
- Professional, scientific and technical businesses are less prevalent in the Humber, accounting for 10% of all businesses compared with 17% nationally.

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<sup>7</sup> The number of jobs as a proportion of the number of residents.



## GVA<sup>8</sup>

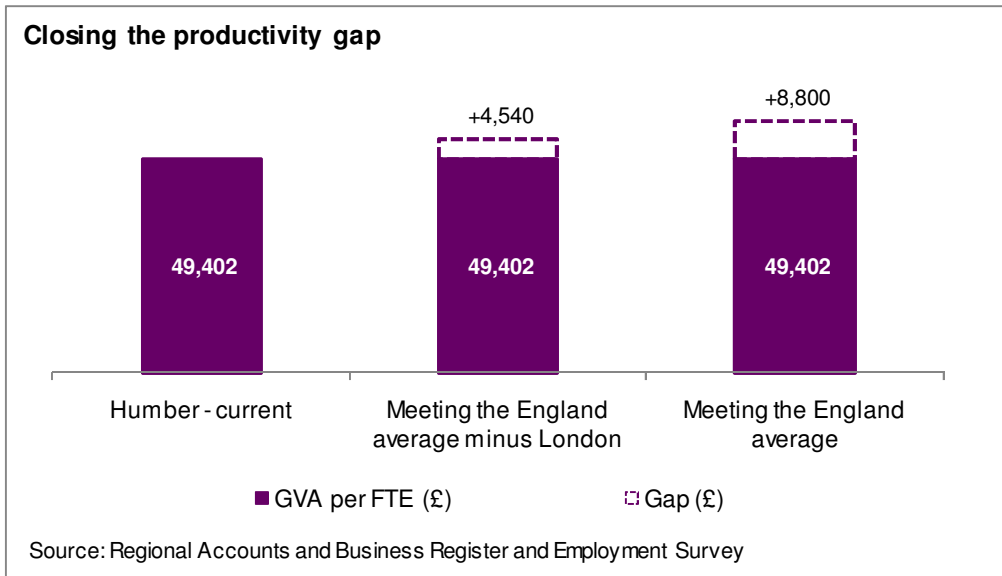
In 2011 the Humber economy generated £14.6bn in GVA, equating to £49,400 of GVA per full-time equivalent (FTE). This is 85% of the national average, rising to 91% of the national average when London is excluded. Against this measure, Humber ranks 31<sup>st</sup> out of the 39 LEPs in England, its position influenced by the interlinked combination of below average wages and employment levels, the skills profile of the

<sup>8</sup> Gross Value Added – a standard measure of the value of goods and services produced in an area, industry or sector of the economy.



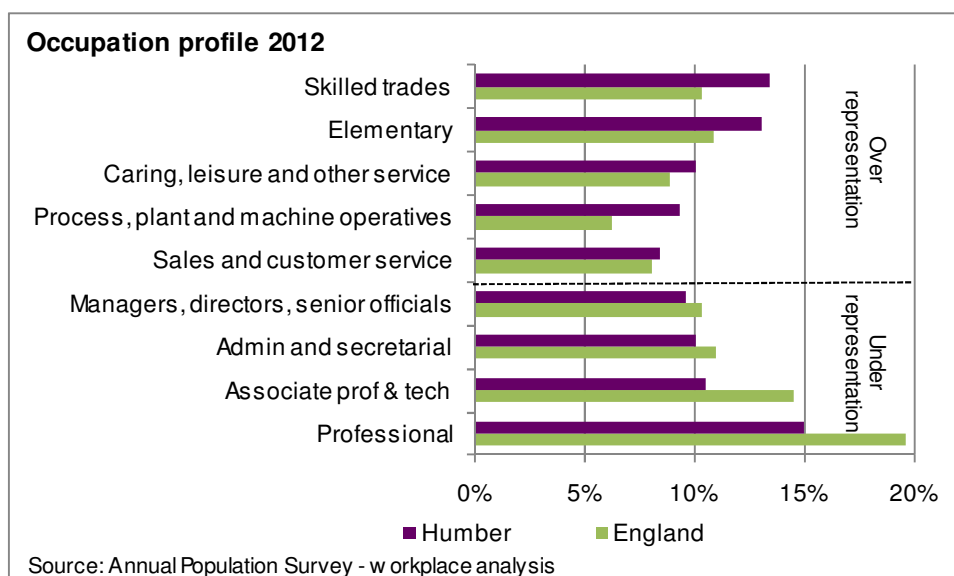
workforce (covered later in this chapter) and the occupational structure and sector composition of the local economy (likewise).

To close the gap with national productivity levels (excluding London), an additional £4,540 GVA per FTE would be required in the Humber (see the chart below). This is an overall GVA gap of £1.3bn, the eradication of which is a long-term objective and one that will require significant new investment over a sustained period. The planned investment in capital intensive industries will help to bridge some of this productivity gap.



### Occupations

The Humber’s profile is skewed towards lower skilled occupations, which influences the below average wage profile (most notable in Hull and North East Lincolnshire). Lower skilled jobs account for a third of all employment in the Humber compared with 26% nationally, whilst highly skilled occupations are underrepresented – 36% in the Humber and 44% nationally. The chart below provides further detail.



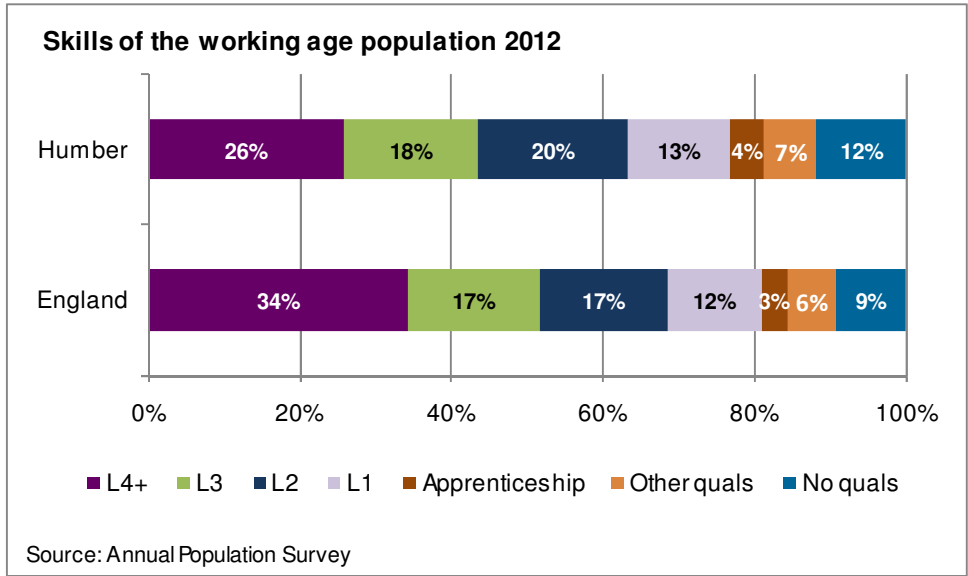
The Humber's under-representation of highly skilled occupations is not unique, although the situation here is more pronounced than in other northern industrial LEP economies such as Tees Valley, Liverpool City Region and the North East. Were the Humber to meet the national average (excluding London) for highly skilled job density, an additional 25,000 highly skilled posts would be needed. This represents a very significant and long-term challenge, alongside which it must also be acknowledged that not all of the new jobs will come from high value, high growth sectors and some employment opportunities are needed to meet the local skills of the current workforce.

## Skills and education

The skills profile of the working age population in the Humber, and that of England as a whole, is shown in the chart below. Whilst the headline message is that the Humber's profile is lower overall, this does not tell the full story as the Humber has in fact experienced strong growth in higher level skills in recent years. Between 2004 and 2012, for example, the proportion of working age residents qualified to Level 4+ rose from 19% to 26% – an additional 48,500 working age residents – bringing the total number of residents with Level 4+ skills to 149,800. This rate of improvement is notably higher than across the country as a whole and has been accompanied by a decline in the proportion of residents with no qualifications and the proportion qualified no higher than Level 2. It is important this momentum be continued given the link between higher level skills and wealth creation.







GCSE statistics tells a similar story. In 2011/12, 55% of Year 11 pupils in the Humber achieved five or more GCSEs at grade A\*-C, including English and maths. Whilst this is below the national rate of 59%, the Humber’s performance has improved considerably, from 45% in 2008/09 to 55% three years later. This rate of improvement outstrips that which was observed nationally over the same period.

In terms of the development of workforce skills, previous research<sup>9</sup> has shown that businesses in the Humber are less likely than across the Yorkshire and Humber region as a whole to provide non-statutory training for their staff, with barriers commonly including cost and confusion over the accessibility and content of local training provision.

It has also been well documented<sup>10</sup> that employers in the Humber are frustrated that people of all ages applying for work sometimes lack key employability skills, even if they have the necessary technical or academic qualifications. Skills like communication and teamwork are essential for work and the fact that people are leaving school, FE and HE without these skills being suitably developed can have a major impact on their employability. Initiatives like the Hull Employability Charter and the Humber Education Business Partnership (EBEP) have made important strides in this area.

**Carbon emissions**

Due to a concentration of carbon intensive industries, the Humber as whole is currently a significant source of carbon emissions. The most recent and reliable estimates of CO2 emissions (available at a local authority level in a 2011 data release) show end-user emissions to be amongst some of the highest in the country. The main contributor to this is the presence of carbon intensive industries, and in particular chemicals and steel, in North Lincolnshire. At 48.1 tonnes per capita, North Lincolnshire has the highest rate of emissions in England, nearly twice as high as the second ranked local authority (High Peak, at 28.3 tonnes per capita). Elsewhere in the Humber, emission levels are much closer to regional and national averages (see the table overleaf).

<sup>9</sup> E.g. LEP Skills Research, ekosgen, 2012

<sup>10</sup> E.g. Lifting the Lid – The Humber Skills Challenge, produced by the Humber LEP Skills Commission

**Table 3: Per capita local CO2 emission estimates (tonnes per capita)**

	Industry and Commercial	Domestic	Road Transport	Total
<b>North Lincolnshire</b>	48.1	2.2	2.8	53.5
<b>North East Lincolnshire</b>	5.9	1.9	1.4	9.2
<b>East Riding</b>	4.4	2.2	2.4	9.1
<b>Hull</b>	2.6	1.8	1.2	5.5
<b>Yorkshire and Humber</b>	4.1	2.0	2.0	8.2
<b>England</b>	2.7	2.0	1.9	6.7
<i>Source: Department for Business, Innovation and Skills</i>				

Energy-intensive industries are, and will remain, very important to the economic prosperity of the Humber, but this needs to be balanced against the need to meet targets for reducing greenhouse gas emissions (the Climate Change Act 2008 requires a 34% reduction by 2020 and an 80% reduction by 2050 compared with 1990 levels). A range of policies are being used to reduce emissions and so encourage a shift to low carbon technologies, and the large firms whose industries are responsible for significant emissions are taking active measures such as improving on-site electricity generation and increasing resource efficiency in the production process. While significant investments are being made in offshore renewables and the newly emerging advanced biofuels sector (see Chapter Four), adoption of low carbon technologies amongst SMEs is much more sporadic and less advanced and this is an area in which more widespread activity would be beneficial.

## Flood risk

The Humber is home to major industries on both sides of the Estuary (including power stations and refineries) and an SME base upon which the prosperity of the economy depends. Much of it exists because of the Estuary and coastal access. These businesses are therefore intrinsically at a high risk of flooding from coastal and river sources, with approximately 115,000 hectares of land at risk across the North and South banks. In Hull alone, more than 90% of the city is below the high tide level and more than 100,000 properties are at risk of flooding from the tides, rivers and surface waters running from high ground to the east and west of the city. The Humber-wide figure for properties at risk is around 400,000.

The 2007 floods had a major impact in the Humber, with thousands of businesses and residential properties affected. In Hull for example, 8,000 homes (20,000 people) and 1,300 businesses were flooded.<sup>11</sup> In December 2013, a tidal surge once again caused severe flooding, with residential and business properties on both banks of the Humber affected (in Hull for example, 115 businesses and 149 residential properties suffered damage from flood waters).

The importance of sustaining improvements to existing flood defences and delivering the agreed flood defence programmes cannot be overstated. This is a topic that is covered in more detail in Chapter Ten,

<sup>11</sup> Learning the lessons from the 2007 floods, Sir Michael Pitt, June 2008 par. 1.28 [http://webarchive.nationalarchives.gov.uk/20100807034701/http://archive.cabinetoffice.gov.uk/pittreview/\\_media/assets/www.cabinetoffice.gov.uk/flooding\\_review/pitt\\_review\\_full%20pdf.pdf](http://webarchive.nationalarchives.gov.uk/20100807034701/http://archive.cabinetoffice.gov.uk/pittreview/_media/assets/www.cabinetoffice.gov.uk/flooding_review/pitt_review_full%20pdf.pdf)



not least because the latest flooding in December 2013 could lead to uninsurable properties and possible disinvestment from the area.

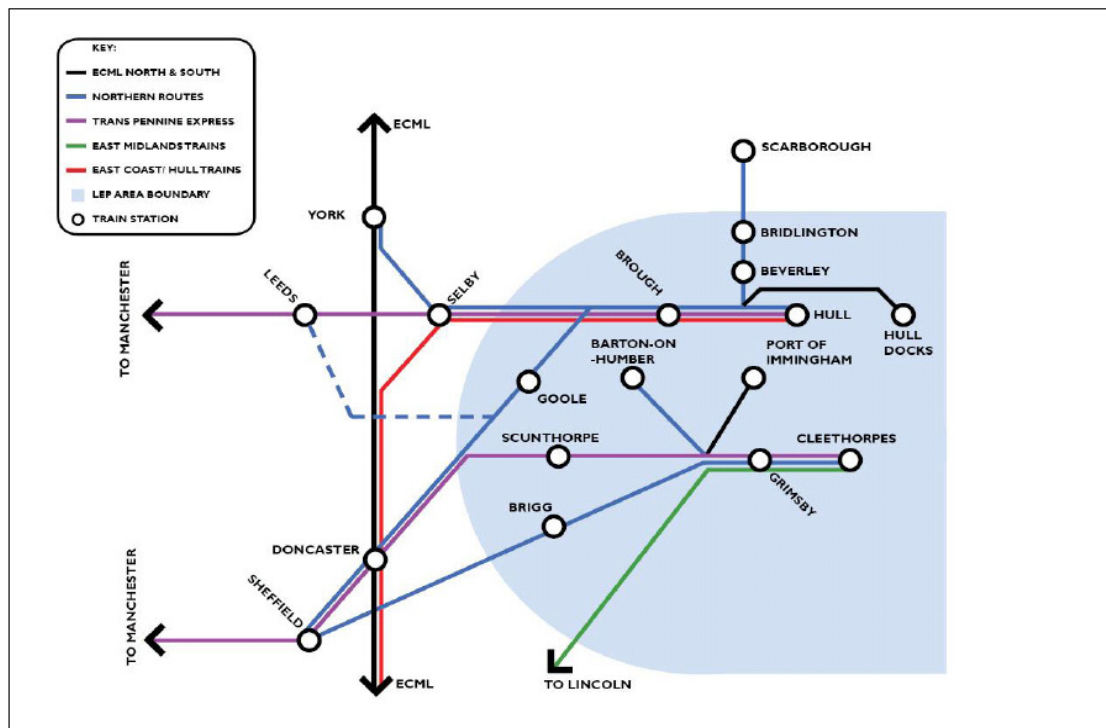
## Transport

The Humber depends upon an effective and efficient infrastructure to support investment. This includes roads, footways, cycleways, rail, water, pipelines, energy, digital infrastructure and air services. The Humber's good connectivity to the rest of the UK by road and rail, and to other countries by sea and air, is one of the area's most important assets and a reason why businesses choose to invest here. That said, apart from the ports the area lacks the agglomeration of transport capacity as a result of quite tightly contained local labour markets. Local labour market connections and access to principal employment sites are therefore a key priority, particularly along east-west transport corridors on the North and South Banks.

The east-west links in the Humber are focused around two key corridors of the A1033/A63/M62 North Trans Pennine and the M180/A180 South Trans Pennine. The A1033/A63/M62 North Trans Pennine provides the strategic east west spine for the north Humber bank and forms part of the Trans-European Network connecting the Republic of Ireland with northern Europe. The second strategic east-west route is the A180/M180 South Trans Pennine running from Cleethorpes via Grimsby, Immingham and Scunthorpe to Doncaster and forming the strategic east west spine for the south Humber bank.

A series of road related investments have been identified and prioritised to maintain the resilience of the transport network in light of the Humber's growth ambitions. This includes addressing bottlenecks, such as on the A63 Castle Street in Hull and the A160/A180 trunk roads, plus a range of other investments that are summarised in Chapter Six. The reduction of the tolls on the Humber Bridge from April 2012, a major achievement for the Humber, has seen the number of vehicles crossing the Humber Bridge increase by more than 9%, equating to an extra 500,000 vehicles between April 2012 and March 2013.

Figure 4: Humber Rail Network



Source: Humber Rail Strategy

The North Trans Pennine rail line from Hull to Selby and on to Leeds, York and Manchester runs broadly parallel to the A63/M62 and is the main route for linking the north Humber bank to its neighbours. The route is presently limited by aging infrastructure and slow line speeds which constrain both capacity and journey times. Timetables are also dominated by the needs of other routes such as the East Coast Mainline and the North Trans Pennine route to Manchester. This issue is exacerbated by the proposed electrification of the main Trans Pennine route from York to Manchester. This will include the route from Leeds to Selby but will not extend to Hull, thus risking isolating the Hull service. As such there is a strong case for electrification between the East Coast main line, Selby and Hull. This would have the effect of bringing a large change in the quality of services, and would help deliver substantial service improvements between Hull and London, Leeds, York and Manchester.

