



**Report to the Cabinet**

24 July 2023

**Wards:** All

Progressing the Government's Levelling Up Partnership and Policies

**Report of the Director of Regeneration**

This item is not exempt

[Click here to select grounds for exemption](#)

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Wherever possible:

- reports should be open
- Exempt information should be placed within an appendix, enabling the main report to be open.

[Click here to enter details relating to the Forward Plan](#)

Insert forward plan number reference (delete if not applicable)

1. Purpose of the Report and Summary

- 1.1 The Government's Budget 2023 included several inter-linked Levelling Up policy announcements that impact directly on Hull and the Council. This report seeks authority to progress with each one, including entering into negotiations with Government for a potential Devolution Deal for Hull and East Yorkshire, establishing a Levelling Up Partnership, A Place Pilot and dealing with the imminent closure of the Hull and East Yorkshire LEP (HEYLEP) and its legacy arrangements.

2. Recommendations

- 2.1 That the Director of Regeneration in consultation with the Chief Executive, the Director of Finance and Transformation, Director of Legal Services and Partnerships, the Leader of the Council, and the Portfolio Holder for Investment, Regeneration, Planning, Land and Property is authorised to engage, conclude and agree any necessary negotiations and partnership activity with central government that supports the economic priorities of the city; and enter into any necessary funding agreements namely:

- 2.1.1. Closure of the HEY LEP, and the transfer of onward reporting arrangements for business support and inward investment activity to the Assistant Director Economic Development & Regeneration; the creation of a new strategic skills hub across the Hull and East Riding geography reporting into a joint board, funded by both Hull and East Riding of Yorkshire Councils.
- 2.1.2. Agreement of the scope for Hull's Levelling Up Partnership with Government and to act as Accountable Body, with the focus on securing at least at least £20m of capital funding to forward fund the infrastructure on strategic development sites, prioritised initially to development of the East Bank, with the Assistant Director Economic Development & Regeneration authorised to conclude relevant business cases.
- 2.1.3 Negotiation of a Devolution Deal for Hull and the East Riding of Yorkshire Councils, with a final draft deal agreement to be submitted for Cabinet approval.
- 2.1.4 Accept the invitation from Government to form a Place Pilot for Hull and act as Accountable Body for the allocated resources.

### 3. Reasons for Recommendations

- 3.1 There are four clearly defined strands of activity which are interlinked. These are: the future of the HEY LEP, the invitation from Government to form a Levelling Up Partnership, the opportunity to negotiate a devolution deal for the area, and the invitation from Government to establish a Place Pilot. The timing of each is tied to different government policy and budget announcements; however the thrust of each of these is to increase economic productivity, devolve decision-making to localities, and support increased interdepartmental working across Government and with our neighbouring local authority. For example, the future of the HEY LEP is aligned with the proposal for a devolution deal for Hull and East Yorkshire, but Government has decided to withdraw funding at the end of March 2024 ahead of any deal being negotiated. The invitation to form a Levelling Up Partnership provides the opportunity to have a direct conversation with Government about the issues and opportunities that directly impact the city, similarly with the Place Pilot and its own strands of activity. Both are time limited but provide a one-off opportunity to work directly with Government.
- 3.2 The purpose of this report and therefore the reasons for the recommendations are to support efficient, effective, and coherent decision-making by enabling the decisions to be taken within an overall framework that supports improvements to the

economic and social prosperity of Hull. Decisions will be made in consultation with all relevant stakeholders and will be confirmed through formally recorded decisions including further reports to Cabinet where appropriate. Any executive decisions required to facilitate the activities will follow the Constitutional processes.

3.3 The Future of the HEY LEP and the establishment of a strategic skills unit

The Government intends for the functions of Local Enterprise Partnerships (LEPs) to be delivered by local government in the future and at the budget 2023, stated that it 'intends to withdraw central government support for LEPs from April 2024'. In a letter to LEP chairs, dated 17th March 2023, the Government stated that it 'remains committed to integrating LEP functions into local democratic institutions' and that they will 'work with local areas to determine how the functions currently undertaken by LEPs are best delivered at a local level in future, where appropriate and where they are not already delivered by a Combined Authority'.

