

HUMBER GROWTH DEAL

The Humber Growth Deal supports the economic ambition of the Humber Local Enterprise Partnership (LEP), as set out in its Strategic Economic Plan, to maximise the potential of the Humber Estuary and to become a renowned national and international centre for renewable energy. It will also help develop strengths in other key growth sectors, support businesses to grow, and help the residents of the Humber to access the opportunities they need to lead prosperous and rewarding lives.

The Growth Deal, subject to a satisfactory conclusion of the funding agreement, will bring together local, national and private funding as well as new freedoms and flexibilities to focus on four key priority areas as identified in the LEP's Strategic Economic Plan:

- Creating the infrastructure that supports growth, including transport and housing;
- Supporting businesses to succeed;
- Creating a skilled and productive workforce;
- Stimulating economic development through further investment in flood and coastal risk management.

The Humber LEP has secured **£103.7m from the Government's Local Growth Fund to support economic growth in the area – with £21.2m of new funding confirmed for 2015/16 and £60.6m for 2016/17 to 2021.** This includes:

- as part of the Government's ongoing commitment to the Humber LEP a provisional award of a further £6m of funding for projects starting in 2016 and beyond; and
- £15.9m of funding which the Government has previously committed as part of Local Growth Deal funding to the area.

This substantial investment from Government will **bring forward at least £240m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £343.7m for the Humber LEP area.**

By 2021, this Deal will create at least 7,000 jobs and allow at least 3,000 homes to be built.

The area covered by this deal brings together local business and education leaders within the four local authority areas on the banks of the Humber Estuary: East Riding of Yorkshire Council, Hull City Council, North East Lincolnshire Council, and North Lincolnshire Council

Humber LEP Local Growth Fund breakdown (£m)			
	2015/16	2016 onwards	Total
Local Growth Fund award*	21.2	60.6	81.8
Previously committed funding	7.9	8	15.9
Provisional allocation to projects starting in 2016/17 and beyond	-	6	6
Total	29.1	74.6	103.7

The table above includes the provision of £8.558m loan funding (subject to due diligence) to Redrow Homes to accelerate the delivery of 750 homes on the Land Off Moor Road, Brough site.

These totals exclude match funding for European Social Fund (ESF) skills activities. The total amount of ESF skills activity LEPs have planned in their draft strategies over the 7 year programme is currently just over 1 billion euros. Actual skills ESF match will be used on the basis of the skills activity which is delivered at LEP level according to their final strategies

Humber LEP and Central Government have agreed to co-invest in the following jointly-agreed priorities:

- **Rail electrification** – support for plans to electrify the rail route between the East Coast Rail Line and Hull via Selby. This is a conditional allocation subject to the outcome of the current Department for Transport (DfT) funded feasibility study, agreement on a funding package and funding mechanism for the project, and DfT confirmation of at least medium VfM through the Grip 4 study.
- **Grimsby Town Centre Infrastructure Works** - transport infrastructure works in Grimsby Town Centre to de-risk and open up a key development site.
- **Connecting the City – City Bridge over the A63** at Hull Marina
- **Lincolnshire Lakes** - flood defence measures at Lincolnshire Lakes to bring forward 6,000 new homes.
- **Delivering Housing Growth in Hull** - on-going support to improve and diversify the housing offer in Hull through targeted new build and refurbishments. This builds on the successful Regional Growth Fund project that is underway.
- **Package of Flood Alleviation Projects on the Humber North Bank** - projects include;
 - Albert Dock, Hull
 - Orchard Park and Cottingham, Hull and the East Riding of Yorkshire
 - Anlaby and East Ella (including Hessle Frontage), Hull
 - River Hull Valley Delivery, Hull and East Riding of Yorkshire
 - Hull and Holderness, Hull and East Riding of Yorkshire.
- **RGF Capital Grant Extension, Humber** - extending the existing £31m 'Growing the Humber' Regional Growth Fund programme to offer flexible grants for job-creating business expansions.
- **Package of Skills Projects supporting the Humber's plans to become a Centre of Excellence for Energy Skills** - projects include;
 - CATCH in North East Lincolnshire to develop a shared facility for use by multiple providers for specialist offshore wind training;
 - Creation of a new build logistics learning centre by Grimsby Institute; and
 - Extension of Goole College's vocational skills workshop and associated classroom refurbishment.