The south Humber main rail line runs from Doncaster to Cleethorpes through Scunthorpe and Grimsby. The majority of traffic using the route is freight traffic running to and from the Port of Immingham. In addition the route connects to the steelworks at Scunthorpe. Barnetby was reported by Network Rail in the 2007 Freight Route Utilisation Strategy (RUS) as the busiest location for freight traffic in the country with around 60 movements in each direction per day and this is set to increase to above 80 freight paths in each direction by 2030. The section between the Port of Immingham and Wrawby Junction (Barnetby) is especially busy as traffic splits at Wrawby Junction with services operating via Lincoln, Gainsborough or Scunthorpe. The nature of freight traffic on the route is a reflection of the principal flows through Immingham, with bulk products such as petroleum, coal and steel forming the backbone of traffic.

One of the greatest potential constraints to the further development of the Port of Immingham relates to the ability to move European sized shipping containers by rail. At present none of the routes to Immingham



have the ability to move these containers due to loading gauge restrictions. This topic is revisited both in Chapter Six and in the Investment and Delivery Plan, as rail gauge investment in South Bank freight lines will help ensure that the area is well placed to bid to supply steel rails for HS2 from the Tata Steelworks at Scunthorpe and allow the transport of biomass (which takes up 66% more volume than coal) as part of the Energy Estuary plans.

Humberside Airport is an asset for the area which can be expanded with significantly improved access, additional services and more value-added operations. Short, medium and long term plans are in place to enhance accessibility to Humberside Airport and these would complement the reinstating of the direct Hull-Manchester Airport service.

Of all commuting trips made in the Humber area, up to 26% are less than 2km in length and up to 62% are less than 5km. However, 46% of trips less than 2km and 72% of trips between 2-5km are made by car. The Department for Transport states that these are distances that ‘could easily be walked or cycled’<sup>12</sup>.

The average proportion of households without access to a car ranges from 18% in the East Riding to over 40% in Hull (see table below). It is particularly important that those households without a car have access to education, employment and other facilities through the provision and promotion of good quality sustainable transport links and services (a topic that is returned to in Chapter Six). To this end there is a need to develop and maintain high quality and safe walking and cycling infrastructure, particularly in the urban settlements, to promote more walking and cycling, which in turn will reduce car use for shorter journeys, helping to reduce traffic volumes, congestion and CO<sub>2</sub> emissions. This will also improve road safety and accessibility, particularly for vulnerable user groups, and support economic growth and regeneration.

**Table 4: Car Ownership (%)**

	No Cars or Vans in Household	1 Car or Van in Household	2 Cars or Vans in Household	3 Cars or Vans in Household	4 or more Cars or Vans in Household
<b>East Riding</b>	17.6	43.9	29.6	6.6	2.3
<b>North Lincolnshire</b>	20.7	43.5	27.5	6.3	2.0
<b>North East Lincolnshire</b>	30.8	43.5	20.8	3.8	1.1
<b>Hull</b>	40.6	42.3	14.2	2.3	0.6
<b>England</b>	25.8	42.2	24.7	5.5	1.9
<i>Source: Census (2011)</i>					

## Housing

There is a good overall range of homes available in the Humber, although the distribution and concentration of housing types is problematically polarised in places. Average house prices are below the national average, ranging from £140,000 in the East Riding (74% of the national average) to £88,500 in Hull (47%).

<sup>12</sup> Creating Growth, Cutting Carbon’ White Paper, 2011

**Table 5: Average house prices**

	Value (£)	% of national average
<b>East Riding</b>	140,000	74%
<b>North Lincolnshire</b>	115,000	61%
<b>North East Lincolnshire</b>	110,000	58%
<b>Hull</b>	88,500	47%
<b>England</b>	190,000	-

*Source: Land Registry 2012*

Housing stock and market conditions vary widely by Local Authority area in the Humber. Cross-Estuary housing market interactions have not been strong, nor have the housing markets centred on Grimsby and Scunthorpe urban areas been closely connected. There is, however, a strong relationship between housing markets in Hull and nearby parts of the East Riding. Across each of the four Local Authority areas there are pockets of poor conditions and weakly performing markets as well as areas of good homes, including high premium houses in urban, suburban and rural locations.

A common issue for existing and future housing across much of the Humber area is, as for industrial and commercial development, the implications of a low-lying and flood risk location. Coupled with comparatively low market values and higher than average development and flood risk mitigation costs, private sector-led development can be commercially marginal. This hinders market renewal where it is important, raises viability considerations (in terms of cross-subsidy from market housing for affordable homes provision) and restricts choice for households. A consequence is a rigid stratification in housing provision and market performance which impedes mobility and adaptation to different stages in households' lives. This, in turn, impacts on labour market mobility and career progression, choices about in-migration from higher value areas and, for some, ability to raise finance for enterprise formation and growth.

House-building is an enabler of growth and, without overall improvements to stock, conditions, choice and value, there is a risk that the housing in the area could become a barrier to growth. Each Local Planning Authority is at a different stage in the statutory Local Plan process. Current intentions are to allocate land sufficient for 60,000 more dwellings by 2026/2030 and for 15-20% of this provision to be affordable (see the following table). The proposed average annual completion rates are for 3,550 new units, more than twice the recent rate of completions. The spatial distribution of the emerging proposed allocations concentrates most housing in the main urban areas and the principal or market towns.

**Table 6: Humber housing projections**

	East Riding	Hull	North East Lincs	North Lincs
<b>Household projections 2021</b>	157,000	120,000	71,000	77,000
<b>Net change 2011-2021</b>	13,000	8,000	2,000	6,000
<b>Percentage change 2011-2021</b>	9%	7%	2%	9%
<b>Proposed allocations</b>	23,800	14,400	9,300	12,100
<b>Average completion rate per annum</b>	1,400	756	550	841
<b>% affordable</b>	17%	15%	20%	20%

*Source: DCLG 2011 interim (projections); draft Local Plans (proposed allocations)*

Housing delivery in the Humber was significantly impacted by the recession, but there are signs of increasing confidence in the housing market, with increasing numbers of planning applications. However,





the Humber is demonstrably planning for greater delivery of new homes to meet demand and needs than is currently being achieved.

## SWOT analysis of the Humber LEP area

### Strengths

- The Humber is the largest trading Estuary in the UK by tonnage and the fourth largest in Europe. It offers excellent access to export markets through shipping routes and plays a key role in meeting the UK's energy needs.
- Proximity to major offshore wind farm investments: location and land resources on both banks of the Humber offer unrivalled competitive assets for offshore wind and other developments.
- The Humber has good access to the strategic road/rail network and is home to Humberside International Airport.
- The area has outstanding natural resources including marine and wildlife habitats of high national importance and high quality urban and rural locations affording excellent quality of life.
- The Humber has sector strengths in renewable energy, chemicals/petrochemicals, healthcare technologies, food and drink, creative and digital services and the visitor economy.
- The Humber has industrial expertise in port/logistics and Goole is developing as a northern logistics hub.
- The area is home to the UK's largest Enterprise Zone (484 hectares), with a range of sites on both banks of the Estuary.
- The Humber has seen above average recent growth in higher level skills and GCSE achievements. Fewer residents now have no qualifications or are qualified no higher than Level 2.
- Flood risk experience has been developed and partners are being proactive to reduce the risk of future floods through strategies such as the Humber Flood Risk Management Strategy.
- The Humber has a strong HE and FE knowledge base which supports local skills development and R&D needs.
- Interest amongst young people in self-employment is growing as a result of Business Week and Global Entrepreneurship Week.
- Presence and commitment of the University of Hull.

### Weaknesses

- There are entrenched social inclusion issues, especially in certain locations, and these are being compounded by troubled families, generational worklessness, a lack of employability skills and pockets of embedded low aspiration.
- Above average levels of unemployment (particularly amongst young people) and long-term sickness persist, especially in Hull, North East Lincolnshire and the coastal towns of Bridlington and Withernsea.
- Despite recent improvements, educational under-achievement is still present and the area still has too few people with higher level skills.
- Although business start-up rates are reasonably good, low survival rates (especially at 4+ years) is a weakness, particularly in certain local authorities. The area also has lower than average levels of 'high growth businesses' and low levels of take-up of national business support programmes
- Too few of our businesses invest in non-statutory training for their staff and/or are not fully aware of the commercial benefits that training can generate.

- The Humber's industrial structure is skewed towards sectors which demand lower to mid skilled employment. Professional, scientific and technical businesses are less prevalent than elsewhere in the country, contributing to a significant productivity gap compared with the national average.
- There are inconsistent levels of broadband infrastructure and although this will improve considerably over the coming years, some rural parts of the LEP area will remain without adequate access.
- There is a lack of comprehensive business support and advisory services for SMEs which is hindering growth, innovation and access to funding.
- Current flood defence standards still leave large areas still at risk of further flooding.
- The 'Humber brand' is not as strong as it should be and the area is sometimes perceived as being unattractive to inward investors.
- Low land and property values compounded by high development costs.
- Lack of widespread understanding of how future climate change will affect businesses and communities and how investing in adapting to future climate change can increase resilience and open up business opportunities.

## Opportunities

- The Humber Estuary secured in March 2014 a £310 million transformational investment in renewables at Green Port Hull and Paull in the East Riding and offers the potential for further transformational investments in renewables, e.g. via the Able Marine Energy Park and Port of Grimsby, which would provide huge injections into the local economy and transform the Humber's manufacturing and engineering sectors.
- The visitor economy can be better exploited, including stronger marketing of the Estuary and coast, the development of Humberside International Airport and nature tourism (working in partnership with neighbouring LEPs) and activities linked to the Hull: UK City of Culture 2017, North Lincolnshire Heritage Trail (South Humber Collection) and the Wesleyan links.
- Transport infrastructure (especially rail) could be improved to keep pace with the upgrades taking place elsewhere in the country and to stimulate inward investment and make the Humber a more attractive place to do business.
- The energy efficiency of the social housing stock in parts of the LEP area is poor. A major social and economic development opportunity exists through a retrofitting exercise.
- Innovation through HEI strengths in niche technologies can be strengthened and FE/HE collaboration can be better promoted.
- Links between young people in schools (and other educational settings) and employers can be strengthened to develop better work readiness skills and help young people to make well informed career choices that align with future opportunities and economic need.
- The business support offer, especially for SMEs, can be strengthened to improve business survival and stimulate growth and expansion into new markets, including overseas.
- The development of the Humber University Technical College.
- The development of the Humber Campus.
- The Humber's flood defences can be further improved, safeguarding businesses and homes and freeing up land



- for investment.
- An opportunity to put in place a more timely and co-ordinated approach to delivering projects through the 'Single Conversation' being piloted with statutory agencies, enhanced through the Hull & Humber City Deal.<sup>13</sup>
- An opportunity to build self confidence.

## Threats

- A lack of uptake of new funds/funding mechanisms.
- Further public sector funding cuts.
- A lack of capacity to enable mentors to drive, support and guide the next generation of entrepreneurs.
- Businesses may view carbon reduction as a cost, not an opportunity.
- Private sector investment in major renewable energy programmes is on a smaller scale than anticipated.
- Impacts of climate change, in particular flooding, causing commercial and residential damage.
- Generational inertia in ICT.
- The Humber 'brand' continues to be misunderstood and misconceptions of the area persist at a regional, national and international level.
- Risk of further disinvestment by major corporations/multi-national enterprises, especially in the chemical and steel industries (e.g. as a result of our competitive disadvantage due to US low cost energy).
- Ongoing political and public scepticism over Britain's role in Europe.
- Changes in Government energy policy.
- Significant investment decisions affecting the local area being made by people outside of the area (e.g. by/within the HQs of multinational companies), emphasising the importance for the LEP and its key partners to forge the appropriate links with these organisations.

## Macro/global considerations

Global trends can exert a considerable influence on the ability of the Humber to realise its economic ambitions in full. This section briefly highlights a number of major themes that are likely to have some effect on how, and at what pace, the proposals in this plan are taken forward.

### Energy and food security

Given its access to extensive North Sea resources, the Humber can make a significant contribution to the UK in relation to its energy security objectives<sup>14</sup>. As part of this, the Government's December 2013 announcement of a strike price for offshore wind is helping to realise plans for the renewables sector; indeed Siemens specifically cited the fact that "British energy policy creates a favourable framework for the expansion of offshore wind energy, in particular, it recognizes the potential of offshore wind energy within the overall portfolio of energy production", as a reason for their positive decision to invest in Green Port Hull

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<sup>13</sup> The Humber was selected for the Single Conversation pilot in recognition of a number of growth opportunities within the region, especially renewable energy and the Estuary.

<sup>14</sup> <https://www.gov.uk/government/publications/energy-security-strategy>

and Paull<sup>15</sup>. That said, it is also the case that the cost of offshore renewables still needs to reduce (a key challenge is to reconcile the scale and pace of development desired for UK offshore wind with the potential growth rate that the supply chain can sustain without creating upward pressure on costs).

*“Ensuring that all people have access to sufficient, affordable, safe and nutritious food is a key challenge for our society”*<sup>16</sup>. There is continued pressure to promote safe foods and healthy diets. The Humber LEP area has a role to play in this by producing, exporting (and indeed eating) food that is both nutritious and not harmful. Staying at the forefront of innovation (in partnership with our neighbouring LEPs) and promoting a sustainable food chain within our agri-businesses and food processing companies will help to ensure both food safety and productivity can be enhanced.

### Climate change and the blue economy

The December 2013 tidal surge, which was the largest in 60 years, brought home once again the urgency of the situation in relation to climate change and its potential consequences. Within the Humber there is considerable expertise that will be exploited in the development and deployment of environmental technologies and innovation in climate change adaptation. The Energy Estuary can also play an important role in ‘blue growth’<sup>17</sup> – the EU’s long-term strategy which embraces shipping, coastal tourism, social and the environmental aspects of Europe’s seas. Indeed, a key feature of the Hull and Humber City Deal is its commitment to producing a Humber Spatial Plan which will sustainably optimise the development of the Humber Estuary and its hinterland. It is widely recognised in this area that seas and oceans are drivers of the economy with great further potential for innovation and growth.

### Demographic change

In the UK, age-related spending is projected to rise from an annual cost of 21% to 26% of GDP between 2016/17 and 2061/62, a rise of 5% of GDP (equivalent to a rise of around £79bn in today’s money)<sup>18</sup>. The EU’s Horizon 2020 programme notes that the consequences of this phenomenon will result in much more ‘personalised health and care’. The Humber has the capacity to play a key role in supporting healthy ageing. Plans are in place to exploit manufacturing capabilities in healthcare technologies and products (notably medical devices), advanced wound care and assistive technologies, strong University connections to the local hospital and clinical base, and local telehealth expertise.

### Resource and energy efficiency

Due to a concentration of carbon intensive industries in chemicals and steel in particular, the Humber is currently a significant source of carbon emissions. Continuing to support the sustainable diversification of these two bedrock industries is a key priority for local partners. This will mean supporting the development of new products in chemicals such as bio-ethanol and exploiting huge opportunities in green energy. Rising fuel bills and tough new European rules on emissions (these are also propelling the development of offshore renewables) mean the local steel industry will need to take measures to reduce emissions too (desulphurisation infrastructure, for instance). Promoting resource efficiency – using the lowest possible volume of resources to deliver a particular output – is critical to improving the productivity of our businesses. Ensuring that the manufacturing sector is able to compete and thrive is essential given the

<sup>15</sup> Michael Suess, Managing Board of Siemens AG and CEO of Siemens Energy Sector, 25 March 2014

<sup>16</sup> Horizon 2020 First Calls. <http://www.pesri.net/blog/?p=1594>

<sup>17</sup> [http://ec.europa.eu/maritimeaffairs/policy/blue\\_growth/](http://ec.europa.eu/maritimeaffairs/policy/blue_growth/)

<sup>18</sup> The Cost of our Ageing Society, Daniela Silcock and David Sinclair December 2012



predicted rapid changes in technology, new ways of doing business, global competition and potential volatility around the price and availability of resources.<sup>19</sup>

### **The future of the digital economy**

The potentially transformative effect of ICT, the next generation of computing and the use of 'big data' are well documented<sup>20</sup>. The Humber has the potential to further develop its strengths in digital gaming, content creation and the creative sectors. There is also a one-off opportunity to make the most of the powerful links between the creative and digital industries and Hull: UK City of Culture 2017. The University of Hull has also identified the digital/creative economy as an area of academic investment, in which it will cooperate closely with local industry.

### **Global markets**

As a global gateway, the importance of responding to the changing face of international trade is well understood. While the European Union and the USA remain the major markets for British companies, the most significant growth will come from the high growth and emerging markets of Asia, Latin America and the Middle East<sup>21</sup>. The growing trend of reshoring, which the Humber has already benefitted from, should also be noted and the possibility this introduces for bringing outsourced personnel, services and manufacturing jobs back to the Humber.

### **In conclusion: what does this contextual analysis mean for the SEP?**

**The Humber LEP area needs more jobs, better business survival and more residents with skills that are attractive to employers and who can take advantage of local employment opportunities.**

'Supporting businesses to succeed' (Chapter Seven) and 'A skilled and productive workforce' (Chapter Nine) have therefore been identified as two of five strategic enablers of economic development over the next five years and beyond. Within each of these is a series of priorities and proposed activities to accelerate progress and improve productivity.

**The infrastructure of the Humber area is a strength but it also requires further investment to create the right conditions for growth.** This includes enhanced access to strategic sites and along key growth corridors, improvements to the strategic transport infrastructure and extending good quality digital connectivity to all parts of the LEP area. 'Creating an infrastructure that supports growth' is therefore one of the strategic enablers and Chapter Six explains the key proposals under this essential topic.

**An attractive housing and place-based offer will be an essential component of the area's economic development.** Without significant improvements and diversification of the housing offer in the Humber, the area will fail to attract and retain the skilled, talented and entrepreneurial people who will support the growth of the region's economy. A strategic enabler entitled 'A great place to live and visit' (Chapter Eight) has therefore been included, in which the priorities and activities through which the availability of an excellent standard and choice of housing accommodation, town centre public realm and tourism infrastructure are explained.

