

The Humber Local Enterprise Partnership

A proposal to Government

Introduction

This is a proposal from business, local authority and university leaders in the Humber to change the way we drive our economic growth.

The Humber has underperformed over a long period of time, but by changing the way we work together we aim to make the most of the major opportunities we now have for growth.

Our vision is for the Humber to become a national and international centre for renewable energy, capitalising on our natural assets, existing expertise and potential for development, and exporting our goods and services around the world.

By working together through a focused, business-led partnership we hope to create upwards of 20,000 jobs in this emerging sector in some of the most deprived parts of the country and underpin a private sector renaissance that will help to rejuvenate our towns and city, making them better places to live, work, learn and do business.

Economic geography

Our economic geography is clear: we are both united and divided by the River Humber. In the past with rigid partnership arrangements this has at times made it hard for us to work together effectively. We welcome the opportunity that Local Enterprise Partnerships give us to work across the Humber where it adds value and individually or with our neighbours where that makes more sense.

The Humber is the largest trading estuary in the UK and the fourth largest in Europe, with a chemical and process sector worth £6bn a year and international expertise in logistics. However, unemployment is high in most of the main urban centres and wages are low. Unlike most of our competitor port clusters we have a poor track record of working together to promote what we can offer.

As an inevitable consequence of the high cost of crossing the Humber Bridge, there are largely separate Travel To Work Areas on each bank of the Humber. Relatively few people commute across the bridge to Hull, the sub-regional capital, because below a certain income threshold it is unaffordable to do so.

However, business sees the Humber as a single market and a single zone of opportunity. There are strong commercial links between the two banks and shared potential for growth, particularly in the emerging renewable energy sector and linked sectors of ports and logistics.

Key economic facts

- We cover an area of 3,639km² with a resident population of 912,200 and a working age population of 586,500.
- Our largest urban area is the city of Hull which, when including the Haltemprice settlements to the west, is the 10th largest city in England with an estimated population of 301,416 (actual population 258,700).
- Our other main settlements are: Grimsby/Cleethorpes (pop. 140,000), Scunthorpe (73,000), Bridlington (34,000), Beverley (29,000), Goole (19,000), Driffield (11,000) and Immingham (11,000).
- We have 30,000 businesses and 360,000 jobs.
- 69% of people are employed, and 7% self employed. Economic inactivity ranges from 21% in the East Riding of Yorkshire to 28% in Hull.
- 23% of our workforce is qualified to NVQ4+, compared to 30% nationally.
- Our economy generates £14bn GVA per year (2007). Manufacturing contributes 27% of our GVA and 17% of our employment, compared to 10% for England.
- The Humber has significant added value strengths in:
 - Metals and engineering
 - Manufacture of food and beverages
 - Ports and logistics
 - Construction and construction products
 - Manufacture of chemicals
 - Energy
- Around 1m passengers travel through the Humber ports every year and 400,000 through Humberside Airport.

- Three of the largest Round 3 offshore wind farm zones lie within 12 hours' sailing time of the Humber.
- 40 million consumers and over 60% of the country's manufacturing capacity lie within a four-hour drive of the Humber. However, pressure on our transport infrastructure is increasing and extra capacity is needed to support growth.

Economic opportunity

Our natural geography and existing skills, infrastructure and development sites have combined to give us an exciting opportunity to be at the forefront of a new manufacturing sector.

The future for the Humber economy could be an exciting one, with major opportunities for developments in renewable energy, ports, logistics and chemicals. In particular, the Humber is ideally located for the Round 3 offshore wind sites and has the land, port infrastructure and skilled workforce to make it attractive to potential investors.

In wind energy, already Siemens has announced it intends to build a major manufacturing facility in Hull with ABP, and competitors and suppliers are also looking at the area. Similarly in biomass and biofuels we are seeing interest from large industry players, including Vivergo which has begun constructing a plant at Saltend.

These opportunities exist on both the North Bank in and around Hull and Goole, and the South Bank at the South Humber Gateway site, Grimsby and Immingham. Business no longer views it as a competition between the two banks of the river: the scale is such that it is a competition between the Humber and continental Europe and even further afield.

These developments are a once in a generation opportunity which could transform our economy on a similar scale to how North Sea oil and gas transformed Aberdeen. The Humber could become a European centre for renewable energy, employing tens of thousands of people. The impact would be seen not only in new companies coming to the area, but also in existing local companies throughout the supply chain.

