

# Hull & Humber City Deal



EAST RIDING  
OF YORKSHIRE COUNCIL



Hull  
City Council



## Executive Summary

The City Deal has two areas of focus: ensuring the workforce has the skills and ability to access new employment opportunities; and ensuring that the natural resources of the Humber enable economic growth.

The Humber Local Enterprise Partnership predicts that the City Deal will deliver:

- More than 4,000 jobs in offshore wind related industries;
- At least 1,100 unemployed young people supported into work
- 3,400 construction jobs
- Accelerated development of key growth sites on the Humber Estuary
- An expected £460m of private sector development on the Humber;
- Increased skills capacity of approximately 1,500 additional places over 3 years, with 760 additional people qualified to level 3; and
- Engagement with over 3,000 businesses and the provision of intensive support to 500 businesses, creating approximately 400 jobs.

## The Deal

The City Deal has two areas of focus: ensuring the workforce has the skills and ability to access new employment opportunities; and ensuring that the natural resources of the Humber enable economic growth. To deliver these flagship proposals City Deal partners will:

- Create a **centre of excellence for energy skills**, with providers working together across the Humber as a campus. Working together with local businesses the Humber campus will bridge gaps in individual colleges' ability to provide a full energy skills curriculum. This will be funded through local college funding and an investment of £1.2m from FE capital budgets (2013/14).
- Work with BIS, the SFA and local skills providers to develop a **payment by results pilot for adult skills**. This pilot will create an incentive mechanism to reward skills providers that support local adults into sustainable employment or education that furthers their careers. Initially this will focus on providing improved skills support for unemployed adults but may be extended in future years.
- Enable statutory agencies to sign the **Memorandum of Understanding** that Humber LEP have developed in partnership with local agency representatives to deliver an improved investor experience and to develop the all agency mitigation / compensation plan in partnership.
- Enable statutory agencies and public sector land owners to work with local partners to develop a transparent mechanism for quantifying mitigation / compensation requirements, including a pricing structure.
- Agree to work with Defra and Defra ALBs to develop plans for a Humber Environmental Data Observatory, providing rapid and accessible environmental data to future developers, including options for funding this project from 2014/15.
- A commitment to deliver an increase in the number of apprenticeships and traineeships with a particular focus on emerging energy sector employers. This increased demand will be met within existing skills budgets.
- Creating the **Springboard Programme** to reduce unemployment in 18 – 24 year olds. This programme will increase take up of apprenticeships and the youth contract wage incentive through the provision of a personalised budget for unemployed young people. This will be funded through a £1.5m allocation from the Government's Youth Contract.
- Agreement from Government to allocate up to an additional £4m to Hull & Humber to boost youth employment in 2014 and 2015.
- **Launch of an enhanced business support programme** that will improve co-ordination of business support services across the Humber, providing a one stop shop for support and targeted support to maximise growth potential. This will be funded through an allocation of £2.5m which will be matched with local public sector and private sector funding.

Over its lifetime the Humber Local Enterprise Partnership predicts that the City Deal will deliver:

- More than 4,000 jobs in offshore wind related industries;
- At least 1,100 unemployed young people supported into work
- 3,400 construction jobs
- Accelerated development of key growth sites on the Humber Estuary
- An expected £460m of private sector development on the Humber;

- Increased skills capacity of approximately 1,500 additional places over 3 years, with 760 additional people qualified to level 3; and
- Engagement with over 3,000 businesses and the provision of intensive support to 500 businesses, creating approximately 400 jobs.

## **Geography**

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.

The area covered by this deal comprises the four local authority areas on the banks of the Humber Estuary: East Riding of Yorkshire Council, Hull City Council, North Lincolnshire Council and North East Lincolnshire Council. This City Deal will deliver local economic growth across the area.

## Key Elements of the City Deal

### Delivering Local Skills Leadership

Humber LEP's Employment & Skills Board is leading the development of a five year employment and skills strategy, aligned to the Strategic Economic Plan that will identify the skills needed to support local growth and actions to deliver them.

Hull & Humber is also setting a lead for business partners to increase their investment in the skills of their workforces. Humber LEP has committed to spending at least £8m on skills provision that supports job creation and safeguarding by creating a Humber Skills Fund, rolling out the employer-led model that has been piloted locally with RGF support. This approach supports SME employers' choice of training (subject to eligibility) on the basis of a short application demonstrating the economic benefit. This will be funded with an allocation of at least £5m from Humber's 2014-2020 ESF allocation, with a further £3m of match funding from local employers.

Hull & Humber will also seek to influence learners and shape the demand for skills provision in the medium to long term through the Humber Careers Hub.

#### **Humber Careers Hub**

The Humber Careers Hub will ensure that people of all ages have access to consistent, high quality information on current and future career opportunities around the Humber, informed by close engagement with businesses. It will bring together multiple sources of partial information, many of which are not openly accessible.