Local flexibility over Growth Deal programme: The Humber has demonstrated strong partnership arrangements which deliver collective decisions, has articulated a clear and deliverable vision for growth in the area, and has established strong financial monitoring procedures and cross local authority collaboration. Government will disburse funds to the LEP annually in advance. The Humber LEP will be expected to deliver the projects highlighted in the Deal, but will have flexibility over the management of these projects in order to deliver the greatest economic benefits to the area. Any significant changes to the projects will need to be discussed with the Government in advance.

All development decisions for specific proposals must go through the normal planning process and be guided by local plans taking into account all material considerations and that growth deal does not amount to an endorsement of everything in the submitted SEP.

The Humber Growth Deal

The investment secured by the deal will be focused on four key areas to deliver transformative growth.

Creating the infrastructure that supports growth, including transport and housing:

- Support the £102m planned electrification of the rail route between the East Coast Main Line (already electrified) and Hull via Selby, subject to the outcome of the current DfT funded feasibility study and agreement on a funding package and funding mechanism. The scheme will aim to improve connectivity to northern cities and London, as well as enhance the passenger experience with improved journey times.
- Deliver junction improvements, improved provision for sustainable transport, and public realm works to open up a £12m high-quality, mixed-use development on the Cartergate site, which is a key gateway site in Grimsby town centre. This will create 11,700sqm of commercial floorspace and 275 jobs.
- Fund an enhanced City Bridge crossing in the marina area of Hull, which will be a centre of activity for Hull City of Culture: 2017 events. As well as providing a high quality crossing which is safe and attractive to users, the City Bridge will enable inward investment of the Fruit Market and Waterfront areas in Hull.
- Significantly improve and diversify the housing offer in Hull by enabling 1,500 new homes across the City, as well as refurbishing 4,500 existing homes.

The Humber LEP (and its partners) and DfT (and its agencies) also commit to working together proactively on longer-term rail planning, franchise specification and performance monitoring, and long-term strategic road network planning to support local economic growth. In addition, the LEP and its partners commit to continuing to explore the potential to a Humber-wide approach to public sector asset utilisation to help support economic priorities. The Government Property Unit (GPU) will engage with the LEP to examine the potential to release government land and property to promote local economic growth and / or housing development. The LEP will also work with local partners to support extension of superfast broadband coverage, and with local planning authorities to ensure delivery of housing provided in local plans.

Humber LEP commitments	Central Government commitments
<ul style="list-style-type: none"> • The LEP, with accountable body Hull City Council, will seek to agree a repayable loan at the discounted PWLB project rate of circa £20m for the Hull to East Coast Main Line Rail Electrification, subject to the outcome of the DfT funded feasibility study, agreement of other third party funding, and DfT/Network Rail agreement to the final business case; • Progress on the development and delivery of the priority transport schemes identified by the Humber Local Transport Body that are fundable within available pre-allocated Local Growth Fund resources; • Over the lifetime of the LGF supported Delivering Housing Growth in Hull project, will (with partners) deliver up to: 	<ul style="list-style-type: none"> • Invest £7.5m in the Hull to East Coast Main Line Rail Electrification, with a commitment to £1.5m in 2015/16. A provisional allocation of £6m has been awarded to support the project starting in 2016/17. Both the 2015/16 commitment and the provisional allocation in 2016/17 are subject to the outcome of the DfT funded feasibility study, agreement on a funding package and funding mechanism, and DfT/Network Rail agreement to the final business case; • Invest £1.5m in the Grimsby Town Infrastructure Works, (with a commitment to £0.75m in 2015/16, and a further provisional allocation of £0.75m in future years);

