

To: Humber Leadership Board

From: Simon Green, Deputy Chief Executive – North Lincolnshire Council

Date: 9 June 2022

Subject: Humber Energy Board

1. Introduction

- 1.1 To update the Humber Leadership Board on the current position and activity regarding the Humber Energy Board.

2. Background

- 2.1 The Humber Leadership Board has previously identified and agreed four distinct areas of pan Humber activity – Energy, Marketing, Freeport and Environment. As one of these four identified pan-Humber workstrands the board gave its support in establishing a Humber Energy Board. This board is to develop a sectoral single point of advocacy for the sub-region and also to ensure greater cohesion between both complementing and competing projects targeting net zero.
- 2.2 The HEB in its original format has met twice with good representation from large private sector companies from within both the Humber and just outside its boundaries. Key aspects discussed were ensuring that investment for the Carbon Capture pipelines were still on track and also to re-examine and audit the strength in depth of the energy cluster within the Humber.

3. Recent Developments

- 3.1 As part of the levelling up agenda Central Government has encouraged local public – private led consortiums to drive economic development.
- 3.2 Within the Humber, the private sector with Government support has spearheaded the creation of the “Opportunity Humber” initiative and established a board, chaired by Laxman Narasimhan (CEO Reckitt Benckiser) – who is also on the Governments Levelling Up advisory Board, and following best practice on development through the triple helix model consists of Government representation and the four Unitary Leaders, key private sector membership and Higher Education representatives. The board is to help steer strategic economic thinking within the Humber whilst also acting as a champion and advocacy voice for the sub-region.
- 3.3 The inaugural board meeting was held in April where three core areas of activity were agreed: Energy, Skills and Innovation along with a fourth cross cutting theme of engagement. The Opportunity Humber board is to oversee the development and drive behind these areas of activity.

3.4 The third HEB meeting was held shortly after the Opportunity Humber Board where its relationship and governance with the OH board was discussed. Representatives from government, higher education and private industry agreed to both the OH pan sector - pan Humber oversight role, the election of a private sector chair and key areas of activity going forward. (minutes attached in appendix 1).

4. Recommendations

4.1 That the board notes and supports recent developments regarding the Humber Energy Board and its relationship with Opportunity Humber.

4.2 That the board thanks both chairs of the Humber and East Yorkshire and Greater Lincolnshire Local Enterprise Partnerships for their hard work in helping to establish the Humber Energy Board and subsequent interim joint chair roles prior to the recent appointment of the private sector chair.

Simon Green

Deputy Chief Executive – North Lincolnshire Council

01-06-22

Appendix 1

Meeting	Humber Energy Board
Date	Friday 6 May 2022
Venue	MS Teams
Time	13.30-15.00

MEETING NOTES

Present:

James Newman (Joint Chair)	Hull & East Riding Local Enterprise Partnership
Cunningham, Darren	Phillips 66
Stephen Parnaby	Wren Kitchens Limited
Alan Menzies	East Riding Council
Richard Gwilliam	Drax
Louise Smith	Hull University
Dahal Sajalu	Hull and East Riding LEP
Katie Hedges	Catch Limited
Chalmers Teresa	Hull & East Riding Local Enterprise Partnership
Ruth Carver	Greater Lincolnshire Local Enterprise Partnership
Emma Toulson	Orsted
William Joyce - Innovate UK	Innovate UK / UKRI
UKRI	
Ed Leech	Drax
Fernandez, Jade	SSE
Oxley Jonathan	Hull & East Riding Local Enterprise Partnership
Simon Bird	AB Ports Limited
Simon Green	North Lincolnshire Council
Campey, Peter (Cities and Local Growth) (PC)	Department for Business, Energy and Industrial Strategy
Neale Coleman	
Benjamin, Andrew	Opportunity Humber
Richard Royal	National Grid
	Equinor

Apologies:

David Talbot	Catch Limited (Substitute Sent)
Pat Doody	Greater Lincolnshire Local Enterprise Partnership
Ahmed Goga	CBI
Julian Free	University of Lincoln
Simon Smith	Youngs Seafood

