

Hull and East Yorkshire LEP Board

Humber Industrial Cluster Plan

Report to the Board, 25th November 2021

Report from Jonathan Oxley, Humber Cluster Plan Manager

Paper F

1. Summary

After a slow start associated with recruitment and aligning procurement specifications, good progress is now being made with the Humber Cluster Plan, and positive feedback was received from the principal funder, UKRI at the Q3 Review Meeting (15-Oct-21).

2. Recommendations

2.1. It is recommended that the HEY LEP Board note this latest progress report

3. Delivery report

3.1. Recruitment of the remaining team members is now complete (as of 15-Nov-21) with the addition of the Project Coordinator and Data Coordinator to the HICP team within the HEY LEP.

3.2. Procurement of the 8 different lots of activity has been completed and contractor activity has already commenced across some of the lots. HCC led the process, with 4 of the lots being contracted by CATCH (£624K) and 4 by the HEY LEP (£270K).

Commencement of the procured activity was delayed by formal objections on two of the lots, but this is not envisaged to affect the overall timescale of the project at this stage.

Successful contractors are as follows:

Lot Ref.	Summary Description	Letting Body	Cost £K	Successful Contractor
1	Model & Scenario outputs	CATCH	450	Element Energy
2	MPR Fuel Switching / CCS / GGR	CATCH	100	Element Energy
3	MPR Emissions Offsets / Imports	HEY LEP	40	Element Energy
4	Societal & Cultural Challenges / Innovation <ul style="list-style-type: none"> • Fuel Switching • CCS • GGR • Emissions Offsets/Imports 	HEY LEP	60	ERM (parent of Element Energy)

5	Cluster Plan & Impact Assessment	HEY LEP	135	Arup
6	Inward Investment	HEY LEP	35	BMA/KPMG Consortium
7	Supply Chain Audit	CATCH	35	BMA/KPMG Consortium
8	Skills Audit	CATCH	39	BMA/KPMG Consortium

3.3. The third Quarterly Review with UKRI (principal funder) went well, with an improvement in scoring across all criteria – with the exception of Costs, which reflects the current under-spend in relation to initial planned expenditure as a result of the slow start.

3.4. A skills discussion was held with the Humber Principal’s Group a part of the Skills Audit work on the HICP. This has started to identify some of the key gaps in understanding for the learning sector so that these can be included in and addressed by or contractor.

3.5. Support has been given to the NP11 to the creation of a Net Zero North Investment Prospectus which showcases the North of England’s low-carbon potential, post-COP26.

4. Governance

4.1. The HICP Steering Group is chaired by Teresa Chalmers and meets on a 4-6-weekly basis.

4.2. New members have joined the HICP Steering Group as Strategic Observers, as follows:

EPI UK Ltd
Greater Lincolnshire LEP (GLLEP)
Harbour Energy
North Lincolnshire Council
Prax Refinery
Singleton Birch

4.3. An update on the HICP was well-received by the Humber Leadership Board, and there are now discussions about how the HICP is integrated into the pan Humber Energy Board.

5. Finance and Resource Implications

- 5.1. The Humber Cluster Plan is a £2.6M project funded by UKRI (£1.7M) and contributions in kind by private sector partners (£0.9M). The total HEY LEP costs of £796K are fully funded by UKRI as matched funding.
- 5.2. Spending is behind schedule relative to original forecasts as a result of the delays to placing external contracts and delayed recruitment; this is acknowledged and accepted by UKRI.
- 5.3. British Steel are currently projecting an under-spend of £30K relative to their original submission for the lifetime of the project, which if it materialises, will have an adverse effect on the HEY LEP grant funding of £13K. Discussions are ongoing with British Steel to clarify this, though the impact on HEY LEP funding will not be material (due to reduced spend on staffing associated with delayed recruitment)

Jonathan Oxley
15th November 2021