**Large parts of the Humber LEP area remain vulnerable to flooding, presenting very real risks to our prospects for successful economic development.** It is essential that this barrier to development,

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<sup>19</sup> For further discussion see <https://www.gov.uk/government/publications/future-of-manufacturing>

<sup>20</sup> [http://niesr.ac.uk/sites/default/files/publications/SI024\\_GI\\_NIESR\\_Google\\_Report12.pdf](http://niesr.ac.uk/sites/default/files/publications/SI024_GI_NIESR_Google_Report12.pdf)

<sup>21</sup> Britain Open for Business Growth Through International Trade And Investment, UKTI

investor risk and growth in the Humber be addressed and one of the strategic enablers is therefore entitled 'Flood risk and environmental management' (Chapter Ten), which covers not only flood and coastal risk management but also the approach that will be taken to sustainable development.

**The Humber area has strengths – current and potential – in a range of sectors, covering both traditional and new and emerging industries.** Ensuring that businesses in these sectors have the right conditions to flourish will be key to future success. In Chapters Four and Five each of these is discussed in turn.





# Our industries – now and in the future

## 4. The potential of the Energy Estuary

### Overview

The Humber Estuary is a national asset with unparalleled economic opportunity. To meet national energy targets, developers need to deploy in the order of 3,000 offshore wind turbines in the southern North Sea (within 100km of the Humber) equating to around 40% of national capacity. The overall investment in the UK offshore wind sector is worth £100-£120bn. With 484 hectares of Enterprise Zone sites fronting or close to the Estuary, only the Humber has sufficient portside land in the right location to create a UK manufacturing cluster. The three-year extension of the Enterprise Zone incentives announced in Budget 2014 will help the area to attract investment over a longer period of time.

Predicted as the region to produce the energy of the future, the Humber Estuary – particularly at Grimsby – and surrounding regions are already home to influential energy leaders including E.ON, DONG Energy, Siemens, Centrica, Renewable Energy Systems, Vestas and Geosea. From 2017, the Humber will be the home of major Siemens offshore wind manufacturing sites at Green Port Hull and at Paull in the East Riding, and other major manufacturers and suppliers have also shown an interest in the Humber. With investments in wind, tidal, biofuels and renewable energy, the region is building on its credentials in chemicals, offshore and marine engineering and exploring opportunities to capitalise on the global demand for sustainable energy. The Witty Review of Universities and Growth<sup>22</sup> identifies the Humber as a key supply chain area, while national Government has designated the Humber a Centre for Offshore Renewable Engineering and worked with the Humber LEP and local authorities to designate two Enterprise Zones.

In addition, fuel and chemical feedstocks are imported into the Estuary, including natural gas, liquid crude oils, coal, ethylene and biomass. The Humber has one of the largest petroleum ports in Europe, processing, handling and distributing around 20m tonnes of fuel products annually. Close proximity to 27% of UK refining capacity provides a particular advantage to the newly emerging advanced biofuels sector in gaining access to market. The Humber area hosts 20% of the UK's natural gas landings, which is processed and distributed throughout the UK.

The area is pursuing a unique opportunity for a Carbon Capture and Storage network to develop its existing assets, and new infrastructure to liquefy and store CO<sub>2</sub> under the North Sea in depleted gas fields.

Expertise in all aspects of energy production, storage and handling continues to develop within the Humber, not only in industry developments (such as the new Vivergo Bio-fuels plant) but also at the University of Hull where energy is a key academic and research theme. The University and industry regularly work in collaboration, developing projects such as novel tidal generation devices, assessing the environmental impacts of energy production and understanding offshore renewables supply chains.

<sup>22</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/225442/bis-13-1048-independent-review-universities-and-growth.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/225442/bis-13-1048-independent-review-universities-and-growth.pdf)



## Case study: Green Port Hull and Paull



**Prime Minister David Cameron and Energy Secretary Ed Davey with executives from Siemens and ABP, 24 March 2014**

On 25 March 2014 the global manufacturing firm Siemens announced its decision to invest £160 million in wind turbine production and installation facilities in Hull at the Green Port Hull Enterprise Zone site at Alexandra Dock and a rotor blade manufacturing plant at an adjacent Enterprise Zone site at the Paull Enterprise Zone site in the East Riding. The ports partner of Siemens, Associated British Ports (ABP) is investing a further £150 million in the Green Port Hull development. This combined investment totalling £310 million will create up to 1,000 jobs directly, with additional jobs during construction and in the supply chain.

The significance of the decision by Siemens was emphasised by the Prime Minister, David Cameron, when he said:

“This investment is going to create lots of new jobs and opportunities, meaning more financial security and peace of mind for families and a more resilient economy for our country”.

Green Port Hull is intended to be operational in early 2016 and the start of production at the blade factory is scheduled for mid 2016, with full production levels reached from 2017 onwards.

The entire operation is designed to meet the needs of Round 3 (the offshore wind farms licensed by The Crown Estate), the biggest offshore wind programme in the world.

The Green Port Hull and Paull developments will enable the Humber to capture more of the economic benefits of the offshore wind industry, especially in relation to the supply chain, as turbine manufacturers are only part of the picture: “Half of the capital expenditure on offshore wind is typically spent elsewhere, on areas such as foundations and cabling and as much as 30% is reserved for operations and maintenance, an area where home-grown engineering firms should have a natural geographic advantage”.<sup>23</sup>

<sup>23</sup> Making green growth real: UK offshore wind supply chain, The Royal Academy of Engineering. 2011

[https://www.raeng.org.uk/news/publications/list/reports/Offshore\\_wind.pdf](https://www.raeng.org.uk/news/publications/list/reports/Offshore_wind.pdf)

## Case study: Port of Grimsby



**DONG Energy, Port of Grimsby**

Grimsby has established itself as an operations and maintenance base being the closest port to 80 per cent of the Rounds 1, 2 and 3 offshore wind farms in the southern North Sea. Centrica, RES Offshore, Siemens and Vestas have invested in the Port of Grimsby where 250 jobs have been created. They were joined by E.ON which has constructed its operations and maintenance base at the Port of Grimsby Enterprise Zone, which has created 50 of the jobs.

DONG Energy has also invested in Grimsby Docks and was one of the first companies to benefit from the South Bank Renewables strand of the £30m RGF-funded Growing the Humber programme. The £1.1m grant has unlocked more than £11m of investment by DONG which is seeing the creation of 100 jobs.

The jobs total is expected to rise to 1,000 by 2025 across the sites.

## Future growth potential

Very significant growth is expected in the offshore renewables sector which will significantly enhance the economy of the Humber Estuary. With job creation forecasts in excess of 10,000, this includes:

- **Green Port Hull:** this development was confirmed by Siemens and ABP on 25 March 2014 and will involve the reconfiguration of the Enterprise Zone site at Alexandra Dock to enable the construction of a construction, assembly and service facility at Green Port Hull.
- **Paull:** an 80ha development site close to the Port of Hull, this development was confirmed on 25 March 2014 when Siemens announced that as part of the Green Port Hull development, a rotor blade manufacturing facility would be built on the Enterprise Zone site at Paull. .
- **Able Marine Energy Park:** Europe's largest offshore wind park (320 ha) and the UK's largest Enterprise Zone site.
- **Port of Grimsby:** Centrica and Siemens supported by RES have facilities to perform operation and maintenance on the Lynn and Inner Dowsing offshore wind farm sites and subsequent Centrica Round 2 sites. A further facility by Centrica will be developed to employ around 100-120 people. Growth at the Port is supported by the Enterprise Zone status of some key development sites.



Others developments will emerge as time progresses and as the renewables sector becomes more established. There will also be very considerable supply chain benefits for local businesses which in themselves will be a generator of new employment.

### Case study: Able Marine Energy Park

Able Marine Energy Park (AMEP) is located centrally in the UK on the South Bank of the River Humber adjacent to Humber Sea Terminal and close to Immingham Port. It forms the UK's largest developable land bank with a deep-water frontage (320 hectares).

AMEP will provide a purpose-built, environmentally friendly facility to suit the needs of the Offshore Marine Renewables Sector – particularly Offshore Wind.

The AMEP scheme was granted planning permission on 18 December 2013.

The Humber LEP with North Lincolnshire Council has supported Able UK to obtain a £14.9m grant from the EZ Capital Grant Fund to accelerate construction on the site. The first phase £29m general infrastructure programme, which is set to conclude in March 2015, will create approximately 350 FTE equivalent construction jobs.

### Supporting the Energy Estuary through the SEP

The Energy Estuary is intrinsic to this SEP, as it is to the economic development of the Humber LEP area more widely.

#### Objective

Ensure that the appropriate infrastructure, supply of skilled labour and business support services are in place to drive the growth of the Energy Estuary, maintain the Humber's competitiveness and maximise the benefits of new inward investment for local people and businesses.

#### Key activities

- Improve the strategic transport infrastructure: from incremental improvement schemes, to service changes within existing infrastructure and transformational schemes.
- Work with partners to help make the area a renowned centre of excellence for training in offshore wind.
- Support employability initiatives to enable local residents to access employment opportunities linked to new developments (through the European programme and City Deal).
- Exploit the inward investment potential of the area and maximise our Enterprise Zone impacts.
- Use the Single Conversation to secure better outcomes at the local level.
- Ensure continued major investments in the Humber's ports and harbours infrastructure.
- Stimulate business supply chain developments and applied R&D/technology transfer.



## 5. Sectors of strategic importance

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### Introduction

In October 2013, following a commission from the Humber LEP, the University of Hull published its report *The Capability of the Humber Region*<sup>24</sup>, which offered a baseline review of the Humber LEP area's capability and which has informed the development of this SEP.

*The Capability of the Humber Region* found the local economy to be broad based and cautioned against a narrow or single sector focus. In other words, whilst acknowledging the economic significance and employment/wealth generating potential of the renewables sector, the report advocated concerted efforts to support other sectors of strategic importance to the area, including traditional industries (e.g. ports, chemicals and food) and emerging sectors, such as creative and digital services.

It is upon this basis that six sectors have been identified, in addition to renewables, which will be integral to the future economic prosperity of the area. In this chapter a précis of each is provided, as is an objective for each and a summary given of the kinds of activities that will be implemented to support their development. The sectors are:

- Ports and logistics
- Chemicals
- Engineering and manufacturing
- Creative and digital
- Food
- Visitor economy

In terms of the 'sector after next' to be developed, the environmental technologies and eco-construction sector would appear to offer potential, especially with regard to the under utilisation of port estates in areas with a tight urban grain.

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<sup>24</sup> <http://www.humberlep.org/strategies/research-and-reports>





## Ports and logistics

### Overview

The Humber has developed international expertise in ports and logistics. The ports are both a centre of economic activity directly contributing employment and GVA, and provide unique and critical infrastructure for a range of sectors, most notably renewable energy, oil, construction materials, automotives, steel, chemicals and food.

<b>Employees in the sector</b>	16,100
<b>GVA</b>	£667m

There are currently five main ports and a number of important wharves in the Humber LEP area. The Humber has scheduled EU/Scandinavian shipping links with daily and weekly container and RoRo (Roll on Roll off) line departures stretching from as far north as Iceland, through Scandinavia and the Baltics, Northern Europe and Benelux, using key main EU ports such as Gothenburg, Rotterdam and Zeebrugge to link to all parts of the globe.

- The **Port of Immingham** is the largest port in the country in terms of tonnage and, along with the Port of Grimsby, handled over 57 million tonnes in 2011. This includes 20 and 10 million tonnes of oil and coal respectively. Spanning over 1,230 acres with substantial RoRo and LoLo (Lift on Lift off) facilities, Immingham also handles general cargo, steel and forestry products, wind energy components, food products and biomass. Some 50ha of land on the port have been identified for uses aimed at servicing offshore wind activities.
- The **Port of Grimsby** acts a major centre for the import of cars (more than 550,000 vehicles per year) along with an important fishing industry. Other products handled there include dry bulks, forest products, general cargo, minerals and ores, steel and other metals. Ship repair and engineering services are also provided at Grimsby for vessels up to 800 tonnes. The Port has an established centre for the construction, support and operation and maintenance activities for Rounds 1 and 2 wind farms in the North Sea.
- The **Port of Hull** handles some 10 million tonnes each year and spans over 3,000 linear acres. Core operations include container terminals at Queen Elizabeth Dock and King George Dock as well as dry bulks, RoRo, general cargo with extensive storage, dry bulks, paper and forest products, fresh produce and perishables and liquid bulks. The port provides an important centre for serving northern European and Scandinavian markets. Furthermore, it hosts cruises and passenger terminals, providing the only passenger services from the Humber Estuary (1 million passengers per annum).
- The **Port of Goole** is the UK's most inland port, handling some 2 million tonnes per year on a site amounting to approximately 100 acres. The main advantage of the port is its connection to road, rail and canal networks. The port provides a short-sea container service and plays an important role as a distribution centre to major conurbations including Leeds, Sheffield and Manchester. Goole also handles dry bulks, forest products, liquid bulks, steel and general cargo.

- The **Port of Killingholme** is located on the south bank of river Humber. The site provides 107 hectares of freehold port development land, six lock-free RoRo berths capable of handling vessels up to 230 metres, three of which can handle deep sea vessels. The port also has freight infrastructure with two rail tracks. Killingholme predominantly deals with RoRo cargoes to/from Holland, Belgium and Sweden and provides facilities for the handling and storage of high and heavy equipment, such as construction and agricultural machinery.

### Future potential of the sector

Whilst the Humber can benefit from growing demand for container and RoRo services, the Humber's port sector is largely dominated by the throughput of non-unitised traffic which is forecast to experience only marginal growth (although biomass imports are predicted to rise).

It is in the offshore renewables sector that very significant growth is expected which will significantly enhance the economy of the Humber Estuary. Covered in more detail in the preceding chapter, this includes:

- Green Port Hull
- Able Marine Energy Park
- Port of Grimsby
- A centre for marine power research and development

In addition, a plan is in place and supported through the Bridlington Area Action Plan to reconfigure Bridlington Harbour and to develop a marina that will support the further expansion and profitability of the fishing fleet, transform the leisure offer and create the potential to serve the offshore wind sector.

### Supporting ports and logistics through the SEP

#### Objective

Ensure that the appropriate infrastructure, supply of skilled labour and business support services are in place to enable the Humber economy to derive maximum benefit from the forthcoming port-related major investments.

#### Key activities

- Stimulating specialist business expansion opportunities, prioritising port-side development land.
- Targeted supply chain support and support to access international markets (through the Humber Growth Hub).
- Developing the Port Delivery Plan for Grimsby (which will include several infrastructure improvements).
- Skills development programmes (covering employability, technical skills, leadership and management and higher level skills) to help local residents access new employment opportunities.
- Comprehensive business support offer.



### **Freedoms and Flexibilities: Optimising the use of ports land**

The Humber LEP wishes to explore with Government innovative approaches to maximise the employment potential of underutilised/redundant port and wharve land around the Humber Estuary. This would involve the Unitary Authorities and port/wharf operators aligning their respective planning roles and functions, creating a range of mechanisms to maximise the economic benefits of under-performing port assets that are not core to mainstream privately held port operations on the Humber and its tributaries. This builds upon the Humber Spatial Plan priority agreed in the Hull and Humber City Deal.

We wish to explore a range of potential mechanisms that could be deployed on a bespoke basis including shared uplift joint venture arrangements, short and long term public ownership and locally derived fiscal incentives for high density employment investment in port land.

This is an important issue for the Humber, but given the complex time-sensitive developments due to happen around the Estuary over the next year now is not the most appropriate time to work on it. We are therefore identifying it here as an issue we would like to return to during the course of this plan.



Saltend Chemical Park

## Chemicals

### Overview

The Humber petrochemicals/chemicals sector is of European scale and the second largest in the UK, supported by the Humber Ports. The Humber is now home to one of the UK's four main petrochemical clusters. Two oil refineries, Phillips66 and Total Lindsey, provide 27% of the UK's refinery capacity and are located on the South Humber Bank.

<b>Employees in the sector</b>	5,000
<b>GVA</b>	£445m

The area's chemicals clusters encompass expertise in petrochemical refining, personal care, pigments and colours, agrochemicals, fine chemicals, paint and coatings, surface treatments, speciality chemicals and inorganic and organic commodities. Companies active locally, include Croda, Air Products, BP Chemicals, Nippon Gohsei, BOC (LINDE), BASF, Phillips66, Cristal, Kemira, Knauf, Novartis, Syngenta, Total and Yule Catto.

The region benefits from strong university support with award-winning Centres of Industrial Collaboration allowing the industry to access university expertise in key areas of technology. Examples include Particles CIC, Institute of Pharmaceutical Innovation, Polymer CIC and Environmental Technologies CIC. Local private sector-led support organisations – Humber Chemical Focus and the Centre for the Assessment of



Technical Competence Humber (CATCH) – work together to encourage growth and increase the competitiveness of the region's chemicals sector.

Speciality niches of excellence have emerged in the Humber in recent years that are bucking economic trends and creating growth in employment and GVA. These include:

- Speciality gases
- Personal care products
- Pharmaceuticals
- Fibres
- Paints and coatings
- Glass
- Consulting services (research, health and safety, audit)
- Biofuels/biomass processing

These companies are often operating at the interface with other sectors of the economy (e.g. renewables and advanced manufacturing), although all involve complex chemical processes and are energy intensive industries.

The University of Hull recently established new programmes in chemical and process engineering, supported by a prominent chemistry department.

### **Future potential of the sector**

The sector is mature and can be expected to largely follow prevailing national and global trends. One emerging area, however, is biomass-derived chemicals. The Humber is highlighted as being well-placed to become the UK's bio-fuel/bio-mass capital (UKTI, 2009). There are relatively few companies in the UK that currently produce biomass-based chemicals, but there are a number that make use of such chemicals in their products, such as Croda, headquartered in the Humber.