<ul style="list-style-type: none"> - 1,500 new homes; - 4,500 refurbished homes. • The Local Enterprise Partnership and partners agree to take a more proactive role in consultation on long-term rail planning and franchise specification and provide a co-ordinating role between constituent local authorities; • The Local Enterprise Partnership and partners agree to take a more proactive role in consultation on long-term strategic road network planning and provide a co-ordinating role between constituent local authorities; • The LEP and its partners will continue to explore the potential to develop a Humber framework for better utilising public sector assets, including the potential for an asset-backed vehicle and investment fund; • To support extension of superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects, Humber LEP will commit to work with local partners (including Kingston Communications) and BT to support delivery. To support extension of superfast broadband coverage to 95% of UK premises by 2017, Humber LEP will also work with local partners to help ensure match funding is in place for the next round of projects; • The LEP and local planning authorities commit to working together to deliver the housing provided for in Local Plans. 	<ul style="list-style-type: none"> • Invest £4m in the Connecting the City Bridge over the A63, (with a commitment to £0.7m in 2015/16, and a provisional allocation of £3.3m in future years. This is subject to the Highways Agency's A63 improvement scheme, of which it is a component part, obtaining its Development Consent Order and receiving final funding confirmation from DfT). • Invest £10m in Delivering Housing Growth in Hull, (with a commitment to £0.6m in 2015/16, and provisional allocation of £9.4m in future years). • Subject to due diligence, Government will provide £8.6m of loan funding through the Local Growth Fund (Housing Infrastructure) to Redrow Homes developer to accelerate the delivery of 750 homes on the Land Off Moor Road, Brough site. This funding is included in the Humber Growth Deal and referenced in the York, North Yorkshire and East Riding LEP's Growth Deal. • DfT and Network Rail commit to more proactive engagement of the Local Enterprise Partnership in the long-term rail planning process (e.g. Route Studies) and in rail franchise specification through targeted local engagement of the Local Enterprise Partnership as part of an enhanced consultation process. DfT also commits to encourage bidders for franchises to identify and take into account the priorities of LEPs and other key local stakeholders as part of the franchising process, and will also encourage Train Operating Companies to continue with, and enhance where possible, their engagement with LEPs as key local stakeholders. • The Highways Agency commits to developing more proactive and collaborative approaches to promoting national and local growth and commits to continue building strong relationships and working arrangements with Local Enterprise Partnerships and the Local
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	<p>Enterprise Partnership Network, in the same way as with Local and Combined Authorities and the Local Government Association. Through its Route Strategies, the Highways Agency will engage the LEP in better understanding the challenges and opportunities associated with the network and to develop evidence based long-term plans to bring about much needed local economic growth and development, and commits to providing each LEP with a named contact, generally the relevant regional director. The Highways Agency commits to forming a Growth and Economic Development Group to support Local Enterprise Partnerships at a national and sub-national level, and a draft licence published on 23rd June 2014 for the new Highway Agency company includes a requirement to co-operate, which will underpin the arrangements described above.</p> <ul style="list-style-type: none"> • Government will engage with the LEP to examine the potential to release government land and property to promote local economic growth and / or housing development
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Supporting Business to Succeed:

- Extend the ‘Growing the Humber’ Regional Growth Fund programme to support company expansions and create new jobs.
- Provide further support in 2015/16 for the Humber business support, information and advice Growth Hub which commenced as part of the Hull and Humber Wave 2 City Deal.

Humber LEP commitments	Central Government commitments
<ul style="list-style-type: none"> • Provide a clear model for coordinating and simplifying business support so that it joins up national, local, public and private support and creates a seamless customer experience for businesses, which makes it easy for them to get the right support at the right time 	<ul style="list-style-type: none"> • Invest £4m in the ‘Growing the Humber’ RGF Capital Grant Extension, with a commitment to £2m in 2015/16, and a provisional allocation of £2m in future years; • Provide £0.25m funding to the LEP for growth hub business support coordination, subject to the growth hub meeting minimum conditions that reflect the position agreed by Government review on business support and services.

