

Hull and East Yorkshire LEP Board

Paper D – Getting Building Fund Programme
Report from Karen Oliver Spry, 16th June 2021

1. Summary

1.1. This report provides a summary of delivery progress to 31st March 2021 (Q4 reporting period).

2. Recommendations

2.1. That the Board notes the latest progress report.

3. Background

3.1. In July, the Minister for Regional Growth and Local Government confirmed an allocation of **£13.4m** for the LEP and acceptance of the submitted programme (see Annex 1) to be delivered by **31 March 2022**:

4. Delivery report

4.1. This delivery report reflects the situation at the last complete quarterly claim period to end of the programme's first financial year (March 2021- Q4). Progress dashboards for spend and output delivery are included at Annex 2.

4.2. At the year end point all projects have submitted claims and some output delivery is starting to be seen, with progress being made in achieving jobs, assisting businesses, creating commercial floorspace and new roads/cycle ways. It should be noted that delivery of outputs such as houses will be achieved over a number of years following investment. One project has claimed their GBF spend in full.

4.3. As expected and due to ongoing impacts of COVID on supply of materials, labour and timescales, the programme has slipped approx. £2m GBF into the FY21/22 (see table below).

	GBF Grant in year	GBF profiled at programme submission	Actual GBF spend	Underspend carried forward
FY 20/21	£6,700,000	£6,650,000	£4,576,850	£2,123,150
FY 21/22	£6,700,000	£6,750,000	-	-

However, Hull City Council as the Accountable Body for the programme has agreed “freedoms and flexibilities” with Government which means they are able to use capital switching¹ as a way of managing the spend from year to year.

4.4. Although most projects have experienced some slippage from their original business case position, only two projects have indicated significant slippage (RAG-rated Amber) and no projects have flagged any serious cause for concern. Further details below under Risk Management. The programme delivery team continues to work with all projects, but especially those flagging higher delivery risks to ensure timely programme delivery.

4.5. Where project sponsors are indicating costs have increased then those additional costs will be borne by the sponsor and not GBF.

5. Risk Management

Project	Delivery Risk	Actions
Managed Workspace Programme B – Be-Spoke and Boulevard	Delivery slippage due to increased costs, delays in contractor appointment and capacity issues created by COVID shielding/isolation	Internal contracting approvals now underway and programme of works expected to be agreed shortly. Programme delivery team to monitor
Hull and East Yorkshire Cycle route Delivery Programme	Delivery slippage due to additional challenges and improvement opportunities highlighted by the detailed designs (Hull), ongoing stakeholder consultation (ER) and inclement weather in January/February (ER).	Progress is expected to accelerate in the coming months with some time regained. Programme delivery team to monitor

6. Financial Implications

¹ Capital Switching refers to the Accountable Bodies ability to temporarily use the GBF monies for other capital regeneration projects (where those projects funding mechanisms allow for it) to ensure the full allocation is spent on Capital as required in the funding agreement between BEIS and HCC as the Accountable Body. The Accountable Body has sufficient project spend free of constraints to accommodate this.

- 6.1. There is no call on the HEY LEP's core budget to support this programme at the current time.
- 6.2. 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.
- 6.3. This allocation will be reviewed with a recommendation to the Board for reallocation of any arising surplus.

7. Implications for the HEY LEP

- 7.1. Responsibility for programme delivery, including management and output monitoring, transferred to the HEY LEP from the Humber LEP on 1st April 2021.
- 7.2. The Board is required to review and scrutinise programme delivery, making decisions based on officer advice and recommendations on interventions to address programme performance issues.

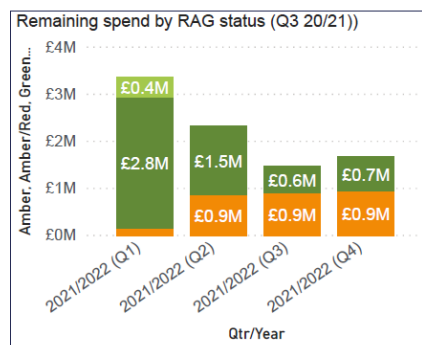
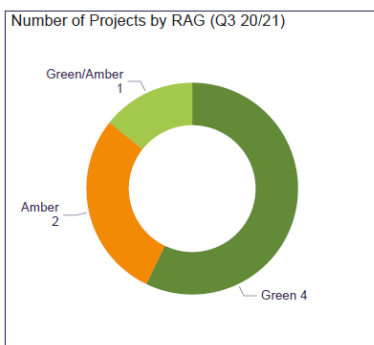
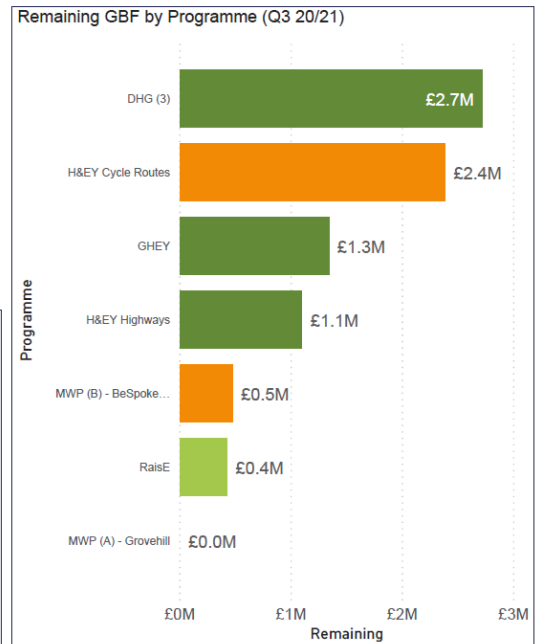
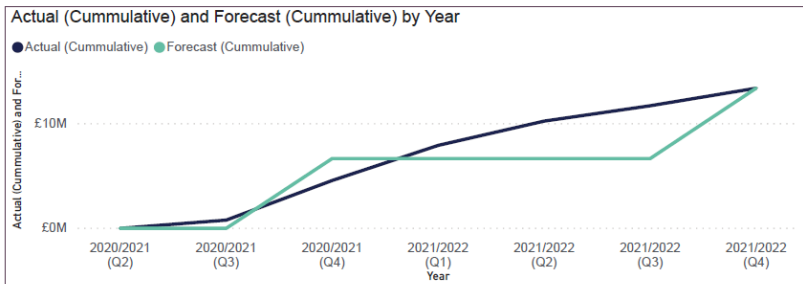
Annex 1 – GBF Programme Summary

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 – Ings 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 supplies and drainage to accelerate delivery on two key housing sites.	£4.8m
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
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Annex 2 – Q4 spend and output dashboards (to 31st March 2021)

Getting Building Fund (GBF) spend status overview - to end Q4 2020/21 April 2021	Total GBF	Spent	Profiled	Unallocated	Projects	Completed	In Delivery	In Appraisal
	£13.4M	£5M	£8.8M	£0	7	0	7	0



Getting Building Fund (GBF) Outputs (Q4 2020/21) April 2021	Match Funding	Jobs (Direct/ Safeguarded/ Apprenticeships)	Construction Jobs	Businesses Assisted	Houses Unlocked	Commercial Floorspace (m ²)	Roads/Cycle Lanes/Walkways (km)	Public Realm/Green Space Created (Ha)
	£1.26M	17.50	61	15.00	0	382.00	4.17	0