The region has access to local feedstock supplies, good port access, local oil refineries with an interest in purchasing biofuels, an existing downstream chemicals industry and skilled workforce, all of which make it an attractive destination to potential biochemical and biorefinery companies.

Key constraints or barriers to growth include skills, and in particular an ageing workforce, lack of women, requirement for specialist technical skills, depleting number of young people with STEM subjects coming through the education system with interest in industry and anticipation of competition with the offshore wind sector for engineering skills.

## Supporting the chemicals sector through the SEP

### Objective

Ensure that the appropriate infrastructure, supply of skilled labour and business support services are in place to underpin further growth and development in speciality niches and to address issues of an ageing workforce and replacement demand.

### Key activities

- Fostering closer links between employers in the sector and skills providers to stimulate the supply of future labour.
- Supporting further innovative activity (private sector – university partnerships) to strengthen in existing niches and develop new ones.
- Skills development programmes (covering employability, technical skills, leadership and management and higher level skills) to help local residents access employment opportunities (new and replacement demand).
- Comprehensive business support offer.
- University-industry partnerships, using the University of Hull's Knowledge Exchange as a key business interface.







Tata Steel, Scunthorpe

## Engineering and Manufacturing

### Overview

25,000 people are employed in advanced engineering in the Humber with many of the international companies operating in this sector using cutting-edge techniques and processes. The presence of advanced engineering companies throughout the Humber has created an abundance of skills in the sector. This is supported by access to nine high quality universities within the wider Yorkshire and Humber region, including the University of Hull with its Knowledge Exchange, all of which support innovation in the sector.

Employees in the sector	54,000
GVA	£3.7bn

Tata Steel is the second largest steel producer in Europe and is in the top 10 globally of the steel producers worldwide, and employs around 4,000 people at its steelworks in Scunthorpe. The facility produces world-class steel used in everything from construction and shipbuilding, to wind turbines, rails and tyre cord. Guardian Industries, one of the world's largest manufacturers of float glass and fabricated glass products, recognised the potential of the area and invested £115m in a float glass manufacturing plant in Goole.

The Humber is also home to a number of specialist engineering institutions, including Brumby Engineering College, North Lindsey College, Grimsby Institute and Hull Training's Engineering Centre, which provide practical engineering training to meet the needs of the advanced engineering sector.

We also have Team Humber Marine Alliance (THMA), representing more than 160 innovative companies based here, whose combined comprehensive knowledge and experience in all areas of marine engineering makes THMA perfectly placed to deliver high quality projects in the international markets. THMA offers strong capabilities in six key sectors: renewable energy, commercial shipping, inland waterways, offshore oil and gas, defence and security, and nuclear energy.

The area has specialist manufacturing sectors allied to its historic strengths in shipbuilding, not least the largest concentration of caravan and mobile home manufacturers in the country. The constant need to innovate and cut costs in a highly competitive market has resulted in considerable consolidation over recent years, but it remains a major source of employment, especially in and around Hull.

The Humber area also has a rich history in the packaging industry and a concentration of companies with very innovative practices. The area is similarly strong in manufacturing linked to healthcare technologies, with large, market leading companies located here including Smith and Nephew, Reckitt Benckiser and Croda.

### Future potential of the sector

Whilst something of a generalisation given its diversity, growth in advanced engineering and manufacturing is likely to be closely linked to developments in renewables and the associated supply chain.

Encouragingly, the area has a strong base of companies who are well placed to respond to these opportunities. Employment in the more traditional manufacturing disciplines is unlikely to rise and there remains concern over further job cuts in the steel industry.

### Supporting engineering and manufacturing through the SEP

#### Objective

Support and where possible accelerate the proposed major investments in renewables. Provide the best possible operating conditions and infrastructure to enable the current engineering and manufacturing base to perform well to increase the Humber's inward investment appeal for companies new to the area.

#### Key activities

- Fostering closer links between employers in the sector and skills providers to stimulate the supply of labour with the requisite skills and attitudes to take advantage of new employment opportunities.
- Strategic investments in infrastructure, including those linked to key employment sites, to support growth and improve the area's inward investment appeal.
- Sector specific skills development programmes (covering employability, technical skills, leadership and management and higher level skills).
- Comprehensive business support offer.



## Creative and Digital Services

### Overview

The Humber has a fast growing digital sector and is building a reputation for digital innovation and creativity. The sector is supported by established, region-wide collaborations between organisations, businesses and individuals, including Humber Digital, The Platform Initiative & Hull Digital. The status of Hull as UK City of Culture 2017 offers a unique opportunity to develop and promote the region’s creative and digital sector.

<b>Employees in the sector</b>	4,800
<b>GVA</b>	£229m

The region offers an ideal set of circumstances in terms of tech start-ups, combining excellent connectivity, low cost base and tech/digital incubation space. The investment taking place in the local communications infrastructure, including the roll-out of superfast broadband and the launch of one of the first 4G wireless networks in the country provides a solid base from which to pursue new business opportunities. The region has a rapidly developing support ecosystem based around incubation spaces for digital and creative businesses, including Platform Studios (a creative collaboration and incubation space for gaming and digital content creation companies) and the Centre for Digital Innovation (C4DI). The Humber is also home to two significant tech events: the Platform Expos gaming and entertainment event and the HD Live technology conference.

The region currently produces a considerable talent pool of people with relevant skill sets. The University of Hull has expertise relevant to digital, gaming and creative content businesses, through the Department of Computer Science, the School of Arts and New Media, and multi-disciplinary activity involving other departments and faculties. The Grimsby Institute is a BBC Education Partner for Media and broadcasts Estuary TV, the first local TV station to be launched on Freeview. The Institute has also achieved National Skills Academy status for Creative & Cultural Skills, Hull College and its Hull School of Art and Design (HSAD) is regarded nationally and internationally for its excellence as a specialist creative centre for higher education.

The University of Hull has particular strengths in the innovative application of simulation and visualisation to real, end-user problems, and the new tools, techniques and theory needed for their construction and validation. Application areas span a whole range, from medical systems and the environment, to scientific visualization and virtual reality. The University is home to the Hull Immersive Visualisation Environment (HIVE) project, which provides a high-tech route to innovative approaches to R&D, training and simulation, providing high quality bespoke services including laser scanning, data visualization, 3D modelling and animation, and high performance computing.

The ‘connectivity’ infrastructure is a significant opportunity based on future green energy and will need to be enhanced to underpin the anticipated and longed for economic and business growth and avoid the potential for ‘bottlenecks’ to evolve as demand and activity increases and the thirst for data expands.

### Future potential of the sector

The Humber has an opportunity to build its reputation as one of the best places in the UK to be a digital start-up or young, high growth potential company. The strong offer in terms of incubation and collaboration space with excellent connectivity is a key draw for these companies. Both C4DI and Platform act as a focus for potential investors looking to invest in Humber companies and the region has already attracted the

attention of international household names such as Microsoft, Sony Computer Entertainment Europe and Jagex, some of whom have already invested in Humber companies.

Hull's technical "advanced skill sets" include those based around the University of Hull's nationally recognised computer games degrees and undergraduate and postgraduate level. The Humber aims to establish a significant hub of gaming and content creation industries by building on the existing support ecosystem for embryonic indie games studios in order to retain relevant skill sets and establish a hub for indie games creation in the North of England.

Significant opportunities have been identified for start-ups and established companies in the following areas:

- Development of products to support local industry clusters, including engineering, ports, offshore and marine, utilising expertise in simulation, visualisation and remote operation.
- Opportunities to develop applications and services based on utilising Big Data, including Hull's City Engine platform.
- Development of tourism-related products building on the platform provided by Hull 2017: UK City of Culture

The University of Hull has identified the digital/creative economy as an area of academic investment, in which it will cooperate closely with local industry. The Humber aims to build on the University's existing expertise and R&D capability to develop in the region a coherent hub to exploit the emerging market opportunities in the computational science space. This includes supporting the further development of Hull Immersive Visualisation Environment (HIVE), which provides a high-tech route to innovative approaches to R&D, training and simulation, into a business-focused immersive centre to rival the best in the world, creating a European centre of excellence in utilising these technologies.



## Supporting creative and digital services through the SEP

### Objective

Ensure that the appropriate infrastructure, supply of skilled labour and business support services are in place to underpin further growth and development in the creative and digital services sector.

### Key activities

- Maximise the opportunities available to the sector through Hull: UK City of Culture 2017.
- Support companies to access HE knowledge, skills and expertise to develop new technologies, equipment, products and services.
- Skills development programmes (covering employability, start-up and enterprise support, technical skills, leadership and management and higher level skills) to help local residents access employment opportunities (new and replacement demand).
- Comprehensive business support offer, covering collaboration and incubation space, support for digital entrepreneurs, mentoring and access to finance, including venture capital.
- Work with schools across the LEP area to encourage learners to engage in computer science, digital creativity, online security and entrepreneurialism.
- Develop capabilities and recognised strengths in local, regional, national and international connectivity thereby presenting opportunities for economic and business growth, inward investment, enhanced competitiveness and enhanced linkages across Europe for mutual benefit and investment.

## Food

### Overview

Demands on productivity from land- and water-based assets are increasing as populations rise and consumers become more conscious of healthy eating and traceability, while the ramping up of demands for energy feed stock production creates potential conflict for land assets and price pressures.

<b>Employees in the sector</b>	12,500
<b>GVA</b>	£738m

The Humber's relationship with the sea and agriculture is as relevant now as ever in terms of the local economy. Despite the decline in wet fishing fleets, the shellfish catch is one of the largest in the UK and fish processing is still prominent in Humber. Grimsby has the highest number of cold storage facilities in the country, a British Retail Consortium accredited fish market, and is the UK's major centre for chilled/frozen seafood processing, supporting over 5,000 jobs and attracting significant investment in production capacity in recent years.

Key employers in the food processing sector include AAK UK, Aunt Bessie's, Coldwater, Country Style, Cranswick plc, Findus, Golden Wonder, Greencore, Lincoln & York, Pipers Crisps, Tranfield, TSC Foods, Saxon Quality Food Scunthorpe, William Jackson Food Group and Young's Seafood. The support and supply chains are well established with leading companies in advanced engineering, print and packaging, logistics and electronic tagging/barcoding. Agri-food companies have had some recent export successes and the British Agri-Food Consortium is based in Hull.

The employment density in the Humber agribusiness and food processing sector has led to the development of localised supply chains, the provision of skilled staff and the co-location of academic expertise as well as specialist industry trade bodies.

The development of the food industry is supported by research and development facilities which offer access to high technology environments to enable innovative product development. The £5.6m Humber Seafood Institute at Europarc (Grimsby) has state-of-the-art facilities to support the future of the UK seafood industry. It engages in collaborative research with industry leaders to optimise and exploit market and trade opportunities.

### Future potential of the sector

Employment in the food processing sector is forecast to remain relatively static over the next five to ten years, although numerous development opportunities exist. For example:

- The Humber Seafood cluster is well developed and is recognised as an example of best practice. There is an opportunity to foster linkages between this activity in North East Lincolnshire and the food sector elsewhere in the region by sharing best practice and working together, including the promotion of Humber food products, training and exploring new international trade opportunities.
- The Humber has a ready-made sites and premises for food companies with some of the lowest operating costs in the UK. Property costs and land values across the area are up to 25% lower than in competitor locations.





- Regional food quality can be built upon and better promoted with a view to growing domestic and international sales, e.g. Grimsby Smoked Fish, Lincolnshire Sausages and Yorkshire Pork and Ham.
- The Humber LEP can work more closely with our neighbouring LEPs (Greater Lincolnshire and York, North Yorkshire and the East Riding) to maximise the future potential of this sector, especially through agri-innovation and the links with the York and Lincoln University Development Plans.

### Supporting the food sector through the SEP

#### Objective

Ensure that the appropriate infrastructure, supply of skilled labour and business support services are in place to underpin further growth and development in the food sector, and that opportunities for cross-LEP working are explored and maximised.

#### Key activities

- Targeted supply chain support and support to access domestic and international markets (through the Humber LEP Growth Hub).
- Support companies to access HE knowledge, skills and expertise to develop new technologies, products and services.
- Cross-LEP projects/programmes that draw upon the expertise and specialisms of each partner.
- Skills development programmes (covering employability, technical skills, leadership and management and higher level skills) to help local residents access employment opportunities (new and replacement demand).
- Build closer links between industry and training providers to improve the local labour supply for technical and supervisory roles.
- Comprehensive business support offer.

## Visitor Economy

### Overview

The Humber offers an appealing blend of city life, seaside resorts, an extensive coastline and tranquil countryside. The area offers a diverse range of experiences and attractions at good value for money and has considerable scope to develop in green tourism. Particular strengths of the Humber visitor economy offer include the rich cultural and heritage offer of Hull; stunning heritage coastline and seaside resorts in East Yorkshire and North East Lincolnshire; and attractive villages and market towns across the region.

<b>Employees in the sector</b>	25,000
<b>GVA</b>	£350m

It is important that our offer for visitors continues to adapt and change alongside investment in the Energy Estuary. There are signs that this is a viable prospect. In part influenced by resort development, Cleethorpes, for example, has witnessed one of the biggest increases in coastal prices in the past decade (as reported in the Seaside Town Review from the Halifax, which tracks house prices in 136 locations in England and Wales), with average prices more than doubling since 2003.

Clearly Hull: UK City of Culture 2017 can act as a very significant catalyst for the development of the visitor economy across the Humber LEP area. The bid notes *“The energy and ideas of the city’s artists and cultural agencies has created a real buzz and momentum behind the bid. The city has shown it has the track record to host major events and Hull 2017 offers the chance to welcome the world to a city that has so much to offer as a place to live, work and visit.”* (Entrepreneur Sarah Longthorn)

As preparations for the City of Culture begin in earnest, and considering the tourism offer more widely, it will be important to ensure that the area can offer (a) the range and quality of accommodation and attractions that meet the requirements of current and prospective visitors; and (b) a good balance of quality cultural venues, events and festivals attracting high calibre arts and cultural talent and stimulating new economic opportunities.

### Future potential of the sector

The visitor economy in the Humber is set to grow as a result of Hull: UK City of Culture 2017, which will not only create more than 500 FTE jobs but which will also see a surge in visitor numbers to the area (not just the city) and a large rise in visitor spending.

The 2013 City of Culture host, Derry-Londonderry, saw a doubling of visitors to the city with an estimated extra 600,000 tourists over the course of the year and benefitted from improvements in the city’s reputation, not only as a tourist destination but also as a place capable of staging major events.

Currently, Hull has an under-supply of hotel rooms compared to what will be needed to accommodate City of Culture visitors, and this is therefore a potential growth area over the next three years.



## Supporting the visitor economy through the SEP

### Objective

Encourage and enable businesses to support a thriving, more diverse and sustainable tourism and visitor economy driven by, but not limited to, Hull: UK City of Culture 2017.

### Key activities

- Skills development programmes to help local residents, including those that are out of work, to access employment opportunities generated by Hull: UK City of Culture 2017.
- Promotion of the Humber as a location for major national and international conferences and events, building on the opportunities presented by Hull: UK City of Culture 2017.
- Continue to work with partners to develop and promote the Humber's natural features and its rich landscape, heritage, nature conservation sites and built environment.
- A business support offer that enables local businesses to take advantage of the opportunities created by a larger visitor economy, either through diversification and entry into new markets or strengthening in existing markets.
- Ensuring critical infrastructure requirements are in place in order to maximise the success and legacy benefits of City of Culture 2017.

# Strategic enablers



# 6. Creating an infrastructure that supports growth

## Objective

Enhance access to strategic sites and along key growth corridors, upgrade passenger and freight rail infrastructure and ensure our port and airport infrastructure matches our anticipated investment in the Energy Estuary.

## Strategic priorities

I1	Improve connectivity to labour markets. Stronger linkages between areas of need and areas of growth
I2	Maintain and enhance strategic and key local linkages to provide an efficient and well connected network
I3	Remove transport barriers to growth through the provision of works to enable and stimulate development
I4	Ensure the Humber is integrated into and maximises the opportunity of improvements in other regions
I5	Resilience and efficient maintenance of the transport network
I6	Create the right conditions for business growth

## Where are we now?

- **Transport can play a key role in realising the potential of the renewables sector through supporting opportunities that will influence investment decisions.** Transport investment required through the planning system and protracted negotiations between relevant parties involved in the planning system are often perceived as barriers to growth where businesses are looking to expand or relocate to the Humber area. Recent work by local authorities on Local Development Orders to support the Humber Enterprise Zone has gone some way to identifying the transport barriers required to enable the development within these locations. It is important to the success of the Enterprise Zone sites that these enabling works are delivered to realise the full potential of the renewables offer.
- **Connectivity between the port facilities and the renewables development sites is a key factor.** Direct and reliable connections between the ports and key renewables sites need to be in place. Part of the case here is the unique nature of this industry and frequent requirement to

accommodate abnormal loads (both size and weight). It is vital therefore that we have a fit for purpose network. New links and improved links not only provide better, more direct connections for business, they also relieve pressure on the strategic routes such as the A63 and A160/A180 (locking in the benefits of proposed improvements). This is all part of providing an attractive offer within the Humber LEP area. An example is the work undertaken as part of the South Humber Bank Transport Strategy which identified a number of transport improvements to facilitate movements between key destinations including Immingham Port and Port of Grimsby and the sites within the South Humber Bank strategic development area.

