

# Hull and East Yorkshire LEP Board

Local Growth Fund Programme

Report to the Board, 19<sup>th</sup> April 2021

Report from Karen Oliver Spry, presented by Teresa Chalmers

Paper G – Local Growth Fund Programme

## 1. Summary

1.1. This report provides a short background to the Local Growth Fund Programme and the requirement for ongoing monitoring and reporting.

## 2. Recommendations

2.1. That the Board notes the latest progress report, proposed transition arrangements for Lincolnshire-based projects and requirement for ongoing reporting.

## 3. Background

3.1. Through three Growth Deals secured with Government between 2014 and 2017, the Humber LEP secured £131.71m to deliver a programme of capital investments targeting identified growth priorities and maximising the potential offered by the Humber Estuary. They included investment in flood alleviation, transport, housing and place-making, as well as £8.23m ring-fenced to support investment in skills.

3.2. The Local Growth Fund ended on 31<sup>st</sup> March 2021 with the significant majority of these projects being financially and physically complete at this time. However, a small number of projects have experienced delivery slippage and will be completed in the current financial year. In addition, there is an ongoing requirement to monitor and report output delivery for the programme. Full benefit realisation for many schemes will come in future years.

## 4. Programme Transition

4.1. The LGF programme is one that requires legacy monitoring after 31 March. Some responsibilities will be passed to GLLEP, with the rest being inherited by HEY LEP.

4.2. Programme-related issues on the south bank have been discussed extensively with GLLEP and its accountable body over recent months, in consultation with the Cities and Local Growth Unit where necessary. The final position is outlined below:

4.2.1. HEY LEP will be responsible for monitoring legacy Humber LEP projects on the north bank in line with current arrangements.

4.2.2. Projects on the south bank fall into three categories:

- Financially and physically complete with all outputs achieved: no further monitoring is required.
- Financially and physically complete with outputs yet to be achieved: GLLEP will monitor south bank projects from Q1 2021/22 (i.e. the Humber LEP/HEY LEP investment programme team will cover Q4 2020/21 monitoring in April/May).
- Pending completion: responsibility will remain with the accountable body and HEY LEP team until financial and physical completion, at which point responsibility for ongoing monitoring will pass to GLLEP.

4.2.3. To avoid the complexity of novating funding agreements to Lincolnshire County Council (accountable body for GLLEP) these will remain with Hull City Council.

4.2.4. A full list of projects can be found at Annex 1.

## **5. Delivery report**

- 5.1. 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 31<sup>st</sup> March are due 15<sup>th</sup> April and delivery progress to the end of the financial year will be presented to the June Board. Programme delivery dashboards for LGF spend and key outputs is included at Annex 2.
- 5.2. Pending confirmation following receipt and processing of claims for the Q4 period in April, the programme is to carry forward an underspend of around 4m, the majority of which will come from three projects in Hull and East Yorkshire; Stoneferry Road (£1.8m), Brough Relief Rd (£1m) and Development of Priory Park (0.9m).
- 5.3. This currently falls within the provision made for slippage within the programme and the accountable body has agreed to use capital switching freedoms and flexibilities to manage underspend. This was most recently confirmed at the LEP's Annual Performance Review with BEIS.
- 5.4. The ongoing impact of COVID on output delivery remains uncertain but for the time being projects continue to be monitored against their contracted output delivery profiles. No requests to amend overall output targets against evidence of non-deliverability have been received from sponsors, although it is recognised that output delivery may take longer than previously profiled.

## **6. Financial Implications**

- 6.1. There is existing resource in place to provide the required ongoing monitoring and programme management to 31<sup>st</sup> March 2022, through the LEP's Investment Programme Team.

6.2. There is currently no call on the HEY LEP's core budget to support the ongoing monitoring of this programme.

**7. Implications for the HEY LEP**

7.1. Responsibility for programme monitoring transferred to the HEY LEP from the Humber LEP on 1<sup>st</sup> April 2021.

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

## Annex 1 – Local Growth Fund Projects

### Projects transferred to HEY LEP

Project	Sponsor	Allocation
Hessle Foreshore Tidal Defence Scheme	ERYC	£2m
River Hull Channel Improvements	ERYC	£0.15m
Hempholme and Wilfholme Pumping Stations	ERYC	£0.84m
Holderness Drain FAS	ERYC	£2.14m
Connecting River Hull Waterfront	ERYC	£0.675m
Growing the Humber (3)	NELC / LEP	£8m
Stoneferry Road Integrated Transport Project	HCC	£7.5m
Development of Priory Park	HCC	£1.44m
Humber High Street Challenge Fund	HCC	£2.24m
Brough Relief Road	ERYC	£3.26m
Engineering Future Growth	East Riding College	£0.469m
Humber Engineering Academy	North Lindsey College	£0.3m
Phase 3 @theDock	Wykeland LLP	£1.294m
Anlaby and East Ella FAS	ERYC	£5.1m
Cottingham and Orchard Park FAS	ERYC	£5m
Delivering Housing Growth in Hull (2)	HCC	£4m
HETA Advanced Engineering Training Centre	HETA	£1.3m
Connecting the City- A63 bridge	HCC	£4m
Unlocking city Centre Development	HCC	£2.5m