3.4 Both Hull and East Riding of Yorkshire Councils currently provide funding to the LEP of £50,000 each per annum, to use as match to draw down Government Core Funding. In previous years, Government Core Funding was £500,000 per annum for LEPs, was reduced to £375,000 for 2022-23 and has now been further cut to £250,000 for the year 2023-2024.

3.5 This report proposes that the LEP transitions from its current structure and form as a private sector led partnership to a strategic skills unit under the control of the existing Joint Committee – The Hull and East Riding Joint Leadership Board, providing democratic leadership. This would involve the staff currently funded from Government Core Funding for LEPs to be funded from local funds. LEP staff currently dealing with LEP legacy projects will transfer to the Assistant Director Economic Development and Regeneration. Appendix A provides an outline governance structure, including the formation of a Strategic Skills Partnership which will include the private sector.

3.6 The creation of a single strategic skills unit for the area will focus on the future skills needs of employers in Hull and East Yorkshire. The proposal for a single entity is logical because of the tight economic functionality of the area. Strategic skills are a critical element of the city's economic development strategy. Skills are a key factor of competitiveness and an indicator of productivity. Beyond the LEP, no other organisation has responsibility for this critical area.

- 3.7 The proposed unit will be small and strategic (likely 4 FTEs) but will require funding in the absence of government funds and an agreed devolution deal. A budget of £250,000 per annum made up of an equal contribution from each council of £125,000 is anticipated. The unit will be expected to operate within very tight resources and focus on overall strategic direction for the area, with delivery and operational activities provided through existing providers. The current HEYLEP skills unit has a strong track record of securing external funding from national public sector partners and local private sector businesses.
- 3.8 Preserving the legacy of the HEY LEP by creating the skills unit will ensure vital experience and knowledge is retained as the LEP core staff transfer to the new arrangement. The Council is the Accountable Body for the LEP and therefore the employer of the staff. The current LEP staff employed on fixed term contracts to deliver specific programmes will continue in their roles with new reporting arrangements, to the Assistant Director for Economic Development and Regeneration. It is envisaged that no existing member of the LEP Executive Team will be displaced through the transfer to the new skills unit.
- 3.9 Levelling Up Partnership  
The Levelling Up Partnership provides the opportunity for the Council to have direct engagement with the Government that is 'Hull specific' and should lead to a much better national understanding of the city.
- 3.10 Government officials visited the city in April and May 2023 and met with key stakeholders from across different sectors to get a clear understanding of the opportunities and challenges facing Hull. A preliminary findings report is expected later in the year which will include a number of initial actions. Government's approach is cross-departmental and includes the Department for Levelling Up, Housing and Communities, HM Treasury, the Department for Business, Energy and Industrial Strategy, Homes England, the Department for Health and Social Care and the Cabinet Office.
- 3.11 The initiative has a capital allocation of £400m nationally, with the expectation that individual local authorities will be allocated approximately £20m of capital funding for delivery within their area. The partnership will have a lifespan of just two years (2023-24, 2024-25) to allocate and spend any funding in each place. The Council will be the Accountable Body for the funds.
- 3.12 In terms of opportunity, the East Bank is the largest residential development site in the city centre, at 2.8ha and 850 dwellings.

There may also be an opportunity to explore potential policy and legislative changes that may support Levelling Up.