The hub will be available for young people, parents and adults to access directly online and provide resources for advisers and teachers to use to support the advice they give to young people. It will provide a common offer across local authorities and providers in addition to the Government's National Careers Service (NCS) commissioned services. To make the most of local resources Humber LEP will work closely with the NCS provider when they have been contracted.

The hub will also lead an expansion of industry days and business involvement in schools and colleges and highlight self employment as a positive option, linked to start-up support through our Growth Hub.

Hull & Humber will continue to address the educational attainment of local young people. The Humber LEP will improve employability skills through the Humber Employability Charter – a voluntary scheme for schools and colleges through which the LEP will guarantee increased employer involvement in return for a commitment to delivering employability skills for all learners.

### A Centre of Excellence for Energy Skills

Through the City Deal Hull & Humber has developed the Humber Campus which will utilise existing and expanded skills provider facilities to present a joint offer to the energy sector and scale up capacity and delivery volumes as the sector develops. This is the first step in Hull & Humber's plans to become a centre of excellence for energy skills and training, addressing the national shortage of training facilities for this expanding sector. This will create increased local economic benefit and support more local people to access job opportunities. The Humber LEP are working with providers and employers to plan the facilities that are required and have identified gaps in current provision which limit providers' ability to deliver the volumes of skills required to service the new energy sector.

Through an allocation of £1.2m of FE capital funding in 2013/14 and local funding of £1.9m Hull & Humber will be able to undertake a rapid programme of capital works to improve and establish training facilities, initiating the Humber Campus. This will increase skills capacity across the Humber by supporting approximately 1,500 additional learning opportunities for adults over 3 years, subject to demand being raised

by the City Deal partners, with 760 additional people aged 19-24 qualified to level 3. Humber LEP will continue to prioritise the development of the region as a centre of excellence for energy skills in their Local Growth Deal.

### **Payment by Results**

Unemployment and low skills levels are significant challenges for Hull & Humber. The Humber LEP has set out a number of activities which seek to change and stimulate the demand for skills that lead to employment and local growth. Nevertheless, it remains essential that adults' skills provision accurately reflects the need of the local labour market and provides learners with the appropriate skills to take advantage of available opportunities and prosper. City Deal partners have agreed to work together to develop a pilot for adult skills that introduces payment by results on the basis of outcomes.

This pilot will create an incentive mechanism to reward skills providers that support local adults into sustainable employment or education that furthers their careers. It will encourage local skills providers to engage with employers, forming links that learners can benefit from and move from education to employment more easily. It will also encourage providers to address the areas of economic growth, better aligning provision with future employment opportunities and to engage with learners and encourage them to take up courses in these areas.

The pilot will provide evidence for local decision making and national policy development, with outcomes being shared between local and national partners.

Initially the focus of the pilot will be on providing improved skills support for unemployed adults, encouraging skills providers to engage with this cohort and making better use of public skills funding in this area by identifying those interventions best placed to support people into work. It is intended that the pilot has the potential to be extended in future years, subject to review by Humber LEP and BIS.

### **Reducing Youth Unemployment**

Hull & Humber will deliver the Springboard programme to tackle 18-24 unemployment using £1.5m of Youth Contract funding. The programme will include:

- Employer engagement to increase the take-up of traineeships, apprenticeships and other Government schemes such as the Youth Contract Wage Incentive, as well as increasing the volume of work placements and mentoring opportunities available to young people from local businesses. This will build on local employer Apprenticeship Ambassadors through the Humber Skills Pledge alongside our Growth Hub business advisers promoting the benefits of apprenticeships, with specialist support available to help small businesses take on apprentices.
- A Personalised Budget trailblazer for unemployed 18-24 year-olds who have been claiming benefits for at least 13 weeks. Under this approach young people will be able to decide which interventions and support to buy to help overcome their barriers to work, placing greater purchasing power and responsibility in the hands of young people.
- Within the Personalised Budget trailblazer Hull and Humber will create a ring fenced **demonstration project** that fast tracks 18-year-olds who have previously been NEET and who make a first claim for Jobseeker's Allowance to more intensive employment and skills support from day one, including tailored literacy and numeracy training, work experience and expert adviser support.

## Accelerating Development

The Humber Estuary is an internationally important natural resource, environmentally and economically. Its rich variety of habitats and species sits alongside a significant supply of undeveloped employment land, including the largest remaining site with deep water access in the country. In recent years, public and private partners have come together to take forward major offshore wind investments, in particular Green Port Hull and the Able Marine Energy Park. These have been complex projects where seizing the opportunity for investment whilst managing the eco-conservation and environment of a recognised continental scale habitat is difficult to deliver. It has placed many challenges on investors, planning authorities and statutory agencies.