Item	Subject	Lead
1	<p>Apologies:</p> <p><i>David Talbot</i> <i>Catch Limited (Substitute Sent)</i></p> <p><i>Pat Doody</i> <i>Greater Lincolnshire Local Enterprise Partnership</i></p> <p><i>Ahmed Goga</i> <i>CBI</i></p> <p><i>Julian Free</i> <i>University of Lincoln</i></p> <p><i>Simon Smith</i> <i>Youngs Seafood</i></p>	

2	<p>Notes from Previous Meeting: No Comments</p> <p>Matters Arising:</p> <ul style="list-style-type: none"> • Chairs have not been able to, as of yet, get together with the CBI, this is relevant in relation of Opportunity Humber [OH] which will be picked up later. • Previous meeting requested for maps in association with the Humber Industrial Cluster Plan [HICP] to be circulated. Confirmation that these are also readily available via on website: <u>HICP - The Largest CO2 Emitting Cluster in the UK (humberindustrialclusterplan.co.uk)</u> • The Department of Business, Energy and Industrial Strategy was asked to provide a nominee for the board. PC confirmed discussions had been held with wider departments, especially with reference to the Opportunity Humber discussions. As of yet, no nominee has been confirmed. 	
3	<p>UKRI – Presentation Dr William Joyce (Technical Lead for the Scheme)</p> <p>JN introduced the discussion/presentation in relation to the group wanting to understand how policy is developed, especially with focus upon the Humber region, and where government are in relation to the position of the Humber.</p> <p>Presentation – Industrial Decarbonisation Challenge Fund.</p> <p>The fund is a programme delivered by UKRI, who act as the executive for the fund in relation to the wider Innovate UK agenda. Currently the programme funds several schemes within the Humber region. The total programme value is currently £210 million exploring Carbon Capture, Usage and Storage [CCUS] technology across the UK.</p> <p>Currently there are 3 major projects currently being funded within the Humber area:</p> <ol style="list-style-type: none"> 1. Zero Carbon Humber – awarded £21.5 million 2. Humber Zero – awarded £12.5 million 3. HICP – awarded £1.6 million <p>The overall programme has been directly aligned to the Department of Business, Energy and Industrial Strategies wider industrial cluster programme focussed on the six largest clusters in the UK including the Humber region. The UK are the first major economy to have a net zero target and the first in the G7 to have passed appropriate legislation committing to achieving their target. The Prime Minister’s 10-point plan associated with achieving net-zero, identified that fact that CCUS would be implemented within 4 major clusters by 2030, and within 2 cluster by the mid-2020’s with the Humber recognised as being a readily available cluster to hit the mid 2020’s target. The proposed overall scheme will see an investment of £1 billion, with a recognition that the field has progressed significantly in the last 4-5 years enabling the opportunity to generate global attention with an ambition to be the global lead.</p> <p>To date feasibility of the potential CCS opportunity within the UK market has been assessed and benchmarked against the remaining EU-27 countries. The UK is considered to have the ability to store more Carbon than all of the EU region combined enabling for the UK to potential generate GDP associated with an import model. The UK though must seek to store 120-125 million tonnes of Carbon per annum to achieve</p>	WJ

the Net-Zero ambition set out in legislation. The UK Government recognises the potential market value of CCUS sector to the UK economy being around the £250 billion range with the UK having, due to geographical and geological advantages, the potential to be the world leader.

National context to achieve the market value recognises that without the Humber this will not be achieved and therefore the government is seeking, in collaboration with the private sector, to request a 'call to arms' to bring projects to fruition. Currently the government is seeking to fund, via the cluster plan portfolio (value of £8 mill across six clusters) a total of 9 major projects. It was noted that this is the only work being funded by government to create a roadmap to decarbonisation. Of the 9 major projects, two currently sit only in the Humber region with a further investment being awarded to projects that will benefit the Humber. These are:

- Humber Zero
- Zero Carbon Humber
- Northern Endurance

The proposals being funded are targeted to support cross sector themes, supporting a multitude of businesses and several sectors. The programmes aim is to boost competitiveness and will drive further inward investment and intern jobs for the Humber region. The work though is mindful that it must enhance the industrial productivity of those regions being supported.

