

Getting Building Fund Programme

LEP Board
18 September 2020

Paper E

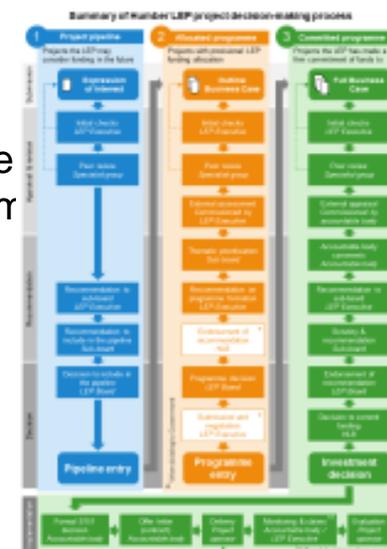
Richard Kendall – Executive Director Strategic Policy
and Business Development
Karen Oliver-Spry - Investment Programme Manager

	Updates	Decisions
Project pipeline		
Allocated programme	✓	
Committed programme	✓	✓

Background and summary of recommendations

The LEP's decision-making process* takes projects through three stages:

- **Project pipeline** – projects the LEP may consider funding in the future
- **Allocated programme** – projects with a provisional funding allocation from the
- **Committed programme** – projects to which the LEP has made a firm commitment of funds which then move into delivery



The LEP Board is recommended to make the following decisions:

- Note the latest progress report
- Further to expected Sub-Board approval and subject to approval by Hull & East Riding Sub-committee of the Humber Leadership Board, agree to make the following **funding commitments** from the Getting Building Fund allocation for Hull and East Yorkshire:
 - £2m to Hull and East Yorkshire Highways Resilience Programme
 - £4.8m to Delivering housing Growth in Hull – Ings and Wawne
 - £2.7m to Hull and East Yorkshire Cycle Route Delivery Programme
- Agree to review further business case assessments outside of the meeting in order to make timely recommendations on funding commitments.

* See <http://www.humberlep.org/assurance/project-decision-making-process/> for details

Getting Building Fund Programme

Project	Allocation	Project Summary	Sub Board	Status
Growing Hull and East Yorkshire Business Investment Grants	£1.5m	This extension of Growing the Humber focussed on Hull and East Yorkshire will retain the overall focus on job creation and stimulating business investment as Growing the Humber but will have the flexibility to allow for a broader range of interventions.	Business Development	Business Case Approved – in delivery
Hull and East Yorkshire Highways Resilience Programme	£2m	This project represents the second phase of a programme that was previously funded through the York, North Yorkshire & East Riding LEP Growth Deal as a DfT retained scheme, ensuring a high standard of business case appraisal. Following the end of the LEP overlap, it can be expanded to also cover neighbouring Hull.	Investment and Regulation	Business Case appraised – pending decision
RaisE Business Centre and Innovation Hub	£1m	RaisE Business Centre and Innovation Hub will be adjacent to the Siemens Mobility train factory (currently under construction) on the Goole 36 Enterprise Zone. It will provide high-tech managed workspace and R&D facilities for SMEs in manufacturing, engineering, and rail supply chains, and has been developed in partnership with Siemens Mobility and the UK Rail Innovation Network (University of Birmingham), which will also have a presence on the site.	Business Development	Business Case in appraisal
Delivering Housing Growth Programme - Ings and Wawne 2	£4.8m	This is an extension to the existing successful Delivering Housing Growth in Hull programme, previously part-funded through LGF. There are two components: <ul style="list-style-type: none"> •Early delivery of a new spine road and electricity supplies at Ings. •A new spine road and drainage at Wawne View. 	Investment and Regulation	Business Case appraised – pending decision
Hull & East Yorkshire Cycle Route Delivery Programme - Phase 1	£2.7m	Programme of cycle infrastructure upgrade and provision of new cycle facilities where there are gaps in the network across the City of Hull and adjoining urban areas of East Riding of Yorkshire – supporting safe and sustainable travel to work, reducing congestion and improving air quality and wellbeing.	Investment and Regulation	Business Case appraised – pending decision
Managed Workspace Programme A	£0.5m	A new and improved managed workspace offer to meet demand and stimulate economic recovery at the Grovehill site near Beverley.	Business Development	Business Case in appraisal
Managed Workspace Programme B	£0.5m	A package of new and improved managed workspace offers to meet demand and stimulate economic recovery in Hull.	Business Development	Business Case in appraisal