- 3.13 Commence Devolution Negotiations  
In a letter dated 17<sup>th</sup> April 2023 to the Leader of the Council, the Minister for Levelling Up invited Hull and East Riding of Yorkshire Councils to begin discussions around a potential devolution deal for Hull and East Yorkshire. Both Hull and East Riding of Yorkshire Councils have had several meetings with Ministers and officials over several years, exploring the possibility of a deal for the area, including a direct reference in the Levelling Up White Paper.
- 3.14 A Devolution Deal for the area would be subject to secondary legislation. There are several stages that a draft deal would need to go through before being implemented, starting with negotiations. This report is seeking authority for the relevant officers, in consultation with the Leader and Portfolio Holder, to begin formal negotiations with Government. Once negotiations are complete, a draft deal would need to be ratified by Cabinet and then subject to public consultation on the rationale for change. The Secretary of State then considers the deal and outcome of the consultation before formal agreement and creation into statute.
- 3.15 The Minister for Levelling Up recently visited the city and met with the Leader of the Council. In a letter sent after the visit, the Minister referred to pan-Humber working and said that Government wanted to work with both the north and south bank local authorities on cross Humber collaboration through the negotiation phase. (North and North-East Lincolnshire Councils are pursuing their own devolution arrangements with Greater Lincolnshire partners.) The necessity for working across this geography needs to be considered alongside the plans for the Humber Freeport for which further submissions are being made to Government by the end of July 2023.
- 3.16 Hull Place Pilot  
The Council was invited by Government to join the Place Pilot in February 2023. Place Pilots aim to bring together all public asset owners in an area to deliver a more joined up and effective approach. Each Place Pilot area has been awarded £500,000 revenue to support the delivery of the initiative. This report seeks authority to accept the funds and for the Council to act as Accountable Body for the initiative. A Memorandum of Understanding between the Council and The Office for Government Property (OGP) will be put in place.

- 3.17 Early work has identified three themes or workstreams as priorities: (each led by an Assistant Director with a co-lead from the public sector)
- Sustainability (Assistant Director Property and Assets)
  - Health (Assistant Director Economic Development and Regeneration)
  - Housing and Regeneration (Assistant Director Major Projects, Culture & Place)
- 3.18 In terms of governance, the proposal is to replace the current One Public Estate Board with a revised Board with new Terms of Reference which will include the Place Pilot as well as the wider One Public Estate Programme. The role of the Board will be to review, challenge and approve the work of the three theme groups, with the aim of delivering a collaborative 2030 vision for the public estate that supports services and communities, with the Council being the Lead Authority.
4. Impact on other Executive Committees (including Area Committees)
- 4.1 This report is about seeking authority to progress several strands of strategic and integrated activity that support 'Levelling Up' Hull, therefore, at this stage, there is no direct impact on Area Committees or other Executive Committees.
5. Background
- 5.1 As part of the Government's Budget 2023, several Levelling Up policy announcements were announced which impact the City and the Council. These policy announcements are interlinked and therefore decisions affecting each individually have a knock-on effect which means it is vital to consider them collectively and take each of the independent decisions in the context and understanding of the consequences and benefits to the other strands.
- 5.2 Local Enterprise Partnerships  
The Levelling Up White Paper indicated the Government's intention to integrate the functions and role of Local Enterprise Partnerships into local democratic institutions as part of its objectives on devolution, with the ambition of retaining the local business voice.
- 5.3 On 15 March 2023, the Chancellor announced that Government was "minded" to withdraw support from LEPs and transfer their responsibilities to local authorities from 2024. The decision is subject to the outcome of a joint consultation by the Department for Levelling Up, Housing and Communities and the Department for Business and Trade. The Government will publish an updated policy position to confirm next steps by the summer.