JN – Thanked Dr William Joyce for the presentation and asked for any questions.

SG: Raised to WJ, what the timescales are in relation to the next round of funding? What is needed by everyone associated with the region to bring the funding to fruition for the benefit of the Humber? Are there immediate timescales for the next round?

WJ: Context of the programme, going through the FEED studies, preparation of final stages. Programme will end March 2024. BEIS currently undertaking a process to sequence the deployment of CCS project and clusters The East Coast Cluster, incorporating Humber and Teesside has been selected as a Track One Cluster. Phase 2 sequencing is currently being undertaken and will be used to determine which projects within Track One clusters will go first in contract negotiations with government.

RG: Observation, if you take the £21.5 mil and the £12.5 mil and investment in HICP and include investment in offshore work for the region, investment in the Humber is greater than anywhere else in the UK. Members need to reflect on this as a positive.

WJ: Government recognise that if they do not decarbonise the Humber then the UK cannot decarbonise. The other 5 CP have singular programmes as part of their funding. Humber though has significant complexity compared to other regions and this needs attention locally and nationally.

SB: Could you share the deck? What timeframe do you see for UK accepting of the EU's carbon?

WJ: Advanced demonstration stage projects in Europe, but these have advanced technologies but have nowhere to then store. CO2 shipping is being looked at, clusters such as Southwest Wales has no available offshore. It is being explored to move UK excess to somewhere within the UK/Humber as not all clusters have access to storage. It is recognised that the UK can be a world leader.

SB: We recognise the storage is vast, but surely the UK and Europe could be dealt with at the same time. DIT was in Hull recently; overseas investment needs to

	<p><i>support projects in the UK. Has the government approached the EU/other countries to see whether they can contribute funding for FEED studies etc.</i></p> <p><i>WJ: No direct answers but recognise the plan. Decarbonising a cluster will cost £10 billion moving forward. The financial investment needed is not viable without intervention at present. Need to ensure not overseas saturation in the market. Will take away and raise with BEIS.</i></p> <p><i>DC: Declared an interest, part of consortium, massive opportunity for the region and the UK, concentration of emissions and scale of storage opportunities, CCS. Note of caution, timeline is tight and develop by 2030 (crossing rivers etc.) and these take a long time, permitting is difficult. 2027 is tight and not much room for. Government delaying decisions by a few months has a knock-on impact. Government has done a great job of seed funding, much better than other countries, these investments will only happen if the government offers a business model that helps de-risk the investment, as we move through the gate process this needs to continue.</i></p> <p><i>SG: Timescales are pressing and needs to be moved forward.</i></p>	
4	<p>Opportunity Humber Presented by Neale Coleman.</p> <p>JN: Asked SG to introduce the concept and NC as the LEPs are not involved in the process.</p> <p>SG: Next item is Opportunity Humber and most on the call may be aware of the concept. Inaugural board meeting was held last week and discussions happening in relation to moving forward. NC on the call and sits on national infrastructure committee.</p> <p>NC: The first board meeting was held last week, and in order to position and understand this position, the starting point of the board meeting was the fact Opportunity Humber was referenced directly in the Levelling Up White Paper (Levelling Up the United Kingdom – GOV.UK (www.gov.uk) – Page 235). The most important element of the paper was the commitment made by central government to recognise the formation of Opportunity Humber and create a cross-government and importantly ministerial dialogue for the benefit of the Humber. The recognition is that unlike for example the Tees Valley region, the Humber does not have a mayor but needs parity of central government discussions to benefit the region which is the major aim of Opportunity Humber. The government has encouraged the formation of the group and the aim of bringing together organisations from the public/private sector to strengthen and unify the voice of the region.</p> <p>The focus of the group is:</p> <ul style="list-style-type: none"> • Raise the voice of the region • Obtain infrastructure for the benefit of the region • Generate timely and effective decisions of accelerate. <p>It was acknowledged at the first board, that those involved, are to an extent, self-selected but the aim of Opportunity Humber is not to be exclusive ‘club’. The aim will be to expand the group but to give an overview of the board the current members are detailed below:</p> <ul style="list-style-type: none"> • Chair of the Board - Laxman Narasimhan – CEO of Reckitts • National Grid Ventures • Drax • ABP Ports Limited • Orsted • Phillips 66 	

- Equinor
- University of Hull
- University of Lincoln
- 4 Leaders of the Local Authorities (Hull, East Riding, NLC and NELC)

The emphasis is that there is an immediate need for the group to engage more widely with business, communities and other organisations that are both impacted and can support the direction of the group. There is a recognition that several sub-boards/working groups will need to be formed, especially looking at a few agendas critical to the region's growth.