Programme Background

- In July LEP Board confirmed the projects and indicative allocations recommended to form the basis of the new Getting Building Fund programme which was submitted to Government for approval on 17th July (see slide 3). The programme was subsequently approved by Government and the funding allocation of **£13.4m** has been confirmed.
- The LEP's Assurance Framework is in the process of being updated to articulate the governance structures of the new programme, although much of the same governance applied to LGF will apply to GBF. Due to changes in the focus of LEP geography, a Hull and East Riding sub-committee of the Humber Leadership Board will be set up to take decisions on north-bank only programmes and strands of work, including Getting Building Fund commitments.
- Following acceptance onto the Getting Building Fund **Allocated Programme**, 6 projects have submitted Full Business Cases for assessment and approval to confirm final funding commitments and their place in the **Committed Programme**. This is in addition to the business case for Growing Hull and East Yorkshire which was approved by the Board with a full funding commitment in July and added to the committed programme.
- The assessment of three business cases is now complete (Highways Resilience, Delivering Housing Growth and Cycle route Delivery) and a recommendation from the appropriate sub board has been sought prior to the Board meeting. Business Case summaries for these projects and recommendations are contained in slides 5-7 and a summary of the Independent Technical Assessments in Appendix 1.
- The assessment of another business case (RaisE Business Hub) is expected to be finalised shortly. A Business Case summary can be found at slide 8 - the Independent Technical Assessment summary and recommendation will follow by separate circulation. A sub Board decision will be sought concurrently.
- Due to the time pressures for programme delivery it is the intention of the programme delivery team to seek decisions outside of the meeting by written procedures for the remaining two business cases (Managed Workspace A and B) when the assessments for these are complete.
- **The LEP Board is recommended to agree to take decisions by written procedures on the two remaining business cases.**

Hull and East Yorkshire Highways Resilience Programme

The condition of the highway network across the country is continuing to decline under current budget levels, which has resulted in a maintenance backlog where roads are not being maintained to a level appropriate to their classification.

To address this, East Riding of Yorkshire Council and Hull City Council have identified an opportunity to extend capital investment in road maintenance on a number of key 'A' roads across the area.

The investment will seek to improve the condition and quality of the highway asset in a cost effective manner, addressing investment to increase the percentage of 'A' roads in good or very good condition.

The scheme will provide enhanced maintenance works to the following sections of 'A' classified road:

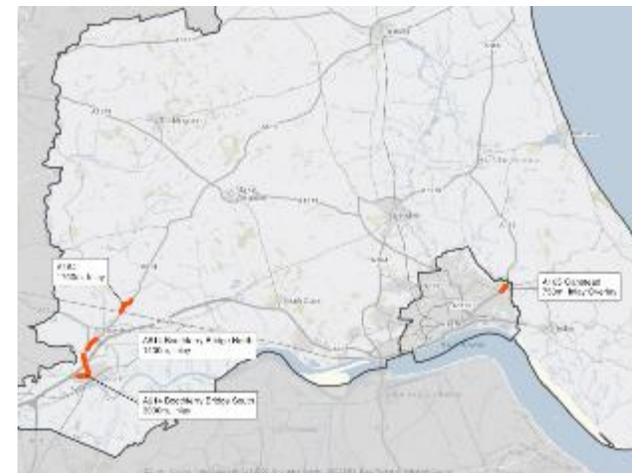
- A614 north and south of Boothferry Bridge near Goole.
- A164 between Howden and Market Weighton. This route passes through housing and industrial areas and the route can be very busy and congested at peak times.
- A165 at Ganstead. The road runs through a residential area and is one of the main commuting routes from mid Holderness into Hull.

The additional investment will reduce the costs and delays associated with reactive roadworks. An improved road surface has additional noise reduction and safety benefits, resulting in reduced costs to the Council and to individuals along with increased reliability of journey time.