However, the timescales are tight and to make the most of these opportunities we all agree that we must work together more closely than we ever have before.

The rationale for our proposal

Our proposal is for a LEP designed to make the most of our opportunities for growth by working together where it adds value. This will be a new partnership, genuinely led by business but seeking joint solutions, that is completely different from working arrangements we have had in the past.

In designing our own partnership from the ground up, we have captured what has been successful here in the past and elsewhere, and learnt the lessons from when things have not worked as well as we wanted them to.

We want to create a LEP that is tightly focused on our main opportunities for growth and those areas where it can make the most difference. We don't want it to be overburdened with issues that are of little economic significance, or to spread itself too thinly.

We have therefore made a conscious choice not to try to work across the Humber on every possible issue. By looking at the evidence and after careful discussion, we have identified those issues where we have a lot in common and we can achieve more by all working together; and those issues where it makes more sense for us to work separately on each side of the River Humber, or with neighbouring areas outside the Humber.

The LEP we propose takes account of these decisions and will ensure that each issue is dealt with at the right spatial level and with the right partners.

How we will make the difference

Our LEP will provide strategic leadership for the Humber economy. We will work together to attract new investment, generate growth from our existing businesses and focus resources for the maximum impact.

The Humber LEP will provide the leadership to ensure we capitalise on our biggest growth opportunity for generations, renewable energy. It will prioritise its work to create growth and jobs in this sector and the linked sectors of ports and logistics and chemicals, while also contributing to a wider private sector renaissance in the Humber.

Our LEP will at a pan-Humber level:

- Co-ordinate public and private sector activity that is targeted at growing our three key growth sectors (renewable energy, ports and logistics, and chemicals), with the aim of developing an international-scale super cluster around the Humber.
- Lead on 16-19 and adult skills strategy, particularly in relation to the key sectors listed above, to ensure that as many of the jobs created as possible can go to local people, businesses can recruit the workforces they need to expand, the aspirations of young people are raised and graduate retention is improved.
- Take responsibility for the “Humber brand”, co-ordinating and promoting our offer for international trade and as a location for investment.
- Lead on international trade issues to help more companies export their goods and services.
- Lead on co-ordinating and identifying strategic transport and infrastructure priorities that will support economic growth.
- Co-ordinate activity that supports innovation and enterprise.
- Bring together partners where appropriate to bid for public and private sector contracts and funding.
- Submit a bid for an Enterprise Zone in the Humber and explore any other opportunities that arise from new Government policy.

We also recognise that there are some issues that would benefit from LEP support but our economic geography suggests that generally we would not gain anything by co-ordinating them at a pan-Humber level. Rather than establish additional LEP structures inside the Humber region, we have decided that it would be most efficient to devolve these issues to separate North Bank and South Bank sub-boards.

Our LEP sub-boards will be able to draw in additional relevant business and local authority representation, including Scarborough Borough Council, and will be in continuous communication with the main Humber LEP Board to ensure that any common issues can be picked up. By working in this way we hope to avoid unnecessary duplication and keep the LEP Board focussed on the most important strategic issues for the Humber.

The LEP sub-boards will work closely with our neighbouring LEP areas in York & North Yorkshire and Lincolnshire, and may invite representatives of those LEPS to attend meetings as appropriate.

Our North Bank and South Bank LEP sub-boards will:

- Lead on place-shaping to continue the renaissance of our key towns and the city of Hull.

- Lead on promoting the area's tourism offer through the distinct Yorkshire Coast and Lincolnshire brands.
- Lead on co-ordinating and identifying local transport and infrastructure priorities.
- Co-ordinate responses to local economic shocks, such as threatened large-scale redundancies.
- Lead on issues specific to the rural economy.
- Ensure that local authority-led policies and decision-making on planning, housing, transport and local asset management contribute to the LEP's priorities.
- Prioritise local capital programmes and apply for external funding for local growth and regeneration.

Our LEP structure

Our LEP will be open and accountable, drawing on the expertise and resources of all partners and engaging with the entire business community.

The Humber LEP will be committed to good governance. Its processes will be transparent and its decisions will be open to scrutiny from local councillors, the business community and members of the public. All parts of the business community will have opportunities to be involved with the LEP's work.

We are seeking to establish a lean and functional structure which minimises costs and bureaucracy and maximises partner contributions.