	<ul style="list-style-type: none"> • UK Trade and Investment will commit to effectively communicating its strategic priorities to LEPs and where possible help them access relevant opportunities. UKTI has doubled the number of Partnership Managers to 16. This will ensure that UKTI can work more closely with LEPs and help build their capability to secure more inward investment. • The Technology Strategy Board recognises the important and valuable role that LEPs are playing in promoting and supporting innovation, and is committed to developing strong and effective relationships with LEPs both individually and collectively to build on this. The Technology Strategy Board is committed to supporting LEPs in developing the emerging Growth Hubs and in exploring how LEPs can help drive up local business awareness and engagement in Technology Strategy Board programmes and initiatives.
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Creating a Skilled and Productive Workforce: Enhancing the Humber’s capacity to deliver the skills that local businesses in the Energy / Renewables Sector needs now and in the future is a key element of the Government’s Growth Deal with the LEP. The Growth Deal will support development of:

- A £7m new training infrastructure at CATCH in North East Lincolnshire to provide a range of specialist offshore wind provision, including new facilities for working at height and marine transfer/offshore survival training;
- Extension of Goole College’s vocational skills workshop and associated classroom refurbishment to provide engineering and renewable technologies training
- Creation of a £7.8m new build logistics learning centre by Grimsby Institute providing renewable, STEM and environmental technology skills to develop suitable skills pathways for developing new opportunities especially in Offshore.

In addition, the Humber LEP will consider how its stated ambition to host a National Centre for Energy Skills fits with the Government’s published prospectus for new National Colleges. The LEP also commits to enhancing the current Careers Information, Advice and Guidance offer by influencing the shape of provision so that it meets the needs of the local economy and by facilitating stronger linkages between education providers and local businesses.

Improving skills levels is a key factor in stimulating local growth and taking advantage of new economic opportunities. The LEP and the Government are committed to ensuring that adult skills provision is increasingly responsive to the needs of business and supports local economic growth and jobs.

On the wider labour market, the LEP and its partners will deliver against its commitments towards youth employment. DWP is also committed to working with the LEP to ensure services meet local need. This recognises that Jobcentre Plus offices now have greater freedom and flexibility in shaping back to work services to meet the demands of the local area.

Humber LEP commitments	Central Government commitments
<ul style="list-style-type: none"> • Over the lifetime of the LGF supported skills projects identified above, will (with partners) deliver up to 2,030 additional learners. • The Humber has set out their ambition to host a National Centre for Energy Skills and Government welcomes this signalling of interest. It is now for the LEP to consider with employers across the industry how local ambition and appetite for greater influence over the national skills offer could fit with Government's published ambition to create new National Colleges with powers of curriculum development, awarding body status and powers to design and deliver higher level skills provision. With strong industry backing, the Humber has the potential to be central to any industry led proposals for a National College. • Local Enterprise Partnerships are well-positioned to enhance the current Careers Information, Advice and Guidance offer by influencing the shape of provision so that it meets the needs of the local economy. Moreover, they have the ability to link employers with education providers; can have strategic influence over skills supply; and have the ability to coordinate local services towards a shared goal. To achieve this, Humber will facilitate stronger linkages between education providers and local businesses. The LEP will also work with relevant local stakeholders to communicate its priorities and align its offer to the National Careers Service (NCS) providers ahead of the new service's roll-out in October 2014 in order to augment the service. • Humber LEP and its partners commits to open up new jobs associated with the LGF to local unemployed and long-term unemployed people working closely with local and national back to work initiatives. This would be part of a wider expectation that local areas use the Social Value Act, drawing on best practice across local councils and central expertise in maximising social value. • Alongside this Growth Deal, the Humber 	<ul style="list-style-type: none"> • Invest £1.8m in the CATCH offshore wind training facility in North East Lincolnshire, with a commitment to £0.5m in 2015/16, and a provisional allocation of £1.3m for future years; • Invest £2.1m in the Environmental Logistics Learning Hub in Grimsby, with a commitment to £0.2m in 2015/16, and a provisional allocation of £1.9m for future years; • Invest £0.8m in the Goole College Skills Workshop modernisation, with a commitment to £0.45m in 2015/16, and a provisional allocation of £0.35m in future years; <ul style="list-style-type: none"> • The Government will work with all interested parties, including the Humber LEP on the development of responses to the National College prospectus. • The Government commits to working with Humber LEP to help ensure that local employer priorities are fed into the operations of the new National Careers Service providers in the Humber. • The Government remains committed to helping all young people to achieve their potential and specifically to reduce long-term youth unemployment. As part of this commitment, the government has allocated £3.7 million in addition to providing £1.5m of Youth Contract funding through the Hull and Humber City Deal to support a youth employment scheme, including a personalised budget trailblazer for unemployed young people, placing greater purchasing power and responsibility in their hands. • Government, through the Skills Funding Agency, will support the process to ensure that provision meets local priorities and that increasing responsiveness is delivered through a three-pronged approach: <ul style="list-style-type: none"> ○ Procurement of new provision: LEPs will be involved throughout the process and providers' track records