- **Transport improvements can facilitate business to business interactions boosting productivity and flexibility.** The current situation of infrequent services and unattractive journey times to other northern cities from Hull has resulted in sub-optimal business linkages with those cities. A long standing objective of the Humber local authorities therefore relates to the reinstatement of through services from Hull to Manchester Airport. From 2000 to 2004 the majority of Hull – Manchester services ran through to the airport. However these were withdrawn in one of the major timetable recasts around 2005, favouring instead Newcastle and Middlesbrough. This leaves Hull as one of the largest settlements in the north without a direct service to Manchester Airport, and one of the only locations on the Trans Pennine Express network without a Manchester Airport service. Given the importance of Manchester Airport as an international gateway for passenger traffic and the wider economic aims of the Humber LEP to make the Humber area an attractive place to do business, this is a significant omission within the local and regional transport network.
- **The A63 Castle Street dual carriageway is an important link between the M62 and the port of Hull yet it is one of the busiest sections of road in the region** (data compiled as part of the Highways Agency's Route Based Strategies showed that the east to west movement on Castle Street is amongst the worst ten links in the whole country (out of almost 2,500 links) in terms of journey time reliability). The Highways Agency is currently developing an improvement scheme for this bottleneck in partnership with Hull City Council which aims to improve access to the Port of Hull, relieve congestion and address opportunities for development and regeneration. This improvement provides an opportunity to address severance issues within the city through a new pedestrian bridge over the A63 connecting the waterfront area with the city centre, helping to maximise the benefit of the City of Culture designation.
- **The A160/A180 Port of Immingham improvement** is proposed to provide access to the Port of Immingham and surrounding area by improving the A160 between the junction with the A180 of Brocklesby interchange and the port. The A160 is the principal route to the Port of Immingham from the junction with the A180 (the access point to the port from the strategic road network). Although the strategic road network in this location is relatively lightly trafficked at present, the amount of traffic on this route is set to more than double by 2030. The A160 currently experiences congestion, particularly along the single carriageway section, due to the very high proportion of heavy goods vehicles (45% of traffic on this route is HGVs). The Highways Agency is currently developing an improvement scheme for this bottleneck in partnership with North East Lincolnshire Council, the





construction work for which is scheduled to start in summer 2015. The scheme aims to improve access to the Port of Immingham, reduce congestion and improve safety on the route.

- **The Humber Ports all have a rail link; however, a key constraint is the restricted gauge clearance for the movement of high cube containers.** The Humber Ports are currently not able to transport high cube containers out of the ports, as the rail infrastructure only supports standard containers. A gauge enhancement scheme is currently under development from the South Humber Ports to Doncaster in partnership with Network Rail and was prioritised by the Humber Local Transport Body in June 2013. Gauge enhancement to the Port of Hull will be delivered as part of the works necessary for the proposed Hull to East Coast Mainline electrification scheme. In addition to the gauge enhancement scheme, Network Rail, along with their partners, have invested £13.8m in improvement works to the Doncaster to Immingham and Brigg lines, with more investment planned. These improvements, along with the development of intermodal terminals and port-side production facilities, are a vital part of the area's growth plans.
- **Transport can expand labour markets to support clusters of economic activity but can also be a barrier to growth within congested urban centres or along congested corridors.** A series of improvements to expand labour market catchments are required within the Humber LEP area. These include initiatives aimed at making best use of the existing network such as park and ride sites and services. These improvements provide integration with existing modes and networks to release capacity on existing congested corridors and within urban centres. In addition the Humber area is committed to the effective implementation of infrastructure to support the use of sustainable modes and implementation of travel plans in association with new developments which maximise opportunities for the use of sustainable transport modes and lock in capacity improvement on the network.
- **A good land and premises offer is a key part of the area's growth plans.** Low value / high development cost is inhibiting investors from realising development. Strategic employment developments will be encouraged where their impact can be demonstrated as truly Humber-wide. Examples include new premises (especially in the EZs) and the reuse/redevelopment of redundant assets. Much of the activity will focus on strategic employment sites as well as Green Port Hull and the South Humber Gateway<sup>25</sup>. This includes Europarc (Grimbsy) and four key employment sites in East Riding (Hedon Haven, Humber Bridgehead, Melton Park and Capitol Park at Goole) and other strategic business locations/parks.
- **The opportunities presented by Enterprise Zones are a major driver for economic growth and job creation.** The 484 hectare Enterprise Zone offers companies the opportunity to co-locate operational facilities and their supply chains and make cost reductions on a major scale, as well as access to deep water channels. Located in the heart of the UK's 'Energy Estuary', the Humber Enterprise Zone provides access to 80% of all North Sea offshore wind farms and 60% of the entire

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<sup>25</sup> South Humber Gateway is attracting private and public sector investment worth over £3billion. It is home to the ABLE Humber Ports development.

European market for renewable energy is within 12 hours steaming. The extension of the EZ incentives in Budget 2014 was welcomed as it will help to attract investment over a longer period.

- **There is a need to address quality of place issues in order to attract and retain a larger labour market of higher skilled workers.** There are a number of Area Action Plans and Masterplans within the Humber LEP. These provide a vital evidence base and inform the infrastructure requirement for achieving high quality of place. Examples include the Grimsby Town Centre Masterplan (which identifies the physical interventions required to ensure that Grimsby fulfils its potential to be a vibrant place for investment), the Bridlington Area Action Plan (which seeks to create 1,800 gross new jobs by 2021 and generate a 20% increase in visitor expenditure) and the Lincolnshire Lakes Area Action Plan (which supports the creation of a high quality sustainable village community to the western edge of Scunthorpe with around 6,000 new homes).
- **The Humber Estuary is an internationally important habitat, as well as a unique economic asset.** Developing around the Estuary can be complicated, but the experience of local authorities and the freedoms and flexibilities secured through the Hull & Humber City Deal will help to accelerate sustainable development.

### Hull & Humber City Deal: accelerating development

Through the Hull & Humber City Deal, the Humber LEP and local authorities are taking an ambitious approach to accelerating sustainable development around the Humber Estuary – building on the Single Conversation pilot and the implementation of Local Development Orders on key Enterprise Zone sites.

Local partners have committed to completing a Humber Spatial Plan by May 2014, followed by a mitigation/compensation plan which will include a structure for estimating likely requirements arising from development on key sites, giving greater certainty for developers. Statutory agencies have committed to supporting the development of both plans, and will sign a Memorandum of Understanding with the Humber LEP and local authorities. Government will work to ensure that public sector land owners (including the Crown Estate) agree to release land at standard commercial rates as identified in the mitigation/compensation plan.

Local authorities and statutory agencies will provide key account managers for major developments, including a joint account manager across the three Defra agencies.

Government has also committed to work with the Humber LEP to develop plans for the Humber Environmental Data Observatory including options for funding this project from 2014/15

- **Broadband connectivity is improving.** Local activity is underway to improve the provision and take-up of broadband, including Northern Lincolnshire's £9.6m rural broadband programme and Broadband East Riding – £5.57m of gap funding (matched with ERDF (2007-2013)). KCOM's multi-million pounds private sector investment in its Lightstream service in the KCOM licence area (roughly the Hull travel to work area) is a significant development. It will offer fibre optic broadband more than eight times faster than the UK's average broadband speeds. Yet despite major advances in coverage and take-up, up to 10% of the Humber, predominantly in the harder to reach rural areas, will remain without good quality access. Addressing this will be a priority through the Humber's EAFRD allocation. The requirement that our Enterprise Zones have sufficient broadband infrastructure will also be delivered upon.



### Case study: North Lincolnshire Broadband Project

The Northern Lincolnshire Broadband project was established by North Lincolnshire Council to deliver the Government's Broadband Strategy and is a partnership between North and North East Lincolnshire Council. The aim is that by 2015, 90% of premises in each area will have access to superfast broadband, transforming broadband access across Northern Lincolnshire. Over £7m investment has been secured to improve the broadband infrastructure locally, including £3.14m from Broadband Delivery UK (BDUK) and £2.12m from ERDF. Business support is provided to SMEs by the Northern Lincolnshire Broadband team with the aim of increasing business growth and jobs by developing SMEs abilities to productively use superfast broadband.

Karen Boyington of Placebook Minicabs, a family-run business, spoke about how the Northern Lincolnshire Broadband Business Support Programme has helped them to improve their business profile in Northern Lincolnshire. Karen's husband, Roy, and son, Stuart, drive the taxis, whilst Karen and her daughter, Lizzy, look after dispatch and administration. Karen, Roy and Lizzy each attended a number of the business support workshops. Before receiving business support, Placebook Minicabs had a Facebook page but Karen did not realise how valuable it could be so she didn't post much on it. The company did not have a Twitter account or a LinkedIn profile. Karen now uses all three mediums and makes sure to post something on Facebook at least two or three times per week. Karen says that since actively using social media, the phone hasn't stopped ringing and it is often new customers.

Karen described the free business support workshops as "absolutely fantastic". She said that they are well thought out, well put together, suitable for people with no knowledge of the subject whilst providing more experienced business people with 'nuggets' of information to put into practice. Karen said it was also useful to network with other businesses and attending the workshops also generated custom for them from other businesses.

Karen intends to use social media to help recruit new employees and promote expansion of the business in the future. When superfast broadband becomes available in their village in late 2014, she expects to use the increased bandwidth to support a VOIP (voice over internet protocol) phone, to save phone costs, and internet protocol cameras as a security measure for their vehicles.

## How will the strategic priorities be achieved?

### Ref. Key Activities

#### I1. Improve connectivity to labour markets. Stronger linkages between areas of need and areas of growth.

<b>I1.1</b>	<p>Improvements to the sustainable transport infrastructure to support strategic employment sites and associated sustainable transport behaviour change initiatives:</p> <ul style="list-style-type: none"> <li>- International Gateways ATP (see Investment and Delivery Plan)</li> <li>- <i>East Riding of Yorkshire Council 'Get Goole Moving' sustainable package (LSTF Round 2)</i></li> <li>- <i>Hull City Council STEER (Sustainable Travel to Employment, education and for Recreation) (LSTF Round 2)</i></li> <li>- <i>North East Lincolnshire Council Travelling Towards a Vibrant Economy – Supporting Economic Growth in North East Lincolnshire (LSTF Round 2).</i></li> </ul>
<b>I1.2</b>	<p>Park and ride sites and services to facilitate improved access to key employment centres.</p> <ul style="list-style-type: none"> <li>- Beverley Park and Ride (see Investment and Delivery Plan)</li> <li>- Hull Eastern Park and Ride (see Investment and Delivery Plan)</li> </ul>

Ref. Key Activities	
<b>12. Maintain and enhance strategic and key local linkages to provide an efficient and well connected network.</b>	
<b>12.1</b>	<p>New highway links to address missing links within the network particularly those with potential to open up strategic sites and remove traffic from the strategic road network. A number of these are identified in the South Humber Bank Transport Strategy:</p> <ul style="list-style-type: none"> <li>- South Humber Link Road (see Investment and Delivery Plan)</li> <li>- New Access Road to Sandtoft Business Park</li> <li>- Able Humber Port Logistic Park – Access road and Roundabout</li> <li>- Brigg Relief Road</li> <li>- Immingham Eastgate</li> </ul> <p>In addition:</p> <ul style="list-style-type: none"> <li>- <i>Beverley Integrated Transport Plan (Local Major Transport Scheme)</i></li> <li>- <i>A18/A180 Link Road (Local Major Transport Scheme)</i></li> </ul>
<b>12.2</b>	<p>Electrification of the rail route between the East Coast Mainline and Hull via Selby, allowing electrified services from Hull to London, Leeds, Manchester, Liverpool and York. (See Investment and Delivery Plan).</p> <p><i>Gauge Enhancement from the South Humber Ports to Doncaster to W10 and W12 standard. (LTB)</i>  <i>A63 Castle Street Improvement</i>  <i>A160/A180 improvement.</i></p>
<b>13. Remove transport barriers to growth through the provision of works to enable and stimulate development</b>	
<b>13.1</b>	<p>Additional capacity at pinch points within the network, which are a barrier to growth or an impediment to existing businesses.</p> <ul style="list-style-type: none"> <li>- Green Port Enabling Infrastructure Works (see Investment and Delivery Plan)</li> <li>- Great Coates Interchange</li> <li>- Berkeley Circle</li> <li>- M181 De-trunking and New Junctions</li> </ul>
<b>13.2</b>	<p>Improvements developed in conjunction with renaissance partnerships to improve quality of place within key urban centres and coastal towns:</p> <ul style="list-style-type: none"> <li>- Iconic bridge over the A63 in Hull (see Investment and Delivery Plan)</li> <li>- Grimsby Town Centre Improvements (see Investment and Delivery Plan)</li> <li>- <i>A1105 Anlaby Road flyover linked to Humber renewable Super Energy Cluster and Humber Green Port Corridor (Local Pinch Point, Hull City Council)</i></li> <li>- <i>Goole Logistics Gateway Project - the Airmyn Road Roundabout Scheme (Local Pinch Point, East Riding of Yorkshire)</i></li> <li>- <i>A1079 Holme Road Roundabout Market Weighton – unlock a large area of residential land (Local Pinch Point, East Riding of Yorkshire)</i></li> <li>- <i>Humberside Airport Access Improvements</i></li> <li>- <i>Bridlington Integrated Transport Plan Phase 2 (LTB)</i></li> </ul>



Ref. Key Activities	
	A longer term aspiration is to remove the Humber Bridge Toll.
<b>I4. Ensure the Humber is integrated into and maximises the opportunity of improvements in other regions</b>	
<b>I4.1</b>	Electrification of the rail route between the East Coast Mainline and Hull via Selby, allowing electrified services from Hull to London, Leeds, Manchester, Liverpool and York.
<b>I4.2</b>	<i>Gauge enhancement from the South Humber Ports to Doncaster to W10 and W12 standard (LTB)</i>
<b>I5. Resilience and efficient maintenance of the transport network</b>	
<b>I5.1</b>	Cleethorpes Road flyover structural maintenance and Riby Square Grimsby AQMA improvements (Local Pinch Point, North East Lincolnshire Council)
<b>I6. Create the right conditions for business growth</b>	
<b>I6.1</b>	Ensuring that the area has an adequate supply of sites and premises, such as by the development of the West Hull Business Park and Kingston Parklands, both supported by competitive LGF funding as detailed in the Investment and Delivery Plan.
<b>I6.2</b>	Promoting the opportunities presented by Enterprise Zones, including an LGF-supported project to reconfigure the public highway arrangements at the Northern Gateway entrance to Hull Docks.
<b>I6.3</b>	Connectivity Enhancements: ensuring that the area is able to exploit local BDUK investment and KCOM's multi-million pounds investment in its Lightstream fibre optic service. Drawing down ERDF, ESF, EAFRD and local authority funding to enhance uptake in the 10% of the Humber without good quality access. Ensuring our Enterprise Zones have excellent broadband infrastructure.
<b>I6.4</b>	Work with our overlapping LEPs, and others as appropriate, to explore options for the continuation of the YORHUB construction frameworks, which LEP partners have used collaboratively to secure value for money on publicly procured construction work.

***Committed schemes in italics*****Freedoms and Flexibilities: Public sector asset utilisation**

The Humber LEP and local authority partners wish to develop with Government a framework for better utilising public sector assets across local government and central government departments and agencies (such as the Homes and Communities Agency, NHS and Ministry of Defence). This would build on the success of the Total Capital and Assets Pathfinder Programme in Hull, and Hull City Council's current work as one of 12 'One Public Estate' pilot areas. As of March 2014, work on developing these proposals – which could involve the creation of a revolving Humber Investment Fund – is being supported by Local Partnerships.

## 7. Supporting businesses to succeed

### Objective

Ensure that businesses in the Humber LEP area have access to the expert support and appropriate finance they need to grow, create jobs, and take advantage of new investment opportunities.

### Strategic priorities

B1	Provide a co-ordinated, universal business support and signposting offer.
B2	Build the growth capabilities of small and medium sized businesses.
B3	Support an entrepreneurial culture across the Humber, reduce barriers to entrepreneurship and support new entrepreneurs.
B4	Increase the level of innovation amongst local businesses.
B5	Provide targeted support to businesses in priority sectors to help them grow and develop, including the provision/upgrading of incubation and managed workspace.
B6	Deliver more co-ordinated and streamlined export support to businesses across the LEP area.

### Introductory note

The Humber SEP is all about ‘supporting businesses to succeed’: it is not just this chapter that is geared towards this topic, but rather the SEP as a whole, which aims to put in place the right conditions to help and encourage people to invest and succeed in this area. This chapter is an important part of that and focuses mainly on an improved and more co-ordinated support offer for local firms. But it is also intrinsically linked to each of the other strategic enablers in this document as part of a holistic approach to economic development across the LEP area.

### Where are we now?

- **Small businesses are a major part of the economy but cannot always access the support they require to grow.** Putting in place the right conditions for them to thrive is therefore of great significance for the Humber economy. The area has a relatively small business base considering the size of our working age population and local businesses face a number of barriers to growth including access to finance and support to innovate. The intention is to make it easy for people to start a business in the Humber and for high growth businesses to access targeted support.





- **The Humber has witnessed low levels of employment growth in recent years** and action is therefore needed to enable businesses to expand. There is a need to support SMEs to create both highly skilled and entry level jobs. Help also needs to be there to enable them to improve their export presence, find new export markets and exploit new opportunities.
- **Businesses report that would-be entrepreneurs are put off by perceptions that starting a business is complex and that there is no support available.** A long-term 'ladder of finance' is needed for businesses at each stage of their lifecycle. Businesses also report that support services, whilst in some cases effective, are fragmented and that a more holistic or co-ordinated approach is required. Nurturing entrepreneurial aspiration is also important and supporting this from an early age is essential. This will be done through ongoing commitment to Youth Enterprise schemes.
- **Market failures such as costs, uncertainty, lack of information and issues around the handling of intellectual property have all impacted negatively on R&D spend and innovation in the Humber.** Increasing R&D spend, accelerating the (currently slow) rate of growth in science and technology jobs, strengthening the commercial links between the HE sector and industrial networks, and changing the attitudes of SMEs towards innovation will all be important, along with access to appropriate support, including funding, to commercialise knowledge assets. The University of Hull is an active leader of the Humber's ambitions for more widespread innovation and aspiration and is committed to working closely with the LEP on this agenda going forwards. A summary of recent and planned investments that the University has made in innovation related activity is provided at Appendix A.
- **The significant presence of Multi-National Enterprises in the area** brings both benefits, in terms of valuable jobs and inward investment, and a risk of disinvestment, with significant decisions being taken by/within the HQs of companies outside of the area. Here Key Account Management approaches are very important for ensuring that good intelligence is available and that businesses can be supported with their growth requirements where required. This will ensure that the area has resilient companies embedded within the local economy.
- **The University of Hull intends to establish a research institute** that will focus on the analysis of economic, competitiveness, spatial, labour market, skills and related information, so as to serve the region and its public and private stakeholders with intelligence that aids in the development and implementation of policies, strategies and business decisions.

