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| Growth Deal Programme Report to the Investment & Regulation Board, 2 September 2016  Report from Richard Kendall, Executive Director – Strategic Policy & Business Development, Humber LEP |

## Summary

* 1. This paper updates the Investment & Regulation Board on progress with the Growth Deal programme.

## Recommendations

* 1. That the Investment & Regulation Board notes the report.

1. **Implementation summary**
   1. The latest implementation summary is included at Appendix 1. Updates are provided below on an exception basis:
   2. **South Humber Gauge Enhancement**
      1. Confirmation has been given that Network Rail will provide the funding to meet the increased costs of the project, so as per the Investment & Regulation Board’s recommendations (agreed by the LEP Board) the project remains in the programme subject to the outstanding conditions being satisfied. North Lincolnshire Council and Network Rail are working towards these.
      2. Given that the project’s funding allocation is £5.055m in 2016/17, progress will need to be made quickly and this will be monitored.
   3. **Hull & Holderness Flood Alleviation Scheme**
      1. The project is forecasting an underspend of £354k in 2016/17, and has requested to move this to 2017/18. Further information has been sought.
   4. **Lincolnshire Lakes Flood Risk Strategy**
      1. The project is forecasting an underspend of approximately £100k in 2016/17 due to a delay in the start of construction. Further information has been sought.
   5. **Hull-East Coast Main Line Rail Electrification**
      1. The LEP and Hull City Council continue to seek clarity from the Department for Transport on the future of this project. A decision from DfT on the project’s business case, which had been due by May, is still awaited.
      2. £1.5m LGF is allocated in 2016/17, with £6m split evenly over the following two years. At this point, half way through the financial year, it appears increasingly unlikely that the project will spend its 2016/17 allocation. However, the uncertainty arising from the lack of information on whether or not the project will go ahead makes managing the spend profile difficult.
   6. **Programme expenditure**
      1. The LEP is expected to achieve full expenditure of LGF each year, and any underperformance may affect future allocations.
      2. As reported previously, 2016/17 is the peak of the current LGF programme with £40m due to be spent, compared to £20m next year and smaller amounts thereafter. There is very little potential for bringing forward expenditure from later in the programme to cover any underspend this year.
      3. Project sponsors are aware that failing to meet their agreed annual spend targets would put their funding at risk. The LEP Executive continues to work with project sponsors to manage the funding profile.
2. **Proposal for a further Growth Deal**
   1. The proposal for a further Growth Deal was submitted on 28 July. The outcome is expected later this year.

**Appendix 1: Growth Deal projects update – August 2016**

**Approved projects in delivery**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **Scheme** | **£m LGF** | |  | **Project status** | | | | | **16/17** | **Total** |  | **16/17** | | **Overall** | | | **Grimsby Town Centre Infrastructure & Enabling Works** | **0.74** | **1.48** |  | A | G | A | G | | **Growing the Humber+** | **2.94** | **4.00** |  | G | G | G | G | | **Delivering Housing Growth in Hull** | **6.33** | **10.00** |  | G | G | A | G | | **CATCH Energy Offshore** | **1.25** | **1.75** |  | A | A | A | G | | **Goole College Skills Workshop Modernisation** | **0.00** | **0.38** |  | A | G | A | G | | **Environmental Logistics Learning Hub** | **0.00** | **2.05** |  | G | G | A | G | | **Hull and Holderness Flood Alleviation Scheme** | **1.30** ↓ | **3.00** |  | A | A | A | A | | **Anlaby and East Ella Flood Alleviation Scheme** | **0.18** | **5.10** |  | A | A | A | A | | |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **Scheme** | **£m LGF** | |  | **Project status** | | | | | **16/17** | **Total** |  | **16/17** | | **Overall** | | | **Lincolnshire Lakes Flood Risk Strategy** | **3.00** ↓ | **13.32** |  | A | A | A | A | | **Bridlington ITP Phase 2** | **4.09** | **5.75** |  | A | A | A | G | | **South Humber Rail Gauge Enhancement** | **5.06** | **7.20** |  | R | R | A | R | | **Humberside Airport Access Improvements** | **0.77** | **1.48** |  | A | G | A | G | | **Re-purposing the Old Town** | **1.60** | **3.00** |  |  |  |  |  | | **A161 Bridge Street cycle scheme, Goole** | **0.00** | **0.16** |  | G |  |  |  | | **A1105 Anlaby Road Corridor/ Park Street Bridge Strengthening** | **0.40** | **0.75** |  |  |  |  |  | | **Westcliff Regeneration Enterprise Hub** | **0.55** | **0.55** |  |  |  |  |  | |