Too often investors have found these projects have been delayed by:

- Protracted negotiations between developers and statutory agencies. Investors are often unable to provide information within timescales but it is also recognised that public sector partners need earlier, better and more coordinated engagement with investors.
- A lack of transparency over land and compensation requirements. Major investors across the Humber have felt conditions have been changed at the last minute while Government agencies have noted that investors have changed their plans, causing the need to re-examine them. Early clarity would have prevented this and improved perceptions of the UK as a place to invest.
- Remote and seemingly insufficient senior engagement on planning, permit and licence casework in the past by statutory agencies. The Single Conversation pilot is addressing this, with the senior representation from Defra agencies welcomed by local partners.

The proposal in this City Deal will address these problems, taking the Single Conversation Pilot forward and accelerating development across the Humber.

### Humber Spatial Plan

Humber LEP and Humber local authorities are committed to producing a twenty five year spatial plan that optimises the Humber Estuary, its immediate hinterland and its connective infrastructure. This plan will include:

- Greenfield sites capitalising on the few remaining deep-water locations;
- The identification of optimum locations for jetties, to maximise deep-water opportunities;
- The re-use of underused dockland locations (brown field sites) and decayed urban docklands to meet new industry demands (in particular, offshore wind and urban regeneration on waterside locations).

Through this City Deal the statutory agencies are committing to support the development of the strategy through a comprehensive assessment model identifying at an early stage the opportunities and risks associated with strategic development sites, and their integration with the Government's environmental obligations.

### Compensation / Mitigation Plan

Hull & Humber will produce an all agency mitigation/compensation plan based upon the Spatial Plan and available environmental data. This Plan, which represents an innovative approach to supporting growth and protecting the estuary, will provide 'best anticipated' estimates for the extent of habitat needed to compensate or mitigate for the environmental impact of developments. Individual development proposals will need to meet the relevant legal and planning requirements and there are likely to be demands for additional habitat requirements once detailed proposals are available but this plan will provide developers and local communities with clear, early information about the likely costs and impacts of development. The mitigation/compensation plan will be fully costed over the same 25-year period.

Hull & Humber will establish a clear mechanism for quantifying the mitigation/compensation requirements of developing the key sites identified in our spatial plan. Following similar principles to the Local Development Orders Hull & Humber have implemented, this will give developers a clear indication up front of what is likely to be acceptable, the costs they are likely to incur and a route to negotiating the quicker commercial

purchase of any additional land required for compensation. This will bring to an end the succession of ad-hoc arrangements made as developments come forward and encourage a long-term approach to the management of the Estuary, consistent with statutory agencies' responsibilities and developers' need for certainty.

To support this Government will enable statutory agencies to work with Hull & Humber to develop the pricing structure and, subject to agreement, commit to adopting the structure. Government will also work to ensure that public sector land owners (including the Crown Estate) agree to release land at standard commercial rates on a phased basis identified through the mitigation/compensation plan. Humber local authorities will match this commitment with their own assets.

### **Memorandum of Understanding**

Working through the Single Conversation Pilot Hull & Humber have developed a memorandum of understanding that sets out each partner's commitment to progressing sustainable development around the Humber and the support that applicants can expect from each partner as developments come forward. The MoU will place obligations on the local authorities, Humber LEP and Defra statutory agencies but will also set out what developers need to do to expedite development.

The MoU will commit partners to making sustainable development on the Humber easier by:

- Offering investors on key sites a joint client relationship manager across all Defra statutory agencies, matched with a local authority CRM. The CRM will lead engagement with the developer and support them in overcoming any blockages and ensure timely responses.
- Committing to responding positively to early engagement and requests for pre-application advice
- Establish clear expectations and requirements for all interested parties
- Ensuring that whenever possible agencies adhere to the 21 day response times for providing planning application responses and other statutory response times for determining permits and licences. Where this is not possible, this should be notified to the lead CRM within 7 working days with an explanation why.

Though the City Deal Government will enable statutory agencies to sign the MoU, along with local Humber partners.

### **Data Observatory**

Strategic sites around the Humber Estuary are designated for employment use but have significant environmental considerations. This leads to a legal requirement on developers to provide environmental data to inform any mitigation/compensation proposals as part of their planning applications. Collecting the data, such as on migratory birds and marine life, can take at least a year and to be robust often takes two or three years. Where there is no existing environmental data for sites, this leads to developers having to collect the data, causing delays to the development. This in turn deters some investors from the Humber due to their required development timetables.

Hull & Humber are seeking to develop a Humber Environmental Data Observatory which will collect data on the key development sites ahead of developers' interest in a specific site, removing delays in development that may result from providing relevant evidence to support planning proposals. To support this Defra commit to working with Humber LEP to examine the purpose and delivery options for a data observatory and to assist Hull & Humber in considering funding options, with a view to Hull & Humber completing proposals by April 2014.