Principles stated at the first meeting, was the importance for the Opportunity Humber collective to build on existing initiatives and supplement them rather than supplant them. Humber Energy board is up and running, large number of the key players are on it, aspiration is that this board built on with more members, private sector chair, should be seen as the key energy board for the Humber as whole.

Use the access to government minister that the OH and a private sector board may have moving forward to support the critical decisions for the region. Recognition the timing and the need to support DCO process for other projects impacting the region. Need to make sure right conversations at the right level with government. Additional support via the OH Umbrella to help deliver these schemes but also pull together the work.

Following meeting with the government the challenge posed back was, what are the accelerators for the Humber region? The feedback was from the minister, keen that people recognise the clear priorities for the conversation with government. Drive through the conversation with BEIS or Treasury, transport and storage/hydrogen are fundamental moving forwards. OH keen for this board [Humber Energy Board] to be the place where it is discussed, hammered out and then subsequently and carried forward through the public/private conversations.

NC closed by recognising that the Opportunity Humber is a work in progress, has a significant task in relation to stakeholder engagement whilst ensuring that conversation with government is appropriate and focussed on the end goals.

SG thanked NC for coming and discussing what Opportunity Humber meant in reference to the region and the discussions at the first board. SG then opened the floor to any questions.

SP: Would like to know more about what opportunities large investors will receive in relation to Opportunity Humber and their potential support? Whilst he recognises the need focus on attracting inward investment, there needs to be a recognition and focus on those businesses already within the region making significant investment. Also noted that Opportunity Humber felt very exclusive at this stage but acknowledged comments made from NC around expanding the engagement.

NC: Recognises it can appear exclusive, it has had a particular focus in its formation and a big focus on some of the issues discussed today. There is a need to recognise large employers. OH does recognise the need to broaden out the reach and need of the collaborative. NC and people from Reckitt who are providing support, would be happy to have that conversation in detail. NC has spoken to a number of other businesses who haven't been engaged but it is clear OH wants them engaged with and enable their involvement.

SP: We do need to recognise and welcome OH, if it is to be successful it needs to embrace people quickly. If not careful, people will become suspicious.

