



Officer Decision Record – Key Decision

Key decisions taken by an officer are subject to the 5 day call in period from circulation to Members, and therefore the decision will be released for implementation following the call-in period and no call in being received

1. Cabinet date and copy resolution this key decision relates to

Cabinet on 14 December 2017 approved the following:

DN.79 (2) That authority be delegated to the Director of Economy and Growth, in conjunction with the Portfolio Holder for Regeneration, Skills and Housing to take all actions necessary to secure the continued implementation of SHIIP.

2. Subject and details of the matter (to include reasons for the decision)

This ODR focuses on the strategic mitigation element of the SHIIP initiative. This unique and innovative project includes extensive collaboration between developers, industrial organisations, and environmental bodies such as Natural England and the RSPB. Under the leadership of North East Lincolnshire Council, the strategic mitigation project was developed. The project will reduce risk, in terms of time and cost, for investors who wish to develop land allocated within the NEL Local Plan 2013 to 2032 on the South Humber Bank. As detailed within the Local Plan, circa 120 ha of land has been identified as appropriate mitigation land to address the adverse impacts of development within the Mitigation Zone at a strategic level.

Cress Marsh, the first mitigation site, was completed in December 2018 and is already well established as a bird and wildlife sanctuary. This is an inland site and the environmental organisations involved in the mitigation project consider the coastal sites to have more value in terms of mitigation.

The first coastal site has now been completed – Novartis Ings – and together with Cress Marsh (40Ha) the new site (21Ha) will provide over half of the total designated mitigation in the local plan and ought to be sufficient to cater for industrial development in the area for some significant period of time.

The strategic mitigation sites are a key part of the SHIP programme. They provide a mitigation 'land-bank' which investors can use to offset their own developments. Already several organisations have taken advantage of this unique scheme including Velocys – the UK's first Waste to Aviation Fuel facility.

With over 25 hectares (Ha) committed, and more anticipated, it is crucial that the mitigation sites are maintained and 'fit for purpose'. Following the unusually lengthy spell of very dry weather in 2022 the lack of water at Cress Marsh, and the availability of specialist pumping equipment, resulted in the site drying out and nearly losing its impermeability. (All the mitigation sites are wetland sites aimed at the protected wading bird species that inhabit the area's important SSSI and RAMSAR sites). If the sites are left dry for any length of time they may not recover and the changing climatic conditions now mean there is an increased risk of this.

A dry mitigation site would have serious consequences for the SHIP programme. Keeping the sites wet is a key part of site management. Following a detailed review a robust 'Future-proofing' project was initiated to improve the resistance of both sites to the increasing extreme weather conditions being experienced. The cost of the project was estimated at £811k.

An approach was made to the existing funders – ERDF – and a grant was secured for 60% of the total cost. However, as the ERDF project was coming to a close, the project had to be completed by the end of June 2023. Due to the critical nature of the project, the opportunity to receive 60% funding and the urgent requirement to complete by ERDF the decision was taken to proceed with the project and thus this is a retrospective ODR. This project will secure the future of NELC's mitigation sites in the short to medium term which are essential elements that underpin the SHIP programme.

The overall spend for the SHIP programme, including the net cost of this project, remains within the net borrowing threshold of £23.6m

3. Decision being taken

In accordance with the Cabinet decision DN.79 dated 14 December 2017, approval is sought retrospectively to accept the ERDF grant award of £487k which will deliver the 'Future-

proofing' project for the two mitigation sites. The mitigation sites are a key part of the South Humber Industrial Investment Programme (SHIIP) This will contribute to the Council's strategic objective of a 'Stronger Economy'.

4. Is it an Urgent Decision? If yes, specify the reasons for urgency. Urgent decisions will require sign off by the relevant scrutiny chair(s) as not subject to call in.

No.