## Business and Innovation Support

The Humber LEP Growth Hub Programme offers an important opportunity to overcome the historic fragmentation of business support across the Humber. By taking a partnership approach to delivery, the Humber LEP Growth Hub brings together business support providers around a single Humber business support offer with clear leadership and a single brand under the LEP.

In addition to providing a one stop shop function, the programme delivers a range of targeted support schemes which address gaps in provision and maximise the ability of Humber businesses to benefit from opportunities for growth.

Engaging with 3,000 businesses and providing intensive support to 500, the programme represents a step change in the delivery of business support for the Humber. The programme will create approximately 400 jobs.

## Governance

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 Hull & 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:

- 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 **Humber LEP** will have the clear leadership role in driving forward the economic growth of the Humber economy including the work on the Hull & Humber City Deal and providing strategic oversight in delivering the ambitions of the Humber Estuary. The Humber LEP will determine (i) how City Deal is delivered, (ii) how the associated funds are spent and (iii) the commissioning arrangements that support funding decisions and allocations, supported by the Leadership Board.

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.

In addition various other officer level structures are being put in place to support Humber LEP and the Humber Leadership Board to deliver on the ambitions set out in the City Deal and also to prepare for future work including Local Growth Deals.

## Summary of Commitments

### Growing the Humber Workforce

Hull & Humber Commitments	Central Government Commitments
<ul style="list-style-type: none"> <li>• Humber LEP will lead the development and implementation of a payment by results pilot for the Humber.</li> <li>• Deliver the Springboard Programme to reduce youth unemployment across the Humber</li> <li>• Complete the Employment &amp; Skills Strategy, including the publishing of labour market information.</li> <li>• Encourage increased investment in skills by local employers through the Humber Skills Fund</li> <li>• Improve careers information and advice through the Humber Careers Hub.</li> <li>• Continue to develop and implement the Humber Employability Charter.</li> <li>• £1.9m package of match funding for the Skills Campus model, including at least £1.31m of cash.</li> <li>• Raising demand for the additional 1,500 learning opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>• BIS and SFA will work with Humber LEP and local City Deal partners to develop and implement a payment by results pilot for the Humber.</li> <li>• An allocation of £1.5m from the Youth Contract underspends to support the reduction of youth unemployment in Hull &amp; Humber.</li> <li>• Government commits to allocate up to £4m funding to Hull &amp; Humber.</li> <li>• Energy skills centre of excellence – BIS to provide £1.245m skills capital funding for campus model</li> <li>• Support for an additional 1,500 additional learners over 3 years, with 760 additional people qualified to level 3 – to be delivered in line with ASB eligibility with profile to be agreed with SFA.</li> </ul>

### Accelerating Development

Hull & Humber Commitments	Central Government Commitments
<ul style="list-style-type: none"> <li>• Complete the Humber Spatial Plan by May 2014</li> <li>• Complete a mitigation/compensation plan to accompany the Humber Spatial Plan, including a structure to estimate likely requirements arising from development</li> <li>• Humber partners sign the Memorandum of Understanding.</li> <li>• Work with Defra and Defra ALBs to develop plans for the Humber Environmental Data Observatory</li> <li>• Continue to develop and progress Local Plans throughout 2014 with the aim to publish as soon</li> </ul>	<ul style="list-style-type: none"> <li>• Statutory agencies commit to supporting the development of the Humber Spatial Plan and the mitigation/compensation plan.</li> <li>• 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.</li> <li>• Government enables statutory agencies to sign the Memorandum of Understanding.</li> <li>• Work with Humber LEP to develop plans for the Humber Environmental Data Observatory including options for funding this project from 2014/15</li> </ul>

<p>as practical and appropriate</p> <ul style="list-style-type: none"> <li>• Humber local authorities will continue to use publicly owned land and property to create more investment opportunities, including for mitigation/compensation.</li> <li>• Humber local authorities will explore engagement with the Government Property Unit to provide external support for the management of their assets and upload local assets to the ePIMS database by Feb 2014.</li> </ul>	
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### Business and Innovation Support

Hull & Humber Commitments	Central Government Commitments
<ul style="list-style-type: none"> <li>• Delivery of the Humber Growth Hub programme, linking with associated proposals to reduce youth unemployment and improve the delivery of skills provision.</li> <li>• Engaging with over 3000 businesses and providing intensive support to 500 the programme represents a step change in the delivery of business support for the Humber. The programme will create approximately 400 jobs.</li> </ul>	<ul style="list-style-type: none"> <li>• The award of a £2.5m from the Lancaster University RGF4 fund</li> </ul>

### Governance

Hull & Humber Commitments	Central Government Commitments
<ul style="list-style-type: none"> <li>• Creation of the Humber Leadership Board to oversee economic development across the Humber in support of the Humber LEP</li> </ul>	