## How will the strategic priorities be achieved?

Ref.	Key Activities
<b>B1. Provide a co-ordinated, universal support and signposting offer</b>	
<b>B1.1</b>	The Humber LEP Growth Hub, part of our City Deal and explained in more detail towards the end of this chapter, will provide a simplified business support offer. The intention will be to continue this beyond the pilot year in 2014/15.
<b>B2. Build the growth capabilities of our small and medium sized businesses</b>	
<b>B2.1</b>	Providing access to finance, including via an RGF Capital Grant Programme Extension which is explained in the Investment and Delivery Plan and for which LGF funding is being sought.
<b>B2.2</b>	Support for companies to develop business growth strategies, enter new domestic and international markets and implement productivity improvements. The Humber's SME Growth and Innovation Programme, which is a key component of the 2014-2020 European Structural and Investment Funds Strategy and a key route through which this strategic priority will be achieved, will support approximately 2,500 businesses.
<b>B2.3</b>	Providing grow-on space (and, if necessary, incubation and managed workspace) in geographic areas where evidence shows there is a demand that cannot be met through current supply. The Investment and Delivery Plan includes a proposal for new managed workspace and a business park in Hull, for which LGF support is being requested and which responds to a recognised shortage of certain types and sizes of start-up/growth units. LGF support is also being requested for an Enterprise Development Centre in Scunthorpe, which will provide bespoke accommodation for business start-ups and small businesses looking to grow, and for the ERGO Business Centre in the East Riding of Yorkshire, which will provide flexible, high quality business space targeted at knowledge intensive businesses in environmental technologies.
<b>B3. Support an entrepreneurial culture across the Humber, reduce barriers to entrepreneurship and support new entrepreneurs</b>	
<b>B3.1</b>	Providing start-up finance, early stage equity, venture capital and proof of concept funding.
<b>B3.2</b>	Schemes to promote and support entrepreneurship (including graduate entrepreneurship) and self-employment, including amongst groups who may not be enterprise-savvy (e.g. the unemployed). Build on and roll out across the Humber opportunities for young people to set up in business using existing support mechanisms.
<b>B3.3</b>	Supporting businesses to become investment ready.
<b>B4. Increase the level of innovation amongst local businesses</b>	
<b>B4.1</b>	Promoting and supporting research collaboration (between businesses, research institutions and public institutions) in the LEP's priority sectors. This includes seeking LGF funding for a Computational Sciences Institute at the University of Hull and major developments linked to the Platform Initiative, which is working to establish a significant hub of gaming, digital creativity and content creation industries in the Humber.
<b>B4.2</b>	Promoting and supporting business-to-business collaboration on new products and services.
<b>B4.3</b>	Developing new forms of innovation infrastructure and finance e.g. via the Low Carbon Innovation Fund.
<b>B4.4</b>	Making strategic investments in major new technologies where there is a case for public funding.
<b>B5. Provide targeted support to businesses in our priority sectors to help them grow and develop</b>	
<b>B5.1</b>	Support for businesses to access and benefit from new supply chain opportunities.
<b>B5.2</b>	Support for businesses to reach the quality standards needed for them to be able to compete



Ref.	Key Activities
	successfully for local contracts.
<b>B5.3</b>	Growing international trade and exports and promoting investment from foreign and indigenous firms.
<b>B6. Deliver more co-ordinated and streamlined export support</b>	
<b>B6.1</b>	Mentoring and subsidised support for businesses in priority sectors to access target markets (via the International Growth Pathway element of the Humber LEP Growth Hub).

### The Humber LEP Growth Hub

The Humber LEP Growth Hub will bring together existing business support provision and provide multiple front doors for businesses to access information and advice. The Growth Hub will simplify what can be a confusing picture for SMEs, better aligning private and public sector funding, so that the growth needs of local SMEs are realised.

The Growth Hub will have at its heart a new online information hub providing accessible information on local and national business support schemes. It will be backed up by the national Business Support Helpline and local advisers from a range of partner organisations, who will work together through a new Business Advisers Network. It will also incorporate specialist support for recruiting apprentices.

In 2014/15, using support from the Hull & Humber City Deal via the Lancaster University RGF programme, the Growth Hub will also provide additional support programmes for start-ups, supply chain development and internationalisation – as well as an extension to the successful ‘Growing the Humber’ grant programme. The Humber LEP will utilise funding from its ESIF Strategy and is seeking funding from the Local Growth Fund to extend the Growth Hub into future years.

## Innovation

The Humber will engage actively with UK Catapult centres of technical excellence to contribute to the Government's Industrial Strategy and to determine approaches to innovation-led economic growth. The Humber's maritime capability and geographic advantages will be used to distinguish this contribution – specifically, the University of Hull and partners will develop its relationship with the Satellite Applications Catapult in the area of e-navigation, maritime commerce, security and integrated sea-land logistics. *"The marine and maritime sectors are a vital part of our economy, contributing approximately £19 billion each year and employing 367,000 people . . . we can build the foundations for the future of the British marine industry"* – Michael Fallon, Minister of State for Business and Enterprise, January 2013.

The Humber will also develop its relationship with the Offshore Renewable Energy Catapult in Strathclyde. This relationship will deepen with the advent of the new offshore wind industry. The Humber has the business and knowledge base which can contribute significantly to the quest to reduce drastically the cost base currently hindering further deployment of technologies to deliver successfully to the nation this vital area of activity. Discussions on building these mutually beneficial links have already begun but the economic relationship will be strengthened significantly during the course of this plan.

### University innovation in Humber LEP plans

The University of Hull has plans to invest up to £100million in innovative new activities which will help deliver the step change required for the region to turn the economic corner. The University is an active leader of the Humber's ambitions for more widespread innovation and aspiration. It has in recent years aligned much of its world-class expertise with regional priorities to ensure greatest impact, already spending around £30 million to do so. It will continue to work closely with the LEP to invest in and develop the innovative environment required to make the most of the exciting potential for economic transformation now open to the Humber for the first time in a generation.

Among significant regional assets the University has already invested in are:

- A Logistics Institute, a £20 million business-facing facility to exploit the geographic advantage and encourage more of the economic benefit of the Humber ports to 'stick' in the region.
- A national award-winning Enterprise Centre, a £3 million facility available to everyone rather than just the University, to create thriving new businesses and develop more entrepreneurs.

Now the University has begun investing in:

- Health Hub/Campus: an ambitious capital programme to replace existing Hull York Medical School (HYMS) estate and facilities with a world-class facility which brings together the resources of HYMS, Faculty of Health & Social Care and related Science & Technology for an ultra-modern showcase research, teaching and practise facility for the city.
- National Centre of R&D Excellence in Energy and Engineering. This facility would provide industry with world-class Research & Development (R&D) services; integrate innovation and skills in Energy, Renewables and Chemicals and Process Engineering relevant to the expected surge in industrial activity in the region and enable businesses to co-locate commercial R&D activities alongside University research expertise and bespoke high-level training.



# 8. A great place to live and visit

## Objective

**Ensure that the Humber is a great place to live with the range and quality of homes for a growing workforce, with an attractive and vibrant cultural, leisure and visitor offer.**

## Strategic priorities

<b>GP1</b>	<b>Deliver the market and affordable homes necessary to support a growing number of households and to attract and retain the range of people necessary to support the economic ambitions of the Humber.</b>
<b>GP2</b>	<b>Deliver the transport, flood protection and other critical infrastructure necessary to unlock investment in sustainable housing across the Humber.</b>
<b>GP3</b>	<b>Develop a programme of regeneration activity to continue to transform and reposition neighbourhoods with poor quality urban fabric to ensure they have a sustainable future role.</b>
<b>GP4</b>	<b>Implement measures to ensure existing homes are fit for purpose, with a focus on adapting to climate change, improving energy efficiency and flood resilience.</b>
<b>GP5</b>	<b>Ensure that the Humber capitalises on the economic opportunities offered by Hull: UK City of Culture 2017.</b>
<b>GP6</b>	<b>Work with a broad range of partners to ensure that the Humber has a vibrant and distinctive cultural, leisure and visitor offer that creates new business opportunities.</b>

## Housing as an economic driver

Ensuring that the Humber is seen as a great place to live is an important enabler for the success of the SEP and for the Humber economy more widely. This means having the right range, choice and quality of homes, as well as ensuring that the Humber is an attractive place to live in broader terms. Achieving this will involve a range of actions by partners, including through the LGF, but also more widely. There remains much to do in transforming the residential offer, as well as interventions to continue to improve the attractiveness of the Humber’s town centres.

## Transforming the residential offer

### *Delivering new homes*

The Humber has ambitious housing delivery plans, which are primarily based in and around the main settlements of Beverley, Bridlington, Driffield, Goole, Kingston-upon-Hull, Scunthorpe, Grimsby and Cleethorpes. There is a strong commitment to delivering new homes of the right type and quality to support

the economic ambitions of the SEP, closely allied to which are the infrastructure proposals in this document, and in particular those relating to transport and flood protection.

Specific housing growth proposals in the Humber include those listed below (note that each Local Planning Authority is currently preparing its statutory Local Plan. The SEP does not intend to prejudice the statutory processes yet to be completed):

- Substantial plan-led growth in the East Riding, including urban-extensions to the south of Beverley.
- Hull is delivering housing growth through its ongoing housing-led regeneration activity, and is currently working with procured partners and procuring further development partners to secure this. Specific plans for this intervention include growth in the north of the city including Kingswood and developing proposals for the Orchard Park Estate Renewal Programme; in the east of the city with the Estate Renewal proposals for both Ings and Preston Road; and the continued progression with delivery of new and refurbished homes in the west of the city through the delivery of the Newington and St. Andrews Renewal Programme.
- Lincolnshire Lakes is a substantial growth proposal on the western side of Scunthorpe, being promoted through an Area Action Plan (see box below).
- Proposals are being developed for a sustainable urban extension for Grimsby.

### Case study: Lincolnshire Lakes

Lincolnshire Lakes is an ambitious growth plan to develop a sustainable village concept to the west of Scunthorpe set within a lakeside environment. The project is set to deliver 6,000 new homes, a high-tech business park, an improved transport network and new community/social infrastructure. The planned new homes will be complemented by large scale recreation, conservation and mitigation lakes, a sustainable urban drainage system (e.g. swales), and high quality green infrastructure that will provide both usable and protected green links into Scunthorpe and to the wider area. The ambition of Lincolnshire Lakes is to provide homes in an attractive and vibrant new place to live that helps to ensure the area offers homes that retain the growing local workforce in the area.

All the Humber authorities have a strong focus on delivery, and have been assessing viability to ensure ongoing delivery in fluid economic circumstances. They are committed to ensuring that opportunities for using public land are being realised and that confidence in the market is boosted.

We also note that additional borrowing capacity for local authority social housing is to be made available for the period 2015/16 and 2016/17. Authorities will be asked to competitively bid for the additional capacity in partnership with LEPs.

The Government recognises councils have a significant role to play in addressing housing shortages across the LEP area. Discussions will continue with each local authority on the capacity for borrowing within their long term business plans and any proposals put forward after the Government has concluded on the process for bidding.

### **Reshaping existing neighbourhoods**

There remains a legacy of poor quality urban neighbourhoods in parts of the main coastal and estuarial settlements of the Humber LEP area. This is often associated with poor quality and/or outdated housing related to the ports.



It is therefore essential that a programme of activity continues to help transform these neighbourhoods to ensure they, and the town centres they support, remain fit for the future, building on a strong track record of delivering this type of activity that has already helped to transform parts of Hull (e.g. Newington and St Andrews), Goole (through the Advance Goole initiative), Grimsby (e.g. Guildford Street) and Scunthorpe. Interventions such as these not only improve the perception of the Humber, but also provide significant economic impact in their own right, attracting substantial private sector investment.

### **Case study: Newington and St Andrews, Hull**

Newington and St Andrew's (NaSA) is a densely populated inner city area of Hull which is symbolic of the city's once vibrant and prosperous fishing industry. Following the collapse of this industry the area benefited from little inward investment and for many years was in terminal decline. Severe deprivation, low household incomes and the degradation of its physical environment resulted in severe housing market failure and long-term population decline.

The area was considered to be wholly suitable for a major growth programme and following the development of an Area Action Plan, Keepmoat Homes was appointed as Lead Development Partner. Keepmoat, in partnership with the Council, was successful in a bid to Regional Growth Fund Round 1, securing £8m of grant funding to pave the way for £118m of private sector investment in the construction industry over the ensuing 13 years.

Tremendous change has now occurred in the Newington and St Andrews area. More than 250 new homes have been built and planning permission has been secured to take the total to over 1,100, of which more than 250 will be affordable rented homes. More than 150 jobs have been safeguarded and more than four fifths of the labour across the three sites covered by the project is from a Hull postcode. This is expected to increase to more than 90%. Targeted enterprise development support to local companies is enabling them to compete more effectively in the immediate locality and over a wider economic area, while apprenticeships are giving local young people the experience to gain invaluable skills.

In summary, the project has been, and continues to be, a great success and an exemplar of effective public-private sector working. It is providing new affordable mixed tenure developments in an area which has struggled to sustain the existing demands of the housing market, and is providing the stimulus required to encourage new people to move to the area.

The intention is to deliver a package of investments, where modest investment of LGF money is proposed to gain substantial private sector investment and achieve the transformation of neighbourhoods. There is an economic case for refurbishment alongside new build as a cost and resource effective means of creating affordable housing. The Humber authorities are committed to work together to share knowledge and experience of making this activity a success in an increasingly challenging funding environment.

There remains work to do on the stock of existing homes more generally, to help adapt to climate change, including improving flood resilience. Partners will continue to work to find ways and opportunities for addressing this.

Energy efficiency, particularly in respect of 'hard to heat' homes, remains an issue that has an economic impact on residents due to heating costs, and is also a cause of wider health issues. The Humber authorities will continue to work with partners to find ways to address this by leveraging available funding (including through the 2014-2020 ESIF Programme) and finance to help residents and owners make use of available initiatives.



## Transforming the cultural, retail, leisure and visitor offer

The cultural, leisure and visitor offer is crucial in framing the wider perception of the Humber as an attractive place to live and do business. It therefore has an underlying economic importance, particularly as the SEP seeks to attract and retain businesses that deliver higher value.

Hull's role as UK City of Culture 2017 presents a fantastic opportunity for the Humber to consolidate and showcase its cultural offer, and to help reposition external perceptions (the Investment and Delivery Plan includes schemes designed to help maximise the wider economic potential of Hull: UK City of Culture 2017). City of Culture 2017 is considered a critically important element of housing delivery, particularly in the city centre, as it will contribute to restoring market confidence.

Resorts along the North Sea coast have a long heritage of supporting the visitor economy, but the need to revive or re-invent them to meet modern visitor expectations is essential to complement the branding of the Yorkshire Coast being led by Welcome to Yorkshire and Visit Hull and East Yorkshire (as set out in the York, North Yorkshire and East Riding SEP).

Local authorities continue to improve town centres through public realm improvements, access and site assembly to create new business opportunities and tackle historic urban fabric associated with the ports legacy. Examples include Scunthorpe town centre improvements, regeneration of the historic Fruit Market in Hull, measures to strengthen the high street offer in Hull and measures to encourage stalled developments to come forward.

There are a series of transformational 'place' projects that the LEP supports for investment and which are therefore included in the accompanying Investment and Delivery Plan. These are:

- Regeneration programmes in Westcliff and Cleethorpes
- Town centre premises improvements in Goole
- Hull: Quality of Place Investment – Accessing the Waterfront and Fruit Market
- Hull: Fruit Market & Waterfront – Gallery, Conference & Exhibition Centre
- Substantial improvements to Scunthorpe Town Centre

## How will the strategic priorities be achieved?

Ref.	Key Activities
<b>GP1. Deliver the market and affordable homes necessary to support a growing number of households and to attract and retain the range of people necessary to support the economic ambitions of the Humber.</b>	
<b>GP1.1</b>	Continue to support proposals for <b>plan-led growth</b> , including the Lincolnshire Lakes proposal and opportunities elsewhere in the LEP area (e.g. South Beverley), by supporting developer applications to the government's Local Infrastructure Fund finance package.
<b>GP1.2</b>	Work with developer partners to ensure continued delivery of mixed tenure scheme, to drive housing and economic growth, through significant private sector investment. In particular, LGF support is being requested to bridge a funding gap on a major scheme to <b>remodel Hull's housing market</b> which if successful will unlock millions of pounds of private investment, deliver hundreds of homes and create new jobs. The five priority locations in Hull are: <ul style="list-style-type: none"> <li>• Kingswood</li> </ul>



Ref.	Key Activities
	<ul style="list-style-type: none"> <li>• Newington and St Andrew's</li> <li>• Holderness Road (including Preston Road and Ings)</li> <li>• Orchard Park</li> <li>• City Centre</li> </ul>
<b>GP1.3</b>	Work with registered providers and the Homes and Communities Agency to ensure a range of schemes are delivered in the next round of the Affordable Homes Programme.
<b>GP2. Deliver the transport, flood protection and other critical infrastructure necessary to unlock investment in sustainable housing across the Humber.</b>	
<b>GP2.1</b>	Deliver the blue infrastructure to enable the delivery of 6,000 new homes at <b>Lincolnshire Lakes</b> . The Investment and Delivery Plan requests LGF support for essential flood defence measures linked to this important development.
<b>GP2.2</b>	Implement a Humber governance structure, focused on delivering housing and place initiatives, to demonstrate a cohesive Humber-wide commitment to growth and realise links to parallel infrastructure investment plans to ensure new housing and employment land is released in a co-ordinated way.
<b>GP3. Develop a programme of regeneration activity to continue to transform and reposition neighbourhoods with poor quality urban fabric to ensure they have a sustainable future role.</b>	
<b>GP3.1</b>	Implement governance measures to ensure that the four authorities share experience of successful approaches and develop a complementary programme.
<b>GP3.2</b>	Build on existing regeneration area plans and continue to identify and bid for funding from a variety of sources for the identified priority areas. For example, the Investment and Delivery Plan includes proposals for LGF funding to support regeneration programmes in <b>Westcliff</b> and <b>Cleethorpes</b> , to bring forward the transformation of <b>Scunthorpe town centre</b> and to improve business premises within <b>Goole</b> .
<b>GP3.2</b>	Continue to promote local labour clauses in partner contracts, to enable sustainable job growth and the up-skilling of the local workforce to continue
<b>GP4. Implement measures to ensure existing homes are fit for purpose, with a focus on adapting to climate change, improving energy efficiency and flood resilience.</b>	
<b>GP4.1</b>	Investigate and pursue opportunities offered through ESIF, Green Deal, ECO and other sources where these represent good value for money.
<b>GP4.2</b>	Make information available to householders, including support and advice, to ensure maximum use is made of existing and future 'self-help' initiatives.
<b>GP4.3</b>	Work with partner agencies, such as the Environment Agency and Yorkshire Water, to address areas of concern around flood risk and climate change.
<b>GP5. Ensure that the Humber capitalises on the economic opportunities offered by Hull UK City of Culture 2017.</b>	
<b>GP5.1</b>	Work with Hull: UK City of Culture 2017 to ensure that the 'place' context is wider than Hull and encompasses and capitalises on the Humber opportunities. The Investment and Delivery Plan requests LGF funding to support <b>Quality of Place Investment</b> and a <b>Gallery, Conference and Exhibition Centre</b> in Hull. LGF support is also requested in the Investment and Delivery Plan to significantly enhance the economic and social benefits of the <b>Humber Bridge visitor offer</b> .