<p>LEP and its partners will deliver against its commitments towards youth employment.</p> <ul style="list-style-type: none"> • The LEP will continue to consider skills implications as part of decision taking on growth strategies. • The LEP will clearly articulate and evidence their skills priorities in the light of strategic national and local growth opportunities and communicate them to the FE and skills sector. • The LEP will build on established positive relationships with the FE and skills sector in key strategic partnerships e.g. Skills Network and Employment and Skills Boards. • The LEP will recognise where the private sector has a responsibility to invest in skills provision and work with business and the skills system to realise that investment. • The LEP commit to (i) working up proposals for scale up of pilots for priority claimants in partnership with the local DWP; (ii) exploring the use of local contributions – including European Structural Investment Fund (ESIF) social inclusion monies – to support scale up/rollout of pilots. 	<p>against LEP requirements will be considered as part of this assessment</p> <ul style="list-style-type: none"> ○ Accountability: Providers will be required through their funding agreements with the Agency to explain to LEPs details of their provision and planning and we are testing ways in which they can be most effectively held to account for being responsive to local economic priorities. The Skills Funding Agency is trialling Skills Incentives Pilots from 2014/15 in Stoke and Staffordshire, the North East and West of England, designed to explore the mechanisms through which providers will account to LEPs for delivery. ○ Allocations and Intervention: In future years providers' records in delivering to LEP requirements will be taken into account when setting allocations and triggering interventions. From 2015/16 the Skills Funding Agency will take into account the outcomes of the Skills Incentive Pilots in Stoke and Staffordshire, the North East and West of England, in making allocations to those providers in scope; subject to evaluation of the pilots, these mechanisms will be rolled out to other LEPs in future years <ul style="list-style-type: none"> • Government will set out revised information for LEPs on how they can take advantage of this approach and options for seeking advice if provision is not responsive to their needs. The Skills Funding Agency will publish information during summer 2014 on how LEPs can influence the use of all skills budgets in their localities, and the steps they can take if they are dissatisfied with the pattern of delivery. • Government will seek to improve the provision of skills data for LEPs and will develop and publish new reports that will quantify and assess responsiveness to local skills needs. In the summer of 2014 the Skills Funding Agency will provide all LEPs with a data set that updates them on the provision delivered in their areas. • Local DWP commit to explore with the LEP options for using existing flexibilities within the system to continue paying Job Seekers Allowance during extended training / work
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	<p>experience related to the Humber LEP's growth / priority sectors, as part of a pilot for which the business case has been fully worked up. Where existing flexibilities do not provide sufficient flex to meet the needs of the emerging pilots, commit to exploring options with central DWP for providing this flex on a time-limited basis.</p>
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Stimulating economic development through further investment in flood and coastal risk management:

the Growth Deal will protect new and existing properties on the South Bank of the Humber and take up to 90% of properties flooded in 2007 in Hull and the East Riding out of similar flood risk through investment in:

- Albert Dock Flood Alleviation Works in Hull helping to safeguard 3,000 people employed in businesses affected by the tidal surge in December 2013;
- A package of flood defence projects on the North Bank of the Humber, including projects at Hull and Holderness; Cottingham and Orchard Park; Anlaby and East Ella; and River Hull Integrated Delivery. This will reduce the flood risk to over 57,000 residential properties;
- Lincolnshire Lakes Flood Risk Strategy, which will bring forward a new major housing development of 6,000 homes in North Lincolnshire, as well as improving flood defences for existing communities.