	<p>DC: Recognises that SP makes a good point, as one of several very large projects, which are several billion pound of investment and require some near-term investment, and OH needs to start somewhere. It needs to facilitate timely support. Knock on benefit for every other business. UK Plc needs to redevelop that infrastructure. Need to get going and there is trickle down to wider sectors. Skills agenda needs to be a focus for the benefit of the whole but need to work on large-scale projects as a starting point.</p> <p>NC: Agrees and recognised the need for skills and supply chains to be a priority within the Opportunity Humber work. Recognition of the fact a lot of work needs resourcing. Nevertheless, can't afford to miss certain opportunities that are in play right now.</p> <p>JN: Thanked NC for presenting and we will watch the progress</p>	
5	<p>Nomination of a Private Sector Chair</p> <p>JN: Need for a nomination for a private sector chair. Nomination has been received for Richard Gwilliam.</p> <p>RG: Confirmed he would be happy to take it moving forwards. Privilege to do this moving forward at a critical point. Humber has always been a central to the decarbonisation.</p> <p><i>Recognition in the virtual room of support via numerous 'thumbs up' notifications</i></p> <p>JN: From JN and PD will step down and retain deputy position.</p> <p><i>RG – Appointed the Chair of the Humber Energy Board</i></p>	
6	<p>Humber Estuary Plan Presented by Jonathan Oxley and Dahal Sajalu.</p> <p>JO: Give a pre-amble to the discussions for this meeting, with a mention that hot off the latest CCS event a lot of interest was generated in the Humber region. At the event there was a lot of focus and interest around the Humber Maps (shared via the previous meeting) with people keen to see what is happening in the Humber region. As discussed, the HICP received a total of £2.6 million of funding (private/public) which is due to conclude March 2023 with only 10 months remaining on the project. The HICP has already undertaken and contracted a significant number of workstreams to bring to fruition the objectives of the plan. One of those elements of work was around a systems model approach to the Cluster Plan, testing several scenarios and evidence and the discussions for this meeting was to discuss future use.</p> <p>SD: Wanted to take a little time to talk energy system modelling. Believe this can support decision making moving forward post April 23 when HICP ends. To make the appropriate decisions, looking at all the different aspects into the wider cluster plan. Data driven analysis and generated the pathway to decarbonise and achieve the net zero by 2040.</p> <p>Ownership of the model and split into three different arms. Cloud environment for the build, maintenance (data, the logic, the codes, needs to be maintained), scenarios and insights. How to continue providing value to the region. Want to discuss three key elements, the actual data, free license of use, arising IP (element energy). HICP will have free license to use.</p> <p>Option 1 – EE hosting the info, HEB funds Maintenance and Scenarios. Option 2 – EE need £40 - £100k per annum Option 3 – for this option needs to migrate into a different model.</p> <p><i>RG thanked for the presentation and asked for questions.</i></p>	

	<p>RG: When will we have sight of the model? SD: Model beta version is almost ready, predicted to be 8th of May. Model will be fully ready end of July 2022. Stakeholders are part of user acceptance and user migration. RG: When is the need for financial decision-making? HEB doesn't currently have any financial remit. SD: Open question back to the board, we will have this model and it will be switched off if funding cannot be sourced. The reason for raising is where does the HEB want to take the systems model post the end date (March 23). SG: Pre-empt the launch and raise the need to consider whether it needs to be retained. It is a crucial competitor. JO: Don't want to get to the end of the project plan and not realise the opportunity. Focus was for this session to be an education on the opportunity. SD: Summary, put in £500k of investment but it will around until March 23. Might need to revisit when things change. It adds value to the cluster plan and value to the leadership of the region. Uncertainty moving forward. RG: When will it be envisaged to have a demonstration? SG: Yes, this will be item 2 for the next meeting.</p> <p>Action – Demonstration of the Systems Model at the next Board Meeting as Agenda Item 2.</p>	
7	<p>Offshore Wind – Update Presented by Emma Toulson (Orsted)</p> <p>ET: Update on the offshore cluster work currently being undertaken. In relation to the work, it needs to register in the thinking in the Humber energy board as a standing item as crucial for the regions drive to Net Zero by 2040. Things are going well; a clear voluntary governance structure has been set up. There is several subgroups, these are focused on supply chain, people, infrastructure, innovation and how the place features in the work. Various volunteers participate within each of the sub-groups, ranging from education providers, public sector and private sector seeking to work in collaboration. All set out within the Humber Prospectus which is available for the board to review. Sets out the stall for the Humber and work together. Most recent update – Offshore Wind Connections conference took place in Bridlington recently; the offshore cluster was a central theme throughout. First time in 3 years, was a well-received event and was a good reintroduction into physical conferences in the region and generated renewed interest for all parties involved. The work is being done as part of setting the plan. Feels the OHCP can feed into the Humber Energy Board. SG: Question to ET, Strength, and depth of the cluster, what extent has it driven innovation between the cluster? What extent can we capture? ET: Broad subject, have the subject offline and catapult heads it up. Pick it up offline. SG: Welcomes the invite and wants to build and accelerate that moving forward. RG: Thanked Emma and the story around decarbonisation, we often forget the success of the offshore wind cluster.</p> <p>Action - Emma and SG to pick up offline in relation to question posed</p>	
8	<p>Any Other Business</p> <p><i>No Other Business</i></p>	

	Date and time of next meeting	
	SG and RG to pick up outside of the meeting a proposal moving forwards.	

END