

Hull and East Yorkshire LEP Board

Getting Building Fund

Report to the Board, 19th April 2021

Report from Karen Oliver Spry, presented by Teresa Chalmers

Paper F – Getting Building Fund Programme

1. Summary

1.1. This report provides a short background to the LEP's Getting Building Fund Programme and reports on delivery progress to 31st December 2020 (last complete reporting period).

2. Recommendations

2.1. That the Board notes the latest progress report.

3. Background

3.1. On 30th June, the Prime Minister announced the new £900m **Getting Building Fund** investing in local infrastructure projects to drive economic growth. In July, a communication from the Minister for Regional Growth and Local Government confirmed an allocation of **£13.4m** for the LEP and acceptance of the following programme to be delivered by **31 March 2022**:

Project	Summary	Allocation
Growing Hull and East Yorkshire	Business grant programme building on the established and successful Growing the Humber business investment programme. The scheme provides capital grants to stimulate growth in SME businesses.	£1.5m
Hull and East Yorkshire Highways Resilience Programme	Second phase of a programme that was previously funded through the York, North Yorkshire & East Riding LEP Growth Deal as a DfT retained scheme which has been expanded to cover neighbouring Hull.	£2m
RaisE Business centre and Innovation Hub	RaisE Business Centre and Innovation Hub will be adjacent to the Siemens Mobility train factory on the Goole 36 Enterprise Zone. It will provide high-tech managed workspace and R&D facilities in manufacturing, engineering, and rail supply chains, and is being developed in partnership with Siemens Mobility and the UK Rail Innovation Network (University of Birmingham).	£1m
Delivering Housing Growth Programme – lngs and Wawne 2	Extension of the existing, successful Delivering Housing Growth in Hull programme, previously part-funded through LGF. Investment will deliver new spine roads, electricity	£4.8m

	supplies and drainage to accelerate delivery on two key housing sites.	
Hull and East Yorkshire Cycle Route Delivery Programme	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.	£2.7m
Managed Workspace Programme A - Grovehill	A new and improved managed workspace offer to meet demand and stimulate economic recovery at the Grovehill site near Beverley.	£0.5m
Managed Workspace Programme B – Bespoke and Boulevard	A package of new and improved managed workspace offers to meet demand and stimulate economic recovery in Hull.	£0.5m
Programme Management	Resource to ensure the robust management and administration of the programme. The programme is managed and monitored by the LEP’s experienced Investment Programme Team, with support from officers of the Accountable Body	£0.4m

4. Delivery report

- 4.1. This delivery report reflects the situation at the last complete quarterly claim period to end December 2020 (Q3). Claims and reports for the Q4 period to 31st March are due 15th April and delivery progress to the end of the financial year will be presented to the June Board. A spend summary dashboard is included at Annex 1.
- 4.2. Although all projects are live and in delivery, just one project (Delivering Housing Growth) submitted a claim in Q3. Most projects are profiling some spend slippage from their original business case position, although only two projects have indicated significant slippage (RAG-rated Amber). However, no project has flagged any serious cause for concern.
- 4.3. Managed Workspace Programme B – Be-Spoke and Boulevard 4 has experienced slippage and increased costs due to COVID and contractor furlough. Additional funding to cover the increased costs has been confirmed by Hull City Council and the programme delivery team will continue to monitor progress.
- 4.4. Hull and East Yorkshire Cycle route Delivery Programme is expected to slip some spend into next FY as a result of problems/complications arising out of remote working due to the current lockdown restrictions and also to a change-over in personnel.

4.5. The programme is currently projecting slippage of approx. £2m GBF into the FY21/22, based on the annual allocation of £6,700,000 from MHCLG. However, Hull City Council as the Accountable Body for the programme has agreed freedoms and flexibilities with Government which mean they are able to undertake capital switching as a way of managing spend from year to year.

5. Financial Implications

5.1. An allocation of £400k has been ring-fenced from within the programme to cover management and administration costs. This covers the salaries of the Investment Programme Team, and relevant accountable body costs, including the undertaking of independent technical appraisals.

5.2. There is no call on the HEY LEP's core budget to support this programme.

6. Implications for the HEY LEP

6.1. Responsibility for programme delivery, including management and output monitoring, transferred to the HEY LEP from the Humber LEP on 1st April 2021.

6.2. The Board will be required to review and scrutinise programme delivery, making decisions based on officer advice and recommendations on interventions to address programme performance issues.

Annex 1 – Q3 Spend Dashboard

(to 31st December 2020)

Getting Building Fund (GBF) spend status overview - to end Q3 2020/21
January 2021

Total GBF	Spent	Profiled	Unallocated	Projects	Completed	In Delivery	In Appraisal
£13.4M	£789K	£12.6M	£0	7	0	7	0