5. Anticipated outcome(s)/benefits

To accept the 60% ERDF funding for the 'Future Proofing' project to protect the short to medium term future of the mitigation sites and the SHIIP project. The mitigation sites underpin the SHIIP programme and therefore they need to be 'fit for purpose'. The 'Future Proofing' project will provide resistance to the increasing occurrence of climate change driven weather extremes.

6. Details of any alternative options considered and rejected by the officer when making the decision (this should be similar to original cabinet decision)

N/A

7. Background documents considered (web links to be included and copies of documents provided for publishing)

Cabinet on 14 December 2017 approved the following:

DN.79 (2) That authority be delegated to the Director of Economy and Growth, in conjunction with the Portfolio Holder for Regeneration, Skills and Housing to take all actions necessary to secure the continued implementation of SHIIP.

8. Does the taking of the decision include consideration of Exempt information? If yes, specify the relevant paragraph of Schedule 12A and the reasons

No

9. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (in respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)

No declarations.

10. Monitoring Officer Comments (Monitoring Officer or nominee)

The decision is consistent with the will and expectation of Cabinet and the delegations. It is clearly in line with the overall SHIP programme. The acceptance of grant funding, retrospectively, is accepted as appropriate and reasonable in the circumstances. Clearly any grant conditions will need to be adhered to. Legal Services will continue to support the ongoing project.

11. Section 151 Officer Comments (Deputy S151 Officer or nominee)

Grant funding to cover 60% of the total project cost, £486.6k, has been secured from ERDF. The remaining 40% of the cost, £324.4k, is to be covered from within existing resources allocated to the SHIP capital scheme as part of the Council's Capital Investment Programme. The 2023/24 SHIP capital budget will be increased to reflect the ERDF funding received once approval to accept the grant has been attained.

12. Human Resource Comments (Head of People and Culture or nominee)

There are no direct HR implications

13. Risk Assessment (in accordance with the Report Writing Guide)

There are financial and reputational risks to the Council if the mitigation sites fail. Failure may also result in the loss of external funding.

Following an exceptional dry spell the project team reviewed the medium-term resistance of both mitigation sites to the increasing effects of climate change. The result was that an urgent Future Proofing project was required to protect the two sites. The ERDF agreed to fund 60% of the project as long as the work was carried out immediately.

The project team have extensive knowledge of delivering capital projects supported by external funding and the project delivery was monitored by the SHIP Programme Board, with quarterly updates circulated to ERDF.

14. Has the Cabinet Tracker been updated with details of this decision?

There were financial and reputational risks to the Council if the Project did not proceed. Failure to do so would have directly impacted on the ability to deliver the SHIP project and may have resulted in the loss of external funding.

15. Decision Maker(s):

Name: Carolina Borgstrom

Title: Director of Economy,
Environment and Infrastructure

Signed: REDACTED

Dated: 24/10/2023

**16. Consultation carried out with
Portfolio Holder(s):**

Name: Councillor Philip Jackson

Title: Leader and Portfolio Holder for
Economy, Net Zero, Skills and Housing

Signed: REDACTED

Dated: 17/10/2023

**17. If the decision is urgent then
consultation should be carried out
with the relevant Scrutiny
Chair/Mayor/Deputy Mayor**

Name: N/A

Title: N/A

Signed: N/A

Dated: N/A

Key Decisions are defined in the Constitution as:

A decision (whether taken collectively or individually by members) which is likely:

- (i) to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or

- (ii) to be significant in terms of its effects on communities living or working in an area comprising two or more wards.

A decision will be considered financially significant if:

- (i) in the case of revenue expenditure, it results in the incurring of expenditure or making savings of £350,000 or greater;
- (ii) in the case of capital expenditure, the capital expenditure/savings are in excess of £350,000 or 20% of the total project cost, whichever is the greater

In determining whether a decision is significant in terms of its effect on an area comprising two or more wards, consideration shall be given to:

- (i) the number of residents/service users that will be affected in the wards concerned;
- (ii) the likely views of those affected (i.e. is the decision likely to result in substantial public interest)
- (iii) whether the decision may incur a significant social, economic or environmental risk.