- 5.4 There are currently 38 Local Enterprise Partnerships (LEPs) across England, responsible for local economic development, determining the economic priorities and undertaking activities to drive growth and the creation of local jobs. Hull City Council is a member and Accountable Body of the HEY LEP and is therefore the employer of LEP staff.
- 5.5 The Council has been a member of the HEY LEP since it was established on 1 April 2021; and was a member of the Humber LEP before that date. Both LEPs were responsible for the strategic skills agenda for their respective geographies and had a long track record of successfully bidding for skills funding and working with businesses and providers across the area. The HEY LEP receives £50k per annum from the Council and the same from East Riding of Yorkshire Council to fund its activities, including skills.
- 5.6 Levelling Up Partnerships  
Hull has been selected as one of 20 places who the Government wish to work with and form a Levelling Up Partnership. Levelling Up Partnerships are intended to be bespoke place-based regeneration partnerships between the Government and the chosen location. Hull has been selected as one of England's areas most in need of levelling up over 2023-24 and 2024-25.
- 5.7 Other places invited to form partnerships include Sandwell, Mansfield, Middlesbrough, Blackburn with Darwen, Hastings, Torbay, Tendring, Stoke-on-Trent, Boston, Redcar and Cleveland, Wakefield, Oldham, Rother, Torridge, Walsall, Doncaster, South Tyneside, Rochdale, and Bassetlaw.
- 5.8 Partnership locations have been selected based on the analysis in the Levelling Up White Paper which considered places in England against four key metrics: the percentage of adults with Level 3+ qualifications; Gross Value Added (GVA) per hour worked; median gross weekly pay; and healthy life expectancy.
- 5.9 Devolution  
Hull and East Riding of Yorkshire Councils were named in the first wave of potential devolution deals when the Levelling Up White paper was launched in February 2022. The Minister for Levelling Up visited Hull and East Riding in March 2023 and has since written to the Leaders of both Councils with an invitation to enter negotiations for a devolution deal. There are three different levels of devolution that places can choose from. Level One is based on forming a Joint Committee and comes with very little in terms of powers and flexibilities, Level Two is forming a Combined Authority and includes additional powers such as control over the Adult Education Budget and the UK Shared Prosperity Fund. Level Three is based on an elected leader model and includes additional powers and funding,

including an investment fund. The 'menu' is published in the Levelling Up White Paper.

5.10 Place Pilots

Hull is one of five places that have been chosen by Government to be a 'Place Pilot'. Place Pilots will be delivered through the One Public Estate programme and will bring together all public asset owners (central government organisations, councils and other public sector organisations) to deliver a more joined up approach to future public estate demand and supply. The aim of the Pilot is to deliver a smaller and improved public estate, informed by the priorities of each 'Place'. The pilots will also support wider shared national and local priorities such as levelling up and housing.

5.11 The other four places selected to be pilots include: Derby; the London Boroughs of Barking & Dagenham, Hackney and Newham; Sheffield; and the West Midlands Combined Authority area. The pilots will be run over an 18-month period, with up to £500,000 revenue funding being awarded to each place.

6. Issues for Consideration

6.1 Local Enterprise Partnership

Strategic skills has been the domain of the LEP since it was created and has been instrumental in accessing significant levels of European Structural Funds over recent years and is recognised by Government as an exemplar. In addition, it has also drawn in other public sector funding and some private sector match. Regional skills levels can impact an area's ability to be competitive, and it is recognised that this should be managed at a local level. The responsibility for skills provision and development can appear to be both 'everyone's but no one's responsibility' which, if left unmanaged could lead to an unsatisfactory situation which will further curtail economic growth and limit resident's opportunities. Delivering strategic skills across the wider Hull and East Riding geography is logical because of the tight economic functionality of the area. The city provides the employment platform for many East Riding residents, and many Hull residents work over the boundary, in the East Riding of Yorkshire. The travel to work area for Hull and the housing market for Hull cover both authorities and therefore it is not surprising skills follow a similar footprint as evidenced by the like of Swift Caravans who are based in the East Riding but have their apprenticeship training delivered in Hull by Hull Training and Adult Education.