In addition, Defra will support the continuing development of a new, strong strategic partnership approach to flood and coastal risk management between the LEP and risk management authorities in the Humber LEP area, in which the LEP will play a prominent role. The partnership will enable the LEP to contribute to local risk management authorities' decisions on local priorities and the use of national and locally raised funding allocated to their area so as to give greater certainty and flexibility.

Humber LEP commitments	Central Government commitments
<ul style="list-style-type: none"> • Over the lifetime of the LGF supported flood projects identified above, will (with partners) deliver up to: <ul style="list-style-type: none"> - 3,000 new homes; - 62,228 properties with reduced flood risk; - 251,485sqm of commercial property protected from flooding. • The LEP and local partners (including the lead local flood authorities in the area and the Environment Agency) will develop a pipeline of projects to add value to outcomes for the area and prioritise and manage the delivery of them through new local governance arrangements that reflect national accountability requirements. 	<ul style="list-style-type: none"> • Invest £3m in the Albert Dock Flood Alleviation works in Hull, with a commitment to £3m in 2015/16; • Invest £3m in the Hull and Holderness Flood Project, with a commitment to £1.5m in 2015/16, and a provisional allocation of £1.5m for future years; • Invest £13.3m in the Lincolnshire Lakes Flood Risk Strategy, with a commitment to £0.7m in 2015/16, and a provisional allocation of £12.6m for future years; • Invest £28.3m in the Humber North Bank Flood Project Package (Cottingham and Orchard Park; Anlaby and East Ella; and River Hull Integrated Delivery), with a commitment to £0.7m in 2015/16, and a provisional allocation of £27.6m for future years.

	<ul style="list-style-type: none"> • Government (through Defra) will support the continuing development of a new, strong strategic partnership approach between the LEP and risk management authorities in the Humber LEP area, in which the LEP will play a prominent advisory role. The partnership will enable the LEP to contribute to local risk management authorities' decisions on local priorities and the use of national and locally raised funding allocated to their area so as to give greater certainty and flexibility.
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As part of the deal, the LEP will:

- **Strengthen governance:** Over the period of the Growth Deal, the LEP and its partners will ensure governance across the Humber continues to strengthen and evolve to ensure strong, rigorous and properly accountable decision making and delivery on economic growth, infrastructure, skills and business development issues. As part of this local authorities and the LEP:
 - Effectively implement the formally constituted Humber Leadership Board and emerging LEP governance structures.
 - Confirm the status of the Local Transport Body (LTB) and should, as proposed, it cease to exist under the new governance arrangements, confirm that the LTB assurance framework will be incorporated into the new arrangements to ensure value for money is a key consideration in the decision making process.
 - Ensure the right capacity and capability is in place to deliver the Growth Deal.
- **Ensure implementation and demonstrate success,** by accepting the funding agreement, and by tracking progress against milestones and agreed core metrics and outcomes in line with a monitoring and evaluation framework. This will include agreeing monitoring metrics and reporting arrangements with the Government by September 2014. The LEP will also produce an evaluation plan for the projects contained in the Deal before April 2015.
- **Ensure value for money** by developing robust processes that will guide local decision-making. This will include agreeing an assurance framework with the Government by September 2014, building on existing local and national frameworks
- **Communicate the ongoing outputs and outcomes of the Deal to the local community and stakeholders** by publishing the Growth Deal and reporting regularly, and publically, on their progress to implement the strategy, ensuring that local people understand how Government money is being spent via the Growth Deal, and what the benefits are for them and the area. The Cities and Local Growth Unit will continue to work with the LEPs on communications activities, and help make the links with other Government communications teams.

Funding for projects starting in 2016/17 will be subject to conditions that Government will discuss with the LEP over the next few weeks and months, along with establishing the best timetable for the project, taking into account practicalities and affordability.

The Government commits to opening discussions with the LEP right away on its priorities for the next round of Growth Deals.