Ref.	Key Activities
<b>GP6. Work with a broad range of partners to ensure that the Humber has a vibrant and distinctive cultural, leisure and visitor offer that creates new business opportunities.</b>	
<b>GP6.1</b>	Further develop and build relationships with prominent local entrepreneurs to maximise the Humber 'offer'.



# 9. A skilled and productive workforce

## Objective

Ensure that our businesses can access the skilled workforce they need to grow and that residents of the Humber are supported and able to access good quality employment opportunities.

## Strategic priorities

**S1** Raise employer commitment and investment in skills at all levels.

**S2** Foster an inclusive, LEP-wide approach with all key stakeholders.

**S3** Influence provision to better meet local economic need.

**S4** Improve the quality, accessibility and dissemination of labour market information and CEIAG (careers education, information, advice and guidance), empowering employers and local people to make more informed choices.

**S5** Support people in finding and sustaining employment, in progressing at work and/or in setting up their own enterprises.

**S6** Maximise the use of funding, including capital, to develop excellent learning environments and facilities, leading to a more highly skilled workforce (current and future).

## Where are we now?

- The Humber LEP and its partners are implementing the **Hull & Humber City Deal**, which will help the Humber to respond to the skills demands from the emerging renewable energy sector and existing businesses (see box on the following page).
- The Humber LEP and its partners are planning for the Humber to become the **national centre for excellence in energy skills**, providing high quality facilities and delivery to support training for the offshore wind and other energy sectors (see box on the following page).
- **Skills levels in the Humber are improving but there is still much to do to close the productivity gap.** An above average proportion of the workforce has no qualifications and below average proportions are qualified to Levels 2, 3 and 4. Higher level skilled posts are often filled by applicants from outside of the LEP area and Humber employers more frequently report skills shortages than those in most other LEPs when looking to recruit professionals. There is a very real

risk of these issues intensifying with the growth of new industries such as renewables. The improvement of skills levels in the Humber is therefore an urgent priority that will have a large influence on how well we can take advantage of new employment opportunities for local people.

### Hull & Humber City Deal: Delivering local leadership in skills

The Hull & Humber City Deal, signed in December 2013, is providing extra support for the Humber LEP and its partners to help local people to upskill and get into work, and ensure that employers can access the skills they need. Key components include:

- A payment by results pilot for the Humber to incentivise skills providers to ensure that learners are prepared for work. The pilot will be led by the Humber LEP with support from BIS and SFA.
- Financial support of £1.245m from Government for capital investments at five further education colleges, as part of the Humber LEP's plan for the Humber to become a centre of excellence for energy skills (see box below).
- Government support for an additional 1,500 learners over three years through the Adult Skills Budget.
- The Springboard programme to support young people into work, supported by £1.5m from the Youth Contract underspend, and an additional £4m to address youth unemployment.
- A Humber Careers Hub to improve careers information and advice.
- Rolling out the Humber Employability Charter.

Work on implementing the employment and skills aspects of the City Deal is being led by the Humber LEP's Employment and Skills Board.

### Humber Campus: National centre for energy skills

The Humber Energy Campus presents a unique opportunity to strengthen the Humber proposition, leveraging prospect for inward investment by defining the areas unique selling propositions from a skills perspective and by enhancing the competitiveness of existing energy sector businesses. The employer-led virtual campus brings together all aspect of energy skills provision around the estuary working with industry and providers.

The campus supports the university and education and training providers in developing their own strategies in partnership with industry and the local authorities, recognising competition and utilising existing well developed facilities. The campus recognises those existing established mutually beneficial relationships, and seeks to add value in developing further opportunity to drive progress in the economy. The campus will raise the profile of the energy industry in the region, internally to inspire Humber residents and externally to create an umbrella brand that will attract additional resources to deliver growth.

The campus will be developed further under the government's drive to create national centres of excellence to drive skills both to sustain local talent and to attract national and international students to study, live and contribute to the region.

The Humber LEP and its partners want to work with Government to extend this model so that the Humber can become the national centre of excellence for energy skills. With the Humber developing as the national centre for the offshore wind industry, strong employer leadership and a partnership in place with existing facilities that can be utilised and extended quickly, the area is uniquely well placed to mobilise in response to emerging employer requirements.

The skills capital investments made through the Hull & Humber City Deal, and those which have been prioritised for the Local Growth Fund, contribute towards this approach by improving and increasing the Humber's capacity to deliver the skills required by the energy sector and related support sectors.



- **Employability skills continue to be an issue in the Humber** and employers would like to see improvements in the preparedness, communication skills and customer service skills of new recruits. A changing sectoral profile, with fewer workers needed in traditional disciplines, is also highlighting a problem with the employability of older workers. Some of these workers lack up-to-date basic skills and struggle to find employment following redundancy. Others require retraining (which may include higher level skills training) to access employment opportunities in sectors in which they have not worked before. This too is brought sharply into focus with the new employment opportunities that will be created in the renewables sector (and the associated supply chain) and preparing local residents to be as work-ready as possible is therefore of the highest importance.
- **Youth unemployment is a persistent issue**, with 18-24 year olds accounting for around a third of all unemployment in the area and numbers having more than doubled over the past 10 years. An increasing proportion of young people are in receipt of out of work benefits, and the Humber now has the second highest incidence of youth unemployment of all 39 LEPs in England.
- **Closer links are needed between education providers and businesses** to raise awareness of employers' specific skills needs and the qualities they expect in applicants at all levels. This will help to give providers the intelligence they need to respond to new and emerging requirements, especially linked to the proposed developments around the Estuary.
- **The Humber has many excellent examples of good practice on skills**, providing a sound basis upon which to build. We have a well respected Higher Education institution (the University of Hull), a strong network of FE Colleges, a generally well invested base of schools and academies, some excellent specialist and focused private training providers and a very positive network of employer organisations. In the chemical industry, we have a very successful industry-led training initiative (CATCH) that demonstrates the capacity of the area to tackle shared needs in a co-operative way.
- **The funding pressures on stakeholders necessitate good co-operation**, such as between the five significant FE colleges in the region. Competition will still exist between these bodies, but there is a basic recognition that they can co-operate on infrastructure investment, curriculum development, selection of specialisation and sharing of best practice.
- **There are a myriad of training courses available in the LEP area.** However, employers and employees can find this portfolio of opportunities confusing and difficult to navigate. The LEP has a strategic objective to lift this 'veil of confusion' and to develop easily accessible routes to answer these questions. In line with the overall strategy these objectives will be achieved by strong co-operation with partners in the LEP area, but will be led by the LEP.
- **There is a concern that major new investors may attract their Level 3 and 4 workers from existing SMEs/multi-nationals in the Humber.** This could deplete supply chain capacity and undermine SME capabilities. The Green Port Growth RGF2 programme is trying to address this but it takes time. With LGF investment, the Humber can become the national centre for training for the offshore wind sector, building on our growth potential in that sector, existing facilities and new ones being funded through the Hull and Humber City Deal.

- **Replacement demand in key sectors:** knowledge of replacement demand, particularly in key sectors, is essential as in some cases this demand represents ten times that created by economic growth.
- **Hull: UK City of Culture 2017:** Any skills strategy or intervention must be flexible enough for Hull City Council and its partners to support both key developments and supply chains relating to this to enable maximum local economic benefit.

## How will the strategic priorities be achieved?

Ref.	Key Activities
<b>S1. Raise employer commitment and investment in skills at all levels.</b>	
<b>S1.1</b>	Introduction of the <b>Humber Skills Fund</b> , whereby employers will be able to draw down funding that they can use to upskill their staff. The funding drawn down will have to be matched with an employer contribution.
<b>S1.2</b>	Introduction of a Humber-wide <b>Apprenticeship Hub</b> as part of the Humber LEP Growth Hub.
<b>S2. Foster an inclusive, LEP-wide approach with all key stakeholders.</b>	
<b>S2.1</b>	Development of an employer-led, multi-partner <b>Humber Energy Campus</b> and <b>Humber University Technical College</b> (UTC) to position the Humber as the national centre of excellence in energy related training. Other UTCs are also being considered.
<b>S2.2</b>	Using discretionary funds (e.g. the European Social Fund) to <b>de-risk the introduction of new provision</b> for skills providers, e.g. by enabling new courses to be commercially viable whilst demand is still at a relatively early stage.
<b>S3. Influence provision to better meet local economic need.</b>	
<b>S3.1</b>	Humber-wide roll-out of the Hull <b>Employability Charter</b> and promotion of 'Future Hull and the East Riding'.
<b>S3.2</b>	' <b>Curriculum development hubs</b> ' will be introduced that enable local business to connect with schools and other educational settings.
<b>S3.3</b>	Expansion of the <b>Sector Based Work Academy</b> model across more of the key sectors for the Humber economy.
<b>S3.4</b>	Development of the <b>Humber Energy Campus</b> to provide the facilities required by the emerging renewables sector.
<b>S4. Improve the quality, accessibility and dissemination of labour market information and CEIAG (careers education, information, advice and guidance), empowering employers and local people to make more informed choices.</b>	
<b>S4.1</b>	Introduction of a <b>CEIAG portal</b> building on existing local good practice (e.g. Lincs2 Guidance and Log On Move On) supported by a central LMI resource.
<b>S4.2</b>	The <b>Humber Guidance Guarantee</b> will be delivered, including CPD for careers professionals. This will help to ensure that career pathways are effectively planned and that successful and sustained entry to the local job market is achieved, in turn reducing NEET/youth unemployment.
<b>S4.3</b>	The development, maintenance and resourcing of <b>good quality Labour Market Intelligence</b> which can be interrogated by all stakeholders who may benefit from it.





**Ref. Key Activities****S5. Support people in finding and sustaining employment, in progressing at work and/or in setting up their own enterprises.**

<b>S5.1</b>	<b>Additional employability support</b> will be provided for young people (including those in Secondary Schools) and adults aged 18+ who are furthest away from the labour market, many of whom will have a low skill base or no academic qualifications.
<b>S5.2</b>	Introduction of the <b>Career Choices 25 support programme</b> to help address the growing problem of unemployment for those aged 25+. The new programme will build on existing good practice, such as Talent Match.
<b>S5.3</b>	<b>Additional enterprise support</b> to complement existing provision.

**S6. Maximise the use of funding, including capital, to develop excellent learning environments and facilities, leading to a more highly skilled workforce (current and future).**

<b>S6.1</b>	<p>The Investment and Delivery Plan provides details of <b>six projects</b> for which LGF support is being sought and which have been selected on the basis of the contribution they can make to ensuring that businesses in the Humber can access the skilled workforce they need to grow. These are split into two groups, running through each of which is a focus on sectors of strategic importance to the Humber, and in particular renewable and offshore energy. They are:</p> <ul style="list-style-type: none"> <li>• <b>CATCH Energy Offshore:</b> to develop the Humber as a major UK centre for specialist offshore wind training, with a strong focus on de-risking the recruitment and training process for both the major Operations and Maintenance providers based at the Port of Grimsby and for the emerging manufacturing, assembly and installation supply chain across the Humber.</li> <li>• <b>Humber Airports Heli-hub:</b> to allow aviation related training to be provided alongside fire and offshore training facilities and facilities for aviation research, administration and storage. This is central of the diversification of the airport into areas of competitive advantage.</li> <li>• <b>Goole College Skills Workshop Modernisation:</b> an extension of the college's vocational skills workshop area and associated classroom refurbishment, allowing the college to expand its provision in engineering, welding, manufacturing and logistics study – all of which are key skills growth areas for the region.</li> <li>• <b>Environmental Logistics Learning Hub:</b> the creation of a new build logistics learning centre at the Grimsby Institute which will house underpinning theory and clean simulated training, augmented reality and training suites in a clean a safe environment. The development will complement the facilities at CATCH and at the Logistics Institute in Hull.</li> <li>• <b>Engineering Pathways:</b> to provide a modern, environmentally sustainable building in the ward of North Hull which will provide additional and updated engineering training facilities.</li> <li>• <b>Skills Capacity Building Centre:</b> aimed at engaging and upskilling future employees of the energy sector, and based in one of the LEP's most deprived areas, this project would provide a suite of training simulators, allowing higher level professional training to be offered, plus facilities to support classroom and team training.</li> </ul>
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**Freedoms and Flexibilities: Optimising opportunities to utilise DWP/ BIS funding**

The Humber LEP wishes to explore with Government innovative use of DWP/BIS funding to maximise employment potential of unemployed people in the Humber region. We would like to consider a range of mechanisms that would enable earlier intervention with young people working with the four local authorities, DWP and BIS. This would involve a refocus of resources managed at a local commissioning level acknowledging specific local barriers to accessing support in a timely and effective manner.

# 10. Flood risk and environmental management

## Objective

Stimulate economic development through further investment in flood and coastal risk management. Promote and embed sustainable development activities across the LEP area to sustain the natural environment.

## Strategic priorities

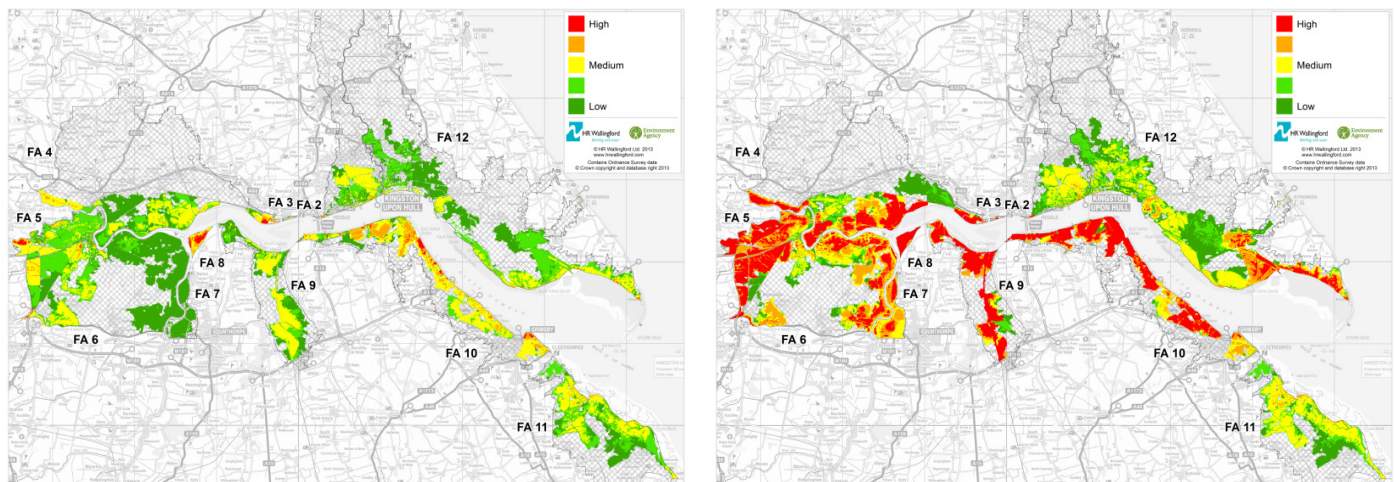
S1	Support investment in flood defences to reduce the risk of flooding – the most significant environmental barrier to development, investor risk and growth in the Humber.
S2	Support proposals put forward in the Humber Flood Risk Management Strategy to provide the required defences against tidal flood risk around the whole Estuary to ensure it can grow and prosper.
S3	Support proposals put forward in the River Hull Integrated Catchment Strategy to provide the required defences against surface water and river flooding risk within the River Hull catchment, which includes all of the city of Hull.
S4	Maximise the benefits of flood defence schemes by linking them with other development and growth proposals such as the Grimsby Docks Flood Defence Scheme.
S5	Maximise the economic potential of the Humber LEP area's unique natural assets through a concerted and partnership approach to sustainable development.
S6	Support the development of housing with flood defence, adaptation to climate change and energy efficiency measures.