6.2 At the present time, there is no one strategic lead body for skills across the Hull and East Yorkshire region. This has created a situation where anyone can move into the space regardless of knowledge or experience of the sector or an understanding of the



area and the local challenges within Hull. This has become increasingly evident as competition for funding increases and there is already evidence of training providers chasing funding pots over delivering the courses needed by local businesses and individuals. The Chamber of Commerce is currently producing the Local Skills Improvement Plan (LSIP) and the HEY LEP and Council are represented on the board which will help identify the provision needed; the skills unit would have a key role in ensuring this provision is then forthcoming.

- 6.3 It is proposed that a new strategic skills unit is established that will be focussed on the future skills needs of employers in Hull and East Riding. The Unit will be small, with a likely staff of 4 or 5 FTEs and sit under the direction of the existing Joint Committee. The intention is to transfer the current LEP core staff into the new arrangements with other LEP staff who are dealing with LEP legacy projects will transfer under the management of the Assistant Director Economic Development and Regeneration. Appendix A provides an outline governance structure, including the formation of a Strategic Skills Partnership with the private and voluntary sectors and a delivery partnership that will also include delivery bodies.
- 6.4 The proposal is that the Joint Committee will act as the Shadow Combined Authority once negotiations with Government begin on a devolution deal for the area. However, regardless of any progress or successful outcome for a Devolution Deal with Government, there is a clear need for the proposed strategic skills unit to work with business.
- 6.5 Creating a single Strategic Skills Hub for the whole region will provide a 'go to' structure for the various government departments involved in the skills agenda, to consult, negotiate and fund a joined up sub-regional policy, which will have been determined at local level using local evidence and assessment of need. The business community will also have the confidence that this regional skills policy reflects their needs, rather than that determined by commercial providers or central government.
- 6.6 The Hull and East Riding Leadership Board (Joint Committee) can provide the required democratic governance structure, and acting as the 'Shadow Combined Authority', will provide the structure for the future. This would include the monitoring of performance, the formal approval of any financial commitments and would also ensure alignment with both local authorities' priorities and skills needs. See Appendix A.

- 6.7 The Levelling Up Partnership provides the opportunity for a direct conversation with Government and provides a forum to oversee and provide the strategic direction for the other 'levelling up' activity, ensuring a consistent approach without duplication for its proposed 2-year lifespan. Positively, of the 20 Levelling Up Partnerships announced, Hull and Sandwell have been prioritised providing a key opportunity for the city to influence the shape, opportunity and funding asks within this initiative. Extensive early engagement will be critical to the Council maximising the opportunity here.
- 6.8 The Levelling Up Partnership work includes a deep dive and looking at the evidence that will support some key policy asks aimed at a potential city deal for Hull.

The objectives of the 'Hull Levelling Up Partnership' are as follows:

- a) To provide bespoke 'place-based' regeneration in Hull and around 19 other areas in England (albeit Hull and Sandwell are first) over 2023-24 and 2024-25
  - b) To develop a more informed appreciation of our socio-economic challenges and demand drivers, particularly in some of our most deprived wards
  - c) Enable Government to have a clearer understanding of the extent of our health inequality gap
  - d) Facilitate a fuller understanding by Government of our economic strategy, developed with partners, including:
    - The strategic significance of our key industrial sectors to our regional and national economies
    - The huge opportunity offered through 'net zero' and industrial decarbonisation
    - The scale and national significance of our port complex and the wider Humber Estuary
    - Our focus on city centre and community regeneration and housing delivery
    - The challenges presented by our skills gap and the importance of matching local supply with future demand
    - A key focus on delivering opportunities and raising aspiration and expectations
    - Creating an environment for micro businesses, and small and medium sized enterprises to thrive and sustain.
- 6.9 The Government has said that the scheme is intended to build on the success of 'deep dives' in Grimsby, which saw cross-Government working to help avoid the effective closure of the town's fish processing sector, and in Blackpool, which unlocked a £100 million regeneration plan.
- 6.10 A Devolution Deal for Hull and East Yorkshire  
The Devolution Deal will ultimately lead to the creation of a Combined Authority for Hull and East Riding of Yorkshire. The Council (and East Riding of Yorkshire Council) will need to go through several

steps before establishing a Combined Authority. It is not the purpose of this report to short circuit that process in any way. Devolution requires negotiation between the councils and Government, this report seeks authority to formally negotiate with Government and to provisionally agree the terms of a deal, a further report with specific details will come before Cabinet should negotiations prove successful, and a devolution deal become possible.