The investment will also help to address national, regional and local strategic priorities by improving access to key facilities such as employment and healthcare sites, and support economic growth and regeneration by creating a resilient and sustainable local transport network.

Finally, the proposed scheme will contribute to more efficient asset management in the long term, reducing whole life costs and preventing the need for reactive maintenance which is both expensive and disruptive. An economic assessment undertaken by the sponsor shows that the proposal offers very high value for money.

Subject to approval by Hull & East Riding Sub-committee of the Humber Leadership Board, the LEP Board is recommended by the Investment and Regulation Board to commit £2m from the Getting Building Fund to Hull and East Yorkshire Highways Resilience Programme.



Funding (£)	
GBF	£2,000,000
Public Match	£1,080,000
Private Match	
Total	£3,080,000

Outputs	
Jobs safeguarded	20
Construction Jobs	
Road / cycle way (km)	6.85
Apprenticeships	1
Houses	
Commercial Floorspace (m ²)	
Businesses supported	

Getting Building Fund: Delivering Housing Growth (Ings and Wawne)

The scheme will accelerate the delivery of essential housing infrastructure required to enable the development of new homes at two key development sites in Hull (Ings and Wawne View). This will involve diversion and upgrades of utility services along with key road development and junction improvements.

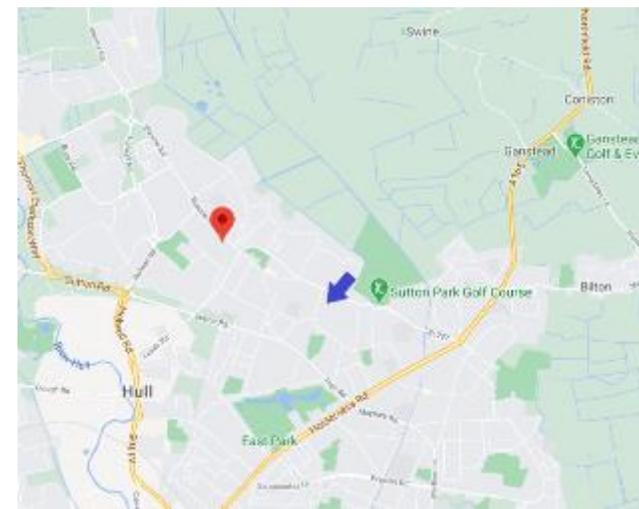
The scheme will unlock the delivery over 9 years of quality affordable homes which will increase housing supply, reduce waiting lists for social housing and reduce instances of homelessness in Hull. The two development areas are characterised as follows:

- Wawne View is currently greenfield, agricultural land surrounded by residential developments. The site borders with East Riding and is adjacent to some very significant housing growth areas. A consortia of developers has been secured to deliver this development, leveraging £106m private sector match. GBF funding will support works to link the site to existing infrastructure and connect it to the existing road network (required agreements are already in place).
- Ings – Is currently brownfield, former residential land where Hull City Council undertook significant demolition of existing non-traditional and defective housing stock as part of wider plans for housing market renewal. This scheme seeks to directly replace the sub-standard stock with new and sustainable house types. Compendium has been confirmed to deliver this development, leveraging £57m private sector match. GBF funding will support the delivery of a new spine road connecting two main junctions.

The developers for both Ings and Wawne View have already been competitively procured and have entered into long-term development agreements with Hull City Council. The contractual variations to accelerate delivery brought about by this funding are enabled under the Public Contracts Regulations 2015.

The links between good quality housing and better health outcomes are well documented, therefore the new housing supply is expected to improve health outcomes for residents. Construction of new, energy efficient homes will improve neighbourhood quality and make homes cheaper to heat. The scheme continues an already successful housing-led regeneration programme and contributes to numerous local and national strategies.

Subject to approval by Hull & East Riding Sub-committee of the Humber Leadership Board, the Investment and Regulation Board is recommended to recommend to the LEP Board that £4.8m is committed from the Getting Building Fund to Delivering Housing Growth (Ings and Wawne).