LEP Board

The LEP Board will be responsible for understanding the Humber economy, developing strategy and setting priorities. It will be constituted as follows:

Position	Role
Chair: Senior private sector representative	Responsible for leading the LEP and representing it in public
Vice Chair: Senior private sector representative (from opposite side of the Humber to the Chair)	
Strategic businesses x 6	Representing key sectors and major employers, with a fair geographical spread
Hull City Council – Leader/Portfolio holder	Democratic accountability and link to ensure the LEP's decisions are put into effect
North Lincolnshire Council – Leader/Portfolio holder	
North East Lincolnshire Council – Leader/Portfolio holder	
East Riding of Yorkshire Council – Leader/Portfolio holder	
Hull & Humber Chamber of Commerce – President/Director	Link with the wider business community, representative of any sizes or sectors without places on the Board
University of Hull – Vice Chancellor	Knowledge economy, innovation and research expertise

To enable us to start our work quickly, we have appointed an interim Board with private sector membership drawn from those companies which have been directly involved in preparing this proposal, taking into account size, sector and location. We will begin an open recruitment process within three months of the LEP being approved.

North Bank and South Bank sub-boards

The LEP sub-boards will focus on activities and priorities that would not benefit from being addressed at a pan-Humber level. They will be in continuous communication with the LEP Board to ensure any common issues can be picked up and will liaise with the existing Local Strategic Partnerships to align their work.

The sub-boards will be constituted as follows:

Position	Role
Chair: Private sector representative	Responsible for leading the sub-board's work and liaising with the LEP Chair and Board
Vice Chair: Local authority leader/portfolio holder	
Locally significant businesses x 6	Representing locally important sectors, with a fair geographical spread
Leaders/Portfolio holders from the two relevant Humber local authorities; either: <ul style="list-style-type: none"> • Hull City Council and East Riding of Yorkshire Council; • or North Lincolnshire Council and North East Lincolnshire Council 	Democratic accountability and link to ensure the LEP's decisions are put into effect
Chair(s) of relevant business representation organisation(s)	Link with the wider business community, representative of any sizes or sectors without places on the sub-board
Representatives of other LEPs or local authorities, as needed	To be determined by the sub-boards

Scarborough Borough Council will be a member of the North Bank sub-board to facilitate continuous joint working with that area.

To encourage communication and collaboration, the sub-board Chairs will be invited to attend LEP Board meetings as observers to report on their work and the LEP Chair may reciprocate at sub-board meetings.

LEP Executive Group

The LEP Executive Group will be responsible for supporting the LEP Board and managing its work streams. It will be comprised of the four local authority Heads of Economic Development and representatives of the University of Hull and Hull & Humber Chamber of Commerce. Other council officers and representatives of other organisations will be invited as necessary.

LEP Forum

We will convene an open forum to engage with stakeholders at least once per year. This will supplement continuous consultation with the wider business community through our website and e-newsletters and via the main local representative organisations.