- 6.11 Government has expressed that it wants to see continued leadership and collaboration between the public and private sectors on priorities that are 'best undertaken at the pan-Humber level' and is seeking to use the devolution negotiation process to agree arrangements. Currently, this is the role of the Humber Leadership Board, which focusses on agreed economic priorities including clean growth, ports development and estuary management. The Levelling Up white Paper included reference to 'Opportunity Humber', led by the private sector with the aim of working alongside the Humber Leadership Board. However, little progress has been made and with the creation of the Humber Freeport, there is a risk of a confused landscape which would detract from the need for strong public/private sector leadership to deliver Humber priorities. North and North-East Lincolnshire councils are pursuing their own devolution arrangements with Greater Lincolnshire. Pan Humber working will need to be included equally in devolution deals for both north and south banks, The Humber Leadership Board, as the formally constituted body responsible for pan Humber activity, would be best placed to ensure this is the case.

6.12 Place Pilot

Future governance of the Place Pilot is proposed to be through a new Board, based upon the former One Public Estate Board. Although East Riding of Yorkshire Council does not have its own 'Place Pilot', it does have a One Public Estate Board. It is anticipated that Government may ask for both Hull and East Riding of Yorkshire Councils to work together in the future and form a single governance arrangement. This will provide the opportunity for closer working aligned to both Council's devolution ambitions.

6.13 **Equalities Impact Information**

The proposals described in this report do not disproportionately impact either positively or negatively on any groups with protected characteristics. Implementation of the decisions will include completion of individual Equality Impact Assessments to ensure that they identify and help to shape delivery to avoid undue impacts to those with protected characteristics.

7. Options and Risk Assessment

### 7.1 Local Enterprise Partnership and the creation of a Strategic Skills Hub:

Government's decision to withdraw Core Funding for LEPs and to embed their activities into democratic institutions forces the issue ahead of any negotiations for a Combined Authority.

- Option 1 - the option to do nothing would mean the strategic skills agenda would be lost, along with any legacy from the LEP as it will cease to operate at the end of the current financial year. In addition, LEP staff will need to be redeployed in line with the Council's HR policies which could ultimately lead to redundancies and early retirements with a potential cost of approximately £300,000.
- Option 2 - the minimum option would be to establish a small strategic skills unit and transfer the relevant staff. The unit will be under the control of the Hull and East Yorkshire Leadership Board. The cost of this is proposed to be £125,000 to the Council with East Riding of Yorkshire Council also contributing the same amount. (Recommended)
- Option 3 - the maximum option would be to continue to fund the LEP in its current form with its private sector chair. This would require an operating budget of £650,000 per annum, however, the Government have made their position clear regarding the future of LEPs.

### 7.2 The Levelling Up Partnership

The invitation from Government to form a Levelling Up partnership provides the opportunity for a direct conversation with Government about the city and help improve their understand of the place.

- Option 1 – the option to do nothing would mean that the city missed out on the opportunity to work directly with Government and would not have any access to the £400m capital allocation for the initiative.
- Option 2 – providing a minimal level of input to support this policy from the Council would not enable the Council to fully draw in the opportunities for Hull leading to a loss of potential benefits from joint working with Government and a reduction in the available funding for improvements to the city.
- Option 3– providing sufficient resources cross-Council to support the development and delivery of a cohesive programme of activities in support of the wider economic goals aligned to the existing Economic Strategy for Hull. (Recommended)

### 7.3 Hull and East Yorkshire Devolution Deal

The risk of delaying or not engaging in negotiations for a Devolution Deal for Hull and East Yorkshire would continue to limit the opportunities to access investment and direct policy locally. Devolution comes with powers and, depending on which level deal a place goes for, funding for skills, infrastructure and potential investment funds. Hull and East Yorkshire is the only part of Yorkshire without a devolution deal, a large number of places have either now secured deals or have entered negotiations, including Greater Lincolnshire. An analysis of what is available at which level will need to be undertaken to inform any formal decision to agree a deal.