Funding (£)

GBF	£4,800,000
Public Match	
Private Match	£163,000,000
Total	£167,800,000

Outputs

Jobs created	
Construction Jobs (net additional)	1037
Road / cycle way	
Apprenticeships	50
Houses	1160
Commercial Floorspace (m ²)	
Green Space created (m ²)	133

Hull and East Yorkshire Cycle Route Delivery Programme

Road congestion currently affects traffic into and out of the city centre, other employment sites and enterprise zones, impacting journey times and the reliability of public transport. Movement around the city is further complicated by the River Hull which bisects the city and traffic is funnelled onto a few key radial routes at the crossing points.

There is a need to improve sustainable links to develop new travel patterns. COVID-19 has reduced patronage on public transport and as the population returns to work the road network may struggle to accommodate those public transport trips transferring to private vehicle.

The scheme aims to provide improved continuous, direct, safe and attractive cycle routes linking large residential areas in the East Riding and within Hull, with the employment centre of Hull. The purpose is to make cycling a realistic transport choice for a greater number of people.

Two key routes will be addressed:

- Existing cycle lanes along Beverley Road will be widened and made mandatory, with existing gaps filled to improve safety at junctions.
- A large number of adjacent residential areas in Cottingham will be linked by off road and quiet street sections with junction improvements.

The intention of the project is to encourage more residents to use sustainable travel, particularly for peak time travel to work journeys, but also to provide a step towards addressing obesity issues in Hull. Active travel is identified as one of the four key pillars in Hull's active Hull strategy that can be incorporated into everyday life. Additional benefits linked to improvements in air quality, reduced carbon use and reduced congestion are also expected.

Subject to approval by Hull & East Riding Sub-committee of the Humber Leadership Board, the LEP Board is recommended by the Investment and Regulation Board to commit £2.7m from the Getting Building Fund to Hull and East Yorkshire Cycle Route Delivery Programme.



Funding (£)	
GBF	£2,700,000
Public Match	£1,106,000
Private Match	
Total	£3,806,000

Outputs	
Jobs created/ safeguarded	
Construction Jobs	16
Road / cycle way (km)	12.65
Apprenticeships	1
Houses	
Commercial Floorspace (m ²)	
Businesses supported	

RaisE Business Centre and Innovation Hub

The scheme will create a 3,200 sqm Business centre and co-located Innovation Hub on the Goole Junction 36 Enterprise Zone site. This will support enterprise by offering access to modern and well-equipped managed workspace for small businesses and self-employed traders. RaisE (Rail Accelerator & Innovation Solution hub for Enterprise) will provide B1 space over three levels with communal conferencing and café facilities.

The building will seek to address property market failure issues related to this type of facility in Goole and by doing so help to capture the benefits of higher value activity associated with the Siemens Mobility investment locally. Getting building funding is sought specifically to address abnormalities and cost increases as a result of COVID.

The site provides an excellent opportunity for significant industrial development and has the potential to offer employment opportunities, economic sustainability and also a high degree of future-proofing for the town of Goole, which is over-reliant on low-skilled work in factories, logistics and production.

There is interest from UK Rail Research and Innovation Network (UKRRIN) and the University of Birmingham in providing Research and Innovation support to the UK rail industry from the site, especially in the fields of robotics, digitalisation, and rail power systems.

The project will also be linked to the £200m Siemens Mobility train manufacturing unit which is under construction on the adjacent development plot and Siemens is likely to become a tenant on the top floor of the building.

The centre's facilities are likely to be of interest to SMEs working closely with larger research and development organisations, and the universities where there is specialisation on aspects of rail innovation and development. There is now early but established interest in examining the potential for a Goole Rail Village initiative, which would provide a spoke and hub model at Junction 36 for use by existing UK centres of excellence, and their supporting small and medium businesses.

Appraisal and recommendation to follow



Funding (£)

GBF	£1,000,000
Public Match	£8,091,013
Private Match	
Total	£8,091,013

Outputs

Jobs created	173
Construction Jobs	45
Road / cycle way	
Apprenticeships	
Houses	
Commercial Floorspace (m ²)	3,200
Businesses assisted	