**Committed projects**

| **Scheme** | | **£m LGF** | | **Business case submitted** | **Peer review** | **Approvals** | | | **Funding agreement** | | **Delivery** |  | **Project status** | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **16/17** | **Total** | **Sub-board** | **HLB** | **LEP Board** | **Final issued** | **Completed** | **Started** |  | **2016/17** | | **Overall** | |
| **Round 1 projects** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Rail Electrification – Hull to East Coast Main Line** | | **1.50** | **7.50** |  |  |  |  |  |  |  |  |  | R | R | R | R |
| **Connecting the City - Bridge over A63 at Hull Marina** | | **0.00** | **4.00** |  |  |  |  |  |  |  |  |  |  |  | A | A |
| **Hessle Foreshore Tidal Defence** | | **0.50** | **2.00** | Expected summer |  |  |  |  |  |  |  |  | A | A |  | G |
| **Cottingham and Orchard Park Flood Alleviation Scheme** | | **0.93** | **5.00** |  |  |  |  |  | \*\* |  |  |  | A | G | A | A |
| **River Hull Integrated Catchment Strategy: Delivery** | | | | | | | | | | | |  |  |  |  |  |
|  | **River Hull Channel Improvements** | **0.10** | **0.70** |  |  |  |  |  |  |  |  |  | A | A |  |  |
|  | **Hempholme and Wilfholme Pumping Stations** | **0.14** | **0.84** |  |  |  |  |  |  |  |  |  | A | A |  |  |
|  | **Hull Tidal Barrier** | **0.02** | **0.66** |  |  |  |  |  |  |  |  |  | A | A |  |  |
|  | **Holderness Drain FAS** | **1.04** | **2.14** |  |  |  |  |  | \*\* |  |  |  | A | G |  | G |
|  | **River Hull Navigation Authority** | **0.20** | **3.81** |  |  |  |  |  |  |  |  |  | A | A |  |  |
|  | **Connecting River Hull Waterfront** | **0.00** | **3.75** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Round 2 projects** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **A18 Melton Ross Railway Bridge** | | **0.00** | **1.75** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Skills maintenance programme** | | **0.00** | **1.06** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Stallingborough Interchange** | | **1.00** | **1.00** | Expected  Sep |  |  |  |  |  |  |  |  | A | A |  |  |
| **ERGO** | | **1.00** | **1.00** |  |  |  | \*\* |  |  |  |  |  | A | G |  |  |
| **Central Cleethorpes Regeneration Programme** | | **0.00** | **1.00** | Expected Sep |  |  |  |  |  |  |  |  |  |  |  |  |
| **Additional projects** | | | | | | | | | | | | | | | | |
| **Hull Venue** | | **3.50** | **3.50** |  |  |  |  |  | \*\* |  |  |  | A | G |  |  |
| **Grovehill Bridge Maintenance Scheme** | | **0.13** | **0.13** |  |  |  |  |  | \*\* |  |  |  | A | G |  |  |
| **Port of Grimsby East Offshore Wind Operational Support Facilities** | | **0.20** | **0.20** |  |  |  |  |  | \*\* |  |  |  | A | G |  |  |
| **Increasing the visitor economy in North Lincolnshire (Normanby Hall Country Park)** | | **0.52** | **0.52** |  |  |  |  |  | \*\* |  |  |  | A | G |  |  |

Notes: Changes are highlighted in darker colours. Figures are rounded. – In progress \* Project sponsor commenced delivery prior to funding agreement.

\*\* Recommended for Board decision ↑ / ↓ direction of profile change, brackets denote provisional pending approval # To be increased – exact amount TBC