- Option 1 – the option to do nothing (i.e. not engaging with Government on devolution) would further delay and restrict opportunities to access funding and the ability to shape policy interventions locally to the benefit of residents and businesses
- Option 2 – continue to support and engage in the development of proposals for devolution to the benefit of Hull’s residents and businesses through to a draft negotiated deal for approval by Cabinet prior to any formal decision to proceed. (Recommended)

### 7.4 Place Pilot

Should the Council decide not to take part in the Place Pilot and act as Accountable Body, the £500,000 revenue funding would need to be returned to Government. This scenario would have significant reputational damage for Hull and its relationship with Government and other public sector partners.

The Place Pilot is in its infancy but since February there has been significant engagement with local public sector bodies. More importantly, it has opened up conversations with national Government departments which in the past have proved more difficult for the Council to engage with. It is essential to continue this dialogue and there is a clear opportunity for some of the work on the Place Pilot to help influence the thinking and asks within the Levelling up Partnership. The preferred option is therefore to be part of the partnership.

- Option 1 - the option to do nothing (i.e. dis-engaging with joint working with Government) would restrict the ability to identify cost benefits from the co-location of services and the opportunity to draw in additional Government department staff into the city providing jobs and increasing local prosperity
- Option 2 - continue to support and engage in the development of proposals for the Place Pilot to the benefit of Hull’s residents and businesses through to final

proposals subject to formal decisions for approval by Cabinet. (Recommended)

8. Consultation

- 8.1 Throughout the development of these policy strands, ongoing engagement and involvement of key stakeholders and representatives from businesses has taken place in order to ensure that the proposals are in line with expectations. This will continue to take place as each of the policy strands develops including briefings to the relevant Overview and Scrutiny Commissions on the details of proposals in order to ensure effective and transparent decision-making.
- 8.2 East Riding of Yorkshire Council Cabinet will also receive a report, specifically regarding the future of the HEY LEP and seeking agreement to fund their equal share of the proposed costs for the Strategic Skills Unit.

9. Comments of the Monitoring Officer (Town Clerk)

- 9.1 The recommendations set out in the report have as their provenance the Levelling Up White Paper 2022, recent budget announcements and the work of the One Public Estate Programme. None of these are as result of new or specific legislation and the ability to engage, negotiate and deliver lies within general local authority powers such as the Local Government Acts 1972 and 2000 and the Localism Act 2011. It is anticipated that when the Levelling-Up and Regeneration Bill is enacted into law, some economic development functions will be supported by new statutory powers. Combined arrangements beyond a joint committee following a devolution agreement may be made under the Local Democracy, Economic Development and Construction Act 2009, as amended by the Cities and Local Government Devolution Act 2016. A scheme has to be made which is subject to public consultation. The Secretary of State must be satisfied that establishment of a combined authority is likely to “improve the exercise of statutory functions” in the area.

9.2 The report recommends that the new strategic skills hub falls within the remit of the Hull & East Riding Unitary Leaders Board. This function would appear to fall within the existing delegated powers of the Board. [CA]

10. Comments of the Section 151 Officer (Director of Finance and Transformation)

- 10.1 The Director of Finance and Transformation notes this report and supports the recommendations

In relation to the individual strands of this report:

Closure of the HEY LEP & the establishment of a Strategic Skills unit

As part of the LEP budget process each year a proportion of reserves has been set aside to deal with any potential longer-term liabilities arising from withdrawal of Government funding. As outlined in the report, the proposal to form a Strategic Skills Partnership will allow some of this provision to be mitigated and, potentially alongside the £50k the Council contributes to the LEP at present, to fund some of the initial cost, at least until a Devolution Deal is agreed with central Government.