### North and North East Lincolnshire projects still to be completed and continuing to report to Hull CC as now

Project	Sponsor	Allocation
Grimsby T.C. Unlocking the Potential	NELC	£3.4m
Central Cleethorpes Regen Prog.	NELC	£1m

Constructing Future Growth	TEC Partnership (GIFHE)	£1.357m
South Humber Gateway	NLC	£2.497m

**North and North East Lincolnshire projects complete or expected to be complete by 31<sup>st</sup> March 2021**

<b>Project</b>	<b>Sponsor</b>	<b>Allocation</b>
Grimsby T.C. Infrastructure	NELC	£1.473m
CATCH Energy Offshore	NELC	£1.75m
Humber Int Airport access improvements	NLC	£1.73m
Gauge enhancement to S Humber Ports	NLC	£7.2m
Westcliff Regeneration Programme	NLC	£0.55m
Humber Health Care Academy (GIFHE)	TEC Partnership (GIFHE)	£0.2m
A180 & S. Humber Bank Improvements	NELC	£2.09m

**North and North East Lincolnshire projects with ongoing monitoring requirements**

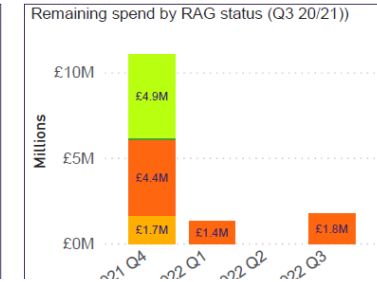
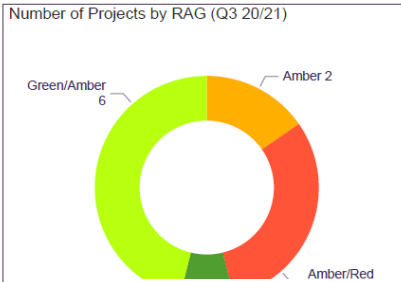
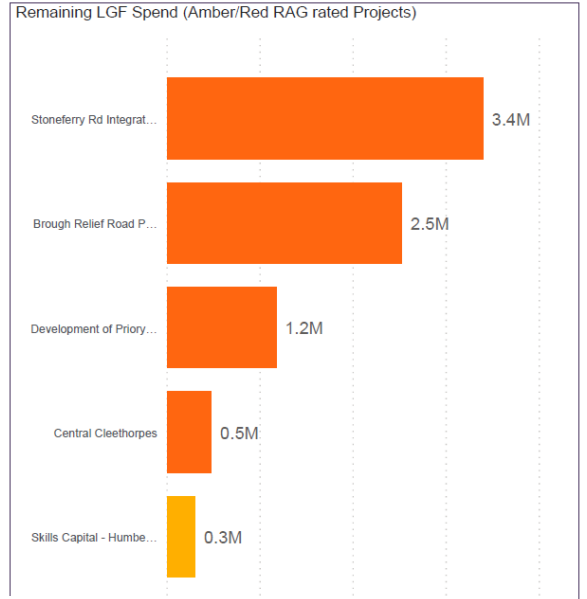
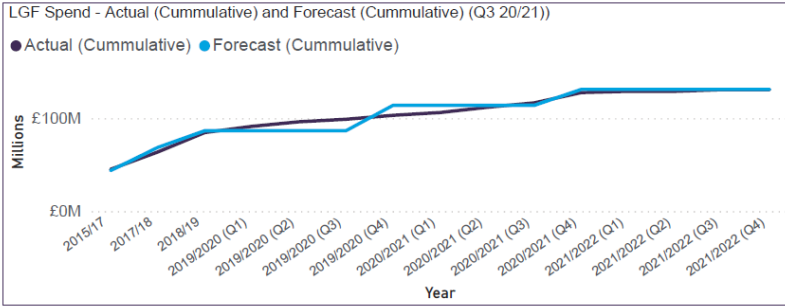
<b>Project</b>	<b>Sponsor</b>	<b>Allocation</b>
Env Logistics Learning Hub (Modal)	MODAL (NEL)	£2.05m
Lincolnshire Lakes - Flood Risk Strategy	NLC	£13.3m
Stallingborough Interchange (1A)	NELC	£1m
Normanby Park	NLC	£0.512m
Stallingborough Phase 1B	NELC	£1.6m
Stallingborough Advanced Engineering Manufacturing Unit	NELC	£0.95m
National Skills Centre for Renewables	CATCH (NEL)	£0.196m

# Annex 2 – Q3 Delivery Progress Dashboards

(to 31<sup>st</sup> December 2020)

**Growth Deal programme spend status overview - to end Q3 2020/21**  
January 2021

Total LGF	Spent	Profiled	Unallocated	Projects	Completed	In Delivery	In Appraisal
£131.7M	£117.2M	£14.5M	£0	54	41	13	0



**LGF (All) Outputs - to end of Q3 2020/21 - January 2021**

Outputs achieved to date	Match Funding	Jobs	Houses
	£372M	7.99K	1.75K