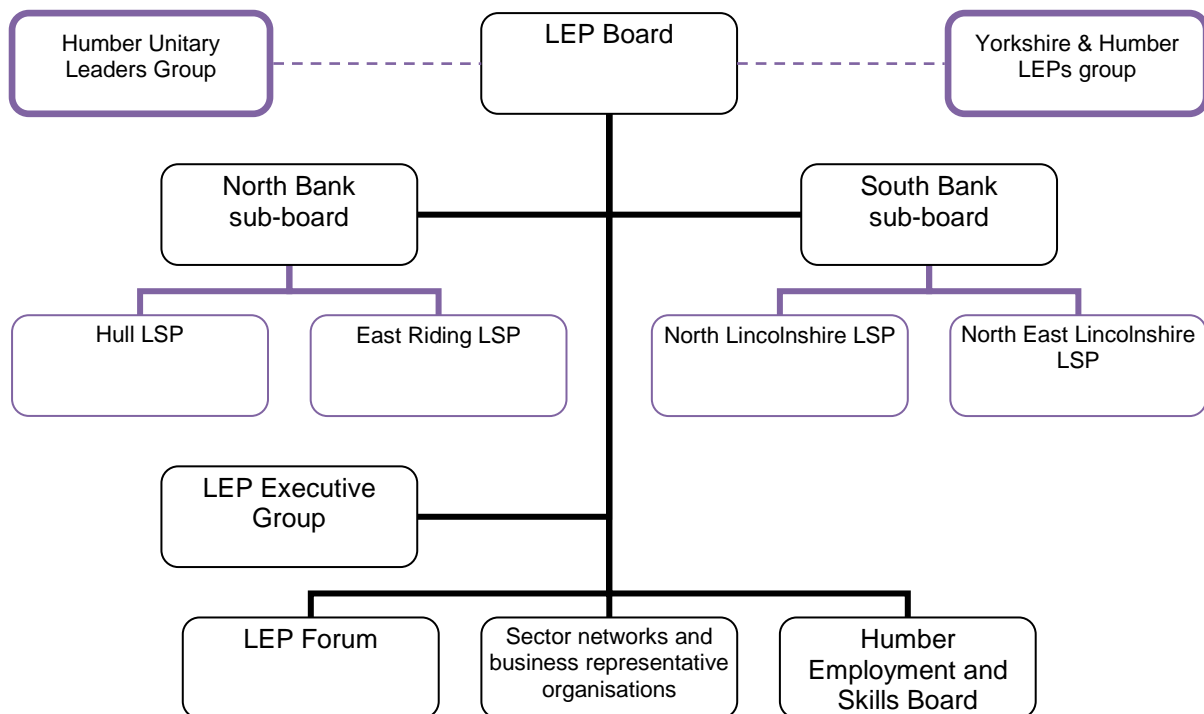
Secretariat

Our experience has taught us that true private sector leadership requires more than non-executive places on a board. Therefore the secretariat for our LEP will be hosted by the private sector, at Hull & Humber Chamber of Commerce, to ensure that the LEP speaks the language of business and is genuinely responsive to the growth agenda. However, the accountable body for our LEP will be Hull City Council.

Co-ordination

One of the important roles of our LEP will be to co-ordinate work that is already going on to avoid duplication and maximise its impact. Some existing partnerships and sector bodies will therefore feed into the LEP to contribute their ideas and priorities and receive support in return.

The overall structure of our LEP will be as follows:



Other Local Enterprise Partnerships

To reflect their areas' close economic relationships with neighbours outside the Humber, East Riding of Yorkshire Council will also be a full member of the York & North Yorkshire LEP and North East Lincolnshire Council will also be a full member of the Greater Lincolnshire LEP.

Measuring our success

We want our LEP to make a difference so we will measure our success and review how we work over time to ensure we are being as effective as we can be.

Some of the key indicators for our LEP will be:

- GVA
- Exports growth
- Proportion of private sector jobs
- Employment rates
- Business starts

The LEP Board will establish targets for these measures and we will report on our progress in achieving them annually. By doing this we hope to retain the confidence of the private sector and cement the LEP's role in driving our economic growth.

As part of our regular consultation with the business community and key stakeholders, we will also review after two years how well our LEP structure is working and whether any changes could be made to make it more effective.

Our relationship with Government

We are enthusiastic about the opportunities having a LEP will give us and we want to be ambitious.

Our LEP will lead the Humber's economic growth and allow us to decide how best to deal with our priorities. The strong commitment of the private and public sectors to work together in a new way to capitalise on our opportunities for growth will help us to achieve more than we have in the past.

However, we want to be ambitious with our LEP just as we are for our area. As we begin to prove ourselves, we would like to start a conversation with Government about how we can take on more responsibility and whether certain powers and funding could be devolved to our area to help us to meet our goals.

We believe our Humber LEP will play a central long-term role in unlocking our potential for growth and increasing the contribution we make to UK Plc. We look forward to having a constructive and open relationship with Government that will support our ambitions.

Our Partnership

Our LEP proposal has been formed after extensive discussion between the key local partners and the wider business community.

The organisations supporting this proposal are:

- Hull & Humber Chamber of Commerce
- Institute of Directors
- Humber Chemical Focus
- East Riding of Yorkshire Council
- North East Lincolnshire Council
- Federation of Small Businesses
- Confederation of British Industry
- Hull City Council
- North Lincolnshire Council
- The University of Hull

This proposal is also supported by individual businesses including:

- ABP
- Archomai
- BP Chemicals
- Clugston Group
- ConocoPhillips
- Durban
- Grimsby & Scunthorpe Media Group
(publishers of the Grimsby Telegraph & Scunthorpe Telegraph)
- Horncastle Group
- KCOM Group
- Kimberly–Clark
- Language Is Everything
- Mail News & Media (publishers of the Hull Daily Mail)
- Myer Wolff
- Nisa Today's
- RMS Group
- Sewell Group
- Singleton Birch
- Smith & Nephew
- Strucsteel Group Holdings
- Tata Steel
- West BS
- XD Network
- Young's Seafood