Hull's Levelling Up Partnership

The Hull Levelling Up Partnership potentially allows further significant funding for Hull for the financial years 23/24 & 24/25.

It should be noted that the timescales for accessing this funding are short and therefore any projects supported under this proposal need to be well developed and thus be able to spend the money within the requisite timetable. In developing further detailed proposals Members need to be especially cogniscent of the delivery risk.

Devolution Deal

A Devolution Deal covering Hull and the East Riding offers the potential for both significant additional funding in the sub-region and control over existing funding currently deployed by Central Government and its agencies, alongside wider influence over Government Policy decisions. The value and nature of this funding will be dependent upon negotiations to come.

Place Pilot

The Council has significant experience of operating as Accountable Body for a number of functions, not least the LEP, and therefore the risks are understood and manageable.

As the report sets out there would be significant reputational damage caused by not accepting this funding and this role as well as the potential for significant opportunities to develop in due course with links to both the Levelling Up Partnership and any future Devolution Deal.

GS

11. Comments of the Assistant Director OD & HR and compliance with the Equality Duty

- 11.1 The staffing matters arising from this decision have been covered within the report. There are no equalities issues arising. KH

12. Comments of Overview and Scrutiny

- 12.1 This report will be subject to pre-decision scrutiny, updated scrutiny comments will need to be sourced from the scrutiny office, prior to the report being uploaded to Cabinet. (Sc7440 – AS)

13. Comments of the Leader of the Council

- 13.1 Contained within this report are a number of strands that while not all directly linked, clearly run in parallel. The government announcements on changes to the Local Enterprise Partnerships require the council to pick up important strands of work, particularly around skills. It is also important to do so jointly with our neighbours in the East Riding. The same applies to the devolution issue, which after many years of not progressing, this latest effort is an attempt to see if progress can be made. It is only the case, however, that the council would endorse a deal if it was felt to be in the best interests of the city.

**Mark Jones**  
**Director of Regeneration**

Contact Officer: Alex Codd Telephone No.: 01482 612387

Officer Interests: None

Background Documents: - A list of background documents must be included. These documents are then available (if not exempt) for public inspection.



### Implications Matrix

**This section must be completed and you must ensure that you have fully considered all potential implications**

This matrix provides a simple check list for the things you need to have considered within your report

If there are no implications please state

I have informed and sought advice from HR, Legal, Finance, Overview and Scrutiny and the Climate Change Advisor and any other key stakeholders i.e. Portfolio Holder, relevant Ward Members etc prior to submitting this report for official comments	Yes
I have considered whether this report requests a decision that is outside the Budget and Policy Framework approved by Council	Yes
Value for money considerations have been accounted for within the report	Yes
The report is approved by the relevant City Manager	Yes
I have included any procurement/commercial issues/implications within the report	Yes
I have considered the potential media interest in this report and liaised with the Media Team to ensure that they are briefed to respond to media interest.	Yes
I have included any equalities and diversity implications within the report and where necessary I have completed an Equalities Impact Assessment and the outcomes are included within the report	Yes
Any Health and Safety implications are included within the report	Yes
Any human rights implications are included within the report	Yes
I have included any community safety implications and paid regard to Section 17 of the Crime and Disorder Act within the report	Yes
I have liaised with the Climate Change Advisor and any environmental and climate	Yes

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change issues/sustainability implications are included within the report	
I have included information about how this report contributes to the City Plan/ Area priorities within the report	Yes
I have considered the impact on air quality, carried out an appropriate assessment and included any resulting actions or opportunities necessary to improve air quality in the report.	Yes