## Where are we now?

- **Significantly improving the flood defences in specific parts of the Humber area is absolutely key to our future economic growth.** The Humber remains at a high risk of flooding from sea, rivers, surface and ground water, with approximately 115,000 hectares of land and 400,000 properties at risk across the North and South banks. Following on from the significant surface water flooding of 2007 where over 15,000 homes and businesses suffered from flooding, the Humber's vulnerability was once again highlighted in early December 2013 as unusual tidal conditions caused significant flooding. Engineering works have tamed the flood risk in the past but this is limited and now is the time to act, both to sustain and improve defences into the future and to adapt to climate change. Local partners have well-developed plans, established expertise and governance to bring forward quality flood defence schemes.



Figure 5: Likelihood of tidal flooding - present day and 2032 if we do nothing



Source: EA. Maps under review following December 2013 tidal surge. Pluvial flood risk not shown.

- Actuaries, investors and insurers take a long hard look at the risk of flooding.** As seen in December 2013, a single event can cause millions of pounds of damage to even a single business. The cost of flood damage to stock, plant, crops, livestock and premises is immediate; the secondary burdens of business continuity due to non-productive recovery can be devastating and even terminal. Plans will be supported to reduce the risk of flooding through investment in infrastructure, and robustly evidence this to actuaries, investors and insurers.
- The challenges of flood regulation on new development.** National and local planning policies on flood risk and upcoming statutory measures for sustainable drainage have seen the most significant burden placed on developers for many years. Where there is risk to life and health due to flooding, the regulators have little choice but to strictly adhere to regulations. In the Humber the regulations will severely restrict development unless flood mitigation measures can be introduced. Although site based flood mitigation is feasible, it is expensive and fragmented. It is the intention to develop a comprehensive approach to flood risk management that offers the widest benefits and opens up areas for investment that were previously constrained.
- The Humber Flood Risk Management Strategy is up and running.** The Humber Flood Risk Management Authorities and other partners have a well progressed plan which considers tidal flood risk to the whole Humber Estuary. All of the Humber Flood Risk Management Authorities and others are working in partnership to update the strategy that not only considers the total risk, including challenging and unavoidable statutory environmental requirements, but looks at ways of intelligently aggregating proposed interventions to realise the maximum benefits for as many communities, businesses and agri-businesses as available funding will allow. The LEP and its partners will support this process and work with both local flood risk management authorities and Estuary facing businesses.
- The River Hull Integrated Catchment Strategy is also up and running.** The north bank Humber Flood Risk Management Authorities and other partners are currently investing over £700,000 in one

of the largest infrastructure studies of its type attempted. In response to the 2007 floods and the recognition the River Hull Catchment represents the biggest flood risk outside the Thames Valley, the partners are developing an empirical dataset to demonstrate the need for an estimated >£100m of investment in flood risk infrastructure. This project is a true multi-agency effort involving all of the Risk Management Authorities and other partners and is sponsored by local, national and European elected representatives. The LEP and its partners will support this process and will work with both local flood risk management authorities and businesses within the River Hull Catchment, which includes all of the city of Hull.

- **A robust approach to programme management and project delivery is established and consistently improving.** The Humber Flood Risk Management Authorities work together well to establish local investment priorities to ensure best outcomes for funding and delivery. Through professional and accredited project management, a track record of delivery of quality flood defence schemes can be evidenced. With the use of framework contracts which include training and apprenticeship provision, further flood risk management expertise can be developed in the Humber.
- **The Humber has a rich ecosystem.** Green and blue infrastructure should be promoted to support wider economic development objectives. This includes the role of green and blue infrastructure in providing tourism assets, enhancing land and property values and supporting job creation and health and well-being. Through properly considered environmental assessment, the introduction of flood alleviation schemes can both be designed to increase biodiversity through careful management of the land and intertidal areas. Inland flood measures can improve water quality and associated biodiversity. Sustainable drainage design can recharge our water resources reducing production and transportation costs of this precious resource. The University of Hull's Institute for Estuary and Coastal Studies has extensive knowledge and conducts continuous research on the Humber.

## How will the strategic priorities be achieved?

Ref.	Key Activities
<b>E1. Support investment in flood defences to reduce the risk of flooding – the most significant environmental barrier to development, investor risk and growth in the Humber.</b>	
<b>E1.1</b>	Support the completion of ongoing technical, environmental and economic studies that identify the risk, the benefits and the strategic investment required to successfully <b>deliver flood defence schemes on the Humber Estuary.</b>
<b>E2. Support proposals put forward in the Humber Flood Risk Management Strategy to provide the required defences against tidal flood risk around the whole Estuary to ensure it can grow and prosper.</b>	
<b>E2.1</b>	Continue the partnership work of the <b>Humber Flood Risk Management Strategy.</b> The LEP will develop partnerships with local businesses to increase the chances of success. In the Investment and Delivery Plan, LGF support is requested for several key schemes, including urgent work to the flood defences at <b>Albert Dock</b> in Hull.



**E3. Support proposals put forward in the River Hull Integrated Catchment Strategy to provide the required defences against surface water and river flooding risk within the River Hull catchment, which includes all of the city of Hull.**

<b>E3.1</b>	Support the work and the measures of the <b>River Hull Integrated Catchment Strategy</b> . The LEP will work with the project team to identify flood risk to existing business as well as looking for opportunities to expand or develop new business in areas affected by flooding by tailoring the benefits. In the Investment and Delivery Plan, LGF support is requested for the following specific schemes relating to the River Hull Integrated and Catchment Strategy: <ul style="list-style-type: none"> <li>• Anlaby and East Ella Flood Alleviation</li> <li>• Cottingham and Orchard Park Flood Alleviation</li> <li>• Delivery of the River Hull Integrated Catchment Strategy</li> </ul>
<b>E3.2</b>	Support the completion of ongoing technical, environmental and economic studies that identify the risk, the benefits and the strategic investment required to successfully <b>deliver flood defence schemes in the River Hull catchment</b> .

**E4. Maximise the benefits of flood defence schemes by linking them with other development and growth proposals such as the Grimsby Docks Flood Defence Scheme.**

<b>E4.1</b>	Using the LEP networks and building on previous relationships between local flood risk managers and insurers, continue to inform and assure investors about the actual risk of flooding alongside works that are completed, ongoing and proposed.
<b>E4.2</b>	Through the strategies, baseline the risk and then demonstrate the improvements.
<b>E4.3</b>	Support the implementation of flood defence schemes that help to <b>realise the potential of industrial or commercial activities</b> where it was previously non-existent or stagnated due to the associated flood risk. A comprehensive approach is more likely to attract funding from multiple sources.

**E5. Maximise the economic potential of the Humber LEP area’s unique natural assets through a concerted and partnership approach to sustainable development.**

<b>E5.1</b>	Promote sustainable development principles across all domains of economic development.
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**E6. Support the development of housing with flood defence, adaptation to climate change and energy efficiency measures.**

<b>E6.1</b>	Improve the energy efficiency of social housing in areas of greatest need and ensure development of new housing developments which include flood, adaptation to climate change and energy efficiency measures.
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**Freedoms and Flexibilities: Flood risk mitigation**

The Humber LEP and local authority partners wish to develop with Government a pilot for longer-term planning of flood defence delivery that makes a greater contribution to economic growth, building on the work on encouraging sustainable development around the Humber Estuary that was initiated through the Hull & Humber City Deal. This would involve more certainty over long-term funding, flexibility over grant allocation rules and more localised decision-making in return for local commitments of resources.

**Sustainable Development**

The key objectives under the topic of sustainable development are to:

- Use the Estuary, the coast and agriculture as key assets in securing low carbon and renewable energy investment.



- Encourage development and investment that is resilient in the face of flood risk, climate change and the need for resource efficiency.
- Encourage energy efficiency and reduced carbon emissions by businesses and communities in line with the City Deal 'Energy Humber'.
- Protect and enhance natural and built environments by ensuring compliance with EU and Marine Site designations across the Humber.
- Support investment and development which helps to manage the environmental impacts of travel and transport.

Sustainable development is integrated within this Strategic Economic Plan and features throughout the Humber's European Structural and Investment Funds Strategy. This applies in particular to the work that will be taken forward on innovation, low carbon, climate change adaptation, environmental protection and sustainable transport. Investments in these particular priorities will enhance positive impacts from sustainable development. Investments in priorities covering ICT, SMEs, employment, social inclusion and education, skills and lifelong learning will be predicated on minimising negative impacts in relation to sustainable development. Furthermore, through Community Led Local Development (a key feature of the Humber's European Structural and Investment Funds Strategy), pioneering and local initiatives that address sustainable development will be supported.

At the project level, support to applicants in addressing sustainable development will be provided through local guidance and assistance. Project development, selection and appraisal criteria will include sustainable development considerations and targets and project sponsors will be expected to monitor and manage performance accordingly. The good progress that has been made on the Single Conversation pilot will be important in ensuring the right decisions can be taken by all Agencies and Authorities on development proposals and taken more quickly than they have been previously.



# Governance and delivery



# 11. Governance

## Overview

There is local recognition that a number of agendas around transport, economic growth and regeneration need to be addressed at a strategic level to provide leadership and drive that can deliver the growth of the Humber economy. Partners across the Humber recognise a clear role for the Humber LEP in providing strategic leadership in driving forward the growth of the Humber economy, and the interrelated role of the local authorities in ensuring accountability and effective combined decision making. The proposed Humber structure is as follows:

- The **Humber LEP** will have the clear leadership role in driving forward the economic growth of the Humber economy including the work on the SEP, the Hull and Humber City Deal and providing strategic oversight in delivering the ambitions of the Humber Estuary. The Humber LEP will determine (i) how the SEP and City Deal are delivered, (ii) how the associated funds are spent and (iii) the commissioning arrangements that support funding decisions and allocations, supported by the Leadership Board (see below).
- A formally constituted **Humber Leadership Board** to provide strategic decision making of all economic and employment related sub-regional matters. The Humber Leadership Board will be constituted as a joint committee of the four Humber Authorities, with underpinning governance arrangements that enable the Board to discharge the role and responsibilities and in exercise of relevant statutory powers delegated collectively by the four Authorities. The Leadership Board will represent the combined views of the Humber Authorities supporting and where appropriate challenging the Humber LEP in respect of its City Deal leadership responsibilities.

The Leaders of the Humber Authorities have agreed to the development of the documentation that will be necessary to give legal effect to the sub regional governance arrangements. These arrangements have now been approved by each Authority's Executive.

## Humber LEP governance

The Humber LEP restructured in March 2014 to take account of its changing role and new responsibilities for delivering the SEP. The LEP's work is grouped into three areas underneath the main Board:

- The **Employment and Skills Board** (established in May 2013) sets the employment and skills strategy for the Humber and was closely involved in developing the skills aspects of the Hull & Humber City Deal. Public and private providers are represented and link in with other providers through the LEP's **Skills Network**, which has around 50 providers, agencies and sector bodies as members.
- The **Investment and Regulation Board** will be responsible for overseeing the delivery of infrastructure in the Humber, including transport and flood risk mitigation; the Humber Spatial Plan;



and the Single Conversation pilot. It will be charged with implementing the freedoms and flexibilities on planning gained through the Hull & Humber City Deal.

- The **Business Development Board** will bring together the LEP’s work on business advice and finance, business engagement and marketing and international trade. It is supported by the SME Support Committee, Marketing Board and Business Incentives Panel, which takes decisions on grant and loan applications.

Each of the three Boards will be responsible for delivering the relevant parts of the SEP, developing projects and programmes, and monitoring their implementation. The Boards will make recommendations to the Humber LEP Board and Humber Leadership Board on the prioritisation of funding, including from the Local Growth Fund. They will also have an important role to play in overseeing the delivery of the Humber LEP’s ESIF Strategy.

Board	Strategic enablers	Membership
<b>Employment and Skills Board</b>	<ul style="list-style-type: none"> <li>• A skilled and productive workforce</li> </ul>	<ul style="list-style-type: none"> <li>• Private sector</li> <li>• School, sixth form and college representatives</li> <li>• University of Hull</li> <li>• Jobcentre Plus</li> <li>• Skills Funding Agency</li> <li>• Local authority representative</li> </ul>
<b>Investment and Regulation Board</b>	<ul style="list-style-type: none"> <li>• Creating an infrastructure that supports growth</li> <li>• A great place to live and visit</li> <li>• Flood risk and environmental management</li> </ul>	<ul style="list-style-type: none"> <li>• Local authorities</li> <li>• Private sector</li> <li>• Statutory agencies</li> </ul>
<b>Business Development Board</b>	<ul style="list-style-type: none"> <li>• Supporting businesses to succeed</li> </ul>	<ul style="list-style-type: none"> <li>• Private sector</li> <li>• Local authority representative</li> </ul>

Subject to final agreement and ratification by each partner, the Humber Local Transport Body (LTB) will cease to exist as a result of these new arrangements, allowing decisions on all transport projects to be made through the same framework, alongside infrastructure and other types of project in the Investment Plan. The LTB assurance framework, which has been referred to throughout the production of the Investment Plan and is regarded as an example of good practice, will be reviewed to take account of the wider scope and incorporated within the new framework.

In addition various other officer level structures are in place to support the Humber LEP and the Humber Leadership Board. These include a Chief Executives Advisory Group and a Joint Strategy Unit.

### Performance management

The Humber LEP will monitor progress through a performance management framework. The LEP Board will have strategic oversight of the LGF and ESIF programmes and will review progress against fit with the LEP’s Strategic Economic Plan and the relevant EU Operational Programmes by using the following key economic measures:

- Employment and unemployment;
- Business start-up and survival rates;
- Skills profile of the working age population;
- Private sector job creation;
- GVA per FTE.

The LEP Board will also have sight of the expenditure activity of both the LGF and ESIF programmes against their profiles and will be asked to approve strategic decisions influencing that activity where appropriate. Progress will also be tracked against each of the strategic enablers (Chapters Six to Ten) using the indicators shown in the tables below, as well as any other indicators which may be required for compliance with EU regulations.

#### Infrastructure that Supports Growth

- Journey time improvements
- Reduced congestion
- Business start-up and survival
- Employment and unemployment
- Superfast broadband coverage

#### Supporting Businesses to Succeed

- Business start-up and survival
- Priority sectors - business base, employment and productivity
- Proportion of companies exporting
- Patents (per 100,000 population)
- Share of employment in the knowledge economy

#### A Great Place to Live and Visit

- New dwellings completed
- Empty dwellings back into use
- Dwellings with energy efficiency improvements
- Visitor numbers

#### Skilled and Productive Workforce

- Skills profile of the working age population
- Employer investment in training
- Skills gaps and shortages
- Employment, unemployment and NEET rates

#### Flood Risk and Environmental Management

- Hectares of land protected
- Businesses protected
- Residential properties protected
- CO2 emissions

Baselines will be reported to the relevant boards when they meet so they can recommend any appropriate targets and review progress. The boards will review past performance and current projections to ensure targets are realistic. For example, in the last growth period (1998-2008) the Humber added just 11,700 jobs so this could be a marker for the next – except the net result for private sector jobs in that period was



actually a reduction of 4,399 jobs, and over the next few years public sector employment is expected to decline rather than grow. In this context, standing still – whilst not an eye-catching target – would be a significant improvement on the last growth period, not least given that so many factors that could affect this are outside the control of the LEP and its partners. For these reasons, the LEP has not set overarching targets for the period covered by this plan but will continue to do so for specific projects and programmes under its influence. Overall progress will continue to be monitored and has been used to inform the development of the SEP. The approach to target-setting will be further reviewed by the new boards when all three are fully operational.

The information and analysis available to the LEP and partners through the course of this plan will improve significantly when the University of Hull establishes the Humber Development Institute.

### Humber Development Institute

The Humber Development Institute will be based at the University of Hull and will provide sustained expert analysis of economic, competitiveness, spatial, labour market, skills and related information which will enable sure-footed policy and business decision-making. It will embrace the range of analysis required in the Humber including a specific focus on energy and environmental issues which will drive the regional economy. World-class academics and analysts from Economics, Politics, Geography, Engineering and Enterprise will ensure the Institute provides the Humber with the focused, informed intelligence required to drive the economic growth envisaged.

### Evaluation and monitoring

The Humber LEP recognises the importance of evaluation in the design and delivery of projects and programmes. Evaluation not only provides accountability measures, it also helps to shape future delivery, embed efficiencies and provide a platform for promoting positive achievements.

A detailed Evaluation Plan will be developed on completion of the Growth Deal negotiations with Government in mid 2014 and will be guided by the following principles:

- **A joined-up approach:** wherever possible, programmes of activity will be evaluated, rather than being funding stream specific, as this will better reflect the reality of projects being funded through, for example, a combination of LGF, ESIF, other public sources and private sector match funding.
- **Recognising specific requirements:** alongside the above, it will be important to recognise that some funders have specific evaluation requirements. These will be fully incorporated within the design of the evaluations to ensure that all stakeholders are provided with the information they need.
- **Independence:** the evaluations will be carried out externally to ensure robustness and objectivity.
- **Learning:** evaluation should be seen as a tool to ensure learning from experience, generate greater levels of impact, achieve better value for money and to meet strategic objectives. Evaluation reports, or summaries, will therefore be published and actively disseminated to relevant parties across the LEP area and beyond.

At this stage we expect to commission mid-term and end of programme evaluations. The evaluations will consider the contribution that LGF-funded activities have made to the progress recorded against the key economic measures outlined above. They will also consider both gross and net impacts of LGF-funded activity and the counterfactual position. Larger projects will be subject to individual evaluations.

In terms of monitoring, projects receiving LGF funding will provide periodic monitoring reports on expenditure, outputs, outcomes, risks and forward plans. Recognising again that in many cases projects will be funded through a number of sources, we will strive to ensure that for each monitoring update they are only asked to provide the information once, rather than providing the same information to various funders for each update. Monitoring reports will be submitted to the LEP. The LEP will have responsibility for preparing theme level and overall reports for the LEP Board, its sub-boards, the Joint Strategy Unit, Leadership Board and Chief Executives Group.

